

# *OVERSTRAND MUNICIPALITY*



## **DRAFT BUDGET REPORT**

### **2016/2017**

2016/17 TO 2018/19  
MEDIUM TERM REVENUE AND EXPENDITURE  
FORECASTS

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Speech by the Executive Mayor, delivered at the OMAF meeting held on 23 February 2016

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## Abbreviations and Acronyms

ACIP	Accelerated Community Infrastructure Programme	mSCOA	Municipal Standard Chart of Accounts
BSC	Budget Steering Committee	MEC	Member of the Executive Committee
CAPEX	Capital Budget/Expenditure	MFMA	Municipal Finance Management Act
CBD	Central Business District	MIG	Municipal Infrastructure Grant
CFO	Chief Financial Officer	MM	Municipal Manager
CPI	Consumer Price Index	MMC	Member of Mayoral Committee
DBSA	Development Bank of South Africa	MPRA	Municipal Properties Rates Act
DoRA	Division of Revenue Act	MSA	Municipal Systems Act
DWA	Department of Water Affairs	MTEF	Medium-term Expenditure Framework
EE	Employment Equity	MTREF	Medium-term Revenue and Expenditure Framework
EEDSM	Energy Efficiency Demand Side Management	NERSA	National Electricity Regulator South Africa
EM	Executive Mayor	NGO	Non-Governmental organisations
FBS	Free basic services	NKPIs	National Key Performance Indicators
GAMAP	Generally Accepted Municipal Accounting Practice	NT	National Treasury
GDP	Gross domestic product	OHS	Occupational Health and Safety
GFS	Government Financial Statistics	OP	Operational Plan
GRAP	General Recognised Accounting Practice	OPEX	Operating Budget/Expenditure
HR	Human Resources	OMAF	Overstrand Municipal Advisory Forum
IDP	Integrated Development Plan	PBO	Public Benefit Organisations
ICT	Information & Communication Technology	PMS	Performance Management System
kℓ	kilolitre	PPE	Property Plant and Equipment
km	kilometre	PPP	Public Private Partnership
KPA	Key Performance Area	PT	Provincial Treasury
KPI	Key Performance Indicator	RG	Restructuring Grant
kWh	kilowatt	SALGA	South African Local Government Association
ℓ	litre	SDBIP	Service Delivery & Budget Implementation Plan
LED	Local Economic Development	SMME	Small Micro and Medium Enterprises
		WCPT	Western Cape Provincial Treasury

## FOREWORD

<b>EXECUTIVE MAYOR: OMAF 23 FEBRUARY 2016 2016/17 IDP AND BUDGET REVIEW</b>
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**Good evening Ladies and Gentleman,**

Thank you for attending this initial discussion with OMAF role players on the 2016/17 draft budget and draft IDP review for 2016/17.

The IDP, as many of you may know, informs the Budget. This 2016/17 IDP review is of specific significance because it is the 4th and final review of the current 5-year IDP. As the current 5-year IDP for 2012/2017 therefore draws to a close, the 2016/17 IDP review will account for the Municipality's performance in attaining the 5 strategic goals set in the 2012/17 IDP.

Public participation is integral in the 2016/17 IDP review process. During November/ December 2015 the Municipality undertook an extensive public participation process in all 13 wards where we provided feedback on IDP delivery for the past three (3) financial years (2012/2013 – 2014/2015). These public sessions focused on ward specific delivery, whereas for tonight Ald. Philip Appelgrein will provide a high level overview of the major achievements over the past three financial years in his presentation on the IDP review later in the Agenda.

The draft IDP review for 2016/17, along with the draft Budget will be tabled in Council on 30 March 2016. All stakeholders are once again urged to provide your written input during the public comment period in April 2016.

Before I proceed with my address, I'd like to do so in the spirit of greater service delivery for all through the more effective and efficient use of every available resource at our disposal. Our Twitter hashtag therefore for 2016/7 will be #service-delivery-must-prevail.

Council is all too aware that the cost of living seems to be rising unchecked.

On its part, Council will ensure that the capital budget is utilised to the hilt, even if the resources at its disposal are rather limited. It goes without saying that productivity, service delivery and good governance will be addressed in earnest, while Council promises not to budge from its zero-tolerance attitude towards wasteful and fraudulent practices.

Let me start to briefly reflect on the broader economic factors that also informed the compiling of the draft Budget for 2016/17 –

I wish to quote as follows from the National Treasury Municipal Budget Circular for the Medium Term Revenue and Expenditure Framework:

"The 2015 Medium Term Budget Policy Statement notes that the global economic outlook has been weaker than anticipated. Growth in developing economies has moderated in response to lower commodity prices, subdued domestic demand and reduced capital inflows.

The depreciation of the Rand and the current drought gripping many parts of the country, pose some risk to the inflation outlook.

Persistent high unemployment remains one of South Africa's most pressing challenges.

These economic challenges will continue to pressurise municipal revenue generation and collection hence a conservative approach is advised for projecting revenue. These circumstances make it essential for municipalities to reprioritise expenditure and implement stringent cost-containment measures."

In his address delivered at the European Economics & Financial Centre (EEFC), in London on 12 January 2016, the Deputy Governor of the South African Reserve Bank (SARB) Mr. Daniel Mminele, stated the following:

“As far as the income effect on growth is concerned, currency depreciation, and the ensuing rise in inflation, will lead to a decline in real wages and real disposable income, all else being equal. This in turn would negatively impact on real household expenditure and real GDP growth.

While some may question our decision to further raise rates in November given the weak growth outlook, the income channel highlights the growth enhancing effect of keeping inflation under control.

The South African Reserve Bank decided to raise rates in July and November 2015 in order to prevent potential second-round inflationary effects from occurring and to anchor long-term inflation expectations, which remain uncomfortably close to or above the upper band of the inflation target. In general, risks to the inflation outlook for 2016 remain tilted to the upside and have recently deteriorated further.

Rand depreciation, electricity tariff increases, and the impact of the drought on food prices are expected to outweigh the impact of lower oil prices.”

Councillor Dudley Coetzee will deal with our 2015/16 Adjustments Budget which is to serve before Council on 24 February 2016.

I now turn to the Municipality’s 2016/17 Draft Budget which is to be tabled in Council on 30 March 2016 for consideration and adoption, following a public participation process.

As stated in my opening remark, tonight is our initial discussion with OMAF members. Our planned public participation process in April 2016 will include a special public meeting in each of our 13 wards, where role-players can interrogate the draft budget and draft IDP review documents. Due to the special public meetings in April, no OMAF will be scheduled. Members and the broader public are encouraged to attend these April public meetings, the dates of which will be communicated in the relevant local media.

Whilst preparing the 2016/17 Draft Budget we were, and still are, mindful of the “affordability and subsequently the ability of consumers to pay for services.”

Again, Cllr Coetzee will comment on the proposed tariff structure for 2016/17 in his presentation later in the program.

As is anticipated, municipal revenues and cash flows will remain under pressure in 2016/17 resulting in us having to adopt a conservative approach when projecting our expected revenues and cash receipts. It is against this background that we had to compile a draft budget for 2016/17.

The impact of unfunded/underfunded mandates on the budget remains a challenge for the municipality -

As per definition, these unfunded/underfunded mandates materialise when municipalities perform the functions of other spheres of government and bear significant costs out of their own revenue sources.

For purposes of proper service delivery to our communities we however once again had to budget in our Operational Budget for unfunded mandates to the amount of approximately R30.6m, which includes:

R1.2m For Libraries  
R14.0m For Fire Brigade Services  
R6.1m For Housing Administration and Development  
R3.1m For Tourism  
R6.2m For Environmental Services

Our Library Grant allocated from Province amounts to R6.8m of which R5,8m contributes to operating costs and R1m for the upgrade of the Hawston Library and R50 000 for minor assets on the capital budget.

Service delivery at our Libraries has again been acknowledged by the Western Cape Government in awarding Mount Pleasant Library the award for the Best Public Library presenting Children’s Stories.

The affordability of tariff increases are of utmost importance to the municipality and the level of services versus the associated cost is a constant consideration.

Budget appropriations for asset renewal as part of the capital programme and operational repairs and maintenance of existing infrastructure remains a huge challenge.

We are mindful of the fact that repairs and maintenance of municipal assets are required to ensure the continued provision of services and this has been taken into account during the drafting process of the budget.

We went out of our way to eliminate non-core spending and we have paid special attention to cost-containing measures.

As is the case with the 2015/16 Adjustment Budget, Cllr Coetzee will also share with you information regarding our 2016/17 Draft Capital and Operational budgets.

Overstrand Municipality takes pride in achieving Clean Audit status for three consecutive years, and may I again remind our audience that we were judged as the most productive local municipality in South Africa by the Municipal IQ during December 2014.

I want to conclude by thanking the community of the Overstrand and all the role-players of OMAF for their support and participation in the process to ensure continued accountability and good governance to all the people of Overstrand.

My last word, believe it or not, comes from the youngest ever "Mr Universe", also known for his work as the lead actor in "The Terminator" series, and then not only married into America's political royalty but became a political heavyweight (no pun intended) in his own right as the Governor of California.

Yep, you've guessed it, ladies and gentlemen Arnold Schwarzenegger once said, which I think puts matters into context, and I quote:

"When the people become involved in their government, government becomes more accountable, and our society is stronger, more compassionate, and better prepared for the challenges of the future."

**I thank you.**

# Part 1 – Annual Budget

## 1.1 Mayor's Report

The Executive Mayor delivers her Budget speech with the tabling of the final budget for approval. A copy of the speech will be included thereafter.

The revised draft IDP and draft SDBIP will also be tabled during the Council meeting.

## 1.2 Council Resolution

The following is the resolution that will be considered for the approval and adoption of the annual budget for 2016/2017:

### RECOMMENDATION TO THE COUNCIL:

1. that in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) the annual budget of the Overstrand Municipality for the 2016/17 to 2018/19 MTREF (Medium Term Revenue and Expenditure Framework) period **be approved and adopted** as set out in the following schedules:

- Schedule 1:** Budgeted financial performance (revenue & expenditure by municipal vote)
- Schedule 2:** Budgeted financial performance (revenue by source & expenditure by type)
- Schedule 3:** Budgeted multi-year capital appropriations by standard classification (vote) and associated funding by source
- Schedule 4:** Budgeted financial position
- Schedule 5:** Budgeted cash flow
- Schedule 6:** Cash backed reserves and acc. surplus reconciliation
- Schedule 7:** Asset management
- Schedule 8:** Basic service delivery measurement

2. that in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) the property rates reflected in **Annexure A, be imposed** for the budget year 2016/17;
3. that in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) tariffs and charges reflected in **Annexure A, be approved** for the budget year 2016/17;
4. that the Municipal Manager be authorised to sign all necessary agreements and documents to give effect to the 2<sup>nd</sup> draw down for the 2015/2016 MTREF capital borrowing programme for external loans amounting to R30 million per year;
5. that the following schedules be noted:

- Schedule 9:** Budgeted financial performance (revenue & expenditure by standard classification)
- Schedule 10:** Budgeted capital appropriations by municipal vote

6. that **cognisance be taken** of the letters of comment received from the community and the LG MTEC 3 Assessment Report by Provincial Treasury and the Provincial Department of Local Government, included in the budget report; and

7. that **cognisance be taken** of the 2016/2017 Budget Report.

### 1.3 Executive Summary

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

The Municipality'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. A critical review was also undertaken of expenditure on non-core and 'nice to have' items.

The Municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government. Encouragement of structured community participation in the matters of the municipality is a strategic objective.

The publishing of the regulation on the Standard chart of Accounts (SCOA) on 22 April 2014 has a profound effect on the business of local government. This reform is not limited to a financial reform, but a business reform as a whole. It is the largest reform since the promulgation of the Municipal Finance Management Act in 2003.

The following are extracts from the preamble to the regulations:

*"Section 216 of the Constitution of the Republic of South Africa, 1996, provides that national legislation must prescribe measures to ensure transparency and expenditure control in each sphere of government by introducing generally recognised accounting practice, uniform expenditure classifications and uniform treasury norms and standards." "These Regulations propose segments and a classification framework for the standard chart of accounts to be applied in local government in similar form to that implemented for national and provincial government departments. In order to enable the National Treasury to provide consolidated local government information for incorporation in national accounts, national policy and other purposes, it must obtain financial information from individual municipalities."*

The regulations contain amongst others, segment and classification framework for SCOA, minimum business process and system requirements and responsibilities of municipal councils and accounting officers.

The segments classification consists of the following:

*Funding segment* – This segment relates to the various sources of funding available to municipalities and municipal entities for financing expenditure relating to the operation of the municipality and provides for both capital and operational spending.

*Function segment* - This segment provides for the classification of the transaction according to the function or service delivery objective and provides for the standardisation of functions and sub-functions across local government.

*Municipal Standard Classification Segment* - This segment provides for the organisational structure and functionality of an individual municipality, which is not prescribed.

*Project Segment* - This segment provides for the classification of capital and operating projects on the basis of whether it relates to a specific project and if so, the type of project.

*Regional Indicator Segment* - This segment identifies and assigns government expenditure to the lowest relevant geographical region within which the intended beneficiaries of the service or capital investment are located.

*Item Segment* - This segment provides for the classification of item detail in the presentation of the financial position, performance and cash flow according to the nature of the transaction either as revenue, expenditure, asset, liability or net asset.

*Costing Segment* - This segment provides for a classification structure for secondary cost elements with reference to departmental charges, internal billing etc. and acts as a cost collector in determining inter alia total cost of services.

Overstrand municipality was identified as one of the official national pilot sites to early implement mSCOA and to pilot the Bytes SAMRAS system. This was first implemented for the 2015/2016 financial year and has continued with the 2016/17 MTREF also being compiled according to the SCOA classification framework. National Treasury has requested all municipalities to include progress with the implementation of mSCOA in the budget documentation. See Annexure I of the Budget Report in this regard.

National Treasury issued MFMA Circulars No. 78 & 79 for guidance for the compilation of the 2016/17 MTREF. A revised A Schedule Ver. 2.8 (Municipal annual budget and MTREF & supporting tables) was also issued.

The Western Cape Provincial Treasury has issued Circular No. 8 regarding budget related matters and the proposed LG MTEC Budget & IDP engagements.

The main challenges experienced during the compilation of the 2016/17 MTREF can be summarised as follows:

- The on-going difficulties in the national and local economy;
- Ever aging water, roads, sewage and electricity infrastructure;
- Sustainable refuse disposal;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities of the municipality;
- The increased cost of bulk electricity (due to tariff increases by Eskom in excess of inflation), which is placing upward pressure on service tariffs to residents. Continuous high bulk tariff increases are not sustainable, as there will be point where services will no longer be affordable;
- Revenue recovery from cost reflective core municipal services;
- Wage increases for municipal staff that have exceeded headline consumer inflation in the past, as well as the need to restructure certain components for operational efficiencies;
- Affordability of capital projects – original allocations were reduced with respect to the borrowing programme and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2016/17 MTREF process; and
- Maintaining a positive cash flow.

The following budget principles and guidelines directly informed the compilation of the 2016/17 MTREF:

- The 2015/2016 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget informed the upper limits for the new baselines for the 2016/17 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and any backlog eradication goals;
- Tariffs and property rates increases should aim to be affordable. The rate of increases in property rates has lagged in the past years;

- Some price increases in the input costs of services are beyond the control of the municipality, for instance the cost of bulk electricity, fuel and chemicals. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure maintenance and backlogs;
- 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;
- The following cost saving measures were applied:
  - Reduction from 2015/2016 MTREF borrowing programme;
  - Principle of 0% increase in non-core general expenses unless valid motivations dictate.
  - The cost containment measures referred to in Circular 70 of 4 December 2013 are addressed in Annexure H (Budget Circulars)

In view of the aforementioned, the following table is a consolidated overview of the proposed 2016/17 Medium-term Revenue and Expenditure Framework:

**Table 1 Consolidated Overview of the 2016/17 MTREF**

R thousand	Budget Year 2015/16	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19			
Revenue	910 752	995 114	1 017 455	1 083 718	9.3%	2.2%	6.5%
Expenditure	987 403	1 074 984	1 085 176	1 148 851	8.9%	0.9%	5.9%
Surplus / (Deficit)	(76 651)	(79 870)	(67 720)	(65 133)			
Capital	103 127	75 993	93 604	107 271	-26.3%	23.2%	14.6%

Total operating revenue has grown by 9,3 per cent for the 2016/17 financial year when compared to the 2015/2016 Adjustments Budget. For the two outer years, operational revenue will increase by 2,2 and 6,5 per cent respectively. The higher increase for 2016/17 is informed by increased grant funding, which includes additional equitable share of R8,4m and housing top structures amounting to R18,7m. This attributes to the perceived lower increase in revenue for 2017/18.

Total operating expenditure for the 2016/17 financial year has been appropriated at R1,075bn and translates into a budgeted deficit of R76m. When compared to the 2015/2016 Adjustments Budget, operating expenditure has grown by 8,9 per cent in the 2016/17 budget and by 0,9 and 5,9 per cent for each of the respective outer years of the MTREF. The increase of 8,9 per cent for 2016/17 is also attributable to the additional allocation for housing top structures amounting to R18,7m, which attributes to the perceived lower increase in expenditure for 2017/18.

It should be noted that although the 2016/2017 operational budget and indicative years indicate budgeted deficits, this does not reflect the actual cash position. These circumstances arose as the result of the implementation of GRAP, with special reference to GRAP 17 (Property, Plant and Equipment-PPE). The asset value before depreciation is in excess of R5,9 billion, which relates to substantially high depreciation charges. Although accurately reflecting asset value, the cost of a substantial portion of these assets had been fully redeemed previously, but the useful life of assets were extended as well as ever increasing assets funded by grants. The replacement thereof can thus not be recouped via current tariffs as this would lead to taxation in advance of need and no reserves may be established for these purposes. The principle of recovering actual cash costs during each financial period is adhered to.

The capital budget of R76m for 2016/17 is 26,3 per cent less when compared to the 2015/2016 Adjustments Budget. The reduction is due to the available resources to fund the capital budget. The capital programme increases to R93,6m and R107,3 m in the outer years, notwithstanding that an estimated R100m is required annually to sustain capital infrastructure. The reduction in own funding (borrowing) is largely due to cost containment measures as a smaller portion of the capital



budget (36%) will be funded from borrowing over the MTREF with anticipated borrowings of R100m. The balance will be funded from internally generated funds (2%) and capital grants (62%). The Municipality had reached its planned outer borrowing limit of 60% of operational revenue in 2012. This was a result of much needed investment in infrastructure during the period from 2009 to 2012, after which the municipality embarked on a strategy to manage this rate down by at least 10% over a ten year period. In January 2014 National Treasury published the first norms and standards circular in which it recommended an upper limit of 45% to revenue. At the current borrowing programme this rate will be managed down to 42% by 2018/19 in this MTREF. As a result there is limited scope to increase these borrowing levels over the medium-term. The repayment of capital and interest (debt services costs) had increased over the previous four years as a result of the aggressive capital infrastructure programme implemented over those four years. The repayment of capital and interest (debt services costs) remains within the acceptable norms. Consequently, the capital budget remains relatively flat over the medium-term.

## 1.4 Operating Revenue Framework

For Overstrand to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of the municipality. The reality is that we are faced with an increasing population (7<sup>th</sup> highest growth nationally as per the 2011 census), development backlogs and increasing poverty levels. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

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

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure levels above 99 per cent annual collection rates for property rates and other key service charges (annual collection rate is in excess of 99%);
- Electricity tariff increases for Eskom and the municipality, as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of cost recovery of specific user charges and especially in relation to services;
- Determine tariff escalation rate by establishing the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increased pressure to deliver and maintain services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

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 Municipality. Rates and service charge revenues comprise 79% of the total operating revenue mix. In the 2015/2016 financial year, revenue from rates and services charges totalled R731m. This increases to R788m, R835m and R885m in the respective financial years of the MTREF. This growth can also be attributed to the increased share that the sale of electricity contributes to the total revenue mix, which in turn is due to rapid increases in the Eskom tariffs for bulk electricity, above anticipated inflation growth and operational grants. The above table includes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality. Details in this regard are contained in Table 61 MBRR SA1 (see page 96).

The following table is a summary of the 2016/17 MTREF (classified by main revenue source):

**Table 2 Summary of revenue classified by main revenue source**

Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Revenue By Source</b>									
Property rates	120 799	134 813	152 870	162 730	162 730	162 730	180 591	191 427	202 913
Property rates - penalties & collection charges	772	821	747	891	891	891	848	899	953
Service charges - electricity revenue	247 663	268 362	286 571	338 877	336 877	336 877	357 681	379 142	401 891
Service charges - water revenue	85 243	95 136	108 391	102 045	105 045	105 045	111 544	118 237	125 331
Service charges - sanitation revenue	56 895	62 798	68 661	66 375	67 375	67 375	72 318	76 657	81 257
Service charges - refuse revenue	46 637	52 957	56 770	59 488	59 488	59 488	65 510	69 441	73 607
Rental of facilities and equipment	7 212	7 591	9 155	11 859	11 983	11 983	3 146	3 335	3 535
Interest earned - external investments	7 555	6 352	8 144	6 348	8 973	8 973	12 071	12 795	13 563
Interest earned - outstanding debtors	2 199	2 118	2 279	2 437	2 437	2 437	2 756	2 921	3 097
Fines	14 244	22 739	25 389	31 859	31 859	31 859	31 143	31 164	31 187
Licences and permits	1 968	1 956	1 972	2 190	2 190	2 190	2 330	2 470	2 618
Agency services	2 025	2 395	2 766	2 970	2 970	2 970	3 220	3 413	3 618
Transfers recognised - operational	41 680	67 835	60 473	90 324	101 234	101 234	128 252	100 430	113 519
Other revenue	68 978	10 504	20 463	16 643	16 701	16 701	23 702	25 124	26 631
Gains on disposal of PPE									
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>703 871</b>	<b>736 376</b>	<b>804 650</b>	<b>895 035</b>	<b>910 752</b>	<b>910 752</b>	<b>995 114</b>	<b>1 017 455</b>	<b>1 083 718</b>

**Table 3 Percentage growth in revenue by main revenue source**

Description R thousand	Current Year 2015/16	2016/17 Medium Term Revenue & Expenditure Framework					
		Budget Year 2016/17		Budget Year +1 2017/18		Budget Year +2 2018/19	
<b>Revenue By Source</b>							
Property rates	162 730	180 591	10.98%	191 427	6.00%	202 913	6.00%
Property rates - penalties & collection charges	891	848	-4.83%	899	6.00%	953	6.00%
Service charges - electricity revenue	336 877	357 681	6.18%	379 142	6.00%	401 891	6.00%
Service charges - water revenue	105 045	111 544	6.19%	118 237	6.00%	125 331	6.00%
Service charges - sanitation revenue	67 375	72 318	7.34%	76 657	6.00%	81 257	6.00%
Service charges - refuse revenue	59 488	65 510	10.12%	69 441	6.00%	73 607	6.00%
Rental of facilities and equipment	11 983	3 146	-73.74%	3 335	5.99%	3 535	5.99%
Interest earned - external investments	8 973	12 071	34.53%	12 795	6.00%	13 563	6.00%
Interest earned - outstanding debtors	2 437	2 756	13.11%	2 921	6.00%	3 097	6.00%
Fines	31 859	31 143	-2.25%	31 164	0.07%	31 187	0.07%
Licences and permits	2 190	2 330	6.44%	2 470	6.00%	2 618	6.00%
Agency services	2 970	3 220	8.42%	3 413	6.00%	3 618	6.00%
Transfers recognised - operational	101 234	128 252	26.69%	100 430	-21.69%	113 519	13.03%
Other revenue	16 701	23 702	41.92%	25 124	6.00%	26 631	6.00%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>910 752</b>	<b>995 114</b>	<b>9.26%</b>	<b>1 017 455</b>	<b>2.25%</b>	<b>1 083 718</b>	<b>6.51%</b>

The above table, relating to percentage increases for the different revenue categories, could reflect percentage increases that are not consistent with the tariff increases. This would be due to the baseline of the 2015/16 budget and further reclassifications of revenue categories relating to mSCOA. The determination of proposed revenue for 2016/17 has been based on the current statistics available, limited growth and a conservative approach.

After service charges, property rates are the second largest revenue source. The third largest source is operational grants from national and provincial government, which has shown growth over the MTREF, followed by fines and 'other revenue' which consists of various items such as income received from permits and licenses, building plan fees, connection fees, advertisement fees etc. Departments delivering these services have been urged to review the tariffs of these items on an annual basis to ensure they are cost reflective and market related.

Operating grants and transfers total R128,3 million in the 2016/17 financial year. This decreases to R100,4m in 2017/18 and increases to R113,5 in 2018/19 of the MTREF. This fluctuation is mainly due to housing grant allocations and the split thereof between operating and capital budgets. The housing allocation for the building of top structures for housing development amounts to R68,6 over the MTREF. Equitable share increases over the MTREF (42%) in terms of the equitable share formula after the release of the 2011 census figures, as a result of the population growth in the Overstrand area.

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

**Table 4 Operating Transfers and Grant Receipts**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>RECEIPTS:</b>									
<b>Operating Transfers and Grants</b>									
<b>National Government:</b>	<b>38 956</b>	<b>45 033</b>	<b>56 511</b>	<b>67 709</b>	<b>67 709</b>	<b>67 709</b>	<b>76 347</b>	<b>84 580</b>	<b>92 983</b>
Local Government Equitable Share	36 146	41 949	52 021	64 598	64 598	64 598	72 950	83 030	91 433
Finance Management	698	1 300	1 450	1 450	1 450	1 450	1 475	1 550	1 550
Municipal Systems Improvement	780	540							
EPWP Incentive	1 332	1 244	1 768	1 661	1 661	1 661	1 922		
Other transfers/grants [insert description]									
<b>Provincial Government:</b>	<b>2 703</b>	<b>23 332</b>	<b>4 481</b>	<b>22 615</b>	<b>32 723</b>	<b>32 723</b>	<b>51 905</b>	<b>15 850</b>	<b>20 536</b>
Housing	1 659	18 669	632	17 141	27 049	27 049	45 734	9 346	13 540
Emergency Housing Programme (EHP)	–	–							
Provincial Library Grant	691	795	3 182	5 288	5 288	5 288	5 839	6 189	6 561
Financial Management Support Grant	–	800							
Disaster recovery grant									
Community Development Worker Grant	70	49	70	72	72	72	75	75	75
Main Road Subsidy	65	2 651	83	114	114	114	137		
Sport & Recreation Grant	–	–							
Nelson Mandela commemoration Grant	–	100							
Greenest Municipality	–	50	–						
Financial Management Support Grant			515				120	240	360
Thusong Service centre grant	218	218			200	200			
<b>Other grant providers:</b>	<b>652</b>	<b>586</b>	<b>165</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
ACIP									
Prov Govt. Nelson Mandela Commemoration									
Prov Govt. ICT Projects for Libraries	–	27							
Table Mountain Fund	–	240							
Public Contr. KCIH									
Samras Usergroup	22	–	3						
Friedrich Naumann Foundation	–	319	162						
Spaces 4 Sport	630	–							
<b>Total Operating Transfers and Grants</b>	<b>42 311</b>	<b>68 951</b>	<b>61 158</b>	<b>90 324</b>	<b>100 432</b>	<b>100 432</b>	<b>128 252</b>	<b>100 430</b>	<b>113 519</b>

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 Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6,6 per cent upper boundary of the South African Reserve Bank's latest

inflation targets. Excessive increases are likely to be counterproductive, resulting in possible higher levels of non-payment.

The increase in property rates has been set at 7,2% notwithstanding the lagging of property rates increases below inflation over previous years before 2014/15. Furthermore, increases in service charges, excluding electricity, have been kept below current inflation. The upper inclining blocks for the electricity consumption tariffs is equal to the recommended increases relating to the NERSA approval of Eskom tariffs. This contributes to the eroding of surpluses on services due to higher than inflation input costs. Notwithstanding that surpluses on services have traditionally subsidised community services, the decrease in these surpluses is in line with the intent to decrease the level of cross subsidisation of other services by the electricity service. See the table below.

The percentage increases of Eskom bulk tariffs are once again above the above mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity tariffs are largely outside the control of the Municipality. Discounting the impact of these price increases in lower consumer tariffs can however lead to the eroding of the Municipality's future financial position and viability, which has to be balanced with tariff affordability.

The following table sets out the costing of services.

**Table 5 Costing of services**

<b>COSTING OF SERVICES</b>	<b>Amended Bud 18/3 2015/2016</b>	<b>Original Budget 2016/2017</b>	
<b>Service : 1200 ELECTRICITY</b>			
** Employee Related Cost	19 049 774	20 695 290	
** Debt Impairment		230 802	
** Operational Cost	377 100	425 860	
** Bulk Purchases	191 573 082	210 763 340	
** Contracted Services	2 388 903	2 471 103	
** Interest Paid	15 927 856	15 885 606	
** Bad Debts Written Off		172 482	
** Depreciation And Amortisation	22 144 494	23 402 951	
** Inventory	3 669 125	3 694 716	
COSTING: OVERHEADS (DEPT CHARGES)	43 951 492	46 149 067	
<b>TOTAL EXPENDITURE</b>	<b>299 081 826</b>	<b>323 891 217</b>	<b>8.3%</b>
** Ex Rev: Sales Goods Services	-100 000	-738 500	
** Ex Rev: Service Charges	-338 404 630	-359 503 381	
** Non-Ex Rev: Fine Penlt Forft	-71 500	-180 200	
** Contra: Cost Free Basic Serv	2 215 400	2 544 000	
<b>TOTAL INCOME</b>	<b>-336 360 730</b>	<b>-357 878 081</b>	<b>6.4%</b>
<b>SURPLUS/DEFICIT</b>	<b>-37 278 904</b>	<b>-33 986 864</b>	
	<b>12.46%</b>	<b>10.49%</b>	
<b>Service : 1300 WATER</b>			
** Employee Related Cost	11 298 314	9 791 132	
** Debt Impairment		221 209	
** Operational Cost	3 404 696	3 663 412	
** Contracted Services	22 346 668	28 920 947	
** Interest Paid	18 022 914	18 391 521	
** Bad Debts Written Off		165 313	
** Depreciation And Amortisation	18 968 693	20 046 672	
** Inventory	5 370 740	2 597 404	
COSTING: OVERHEADS (DEPT CHARGES)	16 564 152	17 392 360	
<b>TOTAL EXPENDITURE</b>	<b>95 976 177</b>	<b>101 189 970</b>	<b>5.4%</b>
** Ex Rev: Sales Goods Services	-600 000	-265 000	
** Ex Rev: Service Charges	-106 317 773	-113 181 354	
** Non-Ex Rev: Fine Penlt Forft	-47 000	-79 500	
** Contra: Cost Free Basic Serv	1 320 000	1 637 170	
<b>TOTAL INCOME</b>	<b>-105 644 773</b>	<b>-111 888 684</b>	<b>5.9%</b>
<b>SURPLUS/DEFICIT</b>	<b>-9 668 596</b>	<b>-10 698 714</b>	
	<b>10.07%</b>	<b>10.57%</b>	

<b>COSTING OF SERVICES</b>	<b>Amended Bud 18/3 2015/2016</b>	<b>Original Budget 2016/2017</b>	
<b>Service : 1400 WASTE WATER MANAGEMENT</b>			
** Employee Related Cost	14 017 747	14 351 696	
** Debt Impairment		132 931	
** Operational Cost	893 263	984 823	
** Contracted Services	11 509 379	16 662 773	
** Interest Dividend Rent On Lan	7 783 445	7 943 531	
** Bad Debts Written Off		99 341	
** Depreciation And Amortisation	17 063 923	18 033 658	
** Inventory	3 707 946	3 729 694	
COSTING: OVERHEADS (DEPT CHARGES)	9 650 956	10 133 504	
<b>TOTAL EXPENDITURE</b>	<b>64 626 659</b>	<b>72 071 951</b>	11.5%
** Ex Rev: Sales Goods Services	-551 200	-212 100	
** Ex Rev: Service Charges	-67 374 740	-72 318 000	
<b>TOTAL INCOME</b>	<b>-67 925 940</b>	<b>-72 530 100</b>	6.8%
<b>SURPLUS/DEFICIT</b>	<b>-3 299 281</b>	<b>-458 149</b>	
	<b>5.11%</b>	<b>0.64%</b>	
<b>Service : 1500 WASTE MANAGEMENT</b>			
** Employee Related Cost	21 310 791	23 857 081	
** Debt Impairment		86 442	
** Operational Cost	6 558 480	7 540 891	
** Contracted Services	16 922 640	17 614 507	
** Interest Dividend Rent On Lan	1 751 952	1 143 905	
** Bad Debts Written Off		77 519	
** Depreciation And Amortisation	5 159 240	5 452 442	
** Inventory	2 497 072	2 732 404	
COSTING: OVERHEADS (DEPT CHARGES)	8 545 653	8 972 935	
<b>TOTAL EXPENDITURE</b>	<b>62 745 828</b>	<b>67 478 126</b>	7.5%
** Ex Rev: Sales Goods Services	-56 000	-60 000	
** Ex Rev: Service Charges	-59 488 160	-65 510 200	
<b>TOTAL INCOME</b>	<b>-59 544 160</b>	<b>-65 570 200</b>	10.1%
<b>SURPLUS/DEFICIT</b>	<b>3 201 668</b>	<b>1 907 926</b>	
	<b>-5.10%</b>	<b>-2.83%</b>	
<b>Notes:</b>			
1. Secondary costs (overheads) indicated in line with previous allocations + 5%			
1. The waste management deficit addressed in para. 1.4.5			

It must also be noted that the consumer price index, as measured by CPI, is not an ideal indicator of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, accommodation, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity, chemicals, etc. The current challenge facing the Municipality 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. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

#### 1.4.1 Property Rates

Property rates revenue should cover the cost of the provision of general community and support services. Determining the effective property rates tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and also prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties.

The following stipulations in the Property Rates Policy are highlighted:

TARIFF CODE	CLASS TAX	TYPE OF PROPERTY	REBATE OR EXEMPTIONS
<b>BUS</b>	General Tax: Commercial	All business, industries, Bed and Breakfast and Guest Houses	<p>No exemptions.</p> <p>Bed and Breakfast as well as Guesthouses can apply before 30 June for the following rebate on the <u>difference between Bus and Res. rate</u>:</p> <p>1 -2 X lettable room: 100%</p> <p>3 X lettable rooms: 75%</p> <p>4 X lettable rooms: 50%</p> <p>5 X lettable rooms: 25%</p>
<b>BUSO</b>	General Tax: Tourism and recreational resorts outside the municipal urban areas	Hotels, Guest Houses, Cottages, Caravan parks and Holiday Resorts, Chalets	50% rebate on the tax applicable on commercial property in urban areas.
<b>RES</b>	General Tax: Residential properties within the municipal service areas	Single residential properties, Group housing, Retirement Villages, Flats, Sectional Schemes, small holdings not used for bona fide farming purposes	<p>The first R15 000.00 of the rateable value of all residential properties is exempted from property tax.</p> <p>A further R35 000.00 of the rateable value is exempted in respect of all residential properties where a residential completion certificate has been issued and</p> <p>an additional rebate of 20% of the levy calculated on such properties, is granted.</p> <p>Rebate to qualifying property owners as indicated under "Other Rebate"</p>
<b>RESO</b>	General Tax: Residential properties outside the municipal urban area	Single residential properties, Group housing, Retirement Villages, Flats, Sectional Schemes	<p>50% of the tax applicable on residential property in urban areas.</p> <p>Rebate to qualifying property owners as indicated under "Other Rebate"</p>
<b>FARMS</b>	General Tax: Farming Properties	Smallholdings used for bona fide farming purposes outside municipal service area	Agricultural purpose in relation to the use of a property, excludes the use of a property for the purpose of ecotourism or for the trading in or hunting of game.
<b>FARMS</b>	Conservation land	Privately owned properties whether designated or used for conservation purposes.	Not rateable in terms of section 17(1)(e) of the act.
<b>PR100</b> <b>PR050</b> <b>PR040</b>	Other Rebates	Single residential properties, Group Housing, Retirement Villages, Flats, Sectional Schemes	<ul style="list-style-type: none"> <li>- Property must be occupied permanently;</li> <li>- The applicant must be the registered owner;</li> <li>- Only one residential unit allowed on the property</li> <li>- Applicant may not be the registered owner of more than one property</li> </ul> <ul style="list-style-type: none"> <li>• A rebate of 100% to approved applicants, in terms of the <b>Property Rates Policy</b>, who's gross monthly household income may not exceed the amount of two times (2X) of state funded social pensions per month;</li> <li>• A rebate of 50% to approved applicants, in terms of the <b>Property Rates Policy</b>, who are older than 60 with a gross monthly household income less than four times (4X) of state funded social pensions per month;</li> <li>• A rebate of 40% to approved applicants, in terms of the <b>Property Rates</b>, who are older than 60 with a gross monthly household income of more than four times (4X) but less than eight times (8X) of state funded social pensions per month.</li> </ul>

The following table sets out the categories of rateable properties for purposes of levying rates and the proposed rates for the 2016/17 financial year, to increase from 1 July 2016.

**Table 6 Comparison of proposed rates to be levied for the 2016/17 financial year**

RATES TARIFFS					
Tariff Code	Detail	2016/2017		2015/2016	
		Exclude VAT	Include VAT	Exclude VAT	Include VAT
RATES	YEAR OF GENERAL VALUATION: 02 JULY 2015				
RATE1*	Commercial Land with Improvements	0.00718	0.00718	0.00670	0.00670
					7.2000%
RATE2*	Residential Land with Improvements	0.00474	0.00474	0.00442	0.00442
	<i>* See attached schedule of Exemptions and Rebates applicable</i>				7.2000%
RATE3	Municipal Properties: Investment Properties	Applicable tariff for Commercial or Residential	Applicable tariff for Commercial or Residential	Applicable tariff for Commercial or Residential	Applicable tariff for Commercial or Residential
RATE4	Municipal Properties: Property, Plant and Equipment	0.00000	0.00000	0.00000	0.00000
RATE5	Improvement District Surcharge (HPP) on total rates payable on approved Improvement District	0.10000	0.10000	0.10000	0.10000
					0.0000%
RATE6	Building Clause	Equals to tariff for rates on property	Equals to tariff for rates on property	Equals to tariff for rates on property	Equals to tariff for rates on property
RATE7	Farm/Agriculture (Bona-fide)	0.001185	0.001185	0.00111	0.00111
					6.7171%
RATE8	Undeveloped erven	0.00649	0.00649	0.00605	0.00605
					7.2000%
RATE9	Government Properties: Commercial	0.00718	0.00718	0.00670	0.00670
					7.2000%
RATE10	Government Properties: Residential	0.00474	0.00474	0.00442	0.00442
					7.2000%
PLEASE NOTE: VAT IS LEVIED AT A RATE OF 0% ON ASSESSMENT RATES					

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

South Africa faces similar challenges with regard to water supply as it does with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2014.

Better maintenance of infrastructure and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability.

Tariff increases as from 1 July 2016 are indicated in the list of tariffs in Annexure C. The 6 kℓ free water per 30-day period has since 2014 only been granted to registered indigents. The second level of phasing in the increases in the 0 – 6 kℓ category as implemented during 2013/14, to recover minimum cost of the production of water, further postponed in 2014/15, has been implemented. This is the reason for the higher than 6% collective increase in this category of the tariffs.

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

**Table 7 Comparison between current water charges and increases (Domestic)**

Tariff Code	Detail	2016/2017		2015/2016		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
<b>W1</b>	<b>BASIC CHARGE</b>					
W1A1	Basic Monthly Charge per erf/unit pm	114.93	131.02	108.42	123.60	6.00%
<b>W1B</b>	<b>CONSUMPTION - HOUSEHOLDS</b>					
	<b>Normal Tariff</b>					
W1B1	0 - 6 kl per kl	4.04	4.60	3.62	4.13	11.46%
W1B2	7 - 18 kl per kl	9.66	11.01	9.12	10.39	5.98%
W1B3	19 - 30 kl per kl	15.67	17.86	14.79	16.85	5.99%
W1B4	31 - 45 kl per kl	24.13	27.50	22.76	25.95	6.00%
W1B5	46 - 60 kl per kl	31.34	35.73	29.57	33.71	5.99%
W1B6	>60kl per kl	41.79	47.64	39.43	44.94	6.00%

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

NERSA announced a revised bulk electricity pricing structure for Eskom on 1 March 2016. A proposed 7,86 per cent increase in the Eskom bulk electricity tariffs to municipalities, as per the consultation paper, could become effective from 1 July 2016, with a proposed guideline tariff increase to municipalities at 7,64 per cent. The tariff increases that have been factored into the budget are based on the proposed increases in the consultation paper. The Minister of Finance has however approved an application by NERSA for the extension of the deadline for the approval of tariffs to not later than 30 June 2016.

The following is an extract of the letter of approval for extension:

*"The MFMA requires municipalities to table their draft budgets by 31 March 2016 and then consult with communities. This is an important process and all possible efforts should be made to adhere to the timeframes stipulated in the MFMA. It is for this reason that my Deputy Director-General for Intergovernmental Relations wrote to you in October 2015 to urge that Eskom be held to a tighter deadline in the submission of their Regulatory Clearing Account application.*

*It is acknowledged that the NERSA also has important consultation and deliberation processes in considering applications for the regulatory clearing account and that this process has been delayed in 2016/17.*

*Taking into account the timelines for municipalities, I hereby approve, in terms of section 43(2), read with section 28(6), of the MFMA, that NERSA promulgates the electricity tariff determination for municipalities and municipal entities on or before 30 June 2016. The determination may specify 1 July as the effective date of the tariff. However, NERSA is requested to attempt to approve final tariff determinations for individual municipalities as early as possible before the 30 June 2016 deadline and to adhere to the timelines stipulated in the MFMA."*

Therefore, any subsequent changes as might be announced, will be considered and determined, for inclusion in the final budget report for May 2016, subject to the finalisation of the tariff increases.

Considering the increases based on the consultation paper, the overall tariffs will increase between 1% - 7,64%, for units consumption. Before mentioned will provide relief with regard to the first 350 units purchased each month, as this bracket will increase with 1%. The basic charge increases by 17,5% per cent. This higher basic charges increase for households is to mitigate the disparity between fixed and variable costs.

Local Government has been urged in discussions at various forum meetings and workshops to address the disparity in recovery of costs in relation to basic charges versus unit cost charges with



regard to fixed costs and variable costs respectively. The municipality will be revisiting cost allocation in terms of before-mentioned on an annual basis in order to ensure parity.

The restructuring of the time-of-use tariff to a single tariff per category for the full 12 month period in the daily Off-peak, Standard and Peak categories will continue during 2016/17. This is aimed at equalising the revenue flow for the municipality during the financial year and for large consumers to contend with only a single set of tariffs for their own planning. This should enhance financial planning for both the municipality and large consumers. Large consumers also thus have the opportunity to down size on their Notified Maximum Demand.

Registered indigents continue to be granted 50 kWh per 30-day period free of charge.

The following table shows the impact of the proposed increases in electricity tariffs for domestic consumers:

**Table 8 Comparison between current electricity charges and increases (Domestic)**

Tariff Code	Detail		2016/2017		2015/2016		
			Exclude VAT	Include VAT	Exclude VAT	Include VAT	
E1A	Two-Part Tariff: Credit meters up to 60 Amp (13.8 kVA BDMD) (Including Resorts)						
E1A1	Basic Monthly charge per meter	R	254.78	290.45	216.83	247.19	17.50%
	kWH Unit cost						
E1A2	IBT BLOCK 1 0 - 350 kWh	c	108.74	123.97	107.67	122.74	1.00%
E1A3	IBT BLOCK 2 351 - 600 kWh	c	157.02	179.00	145.88	166.30	7.64%
E1A4	IBT BLOCK 3 > 600 kWh	c	189.25	215.74	175.82	200.43	7.64%
E1B	Two-Part Tariff: Pre-paid up to 60 Amp (13.8 kVA BDMD) (Including Resorts)						
E1B1	Basic Monthly charge per meter	R	254.78	290.45	216.83	247.19	17.50%
	kWH Unit cost						
E1B2	IBT BLOCK 1 0 - 350 kWh	c	100.45	114.51	99.45	113.38	1.00%
E1B3	IBT BLOCK 2 351 - 600 kWh	c	147.96	168.68	137.46	156.71	7.64%
E1B4	IBT BLOCK 3 > 600 kWh	c	181.91	207.37	169.00	192.66	7.64%

The stepped tariff for electricity as previously proposed by NERSA has continued. Tariffs have increased between 1% - 7,64% across the different brackets of the sliding scale. The municipality will maintain the current stepped structure for the electricity tariffs. The reduced tariffs for prepaid meters will continue as in the past.

The challenge regarding the previous inadequate electricity bulk capacity in the Hermanus area and the impact on service delivery and development has been alleviated with the commissioning of the new 66 KVA sub-station in the recent past.

The proposed capital budget for the Electricity Division will primarily be utilised for certain committed upgrade projects and to strengthen critical infrastructure (e.g. substations without back-up supply) and limited upgrading of networks.

Owing to the higher than inflation increases in Eskom's bulk tariffs, it is not possible to fund further necessary upgrades through increases in the municipal electricity tariff – as the resultant tariff increases would be unaffordable for the consumers. The taking up of loans as a strategy for the funding of infrastructure is considered to spread the burden over the life span of the assets. As part of the 2016/17 medium-term capital programme, funding has been allocated to electricity infrastructure.

The full proposed tariffs are included in Annexure C.

#### 1.4.4 Sanitation and Impact of Tariff Increases

A tariff increase of 6 per cent for sanitation (basic & consumption) is proposed from 1 July 2016. This is based on tariff increases related to inflation increases as mentioned earlier in this report. It should be noted that electricity costs contributes towards waste water treatment input costs and therefore the limited increase in expenditure will have to be made up from operational efficiencies.

The following factors inform the proposed tariffs:

- Sanitation charges are calculated according to the percentage water discharged as indicated in the table below;
- Free sanitation (4,2 kℓ of 6 kℓ water) will be applicable to registered indigents; and

The following table compares the current and proposed tariffs:

**Table 9 Comparison between current sanitation charges and increases (Domestic)**

Tariff Code	Detail	2016/2017		2015/2016		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
<b>SE7A</b>	<b>SEWERAGE - SINGLE AND INTERMEDIATE RESIDENTIAL</b> (Dwelling house and Duplex flats, Conventional Sewers, small bore sewers and conservancy tanks)					
SE7A1	0 - 35kl per kl (based on 70% of 50kl water usage) - per unit per month, Conservancy tank service only during office hours per month. For after hours service, refer to tariff SE9B.	11.53	13.14	10.88	12.40	5.97%
<b>SE8</b>	<b>BASIC CHARGE</b>					
SE8A	Basic Monthly Charge Developed sites per erf/unit per month	102.40	116.74	96.61	110.13	6.00%

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

Solid waste removal services is improving in terms of a smaller deficit budgeted for in 2016/17, though it is still operating marginally below breakeven. This service will receive further revision of the solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to the cost impact on this service are increased capital and operational costs for the new solid waste disposal infrastructure and general expenditure.

The re-opening of the Karwyderskraal waste disposal site by the Overstrand municipality, who now operates the site, has been resolved by the entering into a lease agreement with the District municipality for a portion of the land at Karwyderskraal to further develop cells. This will channel solid waste disposal from Hermanus and Kleinmond to this site, to improve operational efficiencies. The Theewaterskloof municipality previously disposed of solid waste at Karwyderskraal when it was operated by the District municipality. Theewaterskloof municipality has opted to utilise this service.

An increase of 6 per cent in the waste removal tariff is proposed from 1 July 2016. Higher increases will not be viable at this stage owing to the increases implemented in preceding financial years. The acceptability of the draft budgeted figures, after due consideration, is viewed as appropriate in context with the participation by Theewaterskloof municipality, which will grant a more realistic performance of this service to be measured during the 2016/17 financial year. Any further increase would also have been counter-productive and will result in affordability challenges for individual consumers.

The following table compares current and proposed amounts payable from 1 July 2016:

**Table 10 Comparison between current waste removal fees and increases (Domestic)**

Tariff Code	Detail	2016/2017		2015/2016		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
SAN1	<u>REFUSE REMOVAL (1 removal per week of 4 bags or 1X240 Bin)</u>					
SAN1A	Residential (All registered erven/unit with approved building plan) 1 x removal per week (R/Month)	146.26	166.74	137.99	157.30	6.00%

All proposed refuse tariffs are listed in Annexure C.

#### **1.4.6 Overall impact of tariff increases on households**

The following table shows the overall expected impact of the tariff increases on large, medium and small household consumers (with pre-paid electricity meter), as well as an indigent household receiving free basic services.

Note that in all instances the overall impact of the tariff increases on household's bills, before the impact of the electricity increases, should not exceed 6,43% and the increase for indigent households at 2,66 per cent. The electricity tariff increase raises this level to 6,93% & 1,34% respectively.

<b>High Consumption with prepaid elect meter</b>		2015/2016	2016/2017	Amount	%
Valuation	R3 500 000				
Rates		1 016.60	1 089.80	73.20	7.20
Sewer	<b>SE7A1+SE8A</b>	477.41	505.95	28.54	5.98
Infrastructure Basic Charge Water, Electricity & Sewer		41.70	41.70	0.00	0.00
Refuse	<b>1X Per Week</b>	137.99	146.26	8.27	6.00
Water	50 kl	906.19	961.68	55.48	6.12
VAT		218.86	231.78	12.92	5.90
<b>SUB TOTAL</b>		<b>2 798.74</b>	<b>2 977.16</b>	<b>178.42</b>	<b>6.38</b>
Electricity Prep	1500 kWh	2 429.52	2 613.41	183.89	7.57
VAT		340.13	365.88	25.74	7.57
<b>TOTAL</b>		<b>5 568.39</b>	<b>5 956.45</b>	<b>388.05</b>	<b>6.97</b>
<b>HPP if applicable</b>		101.66	108.98	7.32	7.20
<b>Medium Consumption with prepaid elect meter</b>		2015/2016	2016/2017	Amount	%
Valuation	R2 500 000				
Rates		721.93	773.91	51.98	7.20
Sewer	<b>SE7A1+SE8A</b>	287.01	304.18	17.17	5.98
Infrastructure Basic Charge Water, Electricity & Sewer		41.70	41.70	0.00	0.00
Refuse	<b>1X Per Week</b>	137.99	146.26	8.27	6.00
Water	25 kl	343.02	364.75	21.74	6.34
VAT		113.36	119.96	6.61	5.83
<b>SUB TOTAL</b>		<b>1 645.00</b>	<b>1 750.76</b>	<b>105.76</b>	<b>6.43</b>
Electricity Prep	800 kWh	1 246.55	1 340.06	93.51	7.50
VAT		174.52	187.61	13.09	7.50
<b>TOTAL</b>		<b>3 066.07</b>	<b>3 278.43</b>	<b>212.36</b>	<b>6.93</b>
<b>HPP if applicable</b>		72.19	77.39	5.20	7.20
<b>Low Consumption with prepaid elect meter</b>		2015/2016	2016/2017	Amount	%
Valuation	R1 000 000				
Rates		279.93	300.09	20.16	7.20
Sewer	<b>SE7A1+SE8A</b>	210.85	223.47	12.62	5.99
Infrastructure Basic Charge Water, Electricity & Sewer		41.70	41.70	0.00	0.00
Refuse	<b>1X Per Week</b>	137.99	146.26	8.27	6.00
Water	15 kl	212.18	226.08	13.91	6.55
VAT		84.38	89.25	4.87	5.77
<b>TOTAL</b>		<b>967.02</b>	<b>1 026.84</b>	<b>59.83</b>	<b>6.19</b>
Electricity Prep	600 kWh	908.56	976.24	67.69	7.45
VAT		127.20	136.67	9.48	7.45
		<b>2 002.78</b>	<b>2 139.76</b>	<b>136.99</b>	<b>6.84</b>
<b>HPP if applicable</b>		27.99	30.01	2.02	7.20
<b>Life-Line Consumption (ONE PART) (Indigent)</b>		2015/2016	2016/2017	Amount	%
Valuation	R50 000				
Rates		0.00	0.00	0.00	0.00
Sewer	<b>SE7A1</b>	15.23	16.14	0.91	5.97
Infrastructure Basic Charge Water, Electricity & Sewer		41.70	41.70	0.00	0.00
Refuse	<b>1X Per Week</b>	0.00	0.00	0.00	0.00
Water	8 kl	18.23	19.32	1.09	5.98
VAT		10.52	10.80	0.28	2.66
<b>SUB TOTAL</b>		<b>85.68</b>	<b>87.96</b>	<b>2.28</b>	<b>2.66</b>
Electricity Pre- <sub>l</sub>	300 kWh	295.86	298.82	2.96	1.00
VAT		41.42	41.83	0.41	1.00
<b>TOTAL</b>		<b>422.97</b>	<b>428.62</b>	<b>5.65</b>	<b>1.34</b>

**Table 11 MBRR Table SA14 – Household bills**

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17 % incr.	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Rand/cent											
<b>Monthly Account for Household - 'Middle Income Range'</b>	1										
<b>Rates and services charges:</b>											
Property rates		151.25	156.00	179.40	191.69	191.69	191.69	7.1%	205.32	217.64	230.70
Electricity: Basic levy		157.89	192.98	204.56	216.83	216.83	216.83	17.5%	254.78	270.07	286.27
Electricity: Consumption		1 056.28	1 126.62	1 219.00	1 357.95	1 357.95	1 357.95	13.0%	1 535.10	1 558.25	1 651.75
Water: Basic levy		92.98	96.49	102.28	108.42	108.42	108.42	6.0%	114.93	121.83	129.14
Water: Consumption		224.44	273.66	290.10	308.64	308.64	308.64	8.1%	333.59	353.76	374.99
Sanitation		264.87	288.62	305.94	325.09	325.09	325.09	6.0%	344.53	365.22	387.13
Refuse removal		113.16	122.81	130.18	137.99	137.99	137.99	6.0%	146.26	155.05	164.35
Other											
<b>sub-total</b>		<b>2 060.87</b>	<b>2 257.18</b>	<b>2 431.46</b>	<b>2 646.61</b>	<b>2 646.61</b>	<b>2 646.61</b>	<b>10.9%</b>	<b>2 934.51</b>	<b>3 041.81</b>	<b>3 224.32</b>
VAT on Services		267.35	294.17	312.99	344.41	344.41	344.41		373.00	395.38	419.11
<b>Total large household bill:</b>		<b>2 328.22</b>	<b>2 551.35</b>	<b>2 744.44</b>	<b>2 991.02</b>	<b>2 991.02</b>	<b>2 991.02</b>	<b>10.6%</b>	<b>3 307.51</b>	<b>3 437.20</b>	<b>3 643.43</b>
<b>% increase/-decrease</b>			<b>9.6%</b>	<b>7.6%</b>	<b>9.0%</b>	<b>-</b>	<b>-</b>	<b>10.6%</b>		<b>3.9%</b>	<b>6.0%</b>
<b>Monthly Account for Household - 'Affordable Range'</b>	2										
<b>Rates and services charges:</b>											
Property rates		104.70	108.00	124.20	132.71	132.71	132.71	7.1%	142.15	150.68	159.72
Electricity: Basic levy		157.89	192.98	204.56	216.83	216.83	216.83	17.5%	254.78	270.07	286.27
Electricity: Consumption		438.62	456.59	494.01	550.31	550.31	550.31	12.4%	618.43	621.30	658.58
Water: Basic levy		92.98	96.49	102.28	108.42	108.42	108.42	6.0%	114.93	121.83	129.14
Water: Consumption		164.44	207.86	220.35	236.54	236.54	236.54	6.4%	251.76	266.98	283.00
Sanitation		234.17	254.84	270.13	287.01	287.01	287.01	6.0%	304.18	322.44	341.79
Refuse removal		113.16	122.81	130.18	137.99	137.99	137.99	6.0%	146.26	155.05	164.35
Other											
<b>sub-total</b>		<b>1 305.96</b>	<b>1 439.57</b>	<b>1 545.71</b>	<b>1 669.81</b>	<b>1 669.81</b>	<b>1 669.81</b>	<b>9.7%</b>	<b>1 832.49</b>	<b>1 908.34</b>	<b>2 022.84</b>
VAT on Services		168.18	186.42	199.01	215.19	215.19	215.19		232.14	246.07	260.84
<b>Total small household bill:</b>		<b>1 474.14</b>	<b>1 625.99</b>	<b>1 744.72</b>	<b>1 885.00</b>	<b>1 885.00</b>	<b>1 885.00</b>	<b>9.5%</b>	<b>2 064.63</b>	<b>2 154.41</b>	<b>2 283.68</b>
<b>% increase/-decrease</b>			<b>10.3%</b>	<b>7.3%</b>	<b>8.0%</b>	<b>-</b>	<b>-</b>	<b>9.5%</b>		<b>4.3%</b>	<b>6.0%</b>
<b>Monthly Account for Household - 'Indigent'</b>	3										
<b>Household receiving free basic services</b>											
<b>Rates and services charges:</b>											
Property rates		58.16	60.00	69.00	73.73	73.73	73.73	7.1%	78.97	83.71	88.73
Electricity: Basic levy		157.89	192.98	204.56	216.83	216.83	216.83	17.5%	254.78	270.07	286.27
Electricity: Consumption		278.39	286.75	310.24	345.59	345.59	345.59	10.8%	382.90	387.44	410.69
Water: Basic levy		92.98	96.49	102.28	108.42	108.42	108.42	6.0%	114.93	121.83	129.14
Water: Consumption		104.44	123.67	131.10	139.02	139.02	139.02	24.7%	173.41	183.88	194.91
Sanitation		203.48	221.07	234.33	248.93	248.93	248.93	6.0%	263.82	279.66	296.44
Refuse removal		113.16	122.81	130.18	137.99	137.99	137.99	6.0%	146.26	155.05	164.35
Other		(521.33)	(598.16)	(635.06)	(676.64)	(676.64)	(676.64)		(743.13)	(787.72)	(834.98)
<b>sub-total</b>		<b>487.17</b>	<b>505.61</b>	<b>546.63</b>	<b>593.87</b>	<b>593.87</b>	<b>593.87</b>	<b>13.1%</b>	<b>671.94</b>	<b>693.91</b>	<b>735.54</b>
VAT on Services		60.06	64.96	69.91	73.12	73.12	73.12		94.07	97.15	102.98
<b>Total small household bill:</b>		<b>547.23</b>	<b>570.57</b>	<b>616.54</b>	<b>666.99</b>	<b>666.99</b>	<b>666.99</b>	<b>14.8%</b>	<b>766.01</b>	<b>791.05</b>	<b>838.52</b>
<b>% increase/-decrease</b>			<b>4.3%</b>	<b>8.1%</b>	<b>8.2%</b>	<b>-</b>	<b>-</b>	<b>14.8%</b>		<b>3.3%</b>	<b>6.0%</b>

**References**

1. Use as basis property value of R700 000, 1 000 kWh electricity and 30kl water
2. Use as basis property value of R500 000 and R700 000, 500 kWh electricity and 25kl water
3. Use as basis property value of R 300 000, 350kWh electricity and 20kl water (50 kWh electricity and 6 kl water free)
4. Note this is for a SINGLE household.

## 1.5 Operating Expenditure Framework

The Municipality's expenditure framework for the 2016/17 budget and MTREF is informed by the following:

- Balanced budget constraint (cash operating expenditure should not exceed cash operating revenue) unless there are sound reasons for utilising existing uncommitted cash-backed reserves to fund any deficit;
- The repairs and maintenance plan relating to the asset management strategy;
- Funding of the budget over the MTREF as informed by Section 18 and 19 of the MFMA;
- Very limiting growth in the personnel structure;
- Reducing expenditure on non-core programmes;
- Implementing operational gains and efficiencies; and
- Strict adherences to the principle of *no project plan no budget*. If there is no business plan no funding allocation will be made.

The following table is a high level summary of the 2016/17 budget and MTREF (classified per main type of operating expenditure):

**Table 12 Summary of operating expenditure by standard classification item**

Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Expenditure By Type</b>									
Employee related costs	231 642	260 645	267 019	291 593	292 827	292 827	314 204	322 023	339 129
Remuneration of councillors	7 084	7 933	8 104	8 674	8 674	8 674	9 110	9 620	10 161
Debt impairment	6 688	12 526	10 846	22 792	22 792	22 792	23 888	23 974	24 048
Depreciation & asset impairment	104 408	99 361	106 445	111 362	111 362	111 362	117 690	124 752	132 237
Finance charges	37 331	39 927	43 447	46 895	46 895	46 895	46 421	46 952	45 449
Bulk purchases	145 022	157 055	167 660	193 573	191 573	191 573	210 763	227 329	245 197
Other materials	12 441	13 595	16 659	57 801	59 186	59 186	76 687	41 285	46 605
Contracted services	67 697	72 754	85 327	125 322	119 897	119 897	158 718	164 936	174 154
Transfers and grants	35 856	38 749	48 659	48 497	49 448	49 448	57 479	60 808	64 336
Other expenditure	102 146	117 460	157 098	58 021	84 750	84 750	60 024	63 497	67 536
Loss on disposal of PPE	1 756	12 017							
<b>Total Expenditure</b>	<b>752 070</b>	<b>832 022</b>	<b>911 264</b>	<b>964 529</b>	<b>987 403</b>	<b>987 403</b>	<b>1 074 984</b>	<b>1 085 176</b>	<b>1 148 851</b>

The budgeted allocation for employee related costs and remuneration of councillors for the 2016/17 financial year totals R323,3m which equals 30,1 per cent of the total operating expenditure and within the NT norm of 25 – 40 per cent. A new three year collective SALGBC salary agreement came into effect on 1 July 2015. Salary increases, according to the agreement, have been determined at 6% for the 2016/17 financial year, based on the average inflation for the period February 2015 to January 2016, with a minimum inflation rate of 5% plus 1%. This salary determination and annual notch increases for qualifying personnel have been factored into the budget for the 2016/17 financial year as well as the two outer years of the MTREF.

As part of the Municipality's cost reprioritisation and cash management strategy vacancies have been significantly rationalised downwards. The outsourcing of the water and waste water treatment plants, in respect of operational efficiencies, has been implemented.

With effect from 1 July 2010, the Municipal Manager and Section 57 Employees (Directors) remuneration is determined by an independent consulting firm, Messrs.' Work Dynamics (Pty) Ltd, appointed by the Employer to determine market related cost-to-employer remuneration packages.

The afore-mentioned employees receive no bonuses, which principle was negotiated with them. The recommendation of Messrs.' Work Dynamics (Pty) Ltd, although they are a private company, does compare the salaries of people with similar job descriptions, whether it be the private or government sector. The remuneration model developed by them for senior managers in the local government sector has been adjusted to reflect the remuneration trends in the labour market. This determination will be completed at a later stage for the 2016/2017 budget. For draft budgeting purposes, the same increase of 6 per cent, as for other employees has been factored into the budget.

New regulations have been promulgated, which regulations provide for the Minister of Co-operative Governance to determine the total remuneration packages payable to any new employees to the posts of Municipal Manager and Section 57 Employees (Directors), with effect from 1 July 2014. Existing contracts however continue until they lapse.

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). The proclamation with regard to the 2015/2016 increases was published and implemented during January 2016. No indication for 2016/17 has been received to date and therefore an increase of 5%, based on the increase for 2015/16 determination, has been factored into the budget for 2016/17.

The provision of debt impairment and write-off of bad debts for consumer accounts has been determined based on an annual collection rate of close to 100 per cent and the Debt Write-off Policy of the Municipality. For the 2016/17 financial year this amount equates to R1,1m and R0.8m for impairment and write-offs respectively. Impairment for traffic fines, resulting from the implementation of IGRAP1, has been budgeted according to the trends from the 2013/2014 & 2014/2015 financial year.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate of asset consumption. Budget appropriations in this regard total R117,7m for the 2016/17 financial year and equates to 10,95 per cent of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This resulted in a significant increase in depreciation relative to previous years. This aspect is further highlighted in para. 1.3 of this report.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital) and limited finance leases. Finance charges make up 4,32 per cent of operating expenditure excluding annual redemption for 2016/17 and decreases slightly in 2018/19. This results from the planned decrease in borrowing over the MTREF from the previous budget. As previously noted, the Municipality had reached its prudential limits for borrowing in 2012 – hence the planned borrowing to finance the capital budget does not result in finance charges increasing as a percentage of operational expenditure – rather it decreases to 3,96 per cent over the MTREF.

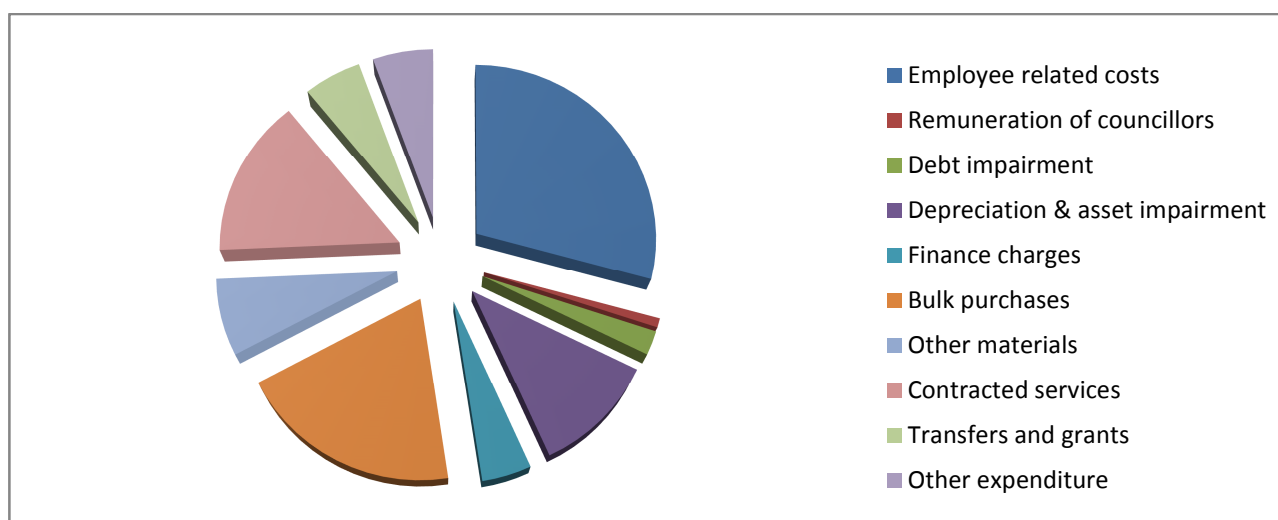
Bulk purchases are directly informed by the purchase of electricity from Eskom. The proposals from the consultation paper for annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures account for distribution losses.

Other materials, now classified as Inventory in mSCOA, comprise amongst others the purchase of materials for maintenance, cleaning materials, fuel, printing and stationary, etc. In line with the Municipality's repairs and maintenance plan this group of expenditure has been prioritised to ensure sustainability of the Municipality's infrastructure. The introduction and reclassification resulting from mSCOA has caused a shift in expenditure previously classified and budgeted under general expenses.

Contracted services have been identified as an area for the municipality to implement efficiencies. As part of the compilation of the 2016/17 MTREF this group of expenditure was critically evaluated and operational efficiencies are being enforced. In the 2016/17 financial year, this group of expenditure totals R158,7m. The introduction and reclassification resulting from mSCOA has caused a shift in expenditure previously classified and budgeted under general expenses. Further details relating to contracted services can be seen in Table 61 MBRR SA1 (see page 96).

Other expenditure, now classified as Operational Costs in mSCOA, comprises of various line items relating to the daily operations of the municipality. The introduction and reclassification resulting from mSCOA has caused a shift in expenditure previously classified and budgeted under general expenses to Inventory (materials) and contracted services. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Further details relating to other expenditure can be seen in Table 61 MBRR SA1 (see page 96).

The following table gives a breakdown of the main expenditure categories for the 2016/17 financial year.



**Figure 1 Main operational expenditure categories for the 2016/17 financial year**

#### 1.5.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2016/17 budget and MTREF provide for continuing in the area of asset maintenance, as informed by the asset maintenance strategy and repairs and maintenance plan of the Municipality. 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 13 Operational repairs and maintenance**

WC032 Overstrand - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>Repairs and Maintenance</b>									
Employee related costs	27 460	35 905	37 737	45 175	45 175	45 175	50 261	51 522	54 450
Other materials	9 153	8 865	9 317	14 541	14 541	14 541	3 500	3 719	3 989
Contracted Services	21 740	32 675	34 342	35 194	35 194	35 194	36 145	37 492	38 897
Other Expenditure	56 061	72 912	76 630	26 167	26 167	26 167	30 890	31 124	31 732
<b>Total Repairs and Maintenance Expenditure</b>	<b>114 414</b>	<b>150 358</b>	<b>158 026</b>	<b>121 077</b>	<b>121 077</b>	<b>121 077</b>	<b>120 795</b>	<b>123 857</b>	<b>129 068</b>

During the compilation of the 2016/17 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality's infrastructure. As part of the 2016/17 MTREF this strategic imperative remains a priority. In relation to the total operating expenditure, repairs and maintenance comprises on average 11,3 per cent of the budget over the respective financial years of the MTREF. The static position in relation to the current budget can be regarded as increased efficiency with reference to the Veolia management contract for water and sewage operations.

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

**Table 14 Repairs and maintenance per asset class**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>87 048</b>	<b>129 145</b>	<b>136 009</b>	<b>111 449</b>	<b>111 449</b>	<b>111 449</b>	<b>110 372</b>	<b>114 116</b>	<b>118 787</b>
Infrastructure - Road transport	42 236	63 749	65 726	57 090	57 090	57 090	61 852	63 763	66 471
Roads, Pavements & Bridges	39 790	60 016	60 328	51 401	51 401	51 401	55 545	57 207	59 544
Storm water	2 446	3 732	5 398	5 689	5 689	5 689	6 306	6 555	6 927
Infrastructure - Electricity	14 105	20 488	26 276	16 835	16 835	16 835	17 747	18 486	18 826
Generation									
Transmission & Reticulation	14 105	20 488	26 276	16 835	16 835	16 835	17 747	18 486	18 826
Street Lighting									
Infrastructure - Water	21 502	27 931	25 811	22 874	22 874	22 874	16 555	17 280	18 168
Dams & Reservoirs	80								
Water purification	1 963								
Reticulation	19 459	27 931	25 811	22 874	22 874	22 874	16 555	17 280	18 168
Infrastructure - Sanitation	7 708	15 486	16 060	12 159	12 159	12 159	11 672	11 949	12 587
Reticulation	6 623								
Sewerage purification	1 085	15 486	16 060	12 159	12 159	12 159	11 672	11 949	12 587
Infrastructure - Other	1 499	1 491	2 136	2 492	2 492	2 492	2 546	2 639	2 735
Waste Management	1 499	1 491	2 136	2 492	2 492	2 492	2 546	2 639	2 735
<b>Community</b>	<b>5 408</b>	<b>7 349</b>	<b>8 469</b>	<b>4 546</b>	<b>4 546</b>	<b>4 546</b>	<b>4 878</b>	<b>4 918</b>	<b>5 208</b>
<b>Other assets</b>	<b>21 958</b>	<b>13 864</b>	<b>13 548</b>	<b>5 081</b>	<b>5 081</b>	<b>5 081</b>	<b>5 545</b>	<b>4 822</b>	<b>5 072</b>
<b>Total Repairs and Maintenance Expenditure</b>	<b>114 414</b>	<b>150 358</b>	<b>158 026</b>	<b>121 077</b>	<b>121 077</b>	<b>121 077</b>	<b>120 795</b>	<b>123 857</b>	<b>129 068</b>
<b>R&amp;M as a % of PPE</b>	<b>3.7%</b>	<b>4.8%</b>	<b>5.1%</b>	<b>3.9%</b>	<b>3.9%</b>	<b>3.9%</b>	<b>3.9%</b>	<b>4.1%</b>	<b>4.3%</b>
<b>R&amp;M as % Operating Expenditure</b>	<b>15.2%</b>	<b>18.1%</b>	<b>17.3%</b>	<b>12.6%</b>	<b>12.3%</b>	<b>12.3%</b>	<b>11.2%</b>	<b>11.4%</b>	<b>11.2%</b>

For the 2016/17 financial year, 11,24 per cent or R121m of the total budget will be spent on repairs and maintenance, of which R110m is for infrastructure. Roads infrastructure has received a significant proportion of the infrastructure allocation totalling 56 per cent (R61,9m), followed by electricity at 16 per cent (R17,7m) and water at 15 per cent (R16,6m).

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

The social package assists households that are indigent/poor or face other circumstances that limit their ability to pay for services. To receive these free/subsidised services the households are required to register in terms of the Municipality's Indigent Policy. The current indigent households amount to approximately 7400 and is reviewed monthly. Details relating to free services and basic service delivery measurement is contained in Table 26 MBRR A10 (Basic Service Delivery Measurement) on page 44.

The cost of the social package of the registered indigent households is fully covered by the local government equitable share received in terms of the annual Division of Revenue Act.

The policy for Grants-in-aid to organisations has been revised and approved by Council.

**Table 15 MBRR Table SA21 – Transfers and grants made by the municipality**

Description  R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Cash Transfers to other municipalities</b>									
<b>Total Cash Transfers To Municipalities:</b>	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to other Organs of State</b>									
<b>Total Cash Transfers To Other Organs Of State:</b>	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to Organisations</b>									
<i>Grant-in-aid</i>	398	451	278					278	278
Badisa herberg-aan-see				5	5	5			
Nsri				28	28	28			
Hermanus hacking group				15	15	15			
Camphill school				20	20	20			
Overstrand Arts / Kunste				20	20	20			
Overstrand hospice				20	20	20			
Stanford animal welfare society				15	15	15			
Flower valley conservation trust				15	15	15			
kids@the centre				15	15	15			
Siyazama				15	15	15			
Overstrand association for persons with disabilities				20	20	20			
Strandloperij bewaarskool				15	15	15			
Narrative foundation				15	15	15			
Hermanus botanical society				20	20	20			
Whale coast conservation				20	20	20			
Camphill farm community				20	20	20			
Pearly Shell Service Centre							9		
RDP Training Centre							10		
Hermanus Night Shelter							15		
The Recycle Swap Shop							20		
Blommeland Day Care							5		
Overstrand Arts / Kunste							23		
Whale Coast 96 FM							8		
Pearly Beach Conservancy							15		
Whale Coast Conservation							30		
Overstrand Hospice							30		
Hermanus Botanical Society							9		
Narrative Foundation							35		
Women Action Group							10		
Stanford Conservation							20		
Dyer Island Conservation Trust							25		
Grootbos Green Futures Foundation							15		
Tourism buro's				1 649	1 649	1 649	1 648	1 648	1 648
<b>Total Cash Transfers To Organisations</b>	<b>398</b>	<b>451</b>	<b>278</b>	<b>1 927</b>	<b>1 927</b>	<b>1 927</b>	<b>1 926</b>	<b>1 926</b>	<b>1 926</b>
<b>Cash Transfers to Groups of Individuals</b>									
<b>Low income house-hold subsidies</b>	35 458	38 298	41 922	46 570	47 521	47 521	55 553	58 882	62 410
Total Cash Transfers To Groups Of Individuals:	35 458	38 298	41 922	46 570	47 521	47 521	55 553	58 882	62 410
<b>TOTAL CASH TRANSFERS AND GRANTS</b>	<b>35 856</b>	<b>38 749</b>	<b>42 200</b>	<b>48 497</b>	<b>49 448</b>	<b>49 448</b>	<b>57 479</b>	<b>60 808</b>	<b>64 336</b>
<b>Non-Cash Transfers to other Organs of State</b>									
Transfers/donations made to other organs of state			6 459						
<b>TOTAL TRANSFERS AND GRANTS</b>	<b>35 856</b>	<b>38 749</b>	<b>48 659</b>	<b>48 497</b>	<b>49 448</b>	<b>49 448</b>	<b>57 479</b>	<b>60 808</b>	<b>64 336</b>

## 1.6 Capital expenditure

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

**Table 16 2016/17 Medium-term capital budget per vote**

Vote Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year	Budget Year +1	Budget Year +2
<b>Capital Expenditure - Standard</b>									
<b>Governance and administration</b>	28 713	24 047	7 154	9 977	11 301	11 301	9 309	2 675	8 830
Executive and council									
Budget and treasury office									
Corporate services	28 713	24 047	7 154	9 977	11 301	11 301	9 309	2 675	8 830
<b>Community and public safety</b>	8 880	3 319	7 268	16 405	20 498	20 498	17 238	18 839	13 800
Community and social services		327	4 666		3 652	3 652	3 890		
Sport and recreation	1 743	1 531	2 601	5 225	5 696	5 696	3 039	2 939	6 800
Public safety	19	645	–		–	–			
Housing	7 118	817	–	11 180	11 150	11 150	10 309	15 900	7 000
Health									
<b>Economic and environmental services</b>	27 896	8 340	25 552	17 870	16 228	16 228	5 400	4 900	4 000
Planning and development	6 973	2 864	945						
Road transport	20 923	5 477	24 607	17 870	16 228	16 228	5 400	4 900	4 000
Environmental protection									
<b>Trading services</b>	88 628	127 569	103 790	65 644	78 455	78 455	54 300	59 748	54 588
Electricity	32 411	30 061	26 768	37 194	39 229	39 229	17 000	18 500	18 500
Water	34 053	57 384	50 766	15 900	23 832	23 832	13 800	26 594	26 488
Waste water management	20 304	39 927	20 728	11 150	12 353	12 353	13 300	14 654	9 600
Waste management	1 859	196	5 528	1 400	3 041	3 041	10 200		
<b>Other</b>									

For 2016/17 an amount of R54,9m has been appropriated for the development of infrastructure which represents 72,2 per cent of the total capital budget of R76m. In the outer years this amount totals R46,5m, 49,7 per cent and R64,9m, 60,5 per cent respectively for each of the outer financial years. Waste water infrastructure receives the highest allocation of R15,4m in 2016/17 which equates to 20,3 per cent followed by electricity at 19,9 per cent, R15,1 million and then water at 16,3 per cent, R12,4 million. Over the MTREF, capital housing grant expenditure relating to housing provision infrastructure, amounts to R87,9 million.

Further detail relating to asset classes and proposed capital expenditure is contained in Table 25 MBRR A9 (Asset Management) on page 42. In addition to the MBRR Table A9, MBRR Tables SA34a, b, c 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 86, 87 and 88). Some of the salient projects to be undertaken during 2016/17 includes, amongst others:

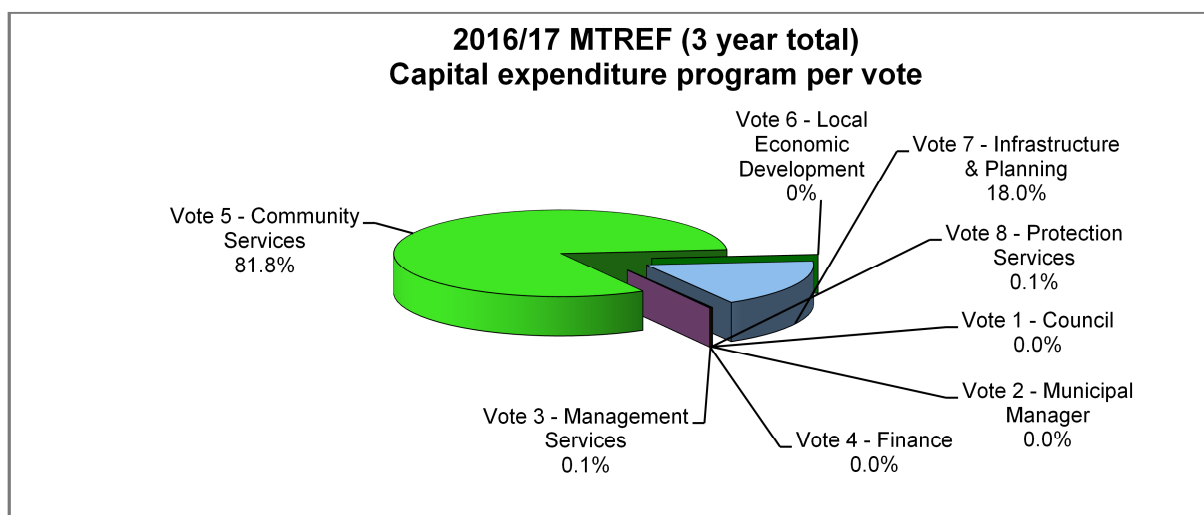
### Top 10 Capital Projects

Project Description	Ward	Amount
UPGRADING OF FRANSKRAAL-KLEINBAAI -GANSBAAI PIPELINES	Ward 01	8 800 000
REHABILITATION OF EXISTING PAVE ROAD (LIC) PH2	Ward 06	7 000 000
STANFORD - SEWER NETWORK EXTENSION	Ward 11	5 500 000
ELECTRIFICATION OF LOW COST HOUSING AREAS (INEP)	Ward 05	5 000 000
UPGRADING OF PUMPSTATIONS	Overstrand	4 500 000
MANDELA SQUARE HOUSING SERVICES	Ward 06	4 308 419
HERMANUS: MV & LV UPGRADE/REPLACEMENT	Ward 03	4 000 000
BULK SEWERAGE OUTFALL LINE 525 MM Ø OHS13.2	Ward 12	3 200 000
GANSBAAI: CCTV, SCADA, MINISUB AND MV/LV UPGRADE	Ward 02	3 000 000
NEW 1 ML/S RESERVOIR OHW.B31	Ward 04	2 910 500

Furthermore, pages 88 to 90 and Annexure E contains a detailed breakdown of the capital budget per project over the medium-term.

Since the finalisation of the draft budget by the Budget Steering Committee, a letter of intent has been received by the Department of Water Affairs relating to the approval of funding through the ACIP programme for water and waste water related projects. An amount of R3,5m has been awarded for the part funding of the Stanford waste water project, which would have been financed from external loan funding. The funding awarded and the reprioritising of the external loan funding will be included in the final budget report.

The following graph provides a breakdown of the capital budget to be spent per vote over the MTREF.



**Figure 2 Capital Infrastructure Programme**

With the 2011/2012 adjustment budget, projects to be funded from the sale of land (Sandbaai commonage land), were postponed to future capital budgets dependent on the successful sale of the land. It is Council's policy not to include projects in the next budget approval until the funds from the sale has been deposited in the Council's bank account. As this money has not been received, these projects are not included in the 2016/2017 capital budget.

#### **1.6.1 Future operational cost of new infrastructure**

An estimate has been included in Table 58 MBRR SA35 on page 90. Furthermore, a long term financial plan and implementation policy has been developed to encompass costs over the long term. It needs to be noted that as part of the 2016/17 MTREF, this expenditure has been factored into the two outer years of the operational budget.

## **1.7 Annual Budget Tables**

The following twenty 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 2016/17 draft budget and MTREF to be approved and/or noted by the Council. Each table is accompanied by *explanatory notes* on the facing page.

**Table 17 MBRR Table A1 - Budget Summary**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	121 571	135 633	153 617	163 621	163 621	163 621	181 439	192 326	203 865
Service charges	436 439	479 253	520 392	566 784	568 784	568 784	607 054	643 477	682 086
Investment revenue	7 555	6 352	8 144	6 348	8 973	8 973	12 071	12 795	13 563
Transfers recognised - operational	41 680	67 835	60 473	90 324	101 234	101 234	128 252	100 430	113 519
Other own revenue	96 627	47 302	62 024	67 957	68 140	68 140	66 298	68 428	70 686
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>703 871</b>	<b>736 376</b>	<b>804 650</b>	<b>895 035</b>	<b>910 752</b>	<b>910 752</b>	<b>995 114</b>	<b>1 017 455</b>	<b>1 083 718</b>
Employee costs	231 642	260 645	267 019	291 593	292 827	292 827	314 204	322 023	339 129
Remuneration of councillors	7 084	7 933	8 104	8 674	8 674	8 674	9 110	9 620	10 161
Depreciation & asset impairment	104 408	99 361	106 445	111 362	111 362	111 362	117 690	124 752	132 237
Finance charges	37 331	39 927	43 447	46 895	46 895	46 895	46 421	46 952	45 449
Materials and bulk purchases	157 462	170 650	184 319	251 374	250 759	250 759	287 450	268 614	291 802
Transfers and grants	35 856	38 749	48 659	48 497	49 448	49 448	57 479	60 808	64 336
Other expenditure	178 287	214 757	253 271	206 135	227 438	227 438	242 630	252 407	265 738
<b>Total Expenditure</b>	<b>752 070</b>	<b>832 022</b>	<b>911 264</b>	<b>964 529</b>	<b>987 403</b>	<b>987 403</b>	<b>1 074 984</b>	<b>1 085 176</b>	<b>1 148 851</b>
<b>Surplus/(Deficit)</b>	<b>(48 199)</b>	<b>(95 646)</b>	<b>(106 615)</b>	<b>(69 494)</b>	<b>(76 651)</b>	<b>(76 651)</b>	<b>(79 870)</b>	<b>(67 720)</b>	<b>(65 133)</b>
Transfers recognised - capital	53 809	38 090	55 498	63 354	60 502	60 502	40 103	63 604	67 271
Contributions recognised - capital & contributed as	5 289	12 542	1 272	1 000	1 000	1 000	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>10 899</b>	<b>(45 015)</b>	<b>(49 845)</b>	<b>(5 140)</b>	<b>(15 149)</b>	<b>(15 149)</b>	<b>(39 767)</b>	<b>(4 116)</b>	<b>2 138</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>10 899</b>	<b>(45 015)</b>	<b>(49 845)</b>	<b>(5 140)</b>	<b>(15 149)</b>	<b>(15 149)</b>	<b>(39 767)</b>	<b>(4 116)</b>	<b>2 138</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>143 764</b>	<b>130 930</b>	<b>108 490</b>	<b>103 914</b>	<b>103 127</b>	<b>103 127</b>	<b>75 993</b>	<b>93 604</b>	<b>107 271</b>
Transfers recognised - capital	53 809	38 090	55 734	64 354	61 502	61 502	40 103	63 604	67 271
Public contributions & donations	5 067	7 985	607	462	462	462	-	-	-
Borrowing	67 544	70 634	39 012	32 346	33 419	33 419	30 000	30 000	40 000
Internally generated funds	17 345	14 222	13 138	6 753	7 745	7 745	5 890	-	-
<b>Total sources of capital funds</b>	<b>143 764</b>	<b>130 930</b>	<b>108 490</b>	<b>103 914</b>	<b>103 127</b>	<b>103 127</b>	<b>75 993</b>	<b>93 604</b>	<b>107 271</b>
<b>Financial position</b>									
Total current assets	205 668	175 465	224 444	207 929	206 935	206 935	234 553	268 874	310 714
Total non current assets	3 290 140	3 302 111	3 305 450	3 320 511	3 318 160	3 318 160	3 271 663	3 246 904	3 228 470
Total current liabilities	160 331	148 801	155 138	174 459	171 564	171 564	183 981	187 486	192 014
Total non current liabilities	483 951	520 970	602 191	617 668	627 225	627 225	636 115	646 245	662 939
Community wealth/Equity	2 851 526	2 807 805	2 772 565	2 736 314	2 726 305	2 726 305	2 686 119	2 682 047	2 684 231
<b>Cash flows</b>									
Net cash from (used) operating	75 920	76 616	119 478	110 861	97 429	97 429	86 318	118 244	136 325
Net cash from (used) investing	(146 955)	(130 368)	(101 315)	(110 144)	(109 357)	(109 357)	(82 854)	(99 993)	(113 802)
Net cash from (used) financing	28 482	32 764	23 666	7 409	7 409	7 409	5 787	2 547	9 054
<b>Cash/cash equivalents at the year end</b>	<b>84 147</b>	<b>63 158</b>	<b>104 987</b>	<b>97 547</b>	<b>100 467</b>	<b>100 467</b>	<b>109 718</b>	<b>130 516</b>	<b>162 093</b>
<b>Cash backing/surplus reconciliation</b>									
Cash and investments available	95 744	80 123	128 136	126 001	128 922	128 922	145 046	172 243	210 361
Application of cash and investments	6 388	(16 024)	(13 650)	8 224	11 740	11 740	10 508	(385)	(7 269)
<b>Balance - surplus (shortfall)</b>	<b>89 356</b>	<b>96 147</b>	<b>141 786</b>	<b>117 777</b>	<b>117 182</b>	<b>117 182</b>	<b>134 538</b>	<b>172 628</b>	<b>217 630</b>
<b>Asset management</b>									
Asset register summary (WDV)	3 277 435	3 280 777	3 282 248	3 292 016	3 289 664	3 289 664	3 236 305	3 205 158	3 180 192
Depreciation & asset impairment	104 408	99 361	106 445	111 362	111 362	111 362	117 690	124 752	132 237
Renewal of Existing Assets	4 147	47 032	32 727	20 758	19 493	19 493	38 541	28 399	39 325
Repairs and Maintenance	114 414	150 358	158 026	121 077	121 077	121 077	120 795	123 857	129 068
<b>Free services</b>									
Cost of Free Basic Services provided	13	13	4 076	3 550	3 550	3 550	4 196	4 197	4 448
Revenue cost of free services provided	34 102	32 664	38 196	39 989	39 989	39 989	45 214	47 916	50 781
<b>Households below minimum service level</b>									
Water:	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-
Energy:	-	-	1	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-

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

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's service delivery and commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
  - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
  - b. Capital expenditure is balanced by capital funding sources, of which
    - i. Transfers recognised is reflected on the Financial Performance Budget;
    - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
    - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive and stable indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that the cash increases over the MTREF.
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. In addition, the municipality continues to make progress in addressing service delivery backlogs.

**Table 18 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

WC032 Overstrand - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>Revenue - Standard</b>									
<i>Governance and administration</i>	232 385	199 504	236 511	255 994	260 052	260 052	274 984	297 281	318 547
Executive and council	38 355	42 355	52 212	64 861	64 861	64 861	73 269	83 368	91 792
Budget and treasury office	137 728	150 786	172 800	180 339	183 766	183 766	200 953	213 109	225 908
Corporate services	56 303	6 363	11 499	10 795	11 424	11 424	762	803	847
<i>Community and public safety</i>	50 862	71 418	75 100	101 843	106 745	106 745	117 616	112 616	113 584
Community and social services	2 990	2 574	5 213	4 657	4 757	4 757	11 676	14 703	12 315
Sport and recreation	7 765	11 427	7 939	11 942	10 489	10 489	8 875	12 654	10 752
Public safety	20 142	28 300	31 198	37 676	37 676	37 676	37 988	38 420	38 877
Housing	19 965	29 116	30 750	47 567	53 823	53 823	59 077	46 839	51 640
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	18 567	30 962	17 928	20 033	21 639	21 639	22 139	17 168	24 533
Planning and development	7 907	12 853	9 861	9 043	9 549	9 549	11 310	9 951	10 548
Road transport	10 595	17 790	8 048	10 890	11 990	11 990	10 746	7 129	13 891
Environmental protection	65	319	19	101	101	101	83	88	93
<i>Trading services</i>	461 155	485 124	531 880	581 518	583 818	583 818	620 478	653 995	694 325
Electricity	249 645	270 880	288 745	346 361	344 361	344 361	362 878	383 351	408 112
Water	96 325	96 086	109 581	106 211	109 211	109 211	114 799	121 402	129 044
Waste water management	68 428	65 091	76 694	69 402	70 702	70 702	77 230	79 738	83 495
Waste management	46 758	53 066	56 860	59 544	59 544	59 544	65 570	69 504	73 675
<i>Other</i>	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	<b>762 969</b>	<b>787 007</b>	<b>861 419</b>	<b>959 389</b>	<b>972 254</b>	<b>972 254</b>	<b>1 035 217</b>	<b>1 081 060</b>	<b>1 150 989</b>
<b>Expenditure - Standard</b>									
<i>Governance and administration</i>	205 348	119 512	231 348	237 278	249 929	249 929	262 345	273 948	290 221
Executive and council	67 621	71 355	92 928	92 565	106 242	106 242	114 585	118 197	125 860
Budget and treasury office	51 399	23 830	59 094	69 750	70 482	70 482	69 180	73 115	77 153
Corporate services	86 328	24 327	79 327	74 963	73 204	73 204	78 579	82 635	87 207
<i>Community and public safety</i>	87 288	134 133	116 395	141 933	153 172	153 172	181 101	148 802	159 408
Community and social services	26 093	30 255	35 196	31 368	31 215	31 215	34 465	35 334	37 197
Sport and recreation	14 271	18 637	16 677	18 220	18 269	18 269	20 239	20 843	22 140
Public safety	42 651	56 923	52 938	69 453	71 285	71 285	74 657	76 951	79 864
Housing	4 273	28 318	11 584	22 892	32 402	32 402	51 741	15 674	20 208
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	113 012	130 335	109 806	132 046	155 072	155 072	176 435	180 172	189 724
Planning and development	36 280	30 370	23 230	40 308	63 640	63 640	80 325	80 623	85 576
Road transport	71 108	92 659	80 914	84 786	84 933	84 933	90 397	93 565	97 944
Environmental protection	5 624	7 306	5 662	6 952	6 500	6 500	5 712	5 983	6 204
<i>Trading services</i>	346 423	448 042	453 715	453 273	429 231	429 231	455 103	482 255	509 499
Electricity	198 933	247 859	229 494	257 278	255 108	255 108	277 742	297 102	317 281
Water	61 422	99 439	71 697	78 253	62 213	62 213	59 028	61 272	63 072
Waste water management	45 965	64 659	57 717	63 478	57 745	57 745	59 828	62 976	66 197
Waste management	40 102	36 085	94 806	54 264	54 165	54 165	58 505	60 904	62 948
<i>Other</i>	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	<b>752 070</b>	<b>832 022</b>	<b>911 264</b>	<b>964 529</b>	<b>987 403</b>	<b>987 403</b>	<b>1 074 984</b>	<b>1 085 176</b>	<b>1 148 851</b>
<b>Surplus/(Deficit) for the year</b>	<b>10 899</b>	<b>(45 015)</b>	<b>(49 845)</b>	<b>(5 140)</b>	<b>(15 149)</b>	<b>(15 149)</b>	<b>(39 767)</b>	<b>(4 116)</b>	<b>2 138</b>



**Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification) - mSCOA – Function/Sub Function**

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, now Function/Sub Function, 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.

**Table 19 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Vote Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>Revenue by Vote</b>									
Vote 1 - Council	38 353	42 274	52 212	64 808	64 808	64 808	73 182	83 276	91 694
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Management Services	1 476	1 286	1 692	991	1 849	1 849	1	1	1
Vote 4 - Finance	137 728	150 786	172 800	180 339	183 766	183 766	200 953	213 109	225 908
Vote 5 - Community Services	253 932	276 626	270 483	272 957	276 775	276 775	290 065	306 364	324 475
Vote 6 - Local Economic Development	3 750	6 431	3 389	3 091	3 091	3 091	3 352	1 516	1 607
Vote 7 - Infrastructure & Planning	307 588	281 304	329 646	399 527	404 289	404 289	429 676	438 374	468 427
Vote 8 - Protection Services	20 142	28 300	31 198	37 676	37 676	37 676	37 988	38 420	38 877
<b>Total Revenue by Vote</b>	<b>762 969</b>	<b>787 007</b>	<b>861 419</b>	<b>959 389</b>	<b>972 254</b>	<b>972 254</b>	<b>1 035 217</b>	<b>1 081 060</b>	<b>1 150 989</b>
<b>Expenditure by Vote to be appropriated</b>									
Vote 1 - Council	64 385	68 239	73 581	71 496	84 733	84 733	91 748	96 140	102 598
Vote 2 - Municipal Manager	3 243	1 295	3 903	4 489	4 489	4 489	4 722	4 978	5 247
Vote 3 - Management Services	30 890	5 492	36 148	43 327	41 916	41 916	46 490	48 974	51 802
Vote 4 - Finance	51 399	23 830	59 094	69 750	70 482	70 482	69 180	73 115	77 153
Vote 5 - Community Services	296 939	394 516	330 928	341 492	332 291	332 291	347 048	358 613	375 553
Vote 6 - Local Economic Development	7 722	9 945	10 226	8 731	9 531	9 531	10 795	7 433	7 672
Vote 7 - Infrastructure & Planning	254 841	271 782	344 447	355 793	372 676	372 676	430 346	418 971	448 962
Vote 8 - Protection Services	42 651	56 923	52 938	69 453	71 285	71 285	74 657	76 951	79 864
<b>Total Expenditure by Vote</b>	<b>752 070</b>	<b>832 022</b>	<b>911 264</b>	<b>964 529</b>	<b>987 403</b>	<b>987 403</b>	<b>1 074 984</b>	<b>1 085 176</b>	<b>1 148 851</b>
<b>Surplus/(Deficit) for the year</b>	<b>10 899</b>	<b>(45 015)</b>	<b>(49 845)</b>	<b>(5 140)</b>	<b>(15 149)</b>	<b>(15 149)</b>	<b>(39 767)</b>	<b>(4 116)</b>	<b>2 138</b>

**Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote) – mSCOA – Own Segment**

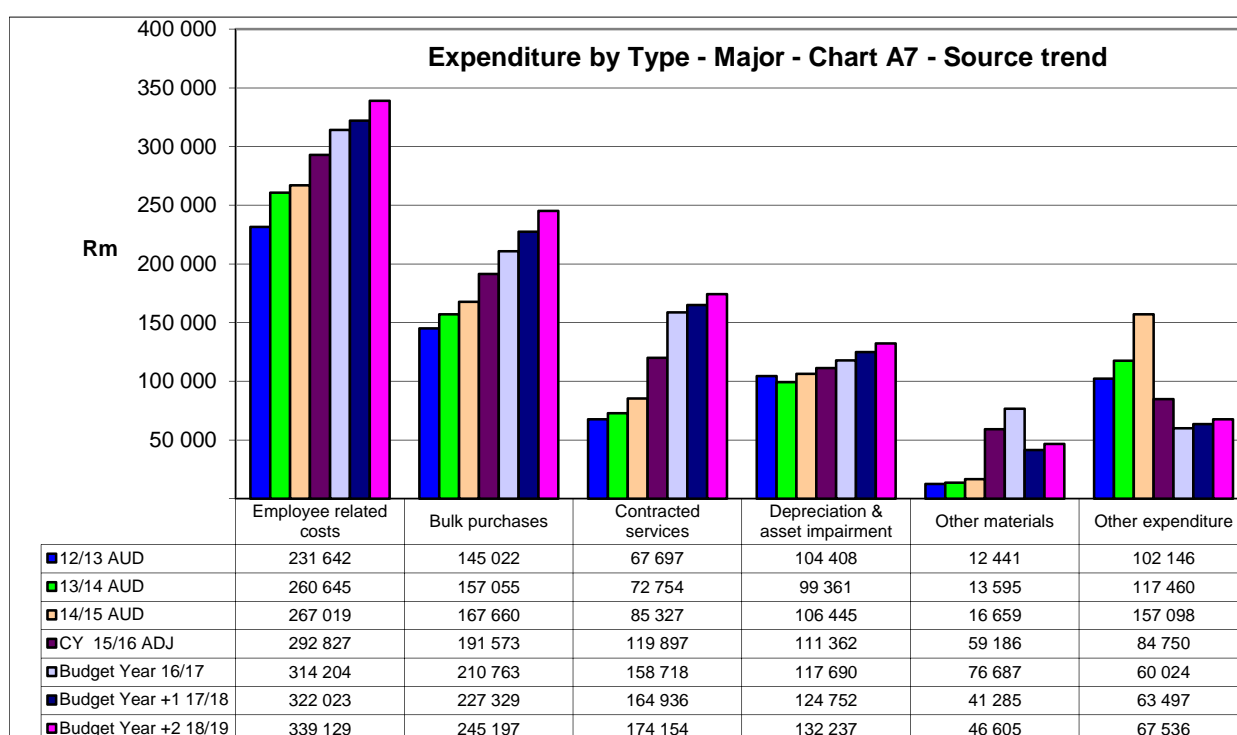
1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per own segment: municipal vote (directorate). This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

**Table 20 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>Revenue By Source</b>									
Property rates	120 799	134 813	152 870	162 730	162 730	162 730	180 591	191 427	202 913
Property rates - penalties & collection charges	772	821	747	891	891	891	848	899	953
Service charges - electricity revenue	247 663	268 362	286 571	338 877	336 877	336 877	357 681	379 142	401 891
Service charges - water revenue	85 243	95 136	108 391	102 045	105 045	105 045	111 544	118 237	125 331
Service charges - sanitation revenue	56 895	62 798	68 661	66 375	67 375	67 375	72 318	76 657	81 257
Service charges - refuse revenue	46 637	52 957	56 770	59 488	59 488	59 488	65 510	69 441	73 607
Service charges - other									
Rental of facilities and equipment	7 212	7 591	9 155	11 859	11 983	11 983	3 146	3 335	3 535
Interest earned - external investments	7 555	6 352	8 144	6 348	8 973	8 973	12 071	12 795	13 563
Interest earned - outstanding debtors	2 199	2 118	2 279	2 437	2 437	2 437	2 756	2 921	3 097
Dividends received									
Fines	14 244	22 739	25 389	31 859	31 859	31 859	31 143	31 164	31 187
Licences and permits	1 968	1 956	1 972	2 190	2 190	2 190	2 330	2 470	2 618
Agency services	2 025	2 395	2 766	2 970	2 970	2 970	3 220	3 413	3 618
Transfers recognised - operational	41 680	67 835	60 473	90 324	101 234	101 234	128 252	100 430	113 519
Other revenue	68 978	10 504	20 463	16 643	16 701	16 701	23 702	25 124	26 631
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>703 871</b>	<b>736 376</b>	<b>804 650</b>	<b>895 035</b>	<b>910 752</b>	<b>910 752</b>	<b>995 114</b>	<b>1 017 455</b>	<b>1 083 718</b>
<b>Expenditure By Type</b>									
Employee related costs	231 642	260 645	267 019	291 593	292 827	292 827	314 204	322 023	339 129
Remuneration of councillors	7 084	7 933	8 104	8 674	8 674	8 674	9 110	9 620	10 161
Debt impairment	6 688	12 526	10 846	22 792	22 792	22 792	23 888	23 974	24 048
Depreciation & asset impairment	104 408	99 361	106 445	111 362	111 362	111 362	117 690	124 752	132 237
Finance charges	37 331	39 927	43 447	46 895	46 895	46 895	46 421	46 952	45 449
Bulk purchases	145 022	157 055	167 660	193 573	191 573	191 573	210 763	227 329	245 197
Other materials	12 441	13 595	16 659	57 801	59 186	59 186	76 687	41 285	46 605
Contracted services	67 697	72 754	85 327	125 322	119 897	119 897	158 718	164 936	174 154
Transfers and grants	35 856	38 749	48 659	48 497	49 448	49 448	57 479	60 808	64 336
Other expenditure	102 146	117 460	157 098	58 021	84 750	84 750	60 024	63 497	67 536
Loss on disposal of PPE	1 756	12 017							
<b>Total Expenditure</b>	<b>752 070</b>	<b>832 022</b>	<b>911 264</b>	<b>964 529</b>	<b>987 403</b>	<b>987 403</b>	<b>1 074 984</b>	<b>1 085 176</b>	<b>1 148 851</b>
<b>Surplus/(Deficit)</b>	<b>(48 199)</b>	<b>(95 646)</b>	<b>(106 615)</b>	<b>(69 494)</b>	<b>(76 651)</b>	<b>(76 651)</b>	<b>(79 870)</b>	<b>(67 720)</b>	<b>(65 133)</b>
Transfers recognised - capital	53 809	38 090	55 498	63 354	60 502	60 502	40 103	63 604	67 271
Contributions recognised - capital	5 289	7 871	1 272	1 000	1 000	1 000	-	-	-
Contributed assets		4 671							
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>10 899</b>	<b>(45 015)</b>	<b>(49 845)</b>	<b>(5 140)</b>	<b>(15 149)</b>	<b>(15 149)</b>	<b>(39 767)</b>	<b>(4 116)</b>	<b>2 138</b>
Taxation									
<b>Surplus/(Deficit) after taxation</b>	<b>10 899</b>	<b>(45 015)</b>	<b>(49 845)</b>	<b>(5 140)</b>	<b>(15 149)</b>	<b>(15 149)</b>	<b>(39 767)</b>	<b>(4 116)</b>	<b>2 138</b>
Attributable to minorities									
<b>Surplus/(Deficit) attributable to municipality</b>	<b>10 899</b>	<b>(45 015)</b>	<b>(49 845)</b>	<b>(5 140)</b>	<b>(15 149)</b>	<b>(15 149)</b>	<b>(39 767)</b>	<b>(4 116)</b>	<b>2 138</b>
Share of surplus/ (deficit) of associate									
<b>Surplus/(Deficit) for the year</b>	<b>10 899</b>	<b>(45 015)</b>	<b>(49 845)</b>	<b>(5 140)</b>	<b>(15 149)</b>	<b>(15 149)</b>	<b>(39 767)</b>	<b>(4 116)</b>	<b>2 138</b>

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

1. Total operating revenue is R910,8 million in 2015/2016 and increase to R995,1 million in 2016/17. This represents a year-on-year increase of 9,27 per cent for the 2016/17 financial year.
2. Revenue to be generated from property rates is R162,7 million in the 2015/2016 financial year and increases to R180,6 million by 2016/17 which represents 18,1 per cent of the operating revenue base of the Municipality and therefore remains a significant funding source for the municipality.
3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R568,8 million for the 2015/2016 financial year and increasing to R607,1 million by 2016/17. For the 2016/17 financial year services charges amount to 61 per cent of the operating revenue base.
4. Transfers recognised – operating grants includes the local government equitable share and other operating grants from national and provincial government.
5. The following graph illustrates the major expenditure items per type.



**Figure 3 Expenditure by major type**

6. Bulk purchases have significantly increased over the 2012/13 to 2018/19 period escalating from R145 million to R245 million. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom.
7. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

**Table 21 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

Vote Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>Capital expenditure - Vote</b>									
<b>Multi-year expenditure to be appropriated</b>									
Vote 1 - Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Management Services	-	-	2 658	-	-	-	-	-	-
Vote 4 - Finance	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services	-	5 000	89 992	21 911	20 996	20 996	14 311	38 890	37 031
Vote 6 - Local Economic Development	-	-	-	-	-	-	-	-	-
Vote 7 - Infrastructure & Planning	-	-	15 839	11 451	13 016	13 016	15 000	14 000	20 500
Vote 8 - Protection Services	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	<b>-</b>	<b>5 000</b>	<b>108 489</b>	<b>33 362</b>	<b>34 012</b>	<b>34 012</b>	<b>29 311</b>	<b>52 890</b>	<b>57 531</b>
<b>Single-year expenditure to be appropriated</b>									
Vote 1 - Council	-	-	-	-	-	-	5	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	41	-	-
Vote 3 - Management Services	1 274	1 790	-	2 528	4 093	4 093	320	-	-
Vote 4 - Finance	-	-	-	-	-	-	30	-	-
Vote 5 - Community Services	110 111	74 622	-	56 809	54 207	54 207	45 732	40 714	49 740
Vote 6 - Local Economic Development	945	-	-	-	-	-	15	-	-
Vote 7 - Infrastructure & Planning	31 434	49 518	-	10 920	10 520	10 520	230	-	-
Vote 8 - Protection Services	-	-	-	295	295	295	310	-	-
<b>Capital single-year expenditure sub-total</b>	<b>143 764</b>	<b>125 930</b>	<b>-</b>	<b>70 552</b>	<b>69 115</b>	<b>69 115</b>	<b>46 683</b>	<b>40 714</b>	<b>49 740</b>
<b>Total Capital Expenditure - Vote</b>	<b>143 764</b>	<b>130 930</b>	<b>108 489</b>	<b>103 914</b>	<b>103 127</b>	<b>103 127</b>	<b>75 993</b>	<b>93 604</b>	<b>107 271</b>
<b>Capital Expenditure - Standard</b>									
<b>Governance and administration</b>	<b>7 154</b>	<b>21 308</b>	<b>10 561</b>	<b>2 648</b>	<b>4 213</b>	<b>4 213</b>	<b>2 040</b>	<b>-</b>	<b>-</b>
Executive and council							46		
Budget and treasury office									
Corporate services	7 154	21 308	10 561	2 648	4 213	4 213	1 994		
<b>Community and public safety</b>	<b>7 268</b>	<b>19 582</b>	<b>39 184</b>	<b>39 768</b>	<b>34 902</b>	<b>34 902</b>	<b>18 858</b>	<b>47 089</b>	<b>42 340</b>
Community and social services	4 666	3 482	5 258	3 520	3 220	3 220	2 995	4 500	1 500
Sport and recreation	2 601	5 696	1 565	5 981	5 066	5 066	2 530	5 435	3 100
Public safety	-	-	-	295	295	295	310		
Housing	-	10 404	32 361	29 973	26 321	26 321	13 023	37 154	37 740
Health									
<b>Economic and environmental services</b>	<b>25 552</b>	<b>16 051</b>	<b>6 300</b>	<b>12 128</b>	<b>13 229</b>	<b>13 229</b>	<b>12 098</b>	<b>6 859</b>	<b>13 605</b>
Planning and development	945			25	25	25	133		
Road transport	24 607	16 051	6 300	12 103	13 204	13 204	11 965	6 859	13 605
Environmental protection									
<b>Trading services</b>	<b>103 790</b>	<b>73 989</b>	<b>52 444</b>	<b>49 370</b>	<b>50 784</b>	<b>50 784</b>	<b>42 997</b>	<b>39 656</b>	<b>51 326</b>
Electricity	26 768	37 115	13 682	21 726	22 891	22 891	15 108	14 000	20 500
Water	50 766	23 631	16 275	16 390	16 390	16 390	12 430	12 800	16 826
Waste water management	20 728	10 202	13 221	11 244	11 487	11 487	15 430	12 856	14 000
Waste management	5 528	3 041	9 267	10	15	15	30		
<b>Other</b>									
<b>Total Capital Expenditure - Standard</b>	<b>143 764</b>	<b>130 930</b>	<b>108 490</b>	<b>103 914</b>	<b>103 127</b>	<b>103 127</b>	<b>75 993</b>	<b>93 604</b>	<b>107 271</b>
<b>Funded by:</b>									
National Government	36 911	6 339	22 884	30 347	30 347	30 347	26 030	26 450	29 531
Provincial Government	16 898	31 751	31 850	33 007	30 155	30 155	14 073	37 154	37 740
District Municipality					-	-			
Other transfers and grants			1 000	1 000	1 000	1 000			
<b>Transfers recognised - capital</b>	<b>53 809</b>	<b>38 090</b>	<b>55 734</b>	<b>64 354</b>	<b>61 502</b>	<b>61 502</b>	<b>40 103</b>	<b>63 604</b>	<b>67 271</b>
<b>Public contributions &amp; donations</b>	<b>5 067</b>	<b>7 985</b>	<b>607</b>	<b>462</b>	<b>462</b>	<b>462</b>			
<b>Borrowing</b>	<b>67 544</b>	<b>70 634</b>	<b>39 012</b>	<b>32 346</b>	<b>33 419</b>	<b>33 419</b>	<b>30 000</b>	<b>30 000</b>	<b>40 000</b>
<b>Internally generated funds</b>	<b>17 345</b>	<b>14 222</b>	<b>13 138</b>	<b>6 753</b>	<b>7 745</b>	<b>7 745</b>	<b>5 890</b>		
<b>Total Capital Funding</b>	<b>143 764</b>	<b>130 930</b>	<b>108 490</b>	<b>103 914</b>	<b>103 127</b>	<b>103 127</b>	<b>75 993</b>	<b>93 604</b>	<b>107 271</b>

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

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. The capital expenditure amounts to R76 million in 2016/17.
3. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and 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 Municipality.
4. The capital programme is funded from national and provincial grants and transfers, public contributions and donations, borrowing and internally generated funds from previous year surpluses. For 2016/17, capital transfers totals R40,1 million. Borrowing has been provided at R30 million, finance leases (nil) and internally generated funding totaling R5,9 million. These funding sources are further discussed in detail in paragraph 2.6 (Overview of Budget Funding).

**Table 22 MBRR Table A6 - Budgeted Financial Position**

Description  R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>ASSETS</b>									
<b>Current assets</b>									
Cash	29 106	13 119	78 935	97 547	100 467	100 467	109 718	130 516	162 093
Call investment deposits	55 042	50 039	26 051	–	–	–	–	–	–
Consumer debtors	49 025	47 451	52 850	51 774	51 774	51 774	66 944	70 804	74 893
Other debtors	52 222	51 704	56 167	44 112	40 197	40 197	44 217	53 060	58 366
Current portion of long-term receivables	17	15	15	13	13	13	11	10	10
Inventory	20 257	13 137	10 426	14 483	14 483	14 483	13 663	14 483	15 352
<b>Total current assets</b>	<b>205 668</b>	<b>175 465</b>	<b>224 444</b>	<b>207 929</b>	<b>206 935</b>	<b>206 935</b>	<b>234 553</b>	<b>268 874</b>	<b>310 714</b>
<b>Non current assets</b>									
Long-term receivables	84	68	53	41	41	41	30	20	10
Investments	11 597	16 965	23 149	28 455	28 455	28 455	35 328	41 727	48 267
Investment property	175 866	164 501	159 761	164 501	164 501	164 501	159 761	159 761	159 761
Investment in Associate					–	–			
Property, plant and equipment	3 097 120	3 111 056	3 117 725	3 122 147	3 119 795	3 119 795	3 072 366	3 042 479	3 018 851
Agricultural					–	–			
Biological					–	–			
Intangible	4 449	5 220	4 762	5 368	5 368	5 368	4 179	2 918	1 581
Other non-current assets	1 025	4 301			–	–			
<b>Total non current assets</b>	<b>3 290 140</b>	<b>3 302 111</b>	<b>3 305 450</b>	<b>3 320 511</b>	<b>3 318 160</b>	<b>3 318 160</b>	<b>3 271 663</b>	<b>3 246 904</b>	<b>3 228 470</b>
<b>TOTAL ASSETS</b>	<b>3 495 808</b>	<b>3 477 576</b>	<b>3 529 894</b>	<b>3 528 441</b>	<b>3 525 094</b>	<b>3 525 094</b>	<b>3 506 216</b>	<b>3 515 778</b>	<b>3 539 184</b>
<b>LIABILITIES</b>									
<b>Current liabilities</b>									
Bank overdraft									
Borrowing	18 241	20 443	23 620	28 113	28 113	28 113	29 378	32 831	36 912
Consumer deposits	34 932	37 751	41 743	43 801	43 801	43 801	46 429	48 750	51 188
Trade and other payables	79 489	64 943	65 836	74 229	74 229	74 229	81 244	77 375	73 691
Provisions	27 670	25 663	23 939	28 317	25 422	25 422	26 930	28 529	30 224
<b>Total current liabilities</b>	<b>160 331</b>	<b>148 801</b>	<b>155 138</b>	<b>174 459</b>	<b>171 564</b>	<b>171 564</b>	<b>183 981</b>	<b>187 486</b>	<b>192 014</b>
<b>Non current liabilities</b>									
Borrowing	364 632	392 444	408 964	415 999	415 999	415 999	412 288	409 060	411 596
Provisions	119 319	128 527	193 227	201 669	211 226	211 226	223 827	237 184	251 343
<b>Total non current liabilities</b>	<b>483 951</b>	<b>520 970</b>	<b>602 191</b>	<b>617 668</b>	<b>627 225</b>	<b>627 225</b>	<b>636 115</b>	<b>646 245</b>	<b>662 939</b>
<b>TOTAL LIABILITIES</b>	<b>644 282</b>	<b>669 772</b>	<b>757 329</b>	<b>792 127</b>	<b>798 789</b>	<b>798 789</b>	<b>820 097</b>	<b>833 731</b>	<b>854 954</b>
<b>NET ASSETS</b>	<b>2 851 526</b>	<b>2 807 805</b>	<b>2 772 565</b>	<b>2 736 314</b>	<b>2 726 305</b>	<b>2 726 305</b>	<b>2 686 119</b>	<b>2 682 047</b>	<b>2 684 231</b>
<b>COMMUNITY WEALTH/EQUITY</b>									
Accumulated Surplus/(Deficit)	2 849 634	2 805 240	2 769 994	2 733 677	2 723 668	2 723 668	2 683 901	2 679 785	2 681 923
Reserves	1 891	2 565	2 571	2 637	2 637	2 637	2 218	2 263	2 308



## **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 largely 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 62 is supported by an extensive table of notes (SA3 which can be found on page 100) 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 23 MBRR Table A7 - Budgeted Cash Flow Statement**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates, penalties & collection charges	120 273	135 875	152 186	163 800	163 800	163 800	177 971	191 444	202 932
Service charges	437 061	483 167	517 192	567 409	569 410	569 410	595 413	640 514	678 947
Other revenue	41 689	63 976	59 478	76 884	80 982	80 982	59 043	56 692	62 312
Government - operating	44 140	63 477	59 124	90 324	101 234	101 234	128 252	100 430	113 519
Government - capital	54 577	38 090	55 498	64 354	61 502	61 502	40 103	63 604	67 271
Interest	9 754	8 470	10 423	8 784	11 409	11 409	14 827	15 716	16 659
Dividends							-	-	-
<b>Payments</b>									
Suppliers and employees	(558 519)	(637 833)	(642 330)	(765 303)	(794 565)	(794 565)	(825 391)	(842 397)	(895 529)
Finance charges	(37 199)	(39 858)	(43 433)	(46 895)	(46 895)	(46 895)	(46 421)	(46 952)	(45 449)
Transfers and Grants	(35 856)	(38 749)	(48 659)	(48 497)	(49 448)	(49 448)	(57 479)	(60 808)	(64 336)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>75 920</b>	<b>76 616</b>	<b>119 478</b>	<b>110 861</b>	<b>97 429</b>	<b>97 429</b>	<b>86 318</b>	<b>118 244</b>	<b>136 325</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	1 725	5 073	14 548	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	45	18	15	18	18	18	13	11	10
Decrease (increase) in non-current investments	(4 960)	(4 529)	(4 980)	(6 248)	(6 248)	(6 248)	(6 873)	(6 399)	(6 541)
<b>Payments</b>									
Capital assets	(143 764)	(130 930)	(110 898)	(103 914)	(103 127)	(103 127)	(75 993)	(93 604)	(107 271)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(146 955)</b>	<b>(130 368)</b>	<b>(101 315)</b>	<b>(110 144)</b>	<b>(109 357)</b>	<b>(109 357)</b>	<b>(82 854)</b>	<b>(99 993)</b>	<b>(113 802)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans	(389)	(730)	64	(1 135)	(1 135)	(1 135)	-	-	-
Borrowing long term/refinancing	38 700	51 300	40 000	30 000	30 000	30 000	30 000	30 000	40 000
Increase (decrease) in consumer deposits	3 726	2 819	3 983	2 479	2 479	2 479	2 628	2 321	2 438
<b>Payments</b>									
Repayment of borrowing	(13 554)	(20 626)	(20 381)	(23 936)	(23 936)	(23 936)	(26 841)	(29 775)	(33 384)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>28 482</b>	<b>32 764</b>	<b>23 666</b>	<b>7 409</b>	<b>7 409</b>	<b>7 409</b>	<b>5 787</b>	<b>2 547</b>	<b>9 054</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(42 552)</b>	<b>(20 989)</b>	<b>41 828</b>	<b>8 126</b>	<b>(4 520)</b>	<b>(4 520)</b>	<b>9 251</b>	<b>20 798</b>	<b>31 577</b>
Cash/cash equivalents at the year begin:	126 699	84 147	63 158	89 421	104 987	104 987	100 467	109 718	130 516
Cash/cash equivalents at the year end:	84 147	63 158	104 987	97 547	100 467	100 467	109 718	130 516	162 093

### **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 Municipality increase steadily over the 2016/2017 to 2018/19 period.
4. The 2016/17 MTREF has been informed by the planning principle of ensuring adequate cash over the medium-term.
5. Cash and cash equivalents totals R110 million as at the end of the 2016/2017 financial year and is estimated to increase to R162 million by 2018/19.

**Table 24 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Cash and investments available</b>									
Cash/cash equivalents at the year end	84 147	63 158	104 987	97 547	100 467	100 467	109 718	130 516	162 093
Other current investments > 90 days	–	0	–	0	0	0	–	–	–
Non current assets - Investments	11 597	16 965	23 149	28 455	28 455	28 455	35 328	41 727	48 267
<b>Cash and investments available:</b>	<b>95 744</b>	<b>80 123</b>	<b>128 136</b>	<b>126 001</b>	<b>128 922</b>	<b>128 922</b>	<b>145 046</b>	<b>172 243</b>	<b>210 361</b>
<b>Application of cash and investments</b>									
Unspent conditional transfers	7 783	3 425	2 076	–	–	–	–	–	–
Unspent borrowing	6 133	1 847	2 800	–	–	–	–	–	–
Statutory requirements									
Other working capital requirements	(21 016)	(40 826)	(44 247)	(22 868)	(19 352)	(19 352)	(27 038)	(44 375)	(57 844)
Other provisions									
Long term investments committed	11 597	16 965	23 149	28 455	28 455	28 455	35 328	41 727	48 267
Reserves to be backed by cash/investments	1 891	2 565	2 571	2 637	2 637	2 637	2 218	2 263	2 308
<b>Total Application of cash and investments:</b>	<b>6 388</b>	<b>(16 024)</b>	<b>(13 650)</b>	<b>8 224</b>	<b>11 740</b>	<b>11 740</b>	<b>10 508</b>	<b>(385)</b>	<b>(7 269)</b>
<b>Surplus(shortfall)</b>	<b>89 356</b>	<b>96 147</b>	<b>141 786</b>	<b>117 777</b>	<b>117 182</b>	<b>117 182</b>	<b>134 538</b>	<b>172 628</b>	<b>217 630</b>

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

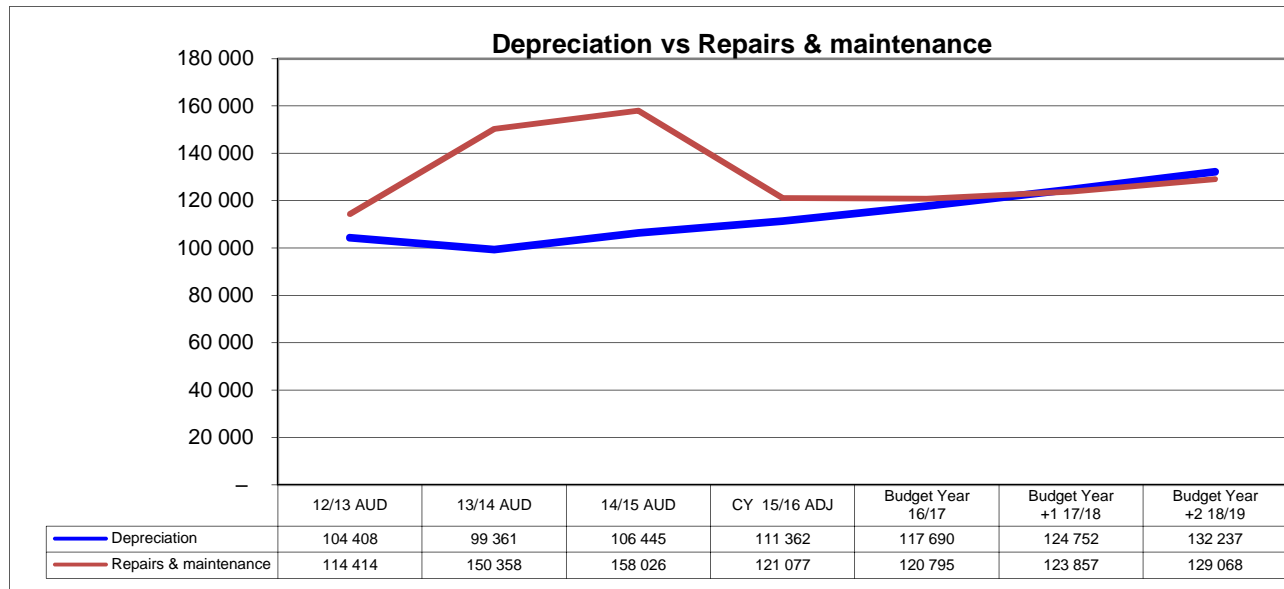
1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available 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. As part of the budgeting and planning guidelines that informed the compilation of the 2016/17 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.
5. As can be seen the budget has been modelled to ensure that the budget is funded.

Table 25 MBRR Table A9 - Asset Management

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>CAPITAL EXPENDITURE</b>									
<b>Total New Assets</b>	<b>139 617</b>	<b>83 899</b>	<b>75 763</b>	<b>83 156</b>	<b>83 635</b>	<b>83 635</b>	<b>37 453</b>	<b>65 205</b>	<b>67 946</b>
Infrastructure - Road transport	15 578	9 203	1 320	14 979	16 331	16 331	1 840	–	–
Infrastructure - Electricity	22 203	24 160	13 041	21 726	22 891	22 891	15 108	14 000	20 500
Infrastructure - Water	48 634	7 300	470	4 737	4 737	4 737	2 930	6 000	4 300
Infrastructure - Sanitation	16 478	8 449	8 892	3 420	3 413	3 413	5 500	10 160	8 500
Infrastructure - Other	5 359	1 400	9 198	10	15	15	30	–	–
Infrastructure	108 252	50 511	32 922	44 873	47 388	47 388	25 407	30 160	33 300
Community	20 997	13 896	32 280	35 611	32 009	32 009	9 872	35 045	34 646
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	795	–	–	–	–	–	–	–
Other assets	9 038	18 697	10 561	2 673	4 238	4 238	2 173	–	–
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	1 330	–	–	–	–	–	–	–	–
<b>Total Renewal of Existing Assets</b>	<b>4 147</b>	<b>47 032</b>	<b>32 727</b>	<b>20 758</b>	<b>19 493</b>	<b>19 493</b>	<b>38 541</b>	<b>28 399</b>	<b>39 325</b>
Infrastructure - Road transport	131	6 892	6 300	–	–	–	11 855	8 274	14 605
Infrastructure - Electricity	–	12 955	3 100	–	–	–	–	–	–
Infrastructure - Water	–	16 331	15 805	11 653	11 653	11 653	9 500	6 800	12 526
Infrastructure - Sanitation	–	1 711	3 179	4 947	4 947	4 947	8 200	1 281	4 500
Infrastructure - Other	–	1 641	–	–	–	–	–	–	–
Infrastructure	131	39 529	28 384	16 600	16 600	16 600	29 555	16 355	31 631
Community	756	5 686	4 343	4 158	2 893	2 893	8 986	12 044	7 694
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	3 260	1 817	–	–	–	–	–	–	–
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	–	–	–	–	–	–	–	–	–
<b>Total Capital Expenditure</b>									
Infrastructure - Road transport	15 709	16 094	7 621	14 979	16 331	16 331	13 695	8 274	14 605
Infrastructure - Electricity	22 203	37 115	16 142	21 726	22 891	22 891	15 108	14 000	20 500
Infrastructure - Water	48 634	23 631	16 275	16 390	16 390	16 390	12 430	12 800	16 826
Infrastructure - Sanitation	16 478	10 159	12 071	8 367	8 361	8 361	13 700	11 441	13 000
Infrastructure - Other	5 359	3 041	9 198	10	15	15	30	–	–
Infrastructure	108 383	90 040	61 306	61 473	63 988	63 988	54 962	46 515	64 931
Community	21 753	19 582	36 623	39 768	34 902	34 902	18 858	47 089	42 340
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	795	–	–	–	–	–	–	–
Other assets	12 298	20 513	10 561	2 673	4 238	4 238	2 173	–	–
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	1 330	–	–	–	–	–	–	–	–
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	<b>143 764</b>	<b>130 930</b>	<b>108 489</b>	<b>103 914</b>	<b>103 127</b>	<b>103 127</b>	<b>75 993</b>	<b>93 604</b>	<b>107 271</b>
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>									
Infrastructure - Road transport	947 141	942 269	935 286	925 642	926 994	926 994	906 622	878 784	855 112
Infrastructure - Electricity	609 815	619 999	616 523	620 094	619 694	619 694	613 498	604 916	601 479
Infrastructure - Water	458 648	459 954	461 764	453 842	453 842	453 842	445 155	435 572	428 672
Infrastructure - Sanitation	381 194	377 248	382 354	382 220	382 213	382 213	377 911	370 269	363 042
Infrastructure - Other	39 059	39 501	57 365	59 232	59 237	59 237	54 252	48 935	43 300
Infrastructure	2 435 858	2 438 970	2 453 297	2 441 031	2 441 981	2 441 981	2 397 438	2 338 478	2 291 605
Community	58 783	62 814	64 769	63 654	58 788	58 788	73 840	116 896	154 960
Heritage assets	99 573	99 572	97 573	99 572	99 572	99 572	99 572	99 572	99 572
Investment properties	175 866	164 501	159 761	164 501	164 501	164 501	159 761	159 761	159 761
Other assets	502 906	509 700	502 092	517 890	519 455	519 455	501 516	487 534	472 714
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	4 449	5 220	4 762	5 368	5 368	5 368	4 179	2 918	1 581
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>3 277 435</b>	<b>3 280 777</b>	<b>3 282 248</b>	<b>3 292 016</b>	<b>3 289 664</b>	<b>3 289 664</b>	<b>3 236 305</b>	<b>3 205 158</b>	<b>3 180 192</b>
<b>EXPENDITURE OTHER ITEMS</b>									
<b>Depreciation &amp; asset impairment</b>	<b>104 408</b>	<b>99 361</b>	<b>106 445</b>	<b>111 362</b>	<b>111 362</b>	<b>111 362</b>	<b>117 690</b>	<b>124 752</b>	<b>132 237</b>
<b>Repairs and Maintenance by Asset Class</b>	<b>114 414</b>	<b>150 358</b>	<b>158 026</b>	<b>121 077</b>	<b>121 077</b>	<b>121 077</b>	<b>120 795</b>	<b>123 857</b>	<b>129 068</b>
Infrastructure - Road transport	42 236	63 749	65 726	57 090	57 090	57 090	61 852	63 763	66 471
Infrastructure - Electricity	14 105	20 488	26 276	16 835	16 835	16 835	17 747	18 486	18 826
Infrastructure - Water	21 502	27 931	25 811	22 874	22 874	22 874	16 555	17 280	18 168
Infrastructure - Sanitation	7 708	15 486	16 060	12 159	12 159	12 159	11 672	11 949	12 587
Infrastructure - Other	1 499	1 491	2 136	2 492	2 492	2 492	2 546	2 639	2 735
Infrastructure	87 048	129 145	136 009	111 449	111 449	111 449	110 372	114 116	118 787
Community	5 408	7 349	8 469	4 546	4 546	4 546	4 878	4 918	5 208
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	21 958	13 864	13 548	5 081	5 081	5 081	5 545	4 822	5 072
<b>TOTAL EXPENDITURE OTHER ITEMS</b>	<b>218 821</b>	<b>249 719</b>	<b>264 471</b>	<b>232 439</b>	<b>232 439</b>	<b>232 439</b>	<b>238 486</b>	<b>248 609</b>	<b>261 304</b>
<b>Renewal of Existing Assets as % of total capex</b>	<b>2.9%</b>	<b>35.9%</b>	<b>30.2%</b>	<b>20.0%</b>	<b>18.9%</b>	<b>18.9%</b>	<b>50.7%</b>	<b>30.3%</b>	<b>36.7%</b>
<b>Renewal of Existing Assets as % of deprecn"</b>	<b>4.0%</b>	<b>47.3%</b>	<b>30.7%</b>	<b>18.6%</b>	<b>17.5%</b>	<b>17.5%</b>	<b>32.7%</b>	<b>22.8%</b>	<b>29.7%</b>
<b>R&amp;M as a % of PPE</b>	<b>3.7%</b>	<b>4.8%</b>	<b>5.1%</b>	<b>3.9%</b>	<b>3.9%</b>	<b>3.9%</b>	<b>3.9%</b>	<b>4.1%</b>	<b>4.3%</b>
<b>Renewal and R&amp;M as a % of PPE</b>	<b>4.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>4.0%</b>	<b>4.0%</b>	<b>4.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>

## Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF.



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

**Table 26 MBRR Table A10 - Basic Service Delivery Measurement**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Household service targets</b>									
<b>Water:</b>									
Piped water inside dwelling	27 295	32 032	28 100	29 295	29 295	29 295	32 483	33 457	34 461
Piped water inside yard (but not in dwelling)	-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	3 436	3 334	3 350	3 188	3 188	3 188	3 144	3 068	3 010
Other water supply (at least min.service level)	199	155	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	30 930	35 521	31 450	32 483	32 483	32 483	35 627	36 525	37 471
Using public tap (< min.service level)	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	-	-	-	-	-	-	-	-	-
No water supply	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	<b>30 930</b>	<b>35 521</b>	<b>31 450</b>	<b>32 483</b>	<b>32 483</b>	<b>32 483</b>	<b>35 627</b>	<b>36 525</b>	<b>37 471</b>
<b>Sanitation/sewerage:</b>									
Flush toilet (connected to sewerage)	21 284	21 632	20 030	20 818	20 818	20 818	26 910	27 717	28 548
Flush toilet (with septic tank)	9 646	9 799	11 420	11 665	11 665	11 665	8 717	8 500	8 300
Chemical toilet	-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)	-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	30 930	31 431	31 450	32 483	32 483	32 483	35 627	36 217	36 848
Bucket toilet	-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)	-	-	-	-	-	-	-	-	-
No toilet provisions	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	<b>30 930</b>	<b>31 431</b>	<b>31 450</b>	<b>32 483</b>	<b>32 483</b>	<b>32 483</b>	<b>35 627</b>	<b>36 217</b>	<b>36 848</b>
<b>Energy:</b>									
Electricity (at least min.service level)	7 918	7 136	6 625	6 114	6 114	6 114	5 950	5 800	5 650
Electricity - prepaid (min.service level)	14 080	16 458	18 379	19 240	19 240	19 240	19 750	20 450	20 950
<i>Minimum Service Level and Above sub-total</i>	21 998	23 594	25 004	25 354	25 354	25 354	25 700	26 250	26 600
Electricity (< min.service level)	-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)	-	-	1 000	-	-	-	-	-	-
Other energy sources	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	1 000	-	-	-	-	-	-
<b>Total number of households</b>	<b>21 998</b>	<b>23 594</b>	<b>26 004</b>	<b>25 354</b>	<b>25 354</b>	<b>25 354</b>	<b>25 700</b>	<b>26 250</b>	<b>26 600</b>
<b>Refuse:</b>									
Removed at least once a week	31 739	31 829	32 691	33 094	33 094	33 094	36 238	37 325	38 449
<i>Minimum Service Level and Above sub-total</i>	31 739	31 829	32 691	33 094	33 094	33 094	36 238	37 325	38 449
Removed less frequently than once a week	-	-	-	-	-	-	-	-	-
Using communal refuse dump	-	-	-	-	-	-	-	-	-
Using own refuse dump	-	-	-	-	-	-	-	-	-
Other rubbish disposal	-	-	-	-	-	-	-	-	-
No rubbish disposal	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	<b>31 739</b>	<b>31 829</b>	<b>32 691</b>	<b>33 094</b>	<b>33 094</b>	<b>33 094</b>	<b>36 238</b>	<b>37 325</b>	<b>38 449</b>
<b>Households receiving Free Basic Service</b>									
Water (6 kilolitres per household per month)	25 406	6 543	6 923	7 297	7 297	7 297	7 400	7 800	8 200
Sanitation (free minimum level service)	-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)	6 423	6 543	6 923	7 297	7 297	7 297	7 400	7 800	8 200
Refuse (removed at least once a week)	-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>									
Water (6 kilolitres per indigent household per month)	-	-	1 240	1 320	1 320	1 320	1 637	1 637	1 735
Sanitation (free sanitation service to indigent households)	-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)	-	-	2 822	2 215	2 215	2 215	2 544	2 544	2 697
Refuse (removed once a week for indigent households)	-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>	13	13	14	15	15	15	15	16	16
<b>Total cost of FBS provided</b>	<b>13</b>	<b>13</b>	<b>4 076</b>	<b>3 550</b>	<b>3 550</b>	<b>3 550</b>	<b>4 196</b>	<b>4 197</b>	<b>4 448</b>
<b>Highest level of free service provided per household</b>									
Property rates (R value threshold)	100 000	100 000	100 000	220 000	220 000	220 000	220 000	220 000	220 000
Water (kilolitres per household per month)	6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)	4	4	4	4	4	4	4	4	4
Sanitation (Rand per household per month)	54	58	61	65	65	65	69	73	77
Electricity (kwh per household per month)	50	50	50	50	50	50	50	50	50
Refuse (average litres per week)	210	210	210	210	210	210	210	210	210
<b>Revenue cost of subsidised services provided (R'000)</b>									
Property rates (tariff adjustment) (impermissible values per section 17 of Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRSA)	1 824	1 537	1 786	1 863	1 863	1 863	2 047	2 159	2 278
Water (in excess of 6 kilolitres per indigent household per month)	-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)	-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)	-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)	-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates	-	-	-	-	-	-	-	-	-
Housing - top structure subsidies	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total revenue cost of subsidised services provided</b>	<b>34 102</b>	<b>32 664</b>	<b>38 196</b>	<b>39 989</b>	<b>39 989</b>	<b>39 989</b>	<b>45 214</b>	<b>47 916</b>	<b>50 781</b>

The figures for households above, relating to household service targets, includes both formal and informal households.



### **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. Good progress is being made with the eradication of current services backlogs. Housing remains a challenge.
  - a. Electricity services – the current backlog has provisionally been eliminated.
3. The budget provides for 7 400 households to be registered as indigent in 2016/17, and therefore entitled to receiving Free Basic Services. The number is set to increase over the MTREF, especially by poor people seeking economic opportunities.
4. It is anticipated that these Free Basic Services will cost the municipality R55,5 million in 2016/17. This is covered by the municipality's equitable share allocation from national government.
5. In addition to the Free Basic Services, other rates rebates also apply to households.

## 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 Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the MMC for Finance.

The primary aims of the Budget Steering Committee are 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 Municipality'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 2015) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required IDP and budget time schedule on 26 August 2015. Key dates applicable to the process are:

- **September 2015** – Collate draft capital budget and wish lists with reference to the 2016/2017 MTREF and distribute to ward committees to consider priorities and draft ward specific projects;
- **1 & 21 October 2015** – Joint strategic planning session of the Mayoral Committee and Executive Management. Aim: to review past performance trends of the capital and operating budgets, the economic realities and to set the prioritisation criteria for the compilation of the 2016/17 MTREF;
- **October 2015** – Top management meeting to discuss budget proposals and affordability;
- **28 October 2015** – Mayoral directional IDP/Budget speech;
- **November 2015** – Submission of tariff proposals and tariff workshops;
- **November 2015** – Workshop on tariffs and tariff related policies;
- **November/December 2015** – Review of all budget related policies;
- **November/December 2015** – Extensive public participation IDP consultation sessions were held in each of the thirteen wards, which included members of the public, the ward committees and other broader stakeholders (service organisations, etc.), to provide feedback on IDP delivery for the past three financial years (2012/13 to 2014/15) and to gather information on the “community needs” per ward;
- **December 2015** – Mid-year review by the BSC of the 2015/2016 progress and review of 2016-2019 draft operational expenditure including financial forecasting and scenario considerations;
- **January 2016** – Tariff finalisation, consider budget related policies changes and overview of draft 2016/2017 Capex & Opex;

- **22 January 2016** - Council considered the 2016/2016 Mid-year Review;
- **28 January 2016** – Final tariffs and adjustments budget review;
- **1-12 February 2016** – Finalisation of adjustments budget;
- **9 February 2016** – BSC finalises draft Capex/Opex;
- **23 February 2016** – OMAF;
- **March 2016** – Budget office finalises budget report;
- **30 March 2016** - Tabling in Council of the draft 2016/17 IDP, SDBIP and 2016/17 MTREF for public consultation;
- **31 March - 29 April 2016** – Draft Budget available to the public and any other stakeholders for perusal and the submission of comments and representations;
- **April 2016** – Public consultation – Public meetings to be held in all thirteen wards in the municipal area to present the draft budget to the community;
- **29 April 2016** - Closing date for written comments;
- **3 to 13 May 2016** – finalisation of the 2016/17 IDP and 2016/17 MTREF, taking into consideration comments received from the public, comments from NT & PT and updated information from the most recent DoRA and financial framework;
- **3-13 May 2016** – Budget Office compiles final report and schedules;
- **10 May 2016** – LG MTEC3 engagement;
- **12 May 2016** – Re-advertise further budget proposals, if applicable;
- **16-18 May 2016** – Final review of budget report and schedules;
- **19-20 May 2016** – Final budget distribution; and
- **25 May 2016** - Tabling of the 2016/17 MTREF in Council for consideration and approval.

### **2.1.2 IDP and Service Delivery and Budget Implementation Plan**

This is the further review of the five year (2012/2017) IDP as adopted by Council in May 2012. The review process started in September 2015 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2016/17 MTREF in August 2015.

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans with key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2016/17 MTREF, based on the approved 2015/2016 MTREF, mid-year review and adjustments 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 2016/17 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2015/2016 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

### **2.1.3 Financial Modelling and Key Planning Drivers**

As part of the compilation of the 2016/17 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 2016/17 MTREF:

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate (trends, inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2015/2016 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circular 78 has been taken into consideration in the planning and prioritisation process.

### **2.1.4 Community Consultation on the Draft Budget**

The draft 2016/17 MTREF, will be tabled in Council on 30 March 2016 and made available to the community as follows:

Copies of the document could be viewed:

- At the offices of all Area Managers
- All public libraries within the municipality
- At the website: [www.overstrand.gov.za](http://www.overstrand.gov.za)

The tabling of the draft budget will be advertised in all local newspapers and a copy of the advertisement will be placed on the notice boards at municipal offices and libraries. All documents in the appropriate format (electronic and printed) will be provided to National Treasury and Provincial Treasury in accordance with section 23 of the MFMA, to provide an opportunity for comment.

A delegation of the municipality, consisting of the Executive Mayor, MMC for Finance, Municipal Manager, all Directors and officials from the Budget Office and Strategic Planning Office, will hold public meetings for all the wards in the municipal area to present the draft budget to the community. Thirteen public meetings will be held during April 2016.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and capital projects will be considered by the Budget Steering Committee at a meeting to be held on 5 May 2016 for the finalisation of the 2016/2017 Budget.

Comments from the community and the municipality's responses thereto will be included as an Annexure to the final report.

Details of proposed amendments to the draft budget will be included in Annexure A of the final report.

## 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 realised through a credible integrated developmental planning process. Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery. Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality. It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities. The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2015 Vision;
- National Spatial Development Perspective (NSDP);
- The National Priority Outcomes; and
- National Development Plan

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2016/17 MTREF and further planning refinements that have directly informed the compilation of the budget:

**Table 27 IDP Strategic Objectives**

<b>2016/17 MTREF</b>
The provision of democratic, accountable and ethical governance
The provision and maintenance of municipal services
The encouragement of structured community participation in the matters of the municipality
The creation and maintenance of a safe and healthy environment
The promotion of tourism, economic and social development

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

Provision of quality basic services and infrastructure which includes, amongst others:

- Provide electricity;
- Provide water;
- Provide sanitation;
- Provide waste removal;
- Provide housing;
- Provide roads and storm water;
- Provide municipality planning services; and
- Maintaining the infrastructure of the Municipality.

Economic growth and development that leads to sustainable job creation by:

- Ensuring there is a clear structural plan for the Municipality;
- Ensuring planning processes function in accordance with set timeframes;
- Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.

Fight poverty and build clean, healthy, safe and sustainable communities:

- Effective implementation of the Indigent Policy;
- Extending waste removal services and ensuring effective municipality cleansing;
- Ensuring all waste water treatment works are operating optimally;
- Working with strategic partners such as SAPS to address crime;
- Ensuring safe working environments by effective enforcement of building and health regulations;
- Promote viable, sustainable communities through proper zoning; and
- Promote environmental sustainability by protecting wetlands and key open spaces.

Integrated Social Services for empowered and sustainable communities

- Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme

Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:

- Optimising effective community participation in the ward committee system; and

- Implementing Batho Pele in the revenue management strategy.

Promote sound governance through:

- Publishing the outcomes of all tender processes on the municipal website

Ensure financial sustainability through:

- Reviewing the use of contracted services
- Continuing to implement the infrastructure maintenance strategy and the repairs and maintenance plan

Optimal institutional transformation to ensure capacity to achieve set objectives

- Review of the organisational structure to optimize the use of personnel;

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

In addition to the five-year IDP, the Municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years for infrastructure planning. This process is aimed at influencing the development path to restructure current patterns of settlement, activity and access to resources in the Municipality so as to promote greater equity and enhanced opportunity. It provides direction to the Municipality's IDP, associated sectorial plans and strategies, and the allocation of resources of the Municipality and other service delivery partners.

This development strategy introduces important policy shifts which have further been translated into seven strategic focus areas/objectives as outlined below:

- Developing dormant areas;
- Enforcing hard development lines – so as to direct private investment;
- Maintaining existing urban areas;
- Strengthening key economic clusters;
- Building social cohesion;
- Strong developmental initiatives in relation to the municipal institution as a whole; and
- Sound financial fundamentals.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the revised IDP of the 2012/2017 cycle, including:

- Strengthening the analysis and strategic planning processes of the Municipality;
- Initiating zonal planning processes that involve the communities in the analysis and planning processes. More emphasis was placed on area based interventions, within the overall holistic framework;
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

The 2016/17 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 28 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue**

Strategic Objective	Goal	Goal Code	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>											
The provision of democratic, accountable and ethical governance	Good Governance	1	232 385	199 504	280 413	320 161	329 121	329 121	354 612	371 477	393 254
The provision and maintenance of municipal services	Basic Service Delivery	2	461 155	485 124	531 880	581 518	583 818	583 818	620 478	653 995	694 325
The encouragement of structured community participation in the matters of the municipality	Good Governance	3	41 457	62 333							
The creation and maintenance of a safe and healthy environment	Safe and Healthy Environment	4	20 206	28 620	31 198	37 676	37 676	37 676	37 988	38 420	38 877
The promotion of tourism, economic and social development	Economic Development and Social upliftment	5	7 765	11 427	17 928	20 033	21 639	21 639	22 139	17 168	24 533
<b>Total Revenue (excluding capital transfers and contributions)</b>			<b>762 969</b>	<b>787 007</b>	<b>861 419</b>	<b>959 389</b>	<b>972 254</b>	<b>972 254</b>	<b>1 035 217</b>	<b>1 081 060</b>	<b>1 150 989</b>

**Table 29 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure**

Strategic Objective	Goal	Goal Code	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>											
The provision of democratic, accountable and ethical governance	Good Governance	1	205 348	119 512	293 362	308 022	329 980	329 980	367 080	345 798	369 765
The provision and maintenance of municipal services	Basic Service Delivery	2	346 423	448 042	453 715	453 273	429 231	429 231	455 103	482 255	509 499
The encouragement of structured community participation in the matters of the municipality	Good Governance	3	137 754	181 602	1 443	1 735	1 835	1 835	1 710		
The creation and maintenance of a safe and healthy environment	Safe and Healthy Environment	4	48 275	64 229	52 938	69 453	71 285	71 285	74 657	76 951	79 864
The promotion of tourism, economic and social development	Economic Development and Social upliftment	5	14 271	18 637	109 806	132 046	155 072	155 072	176 435	180 172	189 724
<b>Total Expenditure</b>			<b>752 070</b>	<b>832 022</b>	<b>911 264</b>	<b>964 529</b>	<b>987 403</b>	<b>987 403</b>	<b>1 074 984</b>	<b>1 085 176</b>	<b>1 148 851</b>

**Table 30 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure**

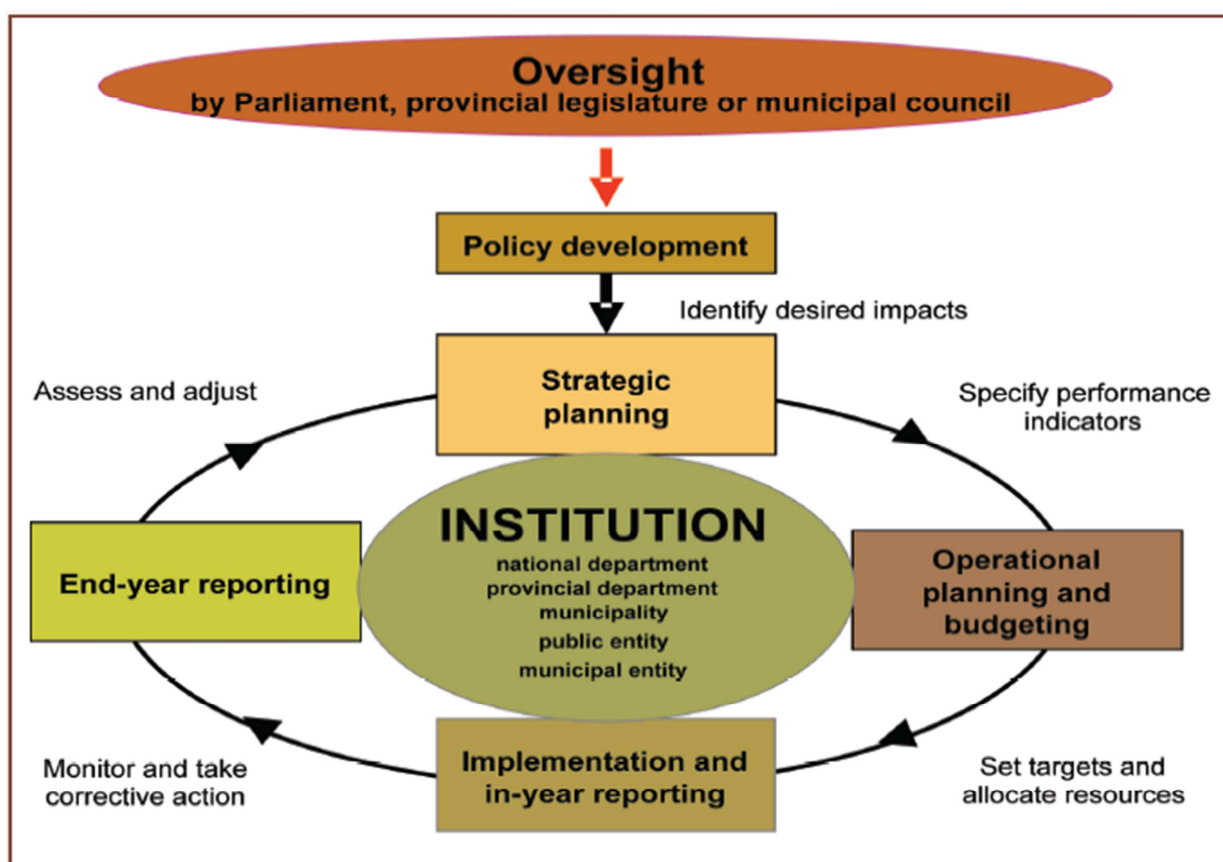
Strategic Objective	Goal	Goal Code	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>											
The provision of democratic, accountable and ethical governance	Good Governance	1	7 154	21 308	2 526	2 648	3 613	3 613	1 994		
The provision and maintenance of municipal services	Basic Service Delivery	2	103 790	73 989	52 449	58 033	50 784	50 784	42 997	39 656	51 326
The encouragement of structured community participation in the matters of the municipality	Good Governance	3	30 219	29 937	5 580	3 465	3 245	3 245	3 174	4 500	1 500
The creation and maintenance of a safe and healthy environment	Safe and Healthy Environment	4	-	-		295	895	895	310		
The promotion of tourism, economic and social development	Economic Development and Social upliftment	5	2 601	5 696	47 934	39 473	44 591	44 591	27 518	49 448	54 445
<b>Total Capital Expenditure</b>			<b>143 764</b>	<b>130 930</b>	<b>108 489</b>	<b>103 914</b>	<b>103 127</b>	<b>103 127</b>	<b>75 993</b>	<b>93 604</b>	<b>107 271</b>



## 2.3 Measurable performance objectives and indicators

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

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly at each quarter, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

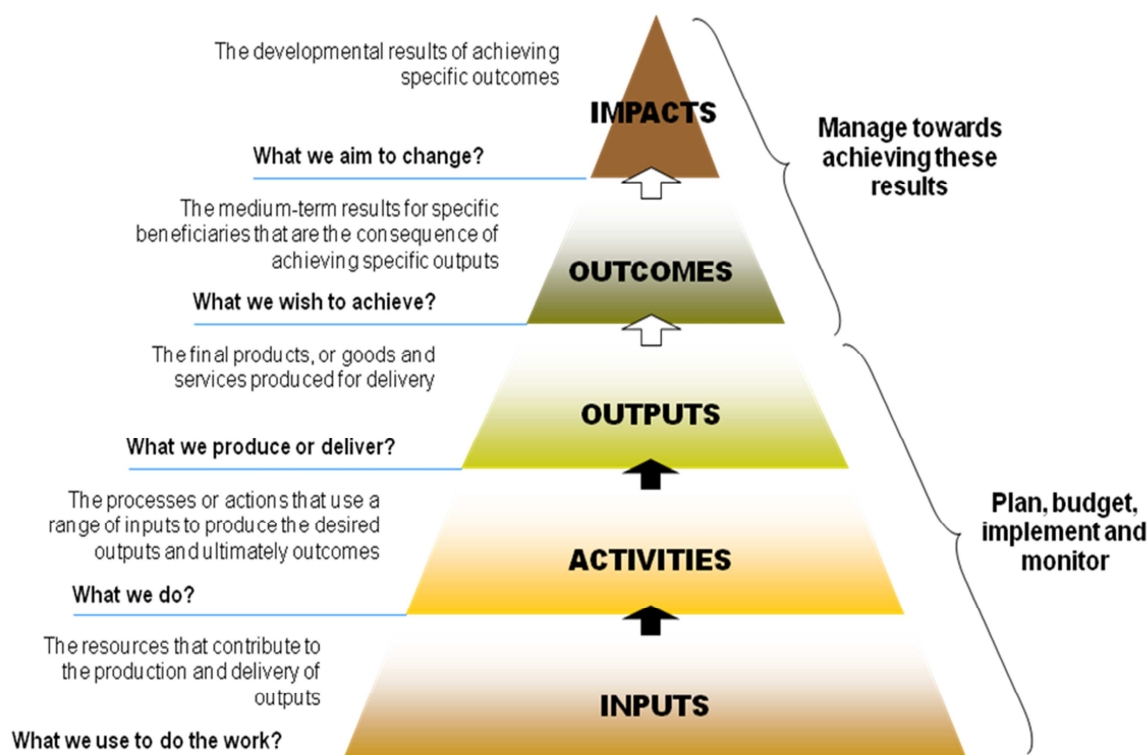


**Figure 5 Planning, budgeting and reporting cycle**

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury:



**Figure 6 Definition of performance information concepts**

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

**Table 31 MBRR Table SA7 - Measurable performance objectives**

Description	Unit of measurement	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Council</b>										
<b>Council and Municipal Manager</b>										
<b>Municipal Manager</b>										
Risk based audit plan approved by the Audit Committee by the end of June 2017	Plan approved	1	1	0	1			1	1	1
Quarterly report to the Management, Executive Mayor, Auditor-General and Audit Committee on progress with implementation of key controls as identified in key control deficiencies	Quarterly reports submitted	1	1	4	4			4	4	4
Submit quarterly progress reports on the revision of the top 10 risks as a corrective action to the Executive Management Team	Number of progress reports submitted	1	1	4	4			4	4	4
Percentage of a municipality's capital budget actually spent on capital projects identified for 2016/17 in terms of the municipality's IDP ((Actual amount spent on projects as identified for the year in the IDP/Total amount spent on capital projects)(X100)	% of capital budget spent	98.00%	93.77%	88.21%	98%			98%	98%	88%
<b>Management Services</b>										
<b>Director: Management Services</b>										
<b>Human Resources</b>										
90% of the approved and funded organogram filled ((actual number of posts filled divided by the funded posts budgeted) x100)	% filled	92.86%	92.41%	92.31%	90%			90%	90%	90%
The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	The number of people from EE target groups employed	2	no kpi set	60	54			54	54	54
The percentage of a municipality's budget (training budget) actually spent on implementing its workplace skills plan	% of the training budget spent on implementation	100%	100%	100.0%	100%			100%	100%	100%
Review the Municipal Organisational Staff Structure by the end of June 2017	Structure reviewed	no kpi set	0	1	1			1	1	1

Description	Unit of measurement	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revise the Section 14 Access to Information Manual by the end of June 2017 to ensure compliant and up to date policies	Manual revised	1	1	1	1			1	0	0
Provide legal assistance and input on policies, contracts, agreements, legislation, by-laws and authorities within 5 working days	Number of responses to legal assistance provided within 5 working days	no kpi set	no kpi set	no kpi set	120			120	120	120
Monthly Reports on additional court matters	Number of reports on court matter	no kpi set	no kpi set	no kpi set	24			24	24	24
Establishment of LDAC (Local Drug Action Committee) in terms of the Prevention and Treatment of Substance abuse Act by August 2015	Established LDAC	no kpi set	no kpi set	no kpi set	1			0	0	0
<b>Finance</b>										
<b>Director: Finance</b>										
<b>Director Finance</b>										
Financial viability measured in terms of the available cash to cover fixed operating expenditure ((Available cash+ investments)/ Monthly fixed operating expenditure)	Ratio achieved	3.49%	2.30%	3.72%	1.3			1.3	1.3	1.3
Financial viability measured in terms of the municipality's ability to meet it's service debt obligations ((Total operating revenue-operating grants received)/debt service payments due within the year) (%)	Ratio achieved	17.46%	16.90%	17.13%	17			17	17	17
Financial viability measured in terms of the outstanding service debtors (Total outstanding service debtors/ revenue received for services)	% achieved	11.90%	10.40%	10.36%	12.2			12.2	12.2	12.2
Submit a reviewed long term financial plan by the end of October 2016	Submission of long term financial plan	no kpi set	no kpi set	1	1			1	1	1
Financial statements submitted to the Auditor General by 31 August 2016	Financial statements submitted	1	1	1	1			1	1	1
Provision of free basic electricity, refuse removal, sanitation and water in terms of the equitable share requirements	Number of households	6523	6536	6842	6650			7400	7800	8200
Achieve a debt recovery rate not less than 96% (Receipts/total billed for 12 months period x 100)	% Recovered	100.44%	100.33%	97.73%	96%			96%	96%	96%
<b>Community Services</b>										
<b>Director: Community Services</b>										
<b>Director: Community Services</b>										
Ward committee meetings held to facilitate consistent and regular communication with residents	No of ward committee meetings per ward per annum	8	9	8	8			8	8	8
98% of the operational conditional grant (Libraries, CDW) spent (Actual expenditure divided by the total grant received)	% of total conditional operational grants spent (Libraries, CDW)	100.0%	100.45%	100.0%	98%			98%	98%	98%
m <sup>2</sup> of roads patched and resealed according to approved Paveman Management System within available budget	m <sup>2</sup> of roads patched and resealed	216162	101560	163240	100000			100000	100000	100000
Limit unaccounted water to less than 18% ((Number of kiloliter water purified - Number of kiloliter water sold)/Number of kiloliter sold x 100)	% of water unaccounted for	25.57%	21.5%	19.33%	25%			18%	18%	18%
Provision of water to informal households based on the standard of 1 water point to 25 households	The number of taps installed in relation to the number of informal households Note: Unit of measurement & target revised in 2015/16 mid-year assessment	no kpi set	no kpi set	3144	126			126	123	120
Provision of cleaned piped water to all formal households within 200 m from households	No of formal households that meet agreed service standards for piped water	25426	27373	32544	32483			32483	33457	34461
waste disposal to all formal households at least once a week	Number of formal households for which refuse is removed at least once a week	no kpi set	34299	33224	33094			33094	34257	35439
Provision of refuse removal, refuse dumps and solid waste disposal to all informal households at least once a week	Number of weekly removal of refuse in informal households (once per week = 52 weeks per annum) Note: Unit of measurement & target revised in 2015/16 mid-year assessment	no kpi set	no kpi set	3144	52			52	52	52
The provision of sanitation services to informal households based on the standard of 1 toilette to 5 households	The number of toilet structures provided in relation to the number of informal households Note: Unit of measurement & target revised in 2015/16 mid-year assessment	no kpi set	no kpi set	3144	629			629	614	602
Provision of sanitation services to formal residential households	No of formal residential households which are billed for sewerage in accordance to the SAMRAS financial system	31221	31231	31719	32483			32483	33457	34461

Description	Unit of measurement	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Local Economic Development										
Director: LED										
LED										
Report bi-annually to the Portfolio committee on LED and Tourism initiatives	Bi-annual report on LED and Tourism initiatives	no kpi set	no kpi set	no kpi set	2			2	2	2
Report to Council on Grants to festival organisers through Service Level Agreements (SLA) by end March 2017	Number of reports submitted	no kpi set	no kpi set	no kpi set	1			1	1	1
Support 30 SMME's in terms of the SMME Development Programme by 30 June 2017	Number of SMME's supported	23	45	73	30			30	30	30
Support Emerging Contractors in terms of the Emerging Contractor Development Programme by 30 June 2017	Number of emerging contractors supported	no kpi set	no kpi set	no kpi set	no kpi set			20	20	20
Raise funds for local economic development through financial and non-financial resource mobilisation	Number of MOU's entered into and amount generated	no kpi set	no kpi set	4	3			3	3	3
Report quarterly to Director LED on linkages established with other spheres of government, agencies, donors, SALGA and other relevant bodies for benefit of local area/Stakeholder engagement and creation of partnerships to broaden economic benefit for local communities	Quarterly report on linkages established. Database of Stakeholders/ No of initiatives	no kpi set	no kpi set	4	4			4	4	4
The number of job opportunities created through the EPWP programme and as per set targets (grant agreement - FTE's, translates to 421 work opportunities)	Number of temporary jobs created	609	517	512	396			421	421	421
Monthly monitor the statistics on the usage of the LED Walk-in Centre (outreach & referral purposes) through the attendance registers	Monthly registers on LED outreach statistics (walk in centre)	no kpi set	no kpi set	no kpi set	12			12	12	12
Compile an action plan to improve on the LED maturity assessment	Plan Completed	no kpi set	no kpi set	2	1			1	1	1
Infrastructure & Planning										
Director: Infrastructure and Planning										
Electricity										
Limit electricity losses to 8% or less (Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated) x 100)	% of electricity unaccounted for	6.88%	5.95%	5.78%	8%			8%	8%	8%
Provision of Electricity: Number of metered electrical connections in formal area (Eskom Areas excluded)	Number of formal household that meet agreed service standards	no kpi set	25751	26476	25354			25700	26250	26600
Water										
Report on the implementation of the Water Service Development plan annually by the end of October 2015	Report submitted	1	1	1	1			1	1	1
Quality of effluent comply 90% with SANS 241	% compliance	86.02%	82.78%	88%	90%			90%	90%	90%
Quality of potable water comply 95% with SANS 241	% compliance	no kpi set	95.38%	96%	95%			95%	95%	95%
Planning and Development										
100% of the Municipal Infrastructure Grant (MIG) spent by 30 June 2017 (Actual MIG expenditure/Allocation received)	% Expenditure of allocated funds	no kpi set	no kpi set	no kpi set	100%			100%	100%	100%
Protection Services										
Director Protection Services										
Annually review Community Safety Plan by the end of June in conjunction with the Department of Community Safety	Plan reviewed	1	1	1	1			1	1	1
Arrange public awareness sessions on Protection Services	Number of sessions held	60	55	88	32			32	32	32
Disaster and Fire Management										
Annually review and submit Disaster Management Plan to the District by the end of June 2017	Reviewed plan submitted	1	1	1	1			1	1	1
Annually review the Fire Management Plan by the end of June 2017	Plan reviewed	1	1	1	1			1	1	1
Traffic										
Collect R6000000 Public Safety Income by 30 June 2017	R-value of public safety collected income	R 5 730 902	R 5 154 575	R 14 285 330	6000000			6000000	6000000	6000000

The following table sets out the municipalities main performance objectives and benchmarks for the 2016/17 MTREF.

**Table 32 MBRR Table SA8 - Performance indicators and benchmarks**

Description of financial indicator	Basis of calculation	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b><u>Borrowing Management</u></b>										
Credit Rating										
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	6.8%	7.3%	7.0%	7.3%	7.2%	7.2%	6.8%	7.1%	6.9%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	7.7%	9.1%	8.6%	8.8%	8.7%	8.7%	8.5%	8.4%	8.1%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	45.1%	59.6%	76.8%	73.8%	70.1%	70.1%	83.6%	100.0%	100.0%
<b><u>Safety of Capital</u></b>										
Gearing	Long Term Borrowing/ Funds &	19277.5%	15300.9%	15906.6%	15774.5%	15774.5%	15774.5%	18584.8%	18077.7%	17833.1%
<b><u>Liquidity</u></b>										
Current Ratio	Current assets/current liabilities	1.3	1.2	1.4	1.2	1.2	1.2	1.3	1.4	1.6
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.3	1.2	1.4	1.2	1.2	1.2	1.3	1.4	1.6
Liquidity Ratio	Monetary Assets/Current Liabilities	0.5	0.4	0.7	0.6	0.6	0.6	0.6	0.7	0.8
<b><u>Revenue Management</u></b>										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		99.9%	100.7%	99.3%	100.1%	100.1%	100.1%	98.1%	99.5%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		99.9%	100.7%	99.3%	100.1%	100.1%	100.1%	98.1%	99.5%	99.5%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	14.4%	13.5%	13.6%	10.7%	10.1%	10.1%	11.2%	12.2%	12.3%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	90.3%	97.2%	97.2%	97.2%	97.2%	97.2%	97.2%	97.2%	97.2%
<b><u>Creditors Management</u></b>										
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	100.0%	97.8%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Creditors to Cash and Investments		85.2%	97.4%	60.7%	76.1%	73.9%	73.9%	74.0%	59.3%	45.5%
<b><u>Other Indicators</u></b>										
	Total Volume Losses (kW)	15831477	13668967	13272396	13 667 000	13 667 000	13 667 000	13870000	14013000	14125000
	Total Cost of Losses (Rand '000)	7 101	7 028	987	7 927	7 927	7 927	1 611	1 884	2 499
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated	6.91%	5.95%	5.77%	5.95%	5.95%	5.95%	6.00%	6.05%	6.07%
	Total Volume Losses (kℓ)	1 445	1 455	1 281	1 453	1 453	1 453	1 440	1 541	1 613
	Total Cost of Losses (Rand '000)	3 830	5 726	5 019	4 272	4 272	4 272	5 217	5 388	5 682
	% Volume (units purchased and generated less units sold)/units purchased and generated	20.01%	21.47%	19.33%	20.19%	20.19%	20.19%	18.90%	18.70%	18.45%
Employee costs	Employee costs/(Total Revenue - capital revenue)	32.9%	35.4%	33.2%	32.6%	32.2%	32.2%	31.6%	31.6%	31.3%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	33.9%	36.5%	34.2%	33.5%	33.1%	33.1%	32.5%	32.6%	32.2%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	16.3%	20.4%	19.6%	13.5%	13.3%	13.3%	12.1%	12.2%	11.9%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	20.1%	18.9%	18.6%	17.7%	17.4%	17.4%	16.5%	16.9%	16.4%
<b>IDP regulation financial viability indicators</b>										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	22.8	21.7	22.7	22.8	22.8	22.8	19.1	18.3	19.4
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	17.9%	15.9%	16.0%	12.9%	12.4%	12.4%	14.0%	14.8%	15.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.8	1.2	1.9	1.5	1.6	1.6	1.6	1.8	2.1

### 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, Overstrand's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the Municipality's debt portfolio is dominated by annuity loans. The following financial performance indicators have formed part of the compilation of the 2016/17 MTREF:

- *Capital charges to operating expenditure* is a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing will steadily reduce over the MTREF to 3,96 per cent. While borrowing is considered a prudent financial instrument in financing capital infrastructure development, this indicator will have to be carefully monitored going forward as the Municipality had reached its planned upper borrowing limit in 2012.
- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The average over the MTREF is 94 per cent which indicates the limited amount available from own sources to finance capital. This is as a result of utilising any surpluses as they become available in the past.

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the Municipality to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs. As part of the compilation of the 2011/2012 MTREF the potential of smoothing out the debt profile over the longer term was investigated and borrowing was capped in the borrowing policy. The gearing on borrowing will be reduced by 10 per cent over a period of ten years as started in 2012. It is expected to reduce to 42% by 2018/19

#### 2.3.1.2 Safety of Capital

- *The gearing ratio* is a measure of the total long term borrowings over funds and reserves. This ratio is not conducive to the GRAP accounting framework due to the low amount of reserves.

#### 2.3.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a bottom limit of 1.2, therefore at no point in time should this ratio be less than 1.2. Over the 2016/17 MTREF the current ratio is 1.3, increasing to 1,6 by 2018/19. National Treasury has set a current ratio minimum of 1.5 in circular 71. Going forward it will be necessary to increase this ratio, notwithstanding that it will tie up cash needed for capital investment.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Overstrand Municipality's liquidity ratio is at an average of 0.7 over the MTREF, up from 0,6 in the previous MTREF. This includes consumer deposits and provisions which are not likely to be realised in the short term. Consideration should be given to exclude a vast portion of consumer deposits. With the former mentioned items excluded, this ratio would be above 1 over the MTREF. As part of the longer term financial planning objectives this ratio will have to be set at a minimum of 1, notwithstanding that it will tie up cash needed for capital investment.

#### 2.3.1.4 Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection.

#### 2.3.1.5 Creditors Management

- The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure compliance to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the Municipality, which is expected to benefit the Municipality in the form of more competitive pricing of tenders, as suppliers compete for the Municipality's business.

#### 2.3.1.6 Other Indicators

- The electricity distribution losses have been managed downwards from 8.3 per cent in the 2010/2011 financial year to 6 per cent over the MTREF. This excludes measureable technical losses, which further reduced the percentage of losses. The initiatives to ensure these targets are achieved include managing illegal connections, regular meter audits and managing theft of electricity by rolling out smart metering systems, including prepaid meters. It should be noted that technical losses range between 3 – 5 per cent over the Overstrand area. When taking this into consideration it is evident that distribution losses are well managed.
- The water distribution losses have been significantly reduced from 27.4 per cent in 2009/10 to 20 per cent in 2015/2016. This has been achieved with investing in the upgrading of water reticulation infrastructure, which is set to continue over the MTREF. Active attention is also given to reported leaks by the public and a further measure is to install flow limiters.
- Employee costs as a percentage of operating revenue remains stable, with an indication of a decrease over the MTREF. This is primarily owing to the virtually zero expansion of the personnel structure, high increase in bulk purchases which directly increase revenue levels, as well as increased allocation relating to operating grants and transfers.
- In real terms, repairs and maintenance has increased as part of the municipality's strategy to ensure the management of its asset base

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

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. Only registered indigents qualify for the free basic services.

For the 2016/17 financial year 7 400 registered indigents have been provided for in the budget. In terms of the municipality's indigent policy, registered households are entitled to 6kℓ free water and 50 kWh of electricity, are fully subsidised for basic charges for services and 4,2kℓ sanitation. Household with a property valuation of R220 000 qualify upon registration as indigents.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 26 MBRR A10 (Basic Service Delivery Measurement) on page 44.

Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water through stand pipes) are not taken into account in the table noted above due to the measuring criteria.

### **2.3.3 Providing clean water and managing waste water**

The Department of Water Affairs conducts bi-annual performance rating of water and sewage treatment works, presenting a Blue Drop or Green Drop award respectively to potable water treatment works and waste water treatment works that meet certain criteria of excellence.

The municipality has achieved Blue Drop and Green Drop awards during the latest review, indicating that the municipality's drinking water is of good quality.

The following is briefly the challenges facing the municipality:

- Some infrastructure is old and insufficient to treat the increased volumes of waste water to the necessary compliance standard;
- Shortage of skilled personnel makes proper operations and maintenance difficult;

## **2.4 Overview of budget related-policies**

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

### **2.4.1 Customer Care, Credit Control and Debt Collection Policy**

The 2016/17 MTREF has been prepared on the basis of achieving an average debtors' collection rate in excess of 99 per cent on current billings. The current collection rate is in excess of 99 per cent. In addition the collection of debt in excess of 90 days has been prioritised.

### **2.4.2 Asset Management Policy**

The Asset Management Policy is 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).

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the revenue base.

### **2.4.3 Budget Policy**

The 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 Municipality continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.



#### **2.4.4 Supply Chain Management Policy**

The Supply Chain Management Policy was adopted by Council in 2008. The policy is continually revised to incorporate amending legislation.

#### **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 Municipality's system of delegations.

#### **2.4.6 Investment & Cash Management Policy**

The aim of the policy is to ensure that the Municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves.

#### **2.4.7 Tariff Policy**

The Municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery.

#### **2.4.8 Long term Financial Planning & Implementation Policy**

Funding for the compiling of a The Long term Financial Planning Policy has been acquired from the Provincial Government. A long term financial plan has been compiled in 2014/15, after a service provider has been appointed.

#### **2.4.9 Contract Management Policy**

This policy has been introduced to further enhance the supply chain management function.

#### **2.4.10 Pay Day Policy**

This policy has been introduced to give effect to the council resolution in this regard.

The following policies have also been subject to review:

- Property Rates Policy;
- Funding and Reserves Policy;
- Borrowing Policy;
- Indigent Policy;
- Travelling & Subsistence;

The following new policy has been introduced:

- Special rating Area Policy

## **2.5 Overview of budget assumptions**

### **2.5.1 External factors**

The effects of recession are still evident. After a protracted standstill in interest rates, this increased by 50 & 25 basis points recently. Upwards pressure is also evident in the inflation rate and the Rand continues to weaken against leading currencies. International oil prices are rising after a significant decrease over the previous months.

### **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 2016/17 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on Municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and fuel; and
- The increase in the cost of remuneration. Employee related costs comprise 30 per cent of total operating expenditure in the 2016/17 MTREF and therefore increases above inflation places a disproportionate upward pressure on the expenditure budget

### **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 municipality chiefly engages in amortisation-style loans requiring both regular principal and interest payments. Surplus cash is invested and re-invested at short intervals.

### **2.5.4 Collection rate for revenue services**

The base assumption is that tariff and rating increases will increase at a rate linked to CPI over the medium term, except electricity. It is also assumed that current economic conditions, and relative inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (99 per cent) of annual billings. Cash flow is assumed to be 98,1 per cent of billings from an increased collection of arrear debt.

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

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

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

### 2.5.6 Salary increases

The new collective agreement regarding salaries/wages was implemented from 1 July 2015.

### 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.

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

It is estimated that a spending rate of at least 99 per cent is achieved on operating expenditure and 95 per cent on the capital programme for the 2016/17 MTREF.

## 2.6 Overview of budget funding

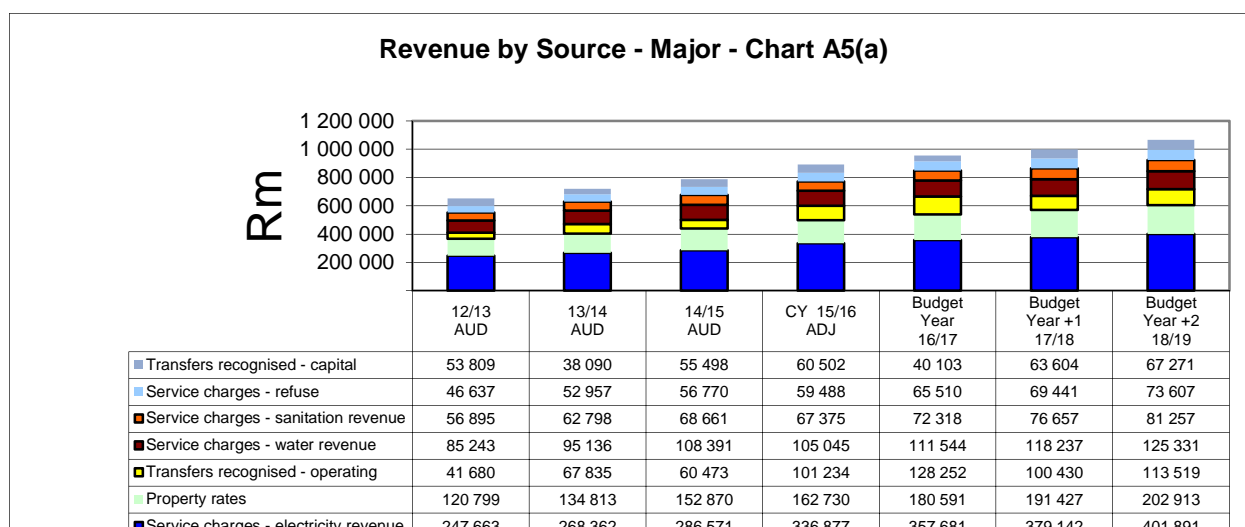
### 2.6.1 Medium-term outlook: operating revenue

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

**Table 33 Breakdown of the operating revenue over the medium-term**

Description	2016/17 Medium Term Revenue & Expenditure Framework		
	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>			
<b>Revenue By Source</b>			
Property rates	180 591	191 427	202 913
Service charges	607 054	643 477	682 086
Rental of facilities and equipment	3 146	3 335	3 535
Interest earned	14 827	15 716	16 659
Transfers recognised - operational	128 252	100 430	113 519
Other revenue	61 244	63 071	65 007

The following graph is a breakdown of the operational revenue per main category for the 2016/17 financial year.



**Figure 7 Breakdown of operating revenue over the 2016/17 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 Municipality derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation, 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 revenue strategy is a function of key components such as:

- Growth in the municipality and economic development;
- Revenue management and enhancement;
- Achievement of a 99 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements; and
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004), as amended (MPRA).

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

**Table 34 Proposed tariff increases for 2016/2017**

Description	Current Year 2015/16	Budget Year 2016/17 % incr.	Budget Year 2016/17
<b>Rand/cent</b>			
<b>Monthly Account for Household - 'Middle Income Range'</b>			
<b>Rates and services charges:</b>			
Property rates	191.69	7.1%	205.32
Electricity: Basic levy	216.83	17.5%	254.78
Electricity: Consumption	1 357.95	13.0%	1 535.10
Water: Basic levy	108.42	6.0%	114.93
Water: Consumption	308.64	8.1%	333.59
Sanitation	325.09	6.0%	344.53
Refuse removal	137.99	6.0%	146.26
<b>sub-total</b>	<b>2 646.61</b>	<b>10.9%</b>	<b>2 934.51</b>
VAT on Services	344.41		373.00
<b>Total large household bill:</b>	<b>2 991.02</b>	<b>10.6%</b>	<b>3 307.51</b>
<b>% increase/-decrease</b>	<b>-</b>		<b>10.6%</b>

Refer to Annexure C for Tariffs increases

The levying of property rates is considered a strategic revenue source.

Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket.

Operational grants and subsidies have shown increases over the MTREF. It needs to be noted that in real terms the grants receipts from national government are growing over the MTREF. This can be seen in the increase in equitable over the MTREF.

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

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

**Table 35 MBRR SA15 – Detail Investment Information**

Investment type	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>Parent municipality</b>									
Securities - National Government									
Listed Corporate Bonds									
Deposits - Bank	55 042	50 039							
Deposits - Public Investment Commissioners									
Guaranteed Endowment Policies (sinking)	11 597	16 965	49 200	28 455	28 455	28 455	35 328	41 727	48 267
Municipal Bonds									
<b>Consolidated total:</b>	<b>66 638</b>	<b>67 004</b>	<b>49 200</b>	<b>28 455</b>	<b>28 455</b>	<b>28 455</b>	<b>35 328</b>	<b>41 727</b>	<b>48 267</b>

**Table 36 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 3.	Commission Paid (Rands)	Commission on Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal	Investment Top Up	Closing Balance
Name of institution & investment ID	Yrs/Months												
<b>Parent municipality</b>													
LIBERTY 15934476	15 YEARS	POLICY	YES	VARIABLE	Fair Value Adjustment			01/09/2025	8 385	66		1 500	9 951
LIBERTY 21196964	14 YEARS	POLICY	YES	VARIABLE	Fair Value Adjustment			01/09/2025	13 186	216		3 120	16 523
MOMENTUM 3853776	15 YEARS	POLICY	YES	VARIABLE	Fair Value Adjustment			01/07/2026	1 578	44		360	1 981
													-
<b>TOTAL INVESTMENTS AND INTEREST</b>									<b>23 149</b>		<b>-</b>	<b>4 980</b>	<b>28 455</b>

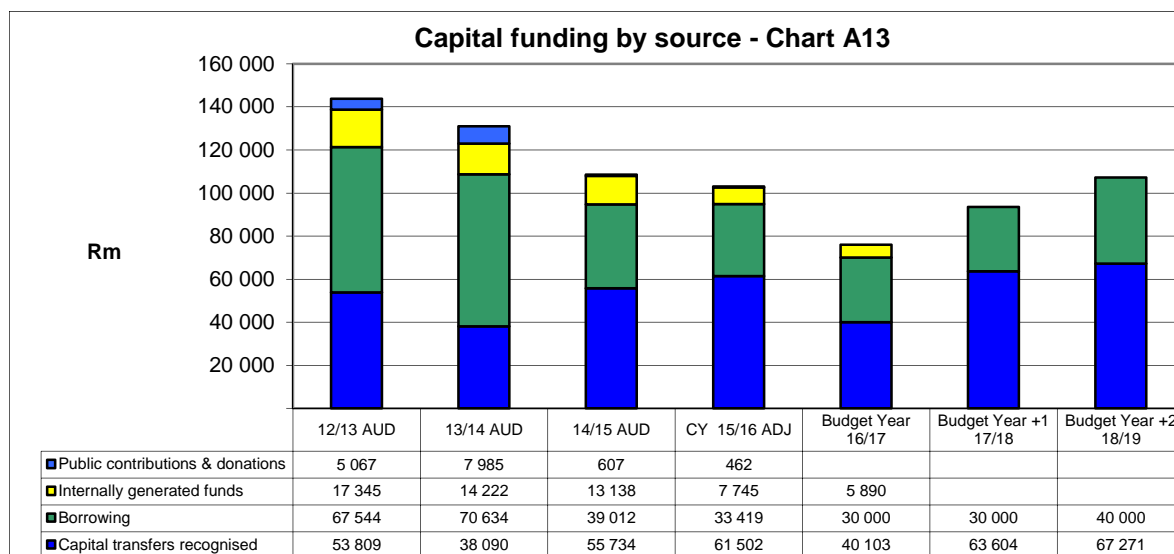
For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The surplus is intended to partly fund capital expenditure from own sources as well as ensure adequate cash backing of reserves and funds.

## 2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2016/17 medium-term capital programme:

**Table 37 Sources of capital revenue over the MTREF**

Vote Description R thousand	2016/17 Medium Term Revenue & Expenditure Framework		
	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Funded by:</b>			
National Government	26 030	26 450	29 531
Provincial Government	14 073	37 154	37 740
District Municipality			
Other transfers and grants			
<b>Transfers recognised - capital</b>	<b>40 103</b>	<b>63 604</b>	<b>67 271</b>
<b>Public contributions &amp; donations</b>			
<b>Borrowing</b>	30 000	30 000	40 000
<b>Internally generated funds</b>	5 890		
<b>Total Capital Funding</b>	<b>75 993</b>	<b>93 604</b>	<b>107 271</b>



**Figure 8 Sources of capital revenue for the 2016/17 financial year**

Capital grants and receipts equates to 52,8 per cent of the total funding source which represents R40,1 million for the 2016/17

Borrowing still remains a significant funding source for the own capital programme over the medium-term with an estimated R100 million. As explained earlier, the borrowing capacity of the Municipality had essentially reached its limits in 2012 and going forward borrowing limits will remain constant.

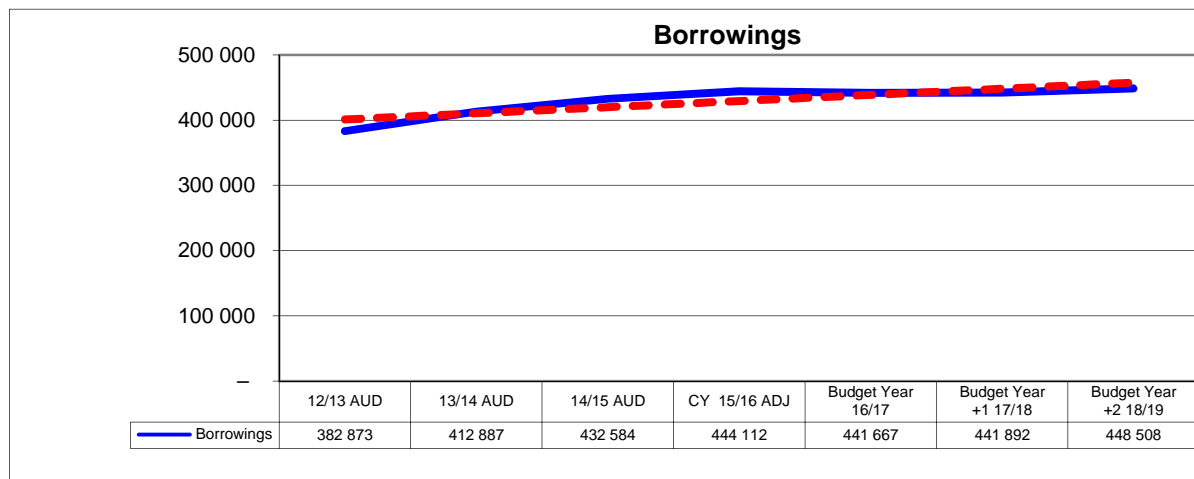
The following table is a detailed analysis of the Municipality's borrowing liability.

**Table 38 MBRR Table SA17 - Detail of borrowings**

Borrowing - Categorised by type R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Long-Term Loans (annuity/reducing balance)	274 394	292 444	308 904	311 667	311 667	311 667	312 288	309 060	311 596
Long-Term Loans (non-annuity)	90 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000
Instalment Credit				4 333	4 333	4 333			
Financial Leases	238		60	-	-	-			
<b>Total Borrowing</b>	<b>364 632</b>	<b>392 444</b>	<b>408 964</b>	<b>415 999</b>	<b>415 999</b>	<b>415 999</b>	<b>412 288</b>	<b>409 060</b>	<b>411 596</b>
<b>Unspent Borrowing - Categorised by type</b>									
Long-Term Loans (annuity/reducing balance)	6 133	1 847	2 800						
<b>Total Unspent Borrowing</b>	<b>6 133</b>	<b>1 847</b>	<b>2 800</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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 R5,9 million in 2016/2017.

The following graph illustrates the growth in outstanding borrowing for the 2012/13 to 2018/19 period.



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

It is noticeable that the borrowing level remains constant over the MTREF, notwithstanding that proposed borrowing of R30 million per annum is envisaged. This is mainly due to a reduction in borrowing from previous levels of previous years and the cycle of borrowing and repayments of borrowing reaching equalisation.

**Table 39 MBRR Table SA18 - Capital transfers and grant receipts**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>RECEIPTS:</b>									
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>	<b>36 911</b>	<b>26 068</b>	<b>23 608</b>	<b>30 347</b>	<b>30 347</b>	<b>30 347</b>	<b>26 030</b>	<b>26 450</b>	<b>29 531</b>
Municipal Infrastructure Grant (MIG)	16 947	18 755	20 674	21 417	21 417	21 417	21 030	22 450	23 531
Public Transport and Systems									
Regional Bulk Infrastructure	15 174	–							
Neighbourhood Development Partnership	2 418	3 963							
Finance Management	552	–							
Municipal Systems Improvement	20	350	934	930	930	930			
INEP	1 800	3 000	2 000	8 000	8 000	8 000	5 000	4 000	6 000
Other capital transfers/grants [insert desc]									
<b>Provincial Government:</b>	<b>20 217</b>	<b>8 819</b>	<b>30 195</b>	<b>33 007</b>	<b>30 155</b>	<b>30 155</b>	<b>14 073</b>	<b>37 154</b>	<b>37 740</b>
Housing	18 693	7 727	28 045	29 973	26 321	26 321	13 023	37 154	37 740
Sport & Recreation Grant	–	100							
Provincial Library Grant	13	10	2 150	3 034	3 034	3 034	1 050		
Provincial Transport Infrastructure Grant	1 500	982							
Community Development Worker Grant	11	–							
Financial Management Support Grant					800	800			
<b>Other grant providers:</b>	<b>–</b>	<b>–</b>	<b>2 000</b>	<b>1 000</b>	<b>1 000</b>	<b>1 000</b>	<b>–</b>	<b>–</b>	<b>–</b>
National Lotto			1 000	1 000	1 000	1 000			
DWA ACIP			1 000						
Spaces 4 Sport									
Friedrich Nauman Foundation/SAMRAS usergroup									
<b>Total Capital Transfers and Grants</b>	<b>57 128</b>	<b>34 887</b>	<b>55 803</b>	<b>64 354</b>	<b>61 502</b>	<b>61 502</b>	<b>40 103</b>	<b>63 604</b>	<b>67 271</b>

## 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 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 40 MBRR Table A7 - Budgeted cash flow statement**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates, penalties & collection charges	120 273	135 875	152 186	163 800	163 800	163 800	177 971	191 444	202 932
Service charges	437 061	483 167	517 192	567 409	569 410	569 410	595 413	640 514	678 947
Other revenue	41 689	63 976	59 478	76 884	80 982	80 982	59 043	56 692	62 312
Government - operating	44 140	63 477	59 124	90 324	101 234	101 234	128 252	100 430	113 519
Government - capital	54 577	38 090	55 498	64 354	61 502	61 502	40 103	63 604	67 271
Interest	9 754	8 470	10 423	8 784	11 409	11 409	14 827	15 716	16 659
Dividends							-	-	-
<b>Payments</b>									
Suppliers and employees	(558 519)	(637 833)	(642 330)	(765 303)	(794 565)	(794 565)	(825 391)	(842 397)	(895 529)
Finance charges	(37 199)	(39 858)	(43 433)	(46 895)	(46 895)	(46 895)	(46 421)	(46 952)	(45 449)
Transfers and Grants	(35 856)	(38 749)	(48 659)	(48 497)	(49 448)	(49 448)	(57 479)	(60 808)	(64 336)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>75 920</b>	<b>76 616</b>	<b>119 478</b>	<b>110 861</b>	<b>97 429</b>	<b>97 429</b>	<b>86 318</b>	<b>118 244</b>	<b>136 325</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	1 725	5 073	14 548	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	45	18	15	18	18	18	13	11	10
Decrease (increase) in non-current investments	(4 960)	(4 529)	(4 980)	(6 248)	(6 248)	(6 248)	(6 873)	(6 399)	(6 541)
<b>Payments</b>									
Capital assets	(143 764)	(130 930)	(110 898)	(103 914)	(103 127)	(103 127)	(75 993)	(93 604)	(107 271)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(146 955)</b>	<b>(130 368)</b>	<b>(101 315)</b>	<b>(110 144)</b>	<b>(109 357)</b>	<b>(109 357)</b>	<b>(82 854)</b>	<b>(99 993)</b>	<b>(113 802)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans	(389)	(730)	64	(1 135)	(1 135)	(1 135)	-	-	-
Borrowing long term/refinancing	38 700	51 300	40 000	30 000	30 000	30 000	30 000	30 000	40 000
Increase (decrease) in consumer deposits	3 726	2 819	3 983	2 479	2 479	2 479	2 628	2 321	2 438
<b>Payments</b>									
Repayment of borrowing	(13 554)	(20 626)	(20 381)	(23 936)	(23 936)	(23 936)	(26 841)	(29 775)	(33 384)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>28 482</b>	<b>32 764</b>	<b>23 666</b>	<b>7 409</b>	<b>7 409</b>	<b>7 409</b>	<b>5 787</b>	<b>2 547</b>	<b>9 054</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(42 552)</b>	<b>(20 989)</b>	<b>41 828</b>	<b>8 126</b>	<b>(4 520)</b>	<b>(4 520)</b>	<b>9 251</b>	<b>20 798</b>	<b>31 577</b>
Cash/cash equivalents at the year begin:	126 699	84 147	63 158	89 421	104 987	104 987	100 467	109 718	130 516
Cash/cash equivalents at the year end:	84 147	63 158	104 987	97 547	100 467	100 467	109 718	130 516	162 093

The above table shows that cash and cash equivalents of the Municipality remains steady for the 2014/15 and 2015/2016 financial year. For the 2016/17 MTREF the budget has been prepared to ensure sustained levels of cash and cash equivalents over the medium-term with cash levels anticipated to exceed R110 million by 2016/17 and steadily increasing to R162 million by 2018/19.



### 2.6.3 Cash Backed Reserves/Accumulated Surplus Reconciliation

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

- What are the predicted cash and investments 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 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'. It is also important to analyse trends to understand the consequences. Small cash surpluses have been realised over the past three years, which is inevitably utilised to finance capital. No meaningful growth in cash has occurred. The working capital has to be optimally managed.

**Table 41 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation**

Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Cash and investments available</b>									
Cash/cash equivalents at the year end	84 147	63 158	104 987	97 547	100 467	100 467	109 718	130 516	162 093
Other current investments > 90 days	–	0	–	0	0	0	–	–	–
Non current assets - Investments	11 597	16 965	23 149	28 455	28 455	28 455	35 328	41 727	48 267
<b>Cash and investments available:</b>	<b>95 744</b>	<b>80 123</b>	<b>128 136</b>	<b>126 001</b>	<b>128 922</b>	<b>128 922</b>	<b>145 046</b>	<b>172 243</b>	<b>210 361</b>
<b>Application of cash and investments</b>									
Unspent conditional transfers	7 783	3 425	2 076	–	–	–	–	–	–
Unspent borrowing	6 133	1 847	2 800	–	–	–	–	–	–
Statutory requirements									
Other working capital requirements	(21 016)	(40 826)	(44 247)	(22 868)	(19 352)	(19 352)	(27 038)	(44 375)	(57 844)
Other provisions									
Long term investments committed	11 597	16 965	23 149	28 455	28 455	28 455	35 328	41 727	48 267
Reserves to be backed by cash/investments	1 891	2 565	2 571	2 637	2 637	2 637	2 218	2 263	2 308
<b>Total Application of cash and investments:</b>	<b>6 388</b>	<b>(16 024)</b>	<b>(13 650)</b>	<b>8 224</b>	<b>11 740</b>	<b>11 740</b>	<b>10 508</b>	<b>(385)</b>	<b>(7 269)</b>
<b>Surplus(shortfall)</b>	<b>89 356</b>	<b>96 147</b>	<b>141 786</b>	<b>117 777</b>	<b>117 182</b>	<b>117 182</b>	<b>134 538</b>	<b>172 628</b>	<b>217 630</b>

From the above table it can be seen that the cash and investments total R129 million in the 2015/2016 financial year and increase to R145 million by 2016/17, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

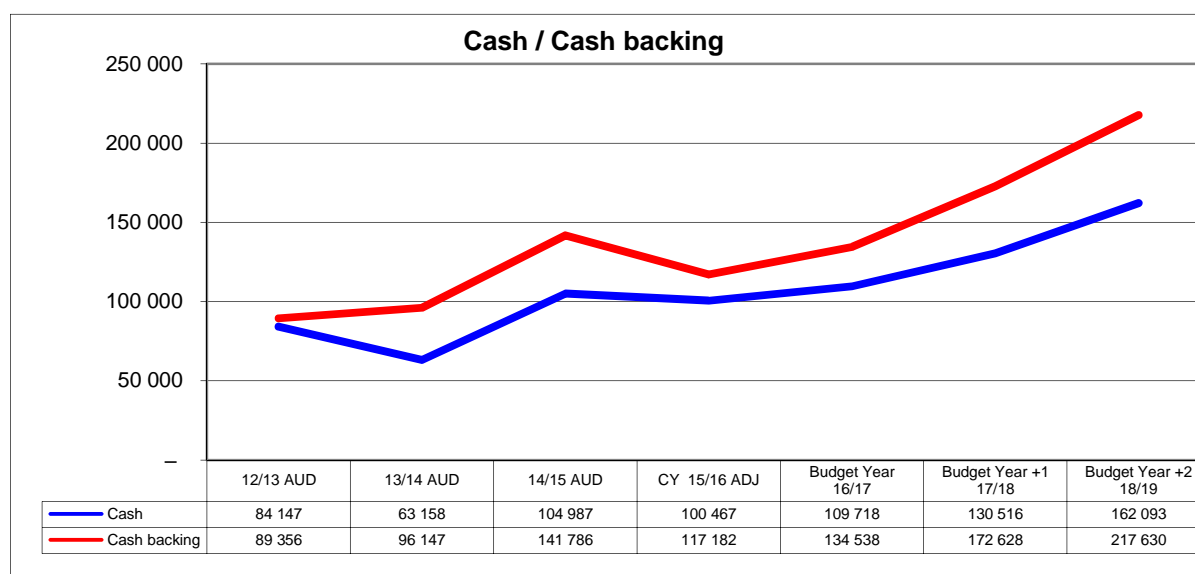
- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. In the past these have been allowed to 'roll-over' and be spent in the ordinary course of business, but this practice has been discontinued. Stringent measures have been implemented by NT regarding unspent grants.
- No unspent borrowing from the previous financial year is anticipated. Borrowings are only drawn down once substantial expenditure has incurred against the particular projects.
- 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, at least one month's operational expenditure is covered at all times. 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 Municipality to meet its creditor obligations.

- Long term investments consist primarily of the sinking funds for the repayment of future borrowings. The sinking fund value is held within long term investments and must be 'held to maturity' and is not available for spending.
- Most reserve fund cash-backing is discretionary in nature, but the reserve funds are not available to support a budget unless they are cash-backed. The level of cash-backing is directly informed by the municipality's cash backing policy.

It can be concluded that the Municipality will have a surplus of R134,5 million against the cash backed and accumulated surpluses reconciliation. When considering the funding requirements of section 18 and 19 of the MFMA, it needs to be noted that for all practical purposes the 2016/2017 MTREF is funded, from a pure cash flow perspective (cash out flow versus cash inflow) the budget is funded and is therefore credible. The challenge for the Municipality 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 10 Cash and cash equivalents / Cash backed reserves and accumulated funds**

#### 2.6.4 Funding compliance measurement

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

**Table 42 MBRR SA10 – Funding compliance measurement**

Description	MFMA section	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Funding measures</b>										
Cash/cash equivalents at the year end - R'000	18(1)b	84 147	63 158	104 987	97 547	100 467	100 467	109 718	130 516	162 093
Cash + investments at the yr end less applications - R'000	18(1)b	89 356	96 147	141 786	117 777	117 182	117 182	134 538	172 628	217 630
Cash year end/monthly employee/supplier payments	18(1)b	1.8	1.2	1.9	1.5	1.6	1.6	1.6	1.8	2.1
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	10 899	(45 015)	(49 845)	(5 140)	(15 149)	(15 149)	(39 767)	(4 116)	2 138
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	N.A.	4.2%	3.6%	2.4%	(5.7%)	(6.0%)	1.7%	0.0%	(0.0%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	91.5%	103.1%	99.0%	101.2%	101.7%	101.7%	97.4%	98.3%	98.7%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	1.2%	2.0%	1.6%	3.1%	3.1%	3.1%	3.0%	2.9%	2.7%
Capital payments % of capital expenditure	18(1)c;19	100.0%	100.0%	102.2%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	43.0%	55.3%	75.8%	75.8%	72.1%	72.1%	83.6%	100.0%	100.0%
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.	(2.1%)	9.9%	(12.0%)	(4.1%)	0.0%	20.9%	11.4%	7.6%
Long term receivables % change - incr(decr)	18(1)a	N.A.	(18.4%)	(21.8%)	(23.0%)	0.0%	0.0%	(26.0%)	(33.9%)	(49.1%)
R&M % of Property Plant & Equipment	20(1)(vi)	3.7%	4.8%	5.1%	3.9%	3.9%	3.9%	3.9%	4.1%	4.3%
Asset renewal % of capital budget	20(1)(vi)	2.9%	35.9%	30.2%	20.0%	18.9%	18.9%	50.7%	30.3%	36.7%
<b>Total Operating Revenue</b>		703 871	736 376	804 650	895 035	910 752	910 752	995 114	1 017 455	1 083 718
<b>Total Operating Expenditure</b>		752 070	832 022	911 264	964 529	987 403	987 403	1 074 984	1 085 176	1 148 851
<b>Operating Performance Surplus/(Deficit)</b>		(48 199)	(95 646)	(106 615)	(69 494)	(76 651)	(76 651)	(79 870)	(67 720)	(65 133)
<b>Revenue</b>										
% Increase in Total Operating Revenue			4.6%	9.3%	11.2%	1.8%	0.0%	9.3%	2.2%	6.5%
% Increase in Property Rates Revenue			11.6%	13.4%	6.4%	0.0%	0.0%	11.0%	6.0%	6.0%
% Increase in Electricity Revenue			8.4%	6.8%	18.3%	(0.6%)	0.0%	6.2%	6.0%	6.0%
% Increase in Property Rates & Services Charges			10.2%	9.6%	8.4%	0.3%	0.0%	7.7%	6.0%	6.0%
<b>Expenditure</b>										
% Increase in Total Operating Expenditure			10.6%	9.5%	5.8%	2.4%	0.0%	8.9%	0.9%	5.9%
% Increase in Employee Costs			12.5%	2.4%	9.2%	0.4%	0.0%	7.3%	2.5%	5.3%
% Increase in Electricity Bulk Purchases			8.3%	6.8%	15.5%	(1.0%)	0.0%	10.0%	7.9%	7.9%
R&M % of PPE		3.7%	4.8%	5.1%	3.9%	3.9%	3.9%	3.9%	4.1%	4.3%
Asset Renewal and R&M as a % of PPE		4.0%	6.0%	6.0%	4.0%	4.0%	4.0%	5.0%	5.0%	5.0%
Debt Impairment % of Total Billable Revenue		1.2%	2.0%	1.6%	3.1%	3.1%	3.1%	3.0%	2.9%	2.7%
<b>Capital Revenue</b>										
Internally Funded & Other (R'000)		22 412	22 207	13 745	7 215	8 206	8 206	5 890	–	–
Borrowing (R'000)		67 544	70 634	39 012	32 346	33 419	33 419	30 000	30 000	40 000
Grant Funding and Other (R'000)		53 809	38 090	55 734	64 354	61 502	61 502	40 103	63 604	67 271
Internally Generated funds % of Non Grant Funding		24.9%	23.9%	26.1%	18.2%	19.7%	19.7%	16.4%	0.0%	0.0%
Borrowing % of Non Grant Funding		75.1%	76.1%	73.9%	81.8%	80.3%	80.3%	83.6%	100.0%	100.0%
Grant Funding % of Total Funding		37.4%	29.1%	51.4%	61.9%	59.6%	59.6%	52.8%	68.0%	62.7%
<b>Capital Expenditure</b>										
Total Capital Programme (R'000)		143 764	130 930	108 490	103 914	103 127	103 127	75 993	93 604	107 271
Asset Renewal		4 147	47 032	32 727	20 758	19 493	19 493	38 541	28 399	39 325
Asset Renewal % of Total Capital Expenditure		2.9%	35.9%	30.2%	20.0%	18.9%	18.9%	50.7%	30.3%	36.7%
<b>Cash</b>										
Cash Receipts % of Rate Payer & Other		91.5%	103.1%	99.0%	101.2%	101.7%	101.7%	97.4%	98.3%	98.7%
<b>Borrowing</b>										
Capital Charges to Operating		6.8%	7.3%	7.0%	7.3%	7.2%	7.2%	6.8%	7.1%	6.9%
Borrowing Receipts % of Capital Expenditure		43.0%	55.3%	75.8%	75.8%	72.1%	72.1%	83.6%	100.0%	100.0%
<b>Reserves</b>										
Surplus/(Deficit)		89 356	96 147	141 786	117 777	117 182	117 182	134 538	172 628	217 630
<b>Free Services</b>										
Free Basic Services as a % of Equitable Share		0.0%	0.0%	7.8%	5.5%	5.5%	5.5%	5.8%	5.1%	4.9%
Free Services as a % of Operating Revenue (excl operational transfers)		5.1%	4.9%	5.1%	5.0%	4.9%	4.9%	5.2%	5.2%	5.2%
<b>High Level Outcome of Funding Compliance</b>										
Total Operating Revenue		703 871	736 376	804 650	895 035	910 752	910 752	995 114	1 017 455	1 083 718
Total Operating Expenditure		752 070	832 022	911 264	964 529	987 403	987 403	1 074 984	1 085 176	1 148 851
Surplus/(Deficit) Budgeted Operating Statement		(48 199)	(95 646)	(106 615)	(69 494)	(76 651)	(76 651)	(79 870)	(67 720)	(65 133)
Surplus/(Deficit) Considering Reserves and Cash Backing		89 356	96 147	141 786	117 777	117 182	117 182	134 538	172 628	217 630
<b>MTREF Funded (1) / Unfunded (0)</b>		1	1	1	1	1	1	1	1	1
<b>MTREF Funded ✓ / Unfunded X</b>		✓	✓	✓	✓	✓	✓	✓	✓	✓

#### *2.6.4.1 Cash/cash equivalent position*

The Municipality'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 2016/17 MTREF shows R110 million, R130,5 million and R162 million for each respective financial year.

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

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 41, on page 69. 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.

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

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as services boycotts. The ratio is at 1.6 for the 2016/2017 MTREF.

#### *2.6.4.4 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. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. The issue relating to depreciation has been discussed at length elsewhere in this report. This indicator cannot be measured as depreciation offset do not form part of the GRAP reporting framework. It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

#### *2.6.4.5 Property Rates/service 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 6,8 per cent). Refer to Annexure B for Tariff List and Increases.

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

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and

credibility of the budget assumptions contained in the budget. Given that the assumed collection rate was based on a 99 per cent performance target, the cash flow statement has been accurately determined. 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.

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

Overstrand Municipality has provided for Debt impairment under the Financial performance.

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

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. The municipality aims to ensure strict compliance with the legislative requirement that creditors be paid within 30 days.

#### *2.6.4.9 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 84, 100 and 100 per cent of own funded capital.

#### *2.6.4.10 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 Municipality has budgeted for all transfers.

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

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position.

#### *2.6.4.12 Repairs and maintenance expenditure level*

This measure must be considered 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 municipality's strategy pertaining to asset management and repairs and maintenance are contained in Table 56 MBRR SA34C on page 88.

#### *2.6.4.13 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 (since MFMA Circular 28 which was issued in December 2005) 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 55 MBRR SA34b on page 87.

## 2.7 Expenditure on grants and reconciliations of unspent funds

**Table 43 MBRR SA19 - Expenditure on transfers and grant programmes**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>EXPENDITURE:</b>									
<b>Operating expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>2 810</b>	<b>3 084</b>	<b>3 900</b>	<b>3 111</b>	<b>3 701</b>	<b>3 701</b>	<b>3 397</b>	<b>1 550</b>	<b>1 550</b>
Local Government Equitable Share									
Finance Management	698	1 300	860	1 450	2 040	2 040	1 475	1 550	1 550
Municipal Systems Improvement	780	540							
EPWP Incentive	1 332	1 244	1 768	1 661	1 661	1 661	1 922		
Disaster recovery grant			1 272						
<b>Provincial Government:</b>	<b>2 724</b>	<b>22 802</b>	<b>4 551</b>	<b>22 615</b>	<b>32 936</b>	<b>32 936</b>	<b>51 905</b>	<b>15 850</b>	<b>20 536</b>
Housing	1 659	18 669	632	17 141	27 049	27 049	45 734	9 346	13 540
Community Development Worker Grant	70	49	70	72	72	72	75	75	75
Main Road Subsidy	65	2 651	83	114	114	114	137		
Sport & Recreation Grant									
Provincial Library Grant	691	795	3 182	5 288	5 288	5 288	5 839	6 189	6 561
Disaster recovery grant									
Financial Management Support Grant	–	155	547		213	213	120	240	360
Nelson Mandela commemoration Grant	–	100							
Greenest Municipality	–	12	38						
HCE	19	47							
Mobility Strategy	2	106							
Thusong Service centre grant	218	218			200	200			
<b>District Municipality:</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Other grant providers:</b>	<b>222</b>	<b>894</b>	<b>252</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Spaces 4 Sport/Friedrich Naumann Foundation	200	627	249						
ICT Projects for Libraries/Samras Usergroup	22	267	3						
<b>Total operating expenditure of Transfers and Grants</b>	<b>5 756</b>	<b>26 781</b>	<b>8 704</b>	<b>25 726</b>	<b>36 636</b>	<b>36 636</b>	<b>55 302</b>	<b>17 400</b>	<b>22 086</b>
<b>Capital expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>36 911</b>	<b>25 094</b>	<b>23 608</b>	<b>30 347</b>	<b>30 347</b>	<b>30 347</b>	<b>26 030</b>	<b>26 450</b>	<b>29 531</b>
Municipal Infrastructure Grant (MIG)	16 947	18 755	20 674	21 417	21 417	21 417	21 030	22 450	23 531
Public Transport and Systems									
Regional Bulk Infrastructure	15 174	–							
Municipal Systems Improvement	20	350	934	930	930	930			
INEP	1 800	2 026	2 000	8 000	8 000	8 000	5 000	4 000	6 000
Finance Management	552	–							
Neighbourhood Development Partnership	2 418	3 963							
<b>Provincial Government:</b>	<b>16 898</b>	<b>12 996</b>	<b>31 890</b>	<b>33 007</b>	<b>30 155</b>	<b>30 155</b>	<b>14 073</b>	<b>37 154</b>	<b>37 740</b>
Housing	16 651	10 404	29 740	29 973	26 321	26 321	13 023	37 154	37 740
Sport & Recreation Grant	–	100							
Public transport non-motorised infrastructure grant	–	2 482							
Provincial Library Grant	13	10	2 150	3 034	3 034	3 034	1 050		
Financial Management Support Grant					800	800			
Mobility strategy (pound)/ CDW	234	–							
<b>Other grant providers:</b>	<b>500</b>	<b>–</b>	<b>1 000</b>	<b>1 000</b>	<b>1 000</b>	<b>1 000</b>	<b>–</b>	<b>–</b>	<b>–</b>
National Lotto				1 000	1 000	1 000			
'DWA ACIP			1 000						
'Spaces 4 Sport									
National Lotto	500	–	–						
<b>Total capital expenditure of Transfers and Grants</b>	<b>54 309</b>	<b>38 090</b>	<b>56 498</b>	<b>64 354</b>	<b>61 502</b>	<b>61 502</b>	<b>40 103</b>	<b>63 604</b>	<b>67 271</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>60 065</b>	<b>64 871</b>	<b>65 202</b>	<b>90 080</b>	<b>98 138</b>	<b>98 138</b>	<b>95 405</b>	<b>81 004</b>	<b>89 357</b>

**Table 44 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>Operating transfers and grants:</b>									
<b>National Government:</b>									
Balance unspent at beginning of the year	–	–	–		590	590			
Current year receipts	38 956	45 033	56 511	67 709	67 709	67 709	76 347	84 580	92 983
<b>Conditions met - transferred to revenue</b>	<b>38 956</b>	<b>45 033</b>	<b>55 921</b>	<b>67 709</b>	<b>68 299</b>	<b>68 299</b>	<b>76 347</b>	<b>84 580</b>	<b>92 983</b>
Conditions still to be met - transferred to liabilities			590						
<b>Provincial Government:</b>									
Balance unspent at beginning of the year	174	153	683		213	213			
Current year receipts	2 703	23 332	4 481	22 615	32 723	32 723	51 905	15 850	20 536
Transfer to creditor/debtor	(222)	(894)	(400)						
<b>Conditions met - transferred to revenue</b>	<b>2 502</b>	<b>21 908</b>	<b>4 551</b>	<b>22 615</b>	<b>32 936</b>	<b>32 936</b>	<b>51 905</b>	<b>15 850</b>	<b>20 536</b>
Conditions still to be met - transferred to liabilities	153	683	213						
<b>District Municipality:</b>									
<b>Conditions met - transferred to revenue</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Conditions still to be met - transferred to liabilities									
<b>Other grant providers:</b>									
Balance unspent at beginning of the year	240	669	361						
Current year receipts	652	586	165						
<b>Conditions met - transferred to revenue</b>	<b>222</b>	<b>894</b>	<b>252</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Conditions still to be met - transferred to liabilities	669	361	274						
<b>Total operating transfers and grants revenue</b>	<b>41 680</b>	<b>67 835</b>	<b>60 725</b>	<b>90 324</b>	<b>101 234</b>	<b>101 234</b>	<b>128 252</b>	<b>100 430</b>	<b>113 519</b>
<b>Total operating transfers and grants - CTBM</b>	<b>822</b>	<b>1 044</b>	<b>1 076</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Capital transfers and grants:</b>									
<b>National Government:</b>									
Balance unspent at beginning of the year	–	–							
Current year receipts	36 911	26 068	23 608	30 347	30 347	30 347	26 030	26 450	29 531
Transfer to creditor/debtor	–	(974)							
<b>Conditions met - transferred to revenue</b>	<b>36 911</b>	<b>25 094</b>	<b>23 608</b>	<b>30 347</b>	<b>30 347</b>	<b>30 347</b>	<b>26 030</b>	<b>26 450</b>	<b>29 531</b>
Conditions still to be met - transferred to liabilities									
<b>Provincial Government:</b>									
Balance unspent at beginning of the year	3 642	6 961	2 382						
Current year receipts	20 217	8 819	30 195	33 007	30 155	30 155	14 073	37 154	37 740
Transfer to creditor/debtor	–	(402)	(687)						
<b>Conditions met - transferred to revenue</b>	<b>16 898</b>	<b>12 996</b>	<b>31 890</b>	<b>33 007</b>	<b>30 155</b>	<b>30 155</b>	<b>14 073</b>	<b>37 154</b>	<b>37 740</b>
Conditions still to be met - transferred to liabilities	6 961	2 382							
<b>District Municipality:</b>									
<b>Conditions met - transferred to revenue</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Conditions still to be met - transferred to liabilities									
<b>Other grant providers:</b>									
Balance unspent at beginning of the year	–	–							
Current year receipts	–	–	1 000	1 000	1 000	1 000			
<b>Conditions met - transferred to revenue</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1 000</b>	<b>1 000</b>	<b>1 000</b>	<b>–</b>	<b>–</b>	<b>–</b>
Conditions still to be met - transferred to liabilities			1 000						
<b>Total capital transfers and grants revenue</b>	<b>53 809</b>	<b>38 090</b>	<b>55 498</b>	<b>64 354</b>	<b>61 502</b>	<b>61 502</b>	<b>40 103</b>	<b>63 604</b>	<b>67 271</b>
<b>Total capital transfers and grants - CTBM</b>	<b>6 961</b>	<b>2 382</b>	<b>1 000</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>	<b>95 489</b>	<b>105 925</b>	<b>116 223</b>	<b>154 678</b>	<b>162 736</b>	<b>162 736</b>	<b>168 355</b>	<b>164 034</b>	<b>180 790</b>
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>	<b>7 783</b>	<b>3 425</b>	<b>2 076</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

## 2.8 Councillor and employee benefits

**Table 45 MBRR SA22 - Summary of councillor and staff benefits**

Summary of Employee and Councillor remuneration  R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Original Budget	Adjusted Budget	Full Year Forecast
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages	7 084	7 415	7 533	8 037	8 037	8 037	8 499	9 008	9 549
Pension and UIF Contributions									
Medical Aid Contributions									
Motor Vehicle Allowance									
Cellphone Allowance		518	570	638	638	638	612	612	612
Housing Allowances									
Other benefits and allowances									
<b>Sub Total - Councillors</b>	<b>7 084</b>	<b>7 933</b>	<b>8 104</b>	<b>8 674</b>	<b>8 674</b>	<b>8 674</b>	<b>9 110</b>	<b>9 620</b>	<b>10 161</b>
% increase		12.0%	2.2%	7.0%	-	-	5.0%	5.6%	5.6%
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages	8 100	8 566	9 190	9 735	9 735	9 735	10 150	10 757	11 401
Pension and UIF Contributions									
Medical Aid Contributions									
Overtime									
Performance Bonus									
Motor Vehicle Allowance									
Cellphone Allowance	139	139	147	154	154	154	154	154	154
Housing Allowances									
Other benefits and allowances	3								
Payments in lieu of leave	82								
Long service awards									
Post-retirement benefit obligations									
<b>Sub Total - Senior Managers of Municipality</b>	<b>8 324</b>	<b>8 706</b>	<b>9 337</b>	<b>9 889</b>	<b>9 889</b>	<b>9 889</b>	<b>10 305</b>	<b>10 911</b>	<b>11 555</b>
% increase		4.6%	7.3%	5.9%	-	-	4.2%	5.9%	5.9%
<b>Other Municipal Staff</b>									
Basic Salaries and Wages	143 857	158 389	165 741	188 357	182 893	182 893	199 010	202 205	214 259
Pension and UIF Contributions	24 051	25 104	27 068	31 736	30 694	30 694	32 625	34 426	36 394
Medical Aid Contributions	8 176	8 828	9 363	11 618	11 038	11 038	11 423	12 322	13 063
Overtime	12 428	14 370	14 765	15 295	13 654	13 654	14 920	15 806	16 725
Performance Bonus	-	-			-	-			
Motor Vehicle Allowance	9 178	9 750	9 634	12 164	11 239	11 239	6 990	6 993	6 996
Cellphone Allowance	1 785	1 402	1 750	1 348	1 326	1 326	1 278	1 278	1 278
Housing Allowances	1 046	967	944	1 002	1 759	1 759	5 851	5 851	5 851
Other benefits and allowances	9 254	10 083	11 228	10 621	10 108	10 108	11 375	11 972	12 606
Provision for Accrued Leave	2 056	1 659	996	729	729	729	709	752	793
Provision for Long service awards	690	3 587	1 161	1 802	3 042	3 042	3 139	2 820	2 810
Provision for Bonus	-	-	655	455	455	455	496	526	558
Post-retirement benefit obligations	10 795	17 799	14 378	6 578	16 001	16 001	16 081	16 162	16 242
<b>Sub Total - Other Municipal Staff</b>	<b>223 317</b>	<b>251 939</b>	<b>257 682</b>	<b>281 705</b>	<b>282 938</b>	<b>282 938</b>	<b>303 899</b>	<b>311 112</b>	<b>327 574</b>
% increase		12.8%	2.3%	9.3%	0.4%	-	7.4%	2.4%	5.3%
<b>Total Parent Municipality</b>	<b>238 726</b>	<b>268 577</b>	<b>275 123</b>	<b>300 268</b>	<b>301 502</b>	<b>301 502</b>	<b>323 314</b>	<b>331 643</b>	<b>349 289</b>
		12.5%	2.4%	9.1%	0.4%	-	7.2%	2.6%	5.3%
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>238 726</b>	<b>268 577</b>	<b>275 123</b>	<b>300 268</b>	<b>301 502</b>	<b>301 502</b>	<b>323 314</b>	<b>331 643</b>	<b>349 289</b>
% increase		12.5%	2.4%	9.1%	0.4%	-	7.2%	2.6%	5.3%
<b>TOTAL MANAGERS AND STAFF</b>	<b>231 642</b>	<b>260 645</b>	<b>267 019</b>	<b>291 593</b>	<b>292 827</b>	<b>292 827</b>	<b>314 204</b>	<b>322 023</b>	<b>339 129</b>



**Table 46 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
<b>Rand per annum</b>							
<b><u>Councillors</u></b>							
Speaker	1	642 795		24 468			667 263
Chief Whip							–
Executive Mayor	1	803 493		24 468			827 961
Deputy Executive Mayor	1	642 795		24 468			667 263
Executive Committee	1	1 807 863		73 404			1 881 267
Total for all other councillors	19	4 601 608		464 892			5 066 500
<b>Total Councillors</b>	–	<b>8 498 554</b>	–	<b>611 700</b>			<b>9 110 254</b>
<b><u>Senior Managers of the Municipality</u></b>							
Municipal Manager (MM)	1	1 814 878		22 872			1 837 750
Chief Finance Officer	1	1 678 835		19 872			1 698 707
Management Serv	1	1 272 554		22 872			1 295 426
LED	1	1 192 084		19 872			1 211 956
Protection Serv	1	1 150 142		22 872			1 173 014
Infrastrucure and Plzanning	1	1 668 515		22 872			1 691 387
Community Serv	1	1 373 410		22 872			1 396 282
<b>Total Senior Managers of the Municipality</b>	–	<b>10 150 418</b>	–	<b>154 104</b>	–		<b>10 304 522</b>
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	–	<b>18 648 972</b>	–	<b>765 804</b>	–		<b>19 414 776</b>

**Table 47 MBRR SA24 – Summary of personnel numbers**

Summary of Personnel Numbers Number	2014/15			Current Year 2015/16			Budget Year 2016/17		
	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>									
Councillors (Political Office Bearers plus Other Councillors)	25	7	–	25	7		25	7	
Board Members of municipal entities									
<b>Municipal employees</b>									
Municipal Manager and Senior Managers	7	7	–	7	7		7	7	
Other Managers	57	49		61	54		55	52	
Professionals	53	52	–	54	40	–	57	43	–
<i>Finance</i>	22	21		23	15		23	17	
<i>Spatial/town planning</i>	8	8		8	7		8	7	
<i>Information Technology</i>									
<i>Roads</i>	8	8		8	8		8	6	
<i>Electricity</i>	5	5		5	1		8	6	
<i>Water</i>	4	4		4	3		4	1	
<i>Sanitation</i>	3	3		3	3		3	3	
<i>Refuse</i>	3	3		3	3		3	3	
<i>Other</i>									
Technicians	213	203	–	215	194	–	202	190	–
<i>Finance</i>									
<i>Spatial/town planning</i>	6	6		6	5		6	5	
<i>Information Technology</i>	3	3		4	3		4	3	
<i>Roads</i>	3	2		3	3		3	3	
<i>Electricity</i>	22	18		22	15		22	18	
<i>Water</i>	4	2		5	4		5	4	
<i>Sanitation</i>	6	4		6	5		6	6	
<i>Refuse</i>	3	3		3	3		3	3	
<i>Other</i>	166	165		166	156		153	148	
Clerks (Clerical and administrative)	189	177		186	162		186	173	
Service and sales workers	54	51		114	106		114	105	
Skilled agricultural and fishery workers									
Craft and related trades									
Plant and Machine Operators	42	23		45	40		25	24	
Elementary Occupations	487	474		492	477		466	434	
<b>TOTAL PERSONNEL NUMBERS</b>	<b>1 127</b>	<b>1 043</b>	<b>–</b>	<b>1 199</b>	<b>1 087</b>	<b>–</b>	<b>1 137</b>	<b>1 035</b>	<b>–</b>
<b>% Increase</b>				6.4%	4.2%	–	(5.2%)	(4.8%)	–
<b>Total municipal employees headcount</b>	<b>1 102</b>	<b>1 036</b>		<b>1 174</b>	<b>1 080</b>		<b>1 112</b>	<b>1 028</b>	
Finance personnel headcount	126	116		111	116		113	100	
Human Resources personnel headcount	19	18		18	18		18	17	

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

**Table 48 MBRR SA25 - Budgeted monthly revenue and expenditure**

Description	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Revenue By Source</b>															
Property rates	17 873	14 969	14 944	14 946	14 946	14 992	14 989	14 981	14 447	14 646	14 447	14 409	180 591	191 427	202 913
Property rates - penalties & collection charges	62	59	54	62	64	33	33	47	93	102	102	138	848	899	953
Service charges - electricity revenue	31 267	29 843	27 895	27 341	27 019	28 768	30 163	26 790	28 436	35 768	31 644	32 746	357 681	379 142	401 891
Service charges - water revenue	8 307	8 962	8 279	8 873	9 924	11 218	14 629	11 938	8 924	6 693	5 577	8 222	111 544	118 237	125 331
Service charges - sanitation revenue	5 875	6 118	6 072	6 114	6 333	7 099	7 937	6 796	5 785	4 339	5 062	4 788	72 318	76 657	81 257
Service charges - refuse revenue	5 521	5 692	5 742	5 568	5 670	5 691	5 682	5 545	3 931	5 241	5 896	5 332	65 510	69 441	73 607
Service charges - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	200	127	347	180	207	643	302	225	263	136	109	408	3 146	3 335	3 535
Interest earned - external investments	842	1 540	1 329	1 996	1 042	1 134	2 073	997	362	362	241	152	12 071	12 795	13 563
Interest earned - outstanding debtors	247	250	242	237	263	262	279	292	220	191	185	88	2 756	2 921	3 097
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines	516	4 126	2 146	2 107	2 057	2 018	2 115	2 491	641	881	1 246	10 801	31 143	31 164	31 187
Licences and permits	204	198	205	185	190	177	225	211	173	205	140	218	2 330	2 470	2 618
Agency services	284	223	246	280	286	335	318	293	221	225	193	315	3 220	3 413	3 618
Transfers recognised - operational	34 700	747	1 286	4 358	29 769	8 200	–	10 358	12 825	8 978	2 565	14 466	128 252	100 430	113 519
Other revenue	2 145	1 616	2 547	3 683	2 355	1 809	2 184	2 639	1 422	711	1 185	1 406	23 702	25 124	26 631
Gains on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total Revenue (excluding capital transfers and</b>	<b>108 042</b>	<b>74 470</b>	<b>71 332</b>	<b>75 930</b>	<b>100 125</b>	<b>82 377</b>	<b>80 930</b>	<b>83 604</b>	<b>77 744</b>	<b>78 477</b>	<b>68 593</b>	<b>93 490</b>	<b>995 114</b>	<b>1 017 455</b>	<b>1 083 718</b>
<b>Expenditure By Type</b>															
Employee related costs	19 797	21 991	25 432	23 251	35 970	23 882	25 331	29 914	24 735	28 932	22 943	32 027	314 204	322 023	339 129
Remuneration of councillors	696	696	696	734	717	717	982	759	759	759	759	837	9 110	9 620	10 161
Debt impairment	1 991	1 991	1 991	1 991	1 991	1 991	1 991	1 991	1 911	1 911	1 911	2 230	23 888	23 974	24 048
Depreciation & asset impairment	9 808	9 808	9 808	9 808	9 808	9 808	9 808	9 808	9 808	9 808	9 808	9 808	117 690	124 752	132 237
Finance charges	122	664	1 097	3 849	1 241	8 425	1 541	1 912	1 857	4 642	6 963	14 110	46 421	46 952	45 449
Bulk purchases	3 608	26 257	24 455	15 727	14 954	16 196	16 126	15 887	18 857	22 540	16 600	19 557	210 763	227 329	245 197
Other materials	1 570	2 508	3 308	6 691	5 076	10 413	2 222	11 286	5 368	7 669	7 669	12 907	76 687	41 285	46 605
Contracted services	1 809	7 224	8 569	8 341	8 639	16 037	10 340	26 517	11 110	31 744	12 697	15 691	158 718	164 936	174 154
Transfers and grants	3 897	6 693	5 031	4 599	4 588	4 597	4 596	4 581	2 874	4 048	4 032	7 943	57 479	60 808	64 336
Other expenditure	864	4 392	3 507	5 968	4 736	4 408	3 143	5 402	7 803	7 203	6 002	6 596	60 024	63 497	67 536
Loss on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total Expenditure</b>	<b>44 161</b>	<b>82 222</b>	<b>83 892</b>	<b>80 958</b>	<b>87 718</b>	<b>96 473</b>	<b>76 080</b>	<b>108 056</b>	<b>85 081</b>	<b>119 254</b>	<b>89 385</b>	<b>121 705</b>	<b>1 074 984</b>	<b>1 085 176</b>	<b>1 148 851</b>
<b>Surplus/(Deficit)</b>	<b>63 881</b>	<b>(7 751)</b>	<b>(12 560)</b>	<b>(5 029)</b>	<b>12 407</b>	<b>(14 095)</b>	<b>4 850</b>	<b>(24 453)</b>	<b>(7 337)</b>	<b>(40 777)</b>	<b>(20 792)</b>	<b>(28 215)</b>	<b>(79 870)</b>	<b>(67 720)</b>	<b>(65 133)</b>
Transfers recognised - capital	150	2 904	7 293	1 320	3 083	4 399	–	1 029	3 506	5 908	4 411	6 100	40 103	63 604	67 271
Contributions recognised - capital	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Contributed assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>64 032</b>	<b>(4 848)</b>	<b>(5 267)</b>	<b>(3 709)</b>	<b>15 491</b>	<b>(9 697)</b>	<b>4 850</b>	<b>(23 424)</b>	<b>(3 831)</b>	<b>(34 870)</b>	<b>(16 380)</b>	<b>(22 115)</b>	<b>(39 767)</b>	<b>(4 116)</b>	<b>2 138</b>
<b>Surplus/(Deficit)</b>	<b>64 032</b>	<b>(4 848)</b>	<b>(5 267)</b>	<b>(3 709)</b>	<b>15 491</b>	<b>(9 697)</b>	<b>4 850</b>	<b>(23 424)</b>	<b>(3 831)</b>	<b>(34 870)</b>	<b>(16 380)</b>	<b>(22 115)</b>	<b>(39 767)</b>	<b>(4 116)</b>	<b>2 138</b>

**Table 49 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)**

Description	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>															
<b>Revenue by Vote</b>															
Vote 1 - Council	35 018	40	20	21	24 336	22	18	18	11 636	1 927	41	86	73 182	83 276	91 694
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Management Services	0	0	0	0	0	0	0	0	0	0	0	0	1	1	1
Vote 4 - Finance	19 088	16 603	16 775	17 234	16 539	16 430	17 341	16 749	15 030	15 579	15 625	17 959	200 953	213 109	225 908
Vote 5 - Community Services	20 749	21 063	23 392	24 170	25 076	30 494	30 084	29 467	24 553	29 674	26 379	4 963	290 065	306 364	324 475
Vote 6 - Local Economic Development	197	296	318	841	293	290	137	330	90	335	168	56	3 352	1 516	1 607
Vote 7 - Infrastructure & Planning	32 118	34 696	35 379	31 436	34 308	36 979	30 605	35 048	28 749	34 970	26 993	68 395	429 676	438 374	468 427
Vote 8 - Protection Services	1 022	4 676	2 742	3 547	2 656	2 561	2 744	3 021	1 190	1 899	3 799	8 132	37 988	38 420	38 877
<b>Total Revenue by Vote</b>	<b>108 193</b>	<b>77 374</b>	<b>78 626</b>	<b>77 250</b>	<b>103 208</b>	<b>86 776</b>	<b>80 930</b>	<b>84 633</b>	<b>81 250</b>	<b>84 384</b>	<b>73 004</b>	<b>99 590</b>	<b>1 035 217</b>	<b>1 081 060</b>	<b>1 150 989</b>
<b>Expenditure by Vote to be appropriated</b>															
Vote 1 - Council	5 546	8 061	6 464	6 077	6 194	6 085	6 269	13 774	6 555	7 695	5 728	13 300	91 748	96 140	102 598
Vote 2 - Municipal Manager	337	382	435	367	378	366	357	312	333	472	403	581	4 722	4 978	5 247
Vote 3 - Management Services	2 086	4 867	3 432	3 587	4 078	3 221	3 905	2 862	4 793	704	3 204	9 752	46 490	48 974	51 802
Vote 4 - Finance	2 899	4 505	5 252	6 956	7 744	5 410	4 296	3 808	2 331	3 649	3 468	18 862	69 180	73 115	77 153
Vote 5 - Community Services	18 123	21 750	25 877	27 377	33 705	39 215	27 158	37 439	30 240	41 157	31 815	13 194	347 048	358 613	375 553
Vote 6 - Local Economic Development	319	1 203	766	1 192	853	740	926	623	1 710	755	1 103	606	10 795	7 433	7 672
Vote 7 - Infrastructure & Planning	10 415	36 365	35 953	29 901	28 171	35 689	26 935	43 494	35 054	59 284	39 956	49 129	430 346	418 971	448 962
Vote 8 - Protection Services	4 437	5 087	5 714	5 500	6 597	5 748	6 234	5 745	4 065	5 539	3 708	16 283	74 657	76 951	79 864
<b>Total Expenditure by Vote</b>	<b>44 161</b>	<b>82 222</b>	<b>83 892</b>	<b>80 958</b>	<b>87 718</b>	<b>96 473</b>	<b>76 080</b>	<b>108 056</b>	<b>85 081</b>	<b>119 254</b>	<b>89 385</b>	<b>121 705</b>	<b>1 074 984</b>	<b>1 085 176</b>	<b>1 148 851</b>
<b>Surplus/(Deficit) before assoc.</b>	<b>64 032</b>	<b>(4 848)</b>	<b>(5 267)</b>	<b>(3 709)</b>	<b>15 491</b>	<b>(9 697)</b>	<b>4 850</b>	<b>(23 424)</b>	<b>(3 831)</b>	<b>(34 870)</b>	<b>(16 380)</b>	<b>(22 115)</b>	<b>(39 767)</b>	<b>(4 116)</b>	<b>2 138</b>
<b>Surplus/(Deficit)</b>	<b>64 032</b>	<b>(4 848)</b>	<b>(5 267)</b>	<b>(3 709)</b>	<b>15 491</b>	<b>(9 697)</b>	<b>4 850</b>	<b>(23 424)</b>	<b>(3 831)</b>	<b>(34 870)</b>	<b>(16 380)</b>	<b>(22 115)</b>	<b>(39 767)</b>	<b>(4 116)</b>	<b>2 138</b>

**Table 50 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)**

Description  R thousand	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Revenue - Standard</b>															
<i><b>Governance and administration</b></i>	<b>53 922</b>	<b>16 688</b>	<b>16 875</b>	<b>17 330</b>	<b>40 981</b>	<b>16 707</b>	<b>17 372</b>	<b>16 901</b>	<b>26 052</b>	<b>17 509</b>	<b>15 710</b>	<b>18 937</b>	<b>274 984</b>	<b>297 281</b>	<b>318 547</b>
Executive and council	34 798	46	27	23	24 349	147	27	49	10 990	1 862	42	909	73 269	83 368	91 792
Budget and treasury office	19 088	16 603	16 775	17 234	16 539	16 430	17 341	16 749	15 030	15 579	15 625	17 959	200 953	213 109	225 908
Corporate services	35	39	73	73	92	129	4	103	31	69	43	70	762	803	847
<i><b>Community and public safety</b></i>	<b>2 159</b>	<b>9 847</b>	<b>15 865</b>	<b>7 941</b>	<b>7 868</b>	<b>13 667</b>	<b>4 151</b>	<b>11 771</b>	<b>7 899</b>	<b>12 398</b>	<b>9 353</b>	<b>14 697</b>	<b>117 616</b>	<b>112 616</b>	<b>113 584</b>
Community and social services	659	598	2 324	582	590	645	637	665	1 632	947	1 950	446	11 676	14 703	12 315
Sport and recreation	260	291	311	381	477	2 112	742	474	332	488	464	2 544	8 875	12 654	10 752
Public safety	1 022	4 676	2 742	3 547	2 656	2 561	2 744	3 021	1 190	3 465	1 236	9 130	37 988	38 420	38 877
Housing	218	4 282	10 488	3 431	4 145	8 349	28	7 611	4 744	7 498	5 704	2 577	59 077	46 839	51 640
Health															
<i><b>Economic and environmental services</b></i>	<b>879</b>	<b>981</b>	<b>1 772</b>	<b>1 952</b>	<b>1 541</b>	<b>2 636</b>	<b>680</b>	<b>2 229</b>	<b>946</b>	<b>1 800</b>	<b>1 904</b>	<b>4 820</b>	<b>22 139</b>	<b>17 168</b>	<b>24 533</b>
Planning and development	852	981	1 149	1 877	1 146	857	641	1 326	647	918	617	299	11 310	9 951	10 548
Road transport	12	—	623	75	394	1 779	40	903	296	875	1 286	4 463	10 746	7 129	13 891
Environmental protection	15	—	—	—	—	—	—	—	2	7	1	58	83	88	93
<i><b>Trading services</b></i>	<b>51 233</b>	<b>49 858</b>	<b>44 114</b>	<b>50 027</b>	<b>52 819</b>	<b>53 766</b>	<b>58 726</b>	<b>53 731</b>	<b>46 353</b>	<b>52 678</b>	<b>46 037</b>	<b>61 136</b>	<b>620 478</b>	<b>653 995</b>	<b>694 325</b>
Electricity	31 259	28 657	23 283	28 659	29 754	29 578	30 159	29 242	27 342	33 866	29 547	41 533	362 878	383 351	408 112
Water	8 223	8 871	8 219	8 838	10 209	11 239	14 659	11 932	9 599	9 150	6 429	7 430	114 799	121 402	129 044
Waste water management	6 226	6 633	6 862	6 958	7 180	7 243	8 225	7 011	4 634	4 862	5 300	6 095	77 230	79 738	83 495
Waste management	5 524	5 696	5 750	5 572	5 675	5 706	5 683	5 546	4 779	4 801	4 761	6 077	65 570	69 504	73 675
<i><b>Other</b></i>															
<b>Total Revenue - Standard</b>	<b>108 193</b>	<b>77 374</b>	<b>78 626</b>	<b>77 250</b>	<b>103 208</b>	<b>86 776</b>	<b>80 930</b>	<b>84 633</b>	<b>81 250</b>	<b>84 384</b>	<b>73 004</b>	<b>99 590</b>	<b>1 035 217</b>	<b>1 081 060</b>	<b>1 150 989</b>
<b>Expenditure - Standard</b>															
<i><b>Governance and administration</b></i>	<b>14 277</b>	<b>21 639</b>	<b>20 683</b>	<b>20 201</b>	<b>24 059</b>	<b>21 778</b>	<b>23 071</b>	<b>27 585</b>	<b>14 512</b>	<b>26 021</b>	<b>17 866</b>	<b>30 652</b>	<b>262 345</b>	<b>273 948</b>	<b>290 221</b>
Executive and council	7 292	10 027	9 563	7 347	8 914	8 706	9 104	18 452	9 017	10 657	8 279	7 227	114 585	118 197	125 860
Budget and treasury office	2 899	4 505	5 252	6 956	7 744	5 410	4 296	3 808	2 331	3 649	3 468	18 862	69 180	73 115	77 153
Corporate services	4 086	7 106	5 869	5 898	7 401	7 662	9 671	5 325	3 163	11 716	6 118	4 564	78 579	82 635	87 207
<i><b>Community and public safety</b></i>	<b>7 608</b>	<b>8 793</b>	<b>9 930</b>	<b>13 240</b>	<b>14 422</b>	<b>19 409</b>	<b>11 554</b>	<b>20 895</b>	<b>8 650</b>	<b>26 212</b>	<b>15 928</b>	<b>24 460</b>	<b>181 101</b>	<b>148 802</b>	<b>159 408</b>
Community and social services	1 987	2 323	2 429	2 738	4 453	2 639	2 667	2 593	2 410	4 883	2 564	2 780	34 465	35 334	37 197
Sport and recreation	850	1 010	1 331	1 447	1 659	3 141	2 268	1 475	1 642	2 856	1 482	1 078	20 239	20 843	22 140
Public safety	4 437	5 087	5 714	5 500	6 597	5 748	6 234	5 745	4 065	5 539	3 708	16 283	74 657	76 951	79 864
Housing	334	372	457	3 555	1 714	7 880	386	11 083	533	12 935	8 174	4 319	51 741	15 674	20 208
Health															
<i><b>Economic and environmental services</b></i>	<b>6 996</b>	<b>10 738</b>	<b>10 279</b>	<b>11 679</b>	<b>13 645</b>	<b>15 039</b>	<b>8 655</b>	<b>24 464</b>	<b>26 666</b>	<b>22 609</b>	<b>17 607</b>	<b>8 058</b>	<b>176 435</b>	<b>180 172</b>	<b>189 724</b>
Planning and development	2 472	4 009	3 784	4 606	4 846	3 957	3 425	18 389	19 777	6 636	6 280	2 145	80 325	80 623	85 576
Road transport	4 258	6 404	6 078	6 686	8 345	10 723	4 954	5 731	6 485	15 402	10 641	4 692	90 397	93 565	97 944
Environmental protection	266	325	417	388	454	359	276	345	404	571	685	1 222	5 712	5 983	6 204
<i><b>Trading services</b></i>	<b>15 280</b>	<b>41 051</b>	<b>43 000</b>	<b>35 838</b>	<b>35 591</b>	<b>40 248</b>	<b>32 800</b>	<b>35 113</b>	<b>35 252</b>	<b>44 412</b>	<b>37 984</b>	<b>58 534</b>	<b>455 103</b>	<b>482 255</b>	<b>509 499</b>
Electricity	6 639	29 744	28 620	20 593	19 937	22 862	20 556	21 707	22 516	24 308	23 535	36 727	277 742	297 102	317 281
Water	2 992	3 898	4 726	6 346	4 945	7 134	3 158	4 448	4 914	5 860	3 775	6 832	59 028	61 272	63 072
Waste water management	3 127	3 887	5 044	4 893	5 288	5 760	4 529	4 388	4 403	5 468	4 239	8 803	59 828	62 976	66 197
Waste management	2 523	3 522	4 610	4 006	5 422	4 491	4 558	4 570	3 420	8 776	6 436	6 172	58 505	60 904	62 948
<i><b>Other</b></i>															
<b>Total Expenditure - Standard</b>	<b>44 161</b>	<b>82 222</b>	<b>83 892</b>	<b>80 958</b>	<b>87 718</b>	<b>96 473</b>	<b>76 080</b>	<b>108 056</b>	<b>85 081</b>	<b>119 254</b>	<b>89 385</b>	<b>121 705</b>	<b>1 074 984</b>	<b>1 085 176</b>	<b>1 148 851</b>
<b>Surplus/(Deficit)</b>	<b>64 032</b>	<b>(4 848)</b>	<b>(5 267)</b>	<b>(3 709)</b>	<b>15 491</b>	<b>(9 697)</b>	<b>4 850</b>	<b>(23 424)</b>	<b>(3 831)</b>	<b>(34 870)</b>	<b>(16 380)</b>	<b>(22 115)</b>	<b>(39 767)</b>	<b>(4 116)</b>	<b>2 138</b>

**Table 51 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)**

Description	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Multi-year expenditure to be appropriated</b>															
Vote 1 - Council												-	-	-	-
Vote 2 - Municipal Manager												-	-	-	-
Vote 3 - Management Services												-	-	-	-
Vote 4 - Finance												-	-	-	-
Vote 5 - Community Services	-	1 111	850	350	1 600	1 550	-	1 590	940	1 940	2 040	2 340	14 311	38 890	37 031
Vote 6 - Local Economic Development												-	-	-	-
Vote 7 - Infrastructure & Planning		437	400	1 400	200	1 008	1 600	1 800	2 300	2 300	1 100	2 456	15 000	14 000	20 500
Vote 8 - Protection Services												-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	-	1 548	1 250	1 750	1 800	2 558	1 600	3 390	3 240	4 240	3 140	4 796	29 311	52 890	57 531
<b>Single-year expenditure to be appropriated</b>															
Vote 1 - Council												5	5	-	-
Vote 2 - Municipal Manager					15	10						16	41	-	-
Vote 3 - Management Services												320	320	-	-
Vote 4 - Finance												30	30	-	-
Vote 5 - Community Services	50	1 430	710	2 105	2 295	1 590	585	5 150	6 846	7 763	8 072	9 136	45 732	40 714	49 740
Vote 6 - Local Economic Development												15	15	-	-
Vote 7 - Infrastructure & Planning	-	-	-	-	15	30	-	12	-	28	79	66	230	-	-
Vote 8 - Protection Services	-	-	110	30	70	-	-	-	-	20	40	40	310	-	-
<b>Capital single-year expenditure sub-total</b>	50	1 430	820	2 135	2 395	1 630	585	5 162	6 846	7 811	8 191	9 628	46 683	40 714	49 740
<b>Total Capital Expenditure</b>	50	2 978	2 070	3 885	4 195	4 188	2 185	8 551	10 086	12 051	11 331	14 424	75 993	93 604	107 271

**Table 52 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)**

WC032 Overstrand - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description  R thousand	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Capital Expenditure - Standard</b>															
<i><b>Governance and administration</b></i>	-	-	-	120	15	10	-	50	381	410	541	512	2 040	-	-
Executive and council					15	10						21	46	-	-
Budget and treasury office												-	-	-	-
Corporate services				120				50	381	410	541	491	1 994	-	-
<i><b>Community and public safety</b></i>	-	450	520	715	805	575	85	2 850	2 565	2 968	3 696	3 629	18 858	47 089	42 340
Community and social services			10	70	435	500	-	450	115	40	1 025	350	2 995	4 500	1 500
Sport and recreation	-	450	400	415	100	75	85	300	250	408	18	29	2 530	5 435	3 100
Public safety	-	-	110	30	70	-	-	-	-	20	40	40	310	-	-
Housing	-	-	-	200	200	-	-	2 100	2 200	2 500	2 613	3 210	13 023	37 154	37 740
Health												-	-	-	-
<i><b>Economic and environmental services</b></i>	50	980	300	1 300	1 560	1 135	-	1 050	1 100	1 630	1 399	1 594	12 098	6 859	13 605
Planning and development	-	-	-	-	-	-	-	-	-	25	54	54	133	-	-
Road transport	50	980	300	1 300	1 560	1 135	-	1 050	1 100	1 605	1 345	1 540	11 965	6 859	13 605
Environmental protection												-	-	-	-
<i><b>Trading services</b></i>	-	1 548	1 250	1 750	1 815	2 468	2 100	4 601	6 040	7 043	5 695	8 688	42 997	39 656	51 326
Electricity	-	437	400	1 400	215	1 038	1 600	1 811	2 300	2 303	1 125	2 479	15 108	14 000	20 500
Water	-	611	-	-	600	400	-	1 040	2 040	2 690	2 300	2 749	12 430	12 800	16 826
Waste water management	-	500	850	350	1 000	1 030	500	1 750	1 700	2 050	2 250	3 450	15 430	12 856	14 000
Waste management	-	-	-	-	-	-	-	-	-	-	20	10	30	-	-
<i><b>Other</b></i>												-	-	-	-
<b>Total Capital Expenditure - Standard</b>	50	2 978	2 070	3 885	4 195	4 188	2 185	8 551	10 086	12 051	11 331	14 424	75 993	93 604	107 271

**Table 53 MBRR SA30 - Budgeted monthly cash flow**

MONTHLY CASH FLOWS	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Cash Receipts By Source</b>													1		
Property rates	17 546	14 681	14 646	14 647	14 652	14 715	14 732	14 696	14 152	14 369	14 156	14 133	177 123	190 545	201 979
Property rates - penalties & collection charges	62	59	54	62	64	33	33	47	93	102	102	138	848	899	953
Service charges - electricity revenue	30 694	29 269	27 338	26 793	26 487	28 236	29 645	26 279	27 855	35 091	31 006	32 118	350 812	377 396	400 041
Service charges - water revenue	8 155	8 789	8 114	8 695	9 728	11 011	14 378	11 710	8 741	6 566	5 465	8 064	109 415	117 692	124 754
Service charges - sanitation revenue	5 767	6 001	5 951	5 992	6 208	6 968	7 801	6 666	5 667	4 257	4 960	4 696	70 933	76 304	80 883
Service charges - refuse revenue	5 420	5 583	5 627	5 456	5 558	5 586	5 584	5 439	3 850	5 142	5 777	5 230	64 252	69 121	73 269
Rental of facilities and equipment	196	124	340	176	203	631	297	221	257	133	107	400	3 086	3 319	3 518
Interest earned - external investments	842	1 540	1 329	1 996	1 042	1 134	2 073	997	362	362	241	152	12 071	12 795	13 563
Interest earned - outstanding debtors	247	250	242	237	263	262	279	292	220	191	185	88	2 756	2 921	3 097
Fines	516	4 126	2 146	2 107	2 057	2 018	2 115	2 491	641	881	1 246	10 801	31 143	31 164	31 187
Licences and permits	204	198	205	185	190	177	225	211	173	205	140	218	2 330	2 470	2 618
Agency services	284	223	246	280	286	335	318	293	221	225	193	315	3 220	3 413	3 618
Transfer receipts - operational	34 700	747	1 286	4 358	29 769	8 200	—	10 358	12 825	8 978	2 565	14 466	128 252	100 430	113 519
Other revenue	1 775	1 246	2 178	3 313	1 985	1 439	1 815	2 269	1 052	341	815	1 036	19 263	16 325	21 370
<b>Cash Receipts by Source</b>	<b>106 408</b>	<b>72 836</b>	<b>69 698</b>	<b>74 296</b>	<b>98 491</b>	<b>80 743</b>	<b>79 296</b>	<b>81 970</b>	<b>76 110</b>	<b>76 843</b>	<b>66 959</b>	<b>91 856</b>	<b>975 506</b>	<b>1 004 796</b>	<b>1 074 369</b>
<b>Other Cash Flows by Source</b>															
Transfer receipts - capital	150	2 904	7 293	1 320	3 083	4 399	—	1 029	3 506	5 908	4 411	6 100	40 103	63 604	67 271
Contributions recognised - capital & Contributed a	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Proceeds on disposal of PPE	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Borrowing long term/refinancing	—	—	—	—	—	—	30 000	—	—	—	—	—	30 000	30 000	40 000
Increase (decrease) in consumer deposits	219	219	219	219	219	219	219	219	219	219	219	219	2 628	2 321	2 438
Decrease (increase) in non-current debtors	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Decrease (increase) other non-current receivables	1	1	1	1	1	1	1	1	1	1	1	1	13	11	10
Decrease (increase) in non-current investments	(573)	(573)	(573)	(573)	(573)	(573)	(573)	(573)	(573)	(573)	(573)	(573)	(6 873)	(6 399)	(6 541)
<b>Total Cash Receipts by Source</b>	<b>106 206</b>	<b>75 387</b>	<b>76 639</b>	<b>75 263</b>	<b>101 222</b>	<b>84 789</b>	<b>108 943</b>	<b>82 646</b>	<b>79 263</b>	<b>82 397</b>	<b>71 018</b>	<b>97 603</b>	<b>1 041 377</b>	<b>1 094 334</b>	<b>1 177 547</b>
<b>Cash Payments by Type</b>															
Employee related costs	19 183	21 376	24 817	22 636	35 355	23 267	24 716	29 299	24 120	28 317	22 329	31 412	306 828	314 204	330 841
Remuneration of councillors	696	696	696	734	717	717	982	759	759	759	759	837	9 110	9 620	10 161
Finance charges	122	664	1 097	3 849	1 241	8 425	1 541	1 912	1 857	4 642	6 963	14 110	46 421	46 952	45 449
Bulk purchases - Electricity	3 608	26 257	24 455	15 727	14 954	16 196	16 126	15 887	18 857	22 540	16 600	19 557	210 763	227 329	245 197
Bulk purchases - Water & Sewer	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other materials	1 570	2 508	3 308	6 691	5 076	10 413	2 222	11 286	5 368	7 669	7 669	12 907	76 687	41 285	46 605
Contracted services	1 809	7 224	8 569	8 341	8 639	16 037	10 340	26 517	11 110	31 744	12 697	15 691	158 718	164 936	174 154
Transfers and grants - other municipalities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfers and grants - other	3 897	6 693	5 031	4 599	4 588	4 597	4 596	4 581	2 874	4 048	4 032	7 943	57 479	60 808	64 336
Other expenditure	1 136	4 663	3 779	6 239	5 007	4 680	3 415	5 674	7 995	7 395	6 195	7 107	63 285	85 022	88 572
<b>Cash Payments by Type</b>	<b>32 020</b>	<b>70 080</b>	<b>71 751</b>	<b>68 817</b>	<b>75 577</b>	<b>84 331</b>	<b>63 939</b>	<b>95 915</b>	<b>72 940</b>	<b>107 113</b>	<b>77 244</b>	<b>109 564</b>	<b>929 291</b>	<b>950 157</b>	<b>1 005 314</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	50	2 978	2 070	3 885	4 195	4 188	2 185	8 551	10 086	12 051	11 331	14 424	75 993	93 604	107 271
Repayment of borrowing	1 606	864	840	5 395	1 146	3 037	2 072	937	897	5 754	1 219	3 074	26 841	29 775	33 384
Other Cash Flow s/Payments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total Cash Payments by Type</b>	<b>33 676</b>	<b>73 922</b>	<b>74 661</b>	<b>78 097</b>	<b>80 918</b>	<b>91 556</b>	<b>68 196</b>	<b>105 404</b>	<b>83 923</b>	<b>124 918</b>	<b>89 794</b>	<b>127 061</b>	<b>1 032 126</b>	<b>1 073 536</b>	<b>1 145 969</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>72 530</b>	<b>1 465</b>	<b>1 978</b>	<b>(2 834)</b>	<b>20 304</b>	<b>(6 766)</b>	<b>40 747</b>	<b>(22 758)</b>	<b>(4 660)</b>	<b>(42 520)</b>	<b>(18 776)</b>	<b>(29 458)</b>	<b>9 251</b>	<b>20 798</b>	<b>31 577</b>
Cash/cash equivalents at the month/year begin:	100 467	172 998	174 463	176 440	173 606	193 910	187 143	227 890	205 132	200 473	157 952	139 176	100 467	109 718	130 516
Cash/cash equivalents at the month/year end:	172 998	174 463	176 440	173 606	193 910	187 143	227 890	205 132	200 473	157 952	139 176	109 718	109 718	130 516	162 093



## **2.10 Annual budgets and SDBIP**

The draft SDBIP will be tabled as a separate item at the Council meeting to be held on 30 March 2016.

## **2.11 Contracts having future budgetary implications**

In terms of the Municipality's Supply Chain Management Policy all contracts awarded beyond the medium-term revenue and expenditure framework (three years) are listed in Table 70 on page 107. 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.

## **2.12 Capital expenditure details**

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

**Table 54 MBRR SA 34a - Capital expenditure on new assets by asset class**

Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>108 252</b>	<b>50 511</b>	<b>32 922</b>	<b>44 873</b>	<b>47 388</b>	<b>47 388</b>	<b>25 407</b>	<b>30 160</b>	<b>33 300</b>
Infrastructure - Road transport	15 578	9 203	1 320	14 979	16 331	16 331	1 840	-	-
Roads, Pavements & Bridges	10 720	9 160		12 103	13 204	13 204	1 610		
Storm water	4 858	43	1 320	2 877	3 127	3 127	230		
Infrastructure - Electricity	22 203	24 160	13 041	21 726	22 891	22 891	15 108	14 000	20 500
Generation									
Transmission & Reticulation	22 203	24 160	13 041	21 726	22 891	22 891	15 108	14 000	20 500
Street Lighting									
Infrastructure - Water	48 634	7 300	470	4 737	4 737	4 737	2 930	6 000	4 300
Dams & Reservoirs							2 930	6 000	3 500
Water purification	48 634								
Reticulation		7 300	470	4 737	4 737	4 737			800
Infrastructure - Sanitation	16 478	8 449	8 892	3 420	3 413	3 413	5 500	10 160	8 500
Reticulation							5 500	7 160	7 500
Sewerage purification	16 478	8 449	8 892	3 420	3 413	3 413		3 000	1 000
Infrastructure - Other	5 359	1 400	9 198	10	15	15	30	-	-
Waste Management	5 359	1 400	9 198	10	15	15	30		
Transportation									
Gas									
Other									
<b>Community</b>	<b>20 997</b>	<b>13 896</b>	<b>32 280</b>	<b>35 611</b>	<b>32 009</b>	<b>32 009</b>	<b>9 872</b>	<b>35 045</b>	<b>34 646</b>
Parks & gardens	2 156								
Sportsfields & stadia	1 964	5 471	127	1 823	2 173	2 173	465	4 435	3 000
Swimming pools									
Community halls							945		
Libraries	3		1 961	3 080	3 080	3 080	1 050		
Recreational facilities									
Fire, safety & emergency				295	295	295	310		
Security and policing	223								
Buses									
Clinics									
Museums & Art Galleries									
Cemeteries									
Social rental housing	16 651	4 943	26 895	29 973	26 321	26 321	7 102	30 610	31 646
Other	-	3 482	3 296	440	140	140			
<b>Heritage assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Buildings									
Other									
<b>Investment properties</b>	<b>-</b>	<b>795</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing development									
Other		795							
<b>Other assets</b>	<b>9 038</b>	<b>18 697</b>	<b>10 561</b>	<b>2 673</b>	<b>4 238</b>	<b>4 238</b>	<b>2 173</b>	<b>-</b>	<b>-</b>
General vehicles		4 690	3 904	120	-	-	1 485		
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment					720	720			
Computers - hardware/equipment		961	2 433	2 528	3 328	3 328			
Furniture and other office equipment			1 716						
Abattoirs									
Markets									
Civic Land and Buildings									
Other Buildings		510							
Other Land		9 075							
Surplus Assets - (Investment or Inventory)	9 038								
Other		3 461	2 507	25	190	190	688		
<b>Agricultural assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
List sub-class									
<b>Biological assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
List sub-class									
<b>Intangibles</b>	<b>1 330</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Computers - software & programming	1 330								
Other (list sub-class)									
<b>Total Capital Expenditure on new assets</b>	<b>139 617</b>	<b>83 899</b>	<b>75 763</b>	<b>83 156</b>	<b>83 635</b>	<b>83 635</b>	<b>37 453</b>	<b>65 205</b>	<b>67 946</b>

**Table 55 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class**

Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	131	39 529	28 384	16 600	16 600	16 600	29 555	16 355	31 631
Infrastructure - Road transport	131	6 892	6 300	–	–	–	11 855	8 274	14 605
Roads, Pavements & Bridges		6 892	6 300				10 355	6 859	13 605
Storm water	131						1 500	1 415	1 000
Infrastructure - Electricity	–	12 955	3 100	–	–	–	–	–	–
Generation									
Transmission & Reticulation		12 955	3 100						
Street Lighting									
Infrastructure - Water	–	16 331	15 805	11 653	11 653	11 653	9 500	6 800	12 526
Dams & Reservoirs									
Water purification									
Reticulation		16 331	15 805	11 653	11 653	11 653	9 500	6 800	12 526
Infrastructure - Sanitation	–	1 711	3 179	4 947	4 947	4 947	8 200	1 281	4 500
Reticulation									
Sewerage purification		1 711	3 179	4 947	4 947	4 947	8 200	1 281	4 500
Infrastructure - Other	–	1 641	–	–	–	–	–	–	–
Waste Management		1 641							
Transportation									
Gas									
Other									
<b>Community</b>	756	5 686	4 343	4 158	2 893	2 893	8 986	12 044	7 694
Parks & gardens									
Sportsfields & stadia		225	1 454	4 158	2 893	2 893	2 065	1 000	100
Swimming pools									
Community halls							1 000	4 500	1 500
Libraries									
Recreational facilities									
Fire, safety & emergency									
Security and policing									
Buses									
Clinics									
Museums & Art Galleries									
Cemeteries	756								
Social rental housing		5 461	2 889				5 921	6 544	6 094
Other									
<b>Heritage assets</b>	–	–	–	–	–	–	–	–	–
Buildings									
Other									
<b>Investment properties</b>	–	–	–	–	–	–	–	–	–
Housing development									
Other									
<b>Other assets</b>	3 260	1 817	–	–	–	–	–	–	–
General vehicles	3 260								
Specialised vehicles	–	–	–	–	–	–	–	–	–
Plant & equipment									
Computers - hardware/equipment		833							
Furniture and other office equipment									
Abattoirs									
Markets									
Civic Land and Buildings									
Other Buildings									
Other Land									
Surplus Assets - (Investment or Inventory)									
Other		984							
<b>Agricultural assets</b>	–	–	–	–	–	–	–	–	–
List sub-class									
<b>Biological assets</b>	–	–	–	–	–	–	–	–	–
List sub-class									
<b>Intangibles</b>	–	–	–	–	–	–	–	–	–
Computers - software & programming									
Other (list sub-class)									
<b>Total Capital Expenditure on renewal of existing</b>	<b>4 147</b>	<b>47 032</b>	<b>32 727</b>	<b>20 758</b>	<b>19 493</b>	<b>19 493</b>	<b>38 541</b>	<b>28 399</b>	<b>39 325</b>
<b>Renewal of Existing Assets as % of total capex</b>	2.9%	35.9%	30.2%	20.0%	18.9%	18.9%	50.7%	30.3%	36.7%
<b>Renewal of Existing Assets as % of deprecn"</b>	4.0%	47.3%	30.7%	18.6%	17.5%	17.5%	32.7%	22.8%	29.7%

**Table 56 MBRR SA34c - Repairs and maintenance expenditure by asset class**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>87 048</b>	<b>129 145</b>	<b>136 009</b>	<b>111 449</b>	<b>111 449</b>	<b>111 449</b>	<b>110 372</b>	<b>114 116</b>	<b>118 787</b>
Infrastructure - Road transport	42 236	63 749	65 726	57 090	57 090	57 090	61 852	63 763	66 471
Roads, Pavements & Bridges	39 790	60 016	60 328	51 401	51 401	51 401	55 545	57 207	59 544
Storm water	2 446	3 732	5 398	5 689	5 689	5 689	6 306	6 555	6 927
Infrastructure - Electricity	14 105	20 488	26 276	16 835	16 835	16 835	17 747	18 486	18 826
Generation									
Transmission & Reticulation	14 105	20 488	26 276	16 835	16 835	16 835	17 747	18 486	18 826
Street Lighting									
Infrastructure - Water	21 502	27 931	25 811	22 874	22 874	22 874	16 555	17 280	18 168
Dams & Reservoirs	80								
Water purification	1 963								
Reticulation	19 459	27 931	25 811	22 874	22 874	22 874	16 555	17 280	18 168
Infrastructure - Sanitation	7 708	15 486	16 060	12 159	12 159	12 159	11 672	11 949	12 587
Reticulation	6 623								
Sewerage purification	1 085	15 486	16 060	12 159	12 159	12 159	11 672	11 949	12 587
Infrastructure - Other	1 499	1 491	2 136	2 492	2 492	2 492	2 546	2 639	2 735
Waste Management	1 499	1 491	2 136	2 492	2 492	2 492	2 546	2 639	2 735
Transportation									
Gas									
Other									
<b>Community</b>	<b>5 408</b>	<b>7 349</b>	<b>8 469</b>	<b>4 546</b>	<b>4 546</b>	<b>4 546</b>	<b>4 878</b>	<b>4 918</b>	<b>5 208</b>
Parks & gardens	1 503	2 504	2 759	2 084	2 084	2 084	2 214	2 287	2 409
Sportsfields & stadia	956	853	737	588	588	588	608	621	646
Swimming pools	289	279	314	483	483	483	557	506	612
Community halls	916	814	1 166	564	564	564	617	582	568
Libraries	161	194	107	99	99	99	103	105	111
Recreational facilities									
Fire, safety & emergency	848	787	1 352						
Security and policing	546	575	829						
Buses									
Clinics									
Museums & Art Galleries									
Cemeteries	62	53	74	27	27	27	28	28	30
Social rental housing		224	177						
Other	125	1 066	954	701	701	701	751	789	833
<b>Heritage assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Buildings									
Other									
<b>Investment properties</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing development									
Other									
<b>Other assets</b>	<b>21 958</b>	<b>13 864</b>	<b>13 548</b>	<b>5 081</b>	<b>5 081</b>	<b>5 081</b>	<b>5 545</b>	<b>4 822</b>	<b>5 072</b>
General vehicles	5 399								
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment									
Computers - hardware/equipment	5 035	4 441	4 392						
Furniture and other office equipment									
Abattoirs									
Markets									
Civic Land and Buildings									
Other Buildings	1 368	824	801	661	661	661	673	679	705
Other Land									
Surplus Assets - (Investment or Inventory)									
Other	10 156	8 599	8 355	4 420	4 420	4 420	4 872	4 144	4 367
<b>Agricultural assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
List sub-class									
<b>Biological assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
List sub-class									
<b>Intangibles</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Computers - software & programming									
Other (list sub-class)									
<b>Total Repairs and Maintenance Expenditure</b>	<b>114 414</b>	<b>150 358</b>	<b>158 026</b>	<b>121 077</b>	<b>121 077</b>	<b>121 077</b>	<b>120 795</b>	<b>123 857</b>	<b>129 068</b>
<b>R&amp;M as a % of PPE</b>	<b>3.7%</b>	<b>4.8%</b>	<b>5.1%</b>	<b>3.9%</b>	<b>3.9%</b>	<b>3.9%</b>	<b>3.9%</b>	<b>4.1%</b>	<b>4.3%</b>
<b>R&amp;M as % Operating Expenditure</b>	<b>15.2%</b>	<b>18.1%</b>	<b>17.3%</b>	<b>12.6%</b>	<b>12.3%</b>	<b>12.3%</b>	<b>11.2%</b>	<b>11.4%</b>	<b>11.2%</b>

**Table 57 MBRR SA34d – Depreciation by asset class**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>Depreciation by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>81 931</b>	<b>85 101</b>	<b>92 028</b>	<b>94 154</b>	<b>94 154</b>	<b>94 154</b>	<b>99 505</b>	<b>105 475</b>	<b>111 804</b>
Infrastructure - Road transport	29 992	30 210	30 974	32 235	32 235	32 235	34 067	36 111	38 277
Roads, Pavements & Bridges	27 959	27 965	28 576	29 645	29 645	29 645	31 330	33 210	35 202
Storm water	2 033	2 245	2 398	2 590	2 590	2 590	2 737	2 901	3 075
Infrastructure - Electricity	18 779	18 887	22 172	20 158	20 158	20 158	21 304	22 582	23 937
Generation									
Transmission & Reticulation	18 779	18 887	22 172	20 158	20 158	20 158	21 304	22 582	23 937
Street Lighting									
Infrastructure - Water	16 865	18 974	19 088	19 981	19 981	19 981	21 116	22 383	23 726
Dams & Reservoirs									
Water purification									
Reticulation	16 865	18 974	19 088	19 981	19 981	19 981	21 116	22 383	23 726
Infrastructure - Sanitation	13 420	14 103	15 753	17 034	17 034	17 034	18 002	19 083	20 228
Reticulation	13 420	14 103	15 753	17 034	17 034	17 034	18 002	19 083	20 228
Sewerage purification									
Infrastructure - Other	2 874	2 928	4 041	4 746	4 746	4 746	5 015	5 316	5 635
Waste Management	2 256	2 928	3 456	3 930	3 930	3 930	4 153	4 402	4 667
Transportation									
Gas									
Other	618		585	816	816	816	862	914	969
<b>Community</b>	<b>2 851</b>	<b>2 961</b>	<b>2 983</b>	<b>3 601</b>	<b>3 601</b>	<b>3 601</b>	<b>3 806</b>	<b>4 034</b>	<b>4 276</b>
Parks & gardens									
Sportsfields & stadia									
Swimming pools									
Community halls									
Libraries									
Recreational facilities	2 851	2 961	2 983	3 601	3 601	3 601	3 806	4 034	4 276
Fire, safety & emergency									
Security and policing									
Buses									
Clinics									
Museums & Art Galleries									
Cemeteries									
Social rental housing									
Other									
<b>Heritage assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Buildings									
Other									
<b>Investment properties</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Housing development									
Other									
<b>Other assets</b>	<b>19 253</b>	<b>10 670</b>	<b>10 823</b>	<b>12 481</b>	<b>12 481</b>	<b>12 481</b>	<b>13 190</b>	<b>13 981</b>	<b>14 820</b>
General vehicles	2 360	2 588							
Specialised vehicles	–	–	–	–	–	–	–	–	–
Plant & equipment									
Computers - hardware/equipment	1 948	2 213							
Furniture and other office equipment	254	261							
Abattoirs									
Markets									
Civic Land and Buildings			5 653	5 685	5 685	5 685	6 008	6 368	6 751
Other Buildings	5 467	5 608							
Other Land									
Surplus Assets - (Investment or Inventory)									
Other	9 224		5 170	6 796	6 796	6 796	7 182	7 613	8 070
<b>Agricultural assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
List sub-class									
<b>Biological assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
List sub-class									
<b>Intangibles</b>	<b>373</b>	<b>629</b>	<b>612</b>	<b>1 126</b>	<b>1 126</b>	<b>1 126</b>	<b>1 190</b>	<b>1 261</b>	<b>1 337</b>
Computers - software & programming	373	629							
Other (list sub-class)			612	1 126	1 126	1 126	1 190	1 261	1 337
<b>Total Depreciation</b>	<b>104 408</b>	<b>99 361</b>	<b>106 445</b>	<b>111 362</b>	<b>111 362</b>	<b>111 362</b>	<b>117 690</b>	<b>124 751</b>	<b>132 237</b>

**Table 58 MBRR SA35 - Future financial implications of the capital budget**

Vote Description  R thousand	2016/17 Medium Term Revenue & Expenditure Framework			Forecasts			
	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Present value
<b>Capital expenditure</b>							
Vote 1 - Council	5	–	–				
Vote 2 - Municipal Manager	41	–	–				
Vote 3 - Management Services	320	–	–				
Vote 4 - Finance	30	–	–				
Vote 5 - Community Services	60 042	79 604	86 771	Project phases become operational after completion			
Vote 6 - Local Economic Development	15	–	–				
Vote 7 - Infrastructure & Planning	15 230	14 000	20 500	Project phases become operational after completion			
Vote 8 - Protection Services	310	–	–				
<b>Total Capital Expenditure</b>	<b>75 993</b>	<b>93 604</b>	<b>107 271</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Future operational costs by vote</b>							
Vote 1 - Council							
Vote 2 - Municipal Manager							
Vote 3 - Management Services							
Vote 4 - Finance							
Vote 5 - Community Services		2 342	5 726	9 736	10 189	10 642	132 454
Vote 6 - Local Economic Development							
Vote 7 - Infrastructure & Planning		594	1 198	2 138	2 238	2 337	29 092
Vote 8 - Protection Services							
<b>Total future operational costs</b>	<b>–</b>	<b>2 936</b>	<b>6 924</b>	<b>11 874</b>	<b>12 427</b>	<b>12 979</b>	<b>161 546</b>
<b>Future revenue by source</b>							
Property rates							
Property rates - penalties & collection charges							
Service charges - electricity revenue		825	1 675	2 859	3 002	3 152	65 038
Service charges - water revenue		672	1 433	2 155	2 262	2 376	49 234
Service charges - sanitation revenue		726	1 394	2 116	2 222	2 333	48 403
Service charges - refuse revenue							
Service charges - other							
Rental of facilities and equipment							
List other revenues sources if applicable							
List entity summary if applicable							
<b>Total future revenue</b>	<b>–</b>	<b>2 223</b>	<b>4 502</b>	<b>7 129</b>	<b>7 486</b>	<b>7 860</b>	<b>162 675</b>
<b>Net Financial Implications</b>	<b>75 993</b>	<b>94 317</b>	<b>109 693</b>	<b>4 745</b>	<b>4 941</b>	<b>5 119</b>	<b>(1 128)</b>

**Table 59 MBRR SA36 - Detailed capital budget per municipal vote**

Municipal Vote/Capital project	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2016/17 Medium Term Revenue & Expenditure Framework			Project information	
R thousand							Audited Outcome 2014/15	Current Year 2015/16 Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Ward location	New or renewal
List all capital projects grouped by Municipal Vote													
<b>EXECUTIVE &amp; COUNCIL</b>													
MINOR ASSETS :MAYOR'S OFFICE	1	Yes	Other	Furniture and other office equipment	Overstrand Wide				5			Overstrand	N
MINOR ASSETS :MUNICIPAL MANAGER,TOWN SECRETARY & CHIEF EXE	1	Yes	Other	Furniture and other office equipment	Overstrand Wide				16			Overstrand	N
MINOR ASSETS :MUNICIPAL MANAGER,TOWN SECRETARY & CHIEF EXE	1	Yes	Other	Furniture and other office equipment	Overstrand Wide				25			Overstrand	N
<b>FINANCE AND ADMINISTRATION</b>													
VEHICLES	1	Yes	Other	General vehicles	Overstrand Wide		10 561	5 000	1 185			Overstrand	N
VEHICLES -REFURBISHMENT/REBUILD ENGINES	1	Yes	Other	General vehicles	Overstrand Wide				300			Overstrand	N
FLEET MANAGEMENT SOFTWARE	1	Yes	Other	Other	-34.41756 19.23815				85			Overstrand	N
CARAVAN PARK LICENSES FEES	1	Yes	Other	Other	-34.41756 19.23815				20			Overstrand	N
MINOR ASSETS -JCT OVERSTRAND WIDE	1	Yes	Other	Furniture and other office equipment	-34.41756 19.23815				200			Overstrand	N
MINOR ASSETS :COUNCIL SUPPORT SERVICES	1	Yes	Other	Furniture and other office equipment	Overstrand Wide				120			Overstrand	N
MINOR ASSETS :FINANCE	1	Yes	Other	Furniture and other office equipment	Overstrand Wide				30			Overstrand	N
MINOR ASSETS :FLEET MANAGEMENT	1	Yes	Other	Furniture and other office equipment	Overstrand Wide				50			Overstrand	N
MINOR ASSETS -PROPERTY SERVICES	1		Other	Furniture and other office equipment	Overstrand Wide				4			Overstrand	N
<b>PLANNING AND DEVELOPMENT</b>													
MINOR ASSETS:BUILDING REGULATIONS AND ENFORCEMENT	3	Yes	Other	Furniture and other office equipment	Overstrand Wide			25	23			Overstrand	N
MINOR ASSETS :TOWN PLANNING; BUILDING REGULATIONS AND ENFOR	3	Yes	Other	Furniture and other office equipment	Overstrand Wide				5			Overstrand	N
MINOR ASSETS :NATURE CONSERVATION	3	Yes	Other	Furniture and other office equipment	Overstrand Wide				8			Overstrand	N
DEVELOPMENT OF OPEN SPACES/PLAY PARKS	3	Yes	Community	Parks & gardens	34° 35' 22" S 19° 21' 02" E				30			Ward 01	N
UPGRADE OF MARKET SQUARE (CNR DIRKIE UYS/MARKET STREET)	3	Yes	Community	Parks & gardens	19.349477 -34.607311				50			Ward 02	N
MINOR ASSETS:ECONOMIC DEVELOPMENT/PLANNING	3	Yes	Other	Furniture and other office equipment	Overstrand Wide				15			Overstrand	N
MINOR ASSETS :GIS	3	Yes	Other	Furniture and other office equipment	Overstrand Wide				3			Overstrand	N
<b>PUBLIC SAFETY</b>													
MINOR ASSETS:FIRE FIGHTING AND PROTECTION	4	Yes	Other	Furniture and other office equipment	34.4200016 / 19.225824			295	60			Overstrand	N
FIRE HYDRANTS (PHASE I)	4	Yes	Other	Fire, safety & emergency	34° 35' 22" S 19° 21' 02" E				100			Ward 01	N
COMPLETION OF FIRE STATION	4	Yes	Community	Other	34°20'31.2"S, 18°50'34.4"E				50			Ward 10	N
MINOR ASSETS:POLICE FORCES, TRAFFIC AND STREET PARKING CONT	4	Yes	Other	Furniture and other office equipment	Overstrand Wide				100			Overstrand	N
<b>COMMUNITY AND SOCIAL SERVICES</b>													
EXTENSION OF THUSONG CENTRE	3	Yes	Community	Community halls	19°08'03"E 34°23'30"S		5 257	3 220	1 000	4 500	1 500	Ward 08	R
BUILDING OF DISABLED TOILET AT MOUNT PLEASANT SPORTS GROUND	3	Yes	Community	Community halls	34°41'97.49" S 19° 21'79.17" E				50			Ward 04	N
COMMONAGE IN WEST CLIFF	3	Yes	Community	Community halls	34°42'73.62" S 19° 22'6533" E				100			Ward 04	N
UPGRADING OF MOFFAT HALL	3	Yes	Community	Community halls	34°41'99.03" S 19° 21'34.70" E				150			Ward 04	N
ZWELHLE TAXI RANK-FENCING AND MAINTENANCE	3	Yes	Community	Other	34°42'71.56" S 19° 21'23.09" E				100			Ward 05	N
UPGRADING OF MASIZAKHE CRÊCHE(FENCING,PURHASING AND FIXING	3	Yes	Community	Other	34°42'75.40" S 19° 21'02.83" E				140			Ward 05	N
PA SYSTEM - ZWELHLE COMMUNITY HALL	3	Yes	Community	Other	34°43'09.74" S 19° 21'55.44" E				85			Ward 06	N
CONSTRUCTION OF WOODEN RAILINGS AND STEPS IN 4TH STREET	3	Yes	Community	Other	34°20'39.2"S, 19°01'48.7"E				40			Ward 09	N
EXTENSION AND BEAUTIFICATION OF BUS SHELTER OPPOSITE SIYABUL	3	Yes	Community	Other	34°20'19.0"S, 19°00'37.5"E				30			Ward 10	N
EXTENSION/ALTERATIONS TO MOOIUTSIG COMMUNITY HALL	3	Yes	Community	Other	34°21'17.6"S, 18°52'49.7"E				250			Ward 10	N
<b>LIBRARIES</b>													
HAWSTON LIBRARY UPGRADE	3	Yes	Community	Libraries	34°39'19.22" S 19° 13'39.10" E				1 000			Ward 08	N
MINOR ASSETS -LIBRARIES AND ARCHIVES	3	Yes	Community	Furniture and other office equipment	Overstrand Wide				50			Overstrand	N

## Detailed capital budget per municipal vote (continued)

Municipal Vote/Capital project	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2016/17 Medium Term Revenue & Expenditure Framework			Project information	
							Audited Outcome 2014/15	Current Year 2015/16 Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Ward location	New or renewal
SPORT & RECREATION							1 565	5 066					
ARTIFICIAL TURF SOCCERFIELD	3	Yes	Other	Sportsfields & stadia	34.429016 & 19.215687					5 435	3 100	Ward 12	N
PLAYPARK EQUIPMENT (REPLACEMENTS)	3	Yes	Other	Other	34°36'31.10S / 19°20'16.30E				20			Ward 02	N
PURCHASING OF PAVILLION (SITTING) & 2 SOCCER POLES	3	Yes	Other	Sportsfields & stadia	34°43'20.24" S 19° 21'51.67" E				100			Ward 05	N
PLAY PARK- BETWEEN QHAYIYA & BAMBANANI STREET	3	Yes	Other	Other	34°42'36.80" S 19° 21'18.10" E				75			Ward 12	N
PLAY PARK- SOPHUMELELE CORRIDOR	3	Yes	Other	Other	34°42'54.89" S 19° 21'19.08" E				85			Ward 12	N
BOXING GYM AT JIKELEZA STREET ( EARTH WORKS )	3	Yes	Other	Other	34°42'53.13" S 19° 21'30.75" E				150			Ward 12	N
MINOR ASSETS :COMMUNITY PARK(INCL. NURSERIES)	3	Yes	Other	Furniture and other office equipment	Overstrand Wide				11			Overstrand	N
MINOR ASSETS :COMMUNITY PARK(INCL. NURSERIES)	3	Yes	Other	Furniture and other office equipment	Overstrand Wide				24			Overstrand	N
OVERHILLS : KLEINMOND SOCCERFIELD	3	Yes	Other	Sportsfields & stadia	19°00'18"E 34°20'08"S				1 265			Ward 09	R
SPORT FACILITIES	3	Yes	Other	Sportsfields & stadia	19°0'02"E 34°23'02"S				800			Overstrand	R
HOUSING							32 361	26 321					
MASAKHANE	3	Yes	Community	Social rental housing	34.593147 & 19.360478				1 000	7 568	13 041	Ward 01	N
BEVERLY HILLS PROJECT	3	Yes	Community	Social rental housing	34.596323 & 19.342379				2 561	5 728		Ward 02	N
ZWELIHLE PROJECT -TRANSIT CAMP	3	Yes	Community	Social rental housing	34.426132 & 19.216377				1 000	6 242		Ward 06	N
MANDELA SQUARE	3	Yes	Community	Social rental housing	34.429257 & 19.209641				4 308			Ward 06	R
BUFFELJAGSBAAI	3	Yes	Community	Social rental housing	34.75143 & 19.608740						72	Ward 11	N
HAWSTON PROJECT - IRDP	3	Yes	Community	Social rental housing	34.386799 & 19.139259				2 541	9 173	9 141	Ward 08	N
ZWELIHLE -TAMBO SQUARE PROJECT	3	Yes	Community	Social rental housing	34.429016 & 19.215687					1 000	3 973	Ward 05	N
STANFORD IRDP	3	Yes	Community	Social rental housing	34.446248 & 19.448291				1 613	6 544	6 094	Ward 11	R
BLOMPARK PROJECT	3	Yes	Community	Social rental housing	34.595003 & 19.340739					900	5 419	Ward 02	N
KLEINMOND OVERHILLS	3	Yes	Community	Social rental housing	34.336578 & 19.006367							Ward 10	N
ROADS							6 300	13 204					
REHABILITATION OF EXISTING PAVE ROAD (LIC)	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19°12'40"E 34°25'32"S				2 000			Ward 06	R
REHABILITATION OF EXISTING PAVE ROAD (LIC) PH2	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19°12'40"E 34°25'32"S				7 000	4 396	3 000	Ward 06	R
REHABILITATE ROADS AND UPGRADE STORMWATER					19°12'43"E 34°24'45"S						2 500	Ward 04	R
REHABILITATE ROADS - ANGELIER STREET					34°41'97.49" S 19° 21'79.17" E							Ward 04	R
REHABILITATE ROADS - BLOMPARK					19°20'51"E 34°35'43"S				405	1 263	1 105	Ward 02	R
TRAFFIC CALMING	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	34° 35' 22" S 19° 21' 02" E				50			Ward 01	N
SPEED HUMPS-LANDA, JIKELEZA, NTLABATHI	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	34°42'54.00"S 19°21'31.62"E; 34°42'68.96"S 19°21'50.44"E				60			Ward 05	N
SPEED HUMPS -TSHANDU STREET	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	34°42'96.71" S 19°21'18.28" E				30			Ward 06	N
SIDEWALKS -NAMAKROZANI STREET	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	34°43'16.46" S 19°21'20.77" E				135			Ward 06	N
NEW SIDEWALK - DAHLIA STREET	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19.348154 -34.594590				80			Ward 02	N
TARRING OF SIDEWALKS - MADELIEFIE STREET	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19.347458-34.597053				50			Ward 02	N
TARRING OF EAST END STREET	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	34°42'62.84" S 19°20'55.81" E				400			Ward 07	N
HAWSTON -PAVING OF CIRCLES	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	34°23'19.60" S 19°07'53.24" E				100			Ward 08	N
HAWSTON -SIDEWALKS	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	34°22'51.29" S 19°08'5.51" E				100			Ward 08	N
PAVING OF PARKING AREA - COR. 4TH STREET AND 15TH AVENUE	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	34°19'58.1"S, 19°01'45.2"E				30			Ward 09	N
EXTENSION OF HEUNINGKLOOF FOOTPATH	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	34°20'15.8"S, 19°02'36.2"E				100			Ward 09	N
EXTENSION OF PAVING OF SIDEWALK - SCHOOL STREET PROTEADORP	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	34°20'15.8"S, 19°01'04.0"E				70			Ward 09	N
TARRING OF STRANDVELD STREET	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19° 21' 13" E 34° 56" S				100			Ward 11	N
DREYER STREET SIDEWALKS (FINAL PHASE)	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19° 27' 20" E 34° 26' 22" S				100			Ward 11	N
REHABILITATE ROADS - STANFORD	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19°26'53"E 34°27'12"S				450	200	3 000	Ward 11	R
ATLANTIC DRIVE WALKWAY	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	34°41'91.41" S 19°17'44.32" E				200			Ward 13	N
MINOR ASSETS ROADS	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Overstrand Wide				5			Overstrand	N
REHABILITATE ROADS - MASAKHANE	5	Yes	Other	Furniture and other office equipment	19°21'29"E 34°35'32"S				500	1 000	4 000	Ward 01	R



## Detailed capital budget per municipal vote (continued)

Municipal Vote/Capital project	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2016/17 Medium Term Revenue & Expenditure Framework			Project information	
							Audited Outcome 2014/15	Current Year 2015/16 Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Ward location	New or renewal
<b>R thousand</b>													
<b>ELECTRICITY</b>							13 682	22 891					
FRANSKRAAL, KLEINBAAI & BIRKENHEAD: MV/LV AND MINISUB UPGRADE	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	19.349477 -34.607311						1 500	Ward 01	N
GANSBAAI: CCTV, SCADA, MINISUB AND MV/LV UPGRADE	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	34°35'4.84"S 19°21'23.55"E				3 000	3 000	1 000	Ward 02	N
STANFORD: MV UPGRADE	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	19.459117 -34.436799						1 000	Ward 11	N
ELECTRIFICATION OF LOW COST HOUSING AREAS (INEP)	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	34°25'46.93" S 19°13'06.94"E				5 000	4 000	6 000	Ward 05	N
HERMANUS: MV & LV UPGRADE/REPLACEMENT	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	34°24'00.49" S 19°15'52.80"E				4 000	4 000	7 000	Ward 03	N
KLEINMOND: MV & LV NETWORK UPGRADE	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	34°20'33.11" S 19°01'25.68"E				1 500	1 500	2 000	Ward 09	N
HAWSTON: MV & LV UPGRADE/REPLACEMENT	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	34°23'24.76" S 19°08'13.30"E				1 500	1 500	2 000	Ward 08	N
MINOR ASSETS :ELECTRICITY	2	Yes	Other	Furniture and other office equipment	Overstrand Wide				15			Overstrand	N
MINOR ASSETS :ELECTRICITY	2	Yes	Other	Furniture and other office equipment	Overstrand Wide				10			Overstrand	N
MINOR ASSETS :ELECTRICITY	2	Yes	Other	Furniture and other office equipment	Overstrand Wide				6			Overstrand	N
MINOR ASSETS :ELECTRICITY	2	Yes	Other	Furniture and other office equipment	Overstrand Wide				15			Overstrand	N
MINOR ASSETS :ELECTRICITY	2	Yes	Other	Furniture and other office equipment	Overstrand Wide				12			Overstrand	N
STREETLIGHTS (MILKWOOD)	2	Yes	Infrastructure - Electricity	Street Lighting	34° 35' 23" S 19° 21' 02" E				20			Ward 01	N
STREET LIGHTS	2	Yes	Infrastructure - Electricity	Street Lighting	34°20'11.8"S 19°01'35.4"E				30			Ward 10	N
<b>WATER</b>							16 275	16 390					
REPLACEMENT OF OVERSTRAND WATER PIPES	2	Yes	Infrastructure - Water	Reticulation	Overstrand Wide					3 800	3 800	Overstrand	R
NEW BULK WATER RESERVOIR -SANDBAAI	2	Yes	Infrastructure - Water	Dams & Reservoirs	S34°25'210' / E19°12.063'					6 000	3 500	Ward 07	R
UPGRADING OF FRANSKRAAL, KLEINBAAI - GANSBAAI PIPELINES	2	Yes	Infrastructure - Water	Reticulation	S 34°35.41.4' E 019°21.05.8'				8 800			Ward 01	R
REFURBISH BUFFELS RIVER DAM BRIDGE AND TOWER & PALMIET RIVER WEIR	2	Yes	Infrastructure - Water	Reticulation	S34°19.96' / E18°50.26'						1 200	Ward 09	R
WATER PUMPS (CONTINGENCY )	2	Yes	Infrastructure - Water	Reticulation	Overstrand Wide				200	200	200	Overstrand	R
NEW 1 ML/S RESERVOIR OHW.B31	2	Yes	Infrastructure - Water	Dams & Reservoirs	19°12'43"E 34°24'45"S				2 911			Ward 04	N
HAWSTON: BULK WATER UPGRADE FOR HOUSING PROJECT	2	Yes	Infrastructure - Water	Reticulation	19°08'18"E 34°23'16"S				500	2 800	3 326	Ward 08	R
UPGRADE HERMANUS WELL FIELDS PHASE 1	2	Yes	Infrastructure - Water	Reticulation	S34°24.512' / E19°12.474'						4 000	Hermanus	R
MINOR ASSETS :WATER DISTRIBUTION	2	Yes	Other	Furniture and other office equipment	Overstrand Wide				8			Overstrand	N
MINOR ASSETS :WATER DISTRIBUTION	2	Yes	Other	Furniture and other office equipment	Overstrand Wide				11			Overstrand	N
NEW VOORBERG BOOSTER PUMP STATION	2	Yes	Infrastructure - Water	Reticulation	34.336437 19.006527						800	Ward 10	N
<b>SEWERAGE</b>							11 901	8 361					
UPGRADING OF PUMPSTATIONS	2	Yes	Infrastructure - Sanitation	Other	S 34 24 24.1' E 19 16 18.83'				4 500		4 000	Overstrand	R
STANFORD - SEWER NETWORK EXTENSION	2	Yes	Infrastructure - Sanitation	Other	S34°439.75' / E19°455.90'				5 500			Ward 11	N
SEWERAGE PUMPS (CONTINGENCY)	2	Yes	Infrastructure - Sanitation	Other	Overstrand Wide				500			Overstrand	R
KLEINMOND - SEWER NETWORK EXTENSION	2	Yes	Infrastructure - Sanitation	Other	S34°20.44' / E19°1.91'					500	1 500	Ward 09	N
GANSBAAI - CBD SEWER NETWORK EXTENSION	2	Yes	Infrastructure - Sanitation	Other	S34°35.377' / E19°21.087'					3 560		Ward 02	N
UPGRADING OF KIDBROOKE PIPELINE	2	Yes	Infrastructure - Sanitation	Other	S34°24.810' / E19°10.001'						1 800	Ward 13	N
WWTW UPGRADE - STANFORD	2	Yes	Infrastructure - Sanitation	Sewerage purification	S34°26.518' / E19°26.929'					3 000	1 000	Ward 11	N
BULK SEWERAGE OUTFALL LINE 525 MM Ø OHS13.2	2	Yes	Infrastructure - Sanitation	Other	19°12'34"E 34°25'48"S				3 200	781		Ward 12	R
PEACH HOUSE & WHALE ROCK P/S LINK WITH GENERATORS	2	Yes	Infrastructure - Sanitation	Other	19°12'40"E34°25'52"S						430	Ward 12	N
REHABILITATE MAIN BULK SEWER TO WWTW PH1	2	Yes	Infrastructure - Sanitation	Other	S34°20.44' / E19°1.91'						3 770	Ward 09	N
<b>STORMWATER</b>							1 320	3 127					
UPGRADE STORMWATER DRAINAGE	2	Yes	Other	Storm water	19°21'39"E 34°35'30"S				1 500	1 415	1 000	Ward 01	R
FISHERHAVEN - STORMWATER	2	Yes	Other	Storm water	34°21'23.75" S 19°07'25.79" E				200			Ward 08	N
CONSTRUCTION OF DRAINAGE DITCHES	2	Yes	Other	Storm water	34°18'06.0"S, 18°49'09.9"E				30			Ward 10	N
UPGRADE STORMWATER - INTERNAL & EXTERNAL	2	Yes	Other	Storm water	19°12'48"E34°25'32"S							Ward 05	N
<b>WASTE MANAGEMENT</b>							9 267	15					
MINOR ASSETS:SOLID WASTE DISPOSAL	2	Yes	Other	Furniture and other office equipment	Overstrand Wide				30			Overstrand	N
<b>Total Capital expenditure</b>							<b>108 489</b>	<b>103 914</b>	<b>75 993</b>	<b>93 604</b>	<b>107 271</b>		

**Table 60 MBRR SA37 - Projects delayed from previous financial year**

Municipal Vote/Capital project	Asset Class	Asset Sub-Class	GPS co-ordinates	Previous target year to complete	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
					Original Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
				Year					
<b>R thousand</b>  <b>Parent municipality:</b> List all capital projects grouped by Municipal Vote  <b>NO POTENTIAL ROLL OVER PROJECTS IDENTIFIED AT THIS STAGE - REFER TO FINAL BUDGET</b>									

## **2.13 Legislation compliance status**

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

1. In year reporting  
Reporting to National Treasury in electronic format is being fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) is being fully complied with and includes monthly published financial performance on the Municipality's website.
2. Internship programme  
The Municipality is participating in the Municipal Financial Management Internship programme and is currently employing five interns.
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. Service Delivery and Implementation Plan  
The draft SDBIP document will be tabled in council on 30 March 2016 and is aligned and informs the 2016/17 MTREF.
6. Annual Report  
Annual report is compiled in terms of the MFMA and National Treasury requirements.
7. MFMA Training  
The MFMA training has been completed by 120 officials.
8. Policies  
All budget related policies have been reviewed and will be tabled with the draft budget on 30 March 2016.

## 2.14 Other supporting documents

**Table 61 MBRR Table SA1 - Supporting detail to budgeted financial performance**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
<b>REVENUE ITEMS:</b>									
<b>Property rates</b>									
Total Property Rates	153 077	165 939	189 281	200 857	200 857	200 857	223 758	237 184	251 415
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)	32 278	31 127	36 411	38 126	38 126	38 126	43 167	45 757	48 502
<b>Net Property Rates</b>	<b>120 799</b>	<b>134 813</b>	<b>152 870</b>	<b>162 730</b>	<b>162 730</b>	<b>162 730</b>	<b>180 591</b>	<b>191 427</b>	<b>202 913</b>
<b>Service charges - electricity revenue</b>									
Total Service charges - electricity revenue	247 663	268 362	289 393	341 092	339 092	339 092	360 225	381 839	404 749
less Revenue Foregone (in excess of 50 kwh per indigent household per month)									
less Cost of Free Basis Services (50 kwh per indigent household per month)	-	-	2 822	2 215	2 215	2 215	2 544	2 697	2 858
<b>Net Service charges - electricity revenue</b>	<b>247 663</b>	<b>268 362</b>	<b>286 571</b>	<b>338 877</b>	<b>336 877</b>	<b>336 877</b>	<b>357 681</b>	<b>379 142</b>	<b>401 891</b>
<b>Service charges - water revenue</b>									
Total Service charges - water revenue	85 243	95 136	109 630	103 365	106 365	106 365	113 181	119 972	127 171
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)									
less Cost of Free Basis Services (6 kilolitres per indigent household per month)	-	-	1 240	1 320	1 320	1 320	1 637	1 735	1 840
<b>Net Service charges - water revenue</b>	<b>85 243</b>	<b>95 136</b>	<b>108 391</b>	<b>102 045</b>	<b>105 045</b>	<b>105 045</b>	<b>111 544</b>	<b>118 237</b>	<b>125 331</b>
<b>Service charges - sanitation revenue</b>									
Total Service charges - sanitation revenue	56 895	62 798	68 661	66 375	67 375	67 375	72 318	76 657	81 257
less Revenue Foregone (in excess of free sanitation service to indigent households)									
less Cost of Free Basis Services (free sanitation service to indigent households)	-	-	-	-	-	-	-	-	-
<b>Net Service charges - sanitation revenue</b>	<b>56 895</b>	<b>62 798</b>	<b>68 661</b>	<b>66 375</b>	<b>67 375</b>	<b>67 375</b>	<b>72 318</b>	<b>76 657</b>	<b>81 257</b>
<b>Service charges - refuse revenue</b>									
Total refuse removal revenue	46 637	52 957	56 770	59 488	59 488	59 488	65 510	69 441	73 607
Total landfill revenue									
less Revenue Foregone (in excess of one removal a week to indigent households)									
less Cost of Free Basis Services (removed once a week to indigent households)	-	-	-	-	-	-	-	-	-
<b>Net Service charges - refuse revenue</b>	<b>46 637</b>	<b>52 957</b>	<b>56 770</b>	<b>59 488</b>	<b>59 488</b>	<b>59 488</b>	<b>65 510</b>	<b>69 441</b>	<b>73 607</b>
<b>Other Revenue by source</b>									
Plan&Dev-Building Plans	2 880	3 439	4 893	4 500	4 500	4 500	6 360	6 742	7 146
Collection charges	2 542	2 288	3 506	3 850	3 850	3 850	2 430	2 576	2 730
Developers Charges	2 615	2 766	2 652	1 451	1 451	1 451	1 446	1 532	1 624
Central improvement district	-	-	-						
Sundry income	2 637	1 330	911						
Townplanning fees	793	908	1 142	1 013	1 013	1 013	1 593	1 688	1 790
Admission fees	707	714	-	562	562	562	574	608	645
Valuation and clearance certificates	388	400	459	495	495	495	500	530	562
Fair value adjustments	49 649	(7 021)	(3 566)						
Roadworthy certificates	463	493	561	630	630	630	665	705	747
SETA claims	1 058	133	605						
Exchange Revenue (SCOA) / Other Income	5 247	5 054	9 300	4 142	4 200	4 200	10 134	10 742	11 387
<b>Total 'Other' Revenue</b>	<b>68 978</b>	<b>10 504</b>	<b>20 463</b>	<b>16 643</b>	<b>16 701</b>	<b>16 701</b>	<b>23 702</b>	<b>25 124</b>	<b>26 631</b>

## Supporting detail to budgeted financial performance (Continued)

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>EXPENDITURE ITEMS:</b>									
<b>Employee related costs</b>									
Basic Salaries and Wages	151 957	166 955	174 931	198 092	192 628	192 628	209 160	212 962	225 659
Pension and UIF Contributions	24 051	25 104	27 068	31 736	30 694	30 694	32 625	34 426	36 394
Medical Aid Contributions	8 176	8 828	9 363	11 618	11 038	11 038	11 423	12 322	13 063
Overtime	12 428	14 370	14 765	15 295	13 654	13 654	14 920	15 806	16 725
Performance Bonus									
Motor Vehicle Allowance	9 178	9 750	9 634	12 164	11 239	11 239	6 990	6 993	6 996
Cellphone Allowance	1 785	1 402	1 750	1 502	1 480	1 480	1 432	1 432	1 432
Housing Allowances	1 046	967	944	1 002	1 759	1 759	5 851	5 851	5 851
Other benefits and allowances	9 396	10 222	10 957	10 621	10 108	10 108	11 375	11 972	12 606
Payments in lieu of leave	2 138	1 659	1 414	729	729	729	709	752	793
Long service awards	690	3 587	1 161	1 802	3 042	3 042	3 139	2 820	2 810
Provision for Bonus	–	–	655	455	455	455	496	526	558
Post-retirement benefit obligations	10 795	17 799	14 378	6 578	16 001	16 001	16 081	16 162	16 242
<b>sub-total</b>	<b>231 642</b>	<b>260 645</b>	<b>267 019</b>	<b>291 593</b>	<b>292 827</b>	<b>292 827</b>	<b>314 204</b>	<b>322 023</b>	<b>339 129</b>
Less: Employees costs capitalised to PPE									
<b>Total Employee related costs</b>	<b>231 642</b>	<b>260 645</b>	<b>267 019</b>	<b>291 593</b>	<b>292 827</b>	<b>292 827</b>	<b>314 204</b>	<b>322 023</b>	<b>339 129</b>
<b>Contributions recognised - capital</b>									
Public contribution - non cash - assets	4 387	7 871	1 272						
DWA ACIP project	–								
Government contribution - non cash - assets	180								
KM CSIR	–								
Spaces for sport/Lotto	200			1 000	1 000	1 000			
Eskom Solar Rebate/ Stony Point Eco Centre etc	522								
<b>Total Contributions recognised - capital</b>	<b>5 289</b>	<b>7 871</b>	<b>1 272</b>	<b>1 000</b>	<b>1 000</b>	<b>1 000</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Depreciation &amp; asset impairment</b>									
Depreciation of Property, Plant & Equipment	94 948	99 130	103 303	111 362	111 362	111 362	117 690	124 752	132 237
Lease amortisation	235	231	65						
Capital asset impairment	9 224		3 077						
Depreciation resulting from revaluation of PPE									
<b>Total Depreciation &amp; asset impairment</b>	<b>104 408</b>	<b>99 361</b>	<b>106 445</b>	<b>111 362</b>	<b>111 362</b>	<b>111 362</b>	<b>117 690</b>	<b>124 752</b>	<b>132 237</b>
<b>Bulk purchases</b>									
Electricity Bulk Purchases	145 022	157 055	167 660	193 573	191 573	191 573	210 763	227 329	245 197
Water Bulk Purchases									
<b>Total bulk purchases</b>	<b>145 022</b>	<b>157 055</b>	<b>167 660</b>	<b>193 573</b>	<b>191 573</b>	<b>191 573</b>	<b>210 763</b>	<b>227 329</b>	<b>245 197</b>
<b>Transfers and grants</b>									
Cash transfers and grants	35 856	38 749	42 200	48 497	49 448	49 448	57 479	60 808	64 336
Non-cash transfers and grants	–	–	6 459	–	–	–	–	–	–
<b>Total transfers and grants</b>	<b>35 856</b>	<b>38 749</b>	<b>48 659</b>	<b>48 497</b>	<b>49 448</b>	<b>49 448</b>	<b>57 479</b>	<b>60 808</b>	<b>64 336</b>
<b>Contracted services</b>									
Specialist services									
Other contractors									
Ward projects	5 679	2 129	1 443						
Vehicle maintenance	4 925	5 665	6 487						
Maintenance contractors	45 380	49 471	60 245						
Contracted services	11 713	15 488	17 152						
Maintenance Of Unspecified Assets				25 439	25 439	25 439	26 472	27 137	28 083
Maintenance Of Buildings & Facilities				15 463	15 463	15 463	14 380	13 319	14 161
Haulage				7 698	7 698	7 698	8 160	8 650	9 169
Civil				6 828	6 828	6 828	6 314	6 517	6 736
Litter Picking & Street Cleaning				6 430	6 430	6 430	7 226	7 491	7 819
Security Servs				5 219	5 219	5 219	5 556	5 861	6 184
Safeguard & Security				5 028	5 028	5 028	5 517	5 679	5 959
Business & Advisory - Valuer				4 488	4 488	4 488	960	1 013	1 069
Meter Management				4 367	4 367	4 367	4 491	4 654	4 824
Maintenance Of Equip				4 177	4 177	4 177	1 979	2 077	2 187
Business & Advisory - Project Management				4 017	4 017	4 017	2 944	3 068	2 903
Traffic Fines Management				3 968	3 968	3 968	4 168	4 419	4 684
Dumping Sites				3 423	3 423	3 423	3 628	3 846	4 077
Infrastructure & Planning - Ecological				2 640	2 640	2 640	2 040	2 101	2 164
Legal Cost - Legal Advice & Litigation				2 597	2 597	2 597	2 894	3 225	3 767
Chipping				2 490	2 490	2 490	2 605	2 759	3 126
Management Of Informal Settlements				1 981	1 981	1 981	2 100	2 247	2 404
Laboratory Servs - Water				1 802	1 802	1 802	1 904	2 018	2 139
Sewerage Servs				1 772	1 772	1 772	37 674	40 534	43 611
Infrastructure & Planning - Town Planner				1 700	1 700	1 700	1 620	1 717	1 820
Electrical				1 060	1 060	1 060	491	492	496
Other contractors				12 734	7 309	7 309	15 595	16 112	16 774
<b>Total contracted services</b>	<b>67 697</b>	<b>72 754</b>	<b>85 327</b>	<b>125 322</b>	<b>119 897</b>	<b>119 897</b>	<b>158 718</b>	<b>164 936</b>	<b>174 154</b>

## Supporting detail to budgeted financial performance (Continued)

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
<b>Other Expenditure By Type</b>									
Collection costs									
Contributions to 'other' provisions	3 246	(12 399)	50 281						
Consultant fees	9 376	9 431	8 944						
Audit fees	2 869	3 559	3 886	4 514	4 514	4 514	4 514	4 785	5 072
General expenses	16 384	19 600	18 564	5 302	32 030	32 030	5 629	5 882	6 045
Conditional receipts expenses	4 133	28 072	7 540						
Property valuation charges	1 030	442	406						
Water catchment, research and testing	5 295	4 266	3 986						
Fuel and oil	9 903	11 477	10 962						
Chemicals	8 488	10 553	8 379						
Legal fees	1 669	3 017	3 616						
Telephone and fax	2 934	2 839	2 807	3 048	3 048	3 048	3 224	3 384	3 553
Tourism development	2 732	2 796	2 439						
Security services	3 759	4 262	4 432						
Solid waste dumping fees	—	—	—						
Solid waste haulage	6 318	7 742	6 791						
Hermanus public protection	3 921	4 251	5 222						
Training	2 363	1 804	2 216	2 000	2 000	2 000	702	723	745
Commision Prepaid Electricity	3 248	3 652	3 833	3 804	3 804	3 804	3 660	3 861	4 074
Commission paid	4 014	1 019	975	1 213	1 213	1 213	1 280	1 350	1 425
Advertising	1 511	1 905	1 820						
Management of informal settlements	1 513	1 982	1 741	1 981	1 981	1 981			
Insurance	2 145	2 363	2 457	2 350	2 350	2 350	2 846	2 957	3 074
Printing and stationery	1 875	2 035	2 075						
Solid waste chipping	2 151	2 076	3 025						
Special projects	1 270	714	700						
Workmen's Compensation Assurance				1 750	1 750	1 750	1 550	1 750	1 750
SALGA Membership Fees									
Rentals (Equipment & Offices)									
Postage & Courier Services				1 571	1 571	1 571	1 583	1 655	1 743
Decommissioning Cost				4 619	4 619	4 619	4 948	5 245	4 420
Op Cst - Prof Bodies Memb & Subs				3 365	3 365	3 365	3 373	3 385	3 387
Specialised Computer Service				2 452	2 452	2 452	1 644	1 840	2 040
Op Cst - Uniform & Protective Clothing				2 395	2 395	2 395	2 567	2 674	2 736
Operational Cost - Skills Dev Fund Lev				2 082	2 082	2 082	2 249	2 368	4 591
Infrastructure & Planning - Town Plann				1 700	1 700	1 700			
Software Licences				2 051	2 051	2 051	3 203	3 363	3 532
Dumping Fees (District Council)				1 724	1 724	1 724	2 290	2 427	2 573
Bnk Chgs Fac & Card Fees - Bank Account				1 639	1 639	1 639	1 324	1 391	1 460
Op Cst - Printing & Publications				1 471	1 471	1 471	878	911	942
Third Party Vendors				1 213	1 213	1 213			
Operating Lease				1 170	1 170	1 170	1 270	1 335	1 414
Wireless Ntwrk				937	937	937	984	1 033	1 085
Corporate Municipal Activities				721	721	721	890	1 158	1 205
Op Cst - Remuneration To Ward Commts				689	689	689	649	681	716
System Adviser				634	634	634	590	608	625
Tenders				612	612	612	752	792	832
Op Cst - Levies Paid - H2O Res Man Chrg				560	560	560	735	779	826
OperCost:Municipal Servs							5 433	5 859	6 319
OperCost:Assets < Capital Threshold							524	533	555
OperCost:Full Time Union Representativ							423	453	485
Municipal Newsletters				454	454	454	306	312	313
<b>Total 'Other' Expenditure</b>	<b>102 146</b>	<b>117 460</b>	<b>157 098</b>	<b>58 021</b>	<b>84 750</b>	<b>84 750</b>	<b>60 024</b>	<b>63 497</b>	<b>67 536</b>
<b>Repairs and Maintenance by Expenditure Item</b>									
Employee related costs	27 460	35 905	37 737	45 175	45 175	45 175	50 261	51 522	54 450
Other materials	9 153	8 865	9 317	14 541	14 541	14 541	3 500	3 719	3 989
Contracted Services	21 740	32 675	34 342	35 194	35 194	35 194	36 145	37 492	38 897
Other Expenditure	56 061	72 912	76 630	26 167	26 167	26 167	30 890	31 124	31 732
<b>Total Repairs and Maintenance Expenditure</b>	<b>114 414</b>	<b>150 358</b>	<b>158 026</b>	<b>121 077</b>	<b>121 077</b>	<b>121 077</b>	<b>120 795</b>	<b>123 857</b>	<b>129 068</b>

**Table 62 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)**

Description	Vote 1 - Council	Vote 2 - Municipal Manager	Vote 3 - Management Services	Vote 4 - Finance	Vote 5 - Community Services	Vote 6 - Local Economic Development	Vote 7 - Infrastructur e & Planning	Vote 8 - Protection Services	Total
<b>R thousand</b>									
<b>Revenue By Source</b>									
Property rates				180 591					180 591
Property rates - penalties & collection charges				848					848
Service charges - electricity revenue				722			356 959		357 681
Service charges - water revenue					111 544				111 544
Service charges - sanitation revenue					72 318				72 318
Service charges - refuse revenue					65 510				65 510
Service charges - other									–
Rental of facilities and equipment					3 146				3 146
Interest earned - external investments				10 317	1 754				12 071
Interest earned - outstanding debtors				2 756					2 756
Dividends received									–
Fines					134		180	30 829	31 143
Licences and permits					512			1 819	2 330
Agency services					20			3 200	3 220
Other revenue	232		1	4 123	6 997	1 430	8 779	2 140	23 702
Transfers recognised - operational	72 950			1 595	6 051	1 922	45 734		128 252
Gains on disposal of PPE									–
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>73 182</b>	<b>–</b>	<b>1</b>	<b>200 953</b>	<b>267 986</b>	<b>3 352</b>	<b>411 652</b>	<b>37 988</b>	<b>995 114</b>
<b>Expenditure By Type</b>									
Employee related costs	19 111	4 261	21 732	38 414	141 963	6 906	46 978	34 839	314 204
Remuneration of councillors	9 110								9 110
Debt impairment				420	446		231	22 792	23 888
Depreciation & asset impairment	23	19	2 395	315	83 754	133	29 809	1 242	117 690
Finance charges				110	29 857		16 454		46 421
Bulk purchases							210 763		210 763
Other materials	97	38	341	700	21 600	138	51 287	2 486	76 687
Contracted services	22	217	7 567	12 185	60 825	977	65 122	11 802	158 718
Transfers and grants	55 761		70			1 648			57 479
Other expenditure	7 623	187	14 384	17 037	8 603	993	9 701	1 496	60 024
Loss on disposal of PPE									–
<b>Total Expenditure</b>	<b>91 748</b>	<b>4 722</b>	<b>46 490</b>	<b>69 180</b>	<b>347 048</b>	<b>10 795</b>	<b>430 346</b>	<b>74 657</b>	<b>1 074 984</b>
<b>Surplus/(Deficit)</b>	<b>(18 565)</b>	<b>(4 722)</b>	<b>(46 489)</b>	<b>131 773</b>	<b>(79 062)</b>	<b>(7 443)</b>	<b>(18 694)</b>	<b>(36 669)</b>	<b>(79 870)</b>
Transfers recognised - capital					22 080		18 023		40 103
Contributions recognised - capital									–
Contributed assets									–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(18 565)</b>	<b>(4 722)</b>	<b>(46 489)</b>	<b>131 773</b>	<b>(56 982)</b>	<b>(7 443)</b>	<b>(670)</b>	<b>(36 669)</b>	<b>(39 767)</b>

**Table 63 MBRR Table SA3 – Supporting detail to Statement of Financial Position**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>ASSETS</b>									
<b>Call investment deposits</b>									
Call deposits < 90 days	55 042	50 039	26 051						
Other current investments > 90 days									
<b>Total Call investment deposits</b>	<b>55 042</b>	<b>50 039</b>	<b>26 051</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Consumer debtors</b>									
Consumer debtors	65 941	63 810	69 821	67 774	67 774	67 774	84 040	89 083	94 428
Less: Provision for debt impairment	(16 916)	(16 359)	(16 972)	(16 000)	(16 000)	(16 000)	(17 096)	(18 279)	(19 535)
<b>Total Consumer debtors</b>	<b>49 025</b>	<b>47 451</b>	<b>52 850</b>	<b>51 774</b>	<b>51 774</b>	<b>51 774</b>	<b>66 944</b>	<b>70 804</b>	<b>74 893</b>
<b>Debt impairment provision</b>									
Balance at the beginning of the year	18 114	16 916	16 359	16 500	16 500	16 500	16 000	17 096	18 279
Contributions to the provision	594	(107)	1 252				1 596	1 682	1 756
Bad debts written off	(1 792)	(449)	(639)	(500)	(500)	(500)	(500)	(500)	(500)
<b>Balance at end of year</b>	<b>16 916</b>	<b>16 359</b>	<b>16 972</b>	<b>16 000</b>	<b>16 000</b>	<b>16 000</b>	<b>17 096</b>	<b>18 279</b>	<b>19 535</b>
<b>Property, plant and equipment (PPE)</b>									
PPE at cost/valuation (excl. finance leases)	5 819 933	5 900 309	6 003 701	6 120 657	6 118 306	6 118 306	6 194 299	6 287 903	6 395 175
Leases recognised as PPE	1 379	139	304	6 923	6 923	6 923	–	–	–
Less: Accumulated depreciation	2 724 192	2 789 392	2 886 281	3 005 433	3 005 433	3 005 433	3 121 934	3 245 424	3 376 324
<b>Total Property, plant and equipment (PPE)</b>	<b>3 097 120</b>	<b>3 111 056</b>	<b>3 117 725</b>	<b>3 122 147</b>	<b>3 119 795</b>	<b>3 119 795</b>	<b>3 072 366</b>	<b>3 042 479</b>	<b>3 018 851</b>
<b>LIABILITIES</b>									
<b>Current liabilities - Borrowing</b>									
Short term loans (other than bank overdraft)	485	63	80	1 271	1 271	1 271	–	–	–
Current portion of long-term liabilities	17 756	20 381	23 539	26 841	26 841	26 841	29 378	32 831	36 912
<b>Total Current liabilities - Borrowing</b>	<b>18 241</b>	<b>20 443</b>	<b>23 620</b>	<b>28 113</b>	<b>28 113</b>	<b>28 113</b>	<b>29 378</b>	<b>32 831</b>	<b>36 912</b>
<b>Trade and other payables</b>									
Trade and other creditors	71 706	61 518	63 759	74 229	74 229	74 229	81 244	77 375	73 691
Unspent conditional transfers	7 783	3 425	2 076						
VAT									
<b>Total Trade and other payables</b>	<b>79 489</b>	<b>64 943</b>	<b>65 836</b>	<b>74 229</b>	<b>74 229</b>	<b>74 229</b>	<b>81 244</b>	<b>77 375</b>	<b>73 691</b>
<b>Non current liabilities - Borrowing</b>									
Borrowing	364 394	392 444	408 904	411 667	411 667	411 667	412 288	409 060	411 596
Finance leases (including PPP asset element)	238	–	60	4 333	4 333	4 333	–	–	–
<b>Total Non current liabilities - Borrowing</b>	<b>364 632</b>	<b>392 444</b>	<b>408 964</b>	<b>415 999</b>	<b>415 999</b>	<b>415 999</b>	<b>412 288</b>	<b>409 060</b>	<b>411 596</b>
<b>Provisions - non-current</b>									
Retirement benefits	79 887	95 535	107 290	113 727	120 450	120 450	127 677	135 338	143 458
List other major provision items									
Refuse landfill site rehabilitation	31 933	24 054	76 731	78 422	81 335	81 335	86 215	91 387	96 871
Other	7 498	8 938	9 207	9 520	9 441	9 441	9 935	10 459	11 014
<b>Total Provisions - non-current</b>	<b>119 319</b>	<b>128 527</b>	<b>193 227</b>	<b>201 669</b>	<b>211 226</b>	<b>211 226</b>	<b>223 827</b>	<b>237 184</b>	<b>251 343</b>
<b>CHANGES IN NET ASSETS</b>									
<b>Accumulated Surplus/(Deficit)</b>									
Accumulated Surplus/(Deficit) - opening balance	2 847 332	2 855 854	2 805 240	2 738 817	2 738 817	2 738 817	2 723 668	2 683 901	2 679 785
GRAP adjustments	(9 929)	(6 220)	13 286						
Restated balance	2 837 403	2 849 634	2 818 525	2 738 817	2 738 817	2 738 817	2 723 668	2 683 901	2 679 785
Surplus/(Deficit)	10 899	(45 015)	(49 845)	(5 140)	(15 149)	(15 149)	(39 767)	(4 116)	2 138
Appropriations to Reserves									
Transfers from Reserves	1 333	620	1 314						
Depreciation offsets									
Other adjustments									
<b>Accumulated Surplus/(Deficit)</b>	<b>2 849 634</b>	<b>2 805 240</b>	<b>2 769 994</b>	<b>2 733 677</b>	<b>2 723 668</b>	<b>2 723 668</b>	<b>2 683 901</b>	<b>2 679 785</b>	<b>2 681 923</b>
<b>Reserves</b>									
Housing Development Fund	1 891	2 565	2 571	2 637	2 637	2 637	2 218	2 263	2 308
Capital replacement									
Self-insurance									
Other reserves									
Revaluation	–								
<b>Total Reserves</b>	<b>1 891</b>	<b>2 565</b>	<b>2 571</b>	<b>2 637</b>	<b>2 637</b>	<b>2 637</b>	<b>2 218</b>	<b>2 263</b>	<b>2 308</b>
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2 851 526</b>	<b>2 807 805</b>	<b>2 772 565</b>	<b>2 736 314</b>	<b>2 726 305</b>	<b>2 726 305</b>	<b>2 686 119</b>	<b>2 682 047</b>	<b>2 684 231</b>



**Table 64 MBRR Table SA9 – Social, economic and demographic statistics and assumptions**

Description of economic indicator	Basis of calculation	2001 Census	2007 Survey	2011 Census	2012/13	2013/14	2014/15	Current Year 2015/16	2016/17 Medium Term Revenue & Expenditure Framework		
					Outcome	Outcome	Outcome	Original Budget	Estimate	Estimate	Estimate
<b>Demographics</b>											
Population	Stats SA	55 012	74 546	80 432	83 488	86 661	89 954	93 372	96 920	100 603	104 286
Females aged 5 - 14		2 770	5 837	5 228	5 427	5 633	5 847	6 069	6 300	6 539	6 779
Males aged 5 - 14		2 816	5 892	5 278	5 479	5 687	5 903	6 127	6 360	6 602	6 843
Females aged 15 - 34		5 561	11 567	13 139	13 638	14 157	14 694	15 253	15 832	16 434	17 036
Males aged 15 - 34		6 029	11 235	13 648	14 167	14 705	15 264	15 844	16 446	17 071	17 696
Unemployment		5 165	8 099	4 237	4 398	4 565	4 739	4 919	5 106	5 300	5 494
<b>Monthly household income (no. of households)</b>											
No income		2 226	770	4 585	4 759	4 940	5 128	5 323	5 525	5 735	5 953
R1 - R1 600		6 149	5 307	5 326	5 528	5 738	5 957	6 183	6 418	6 662	6 915
R1 601 - R3 200		3 742	3 177	4 878	5 063	5 256	5 455	5 663	5 878	6 101	6 333
R3 201 - R6 400		3 344	3 789	4 362	4 528	4 700	4 878	5 064	5 256	5 456	5 663
R6 401 - R12 800		2 303	2 750	3 830	3 976	4 127	4 283	4 446	4 615	4 791	4 973
R12 801 - R25 600		920	1 947	2 896	3 006	3 120	3 239	3 362	3 490	3 622	3 760
R25 601 - R51 200		227	1 066	1 456	1 511	1 569	1 628	1 690	1 754	1 821	1 890
R52 201 - R102 400		77	184	486	504	524	544	564	586	608	631
R102 401 - R204 800		44	176	109	113	117	122	127	131	136	142
R204 801 - R409 600		27		81	84	87	91	94	98	101	105
R409 601 - R819 200											
> R819 200											
<b>Poverty profiles (no. of households)</b>											
< R2 060 per household per month	# households earning less than R1600 based on	8 374	6 077	9 911	10 288	10 679	11 084	11 506	11 943	12 397	12 868
Insert description											
<b>Household/demographics (000)</b>											
Number of people in municipal area	Stats SA	55 012	74 546	80 432	86 661	89 954	90 000	93 372	96 920	100 503	104 426
Number of poor people in municipal area		34 601	35 916	37 433	40 332	41 865	31 153	32 868	34 977	36 585	38 597
Number of households in municipal area	Stats SA	19 059	19 166	28 008	29 073	30 179	31 325	32 673	33 101	33 535	33 974
Number of poor households in municipal area			8 439	16 317	18 285	19 469	20 209	20 978	21 775	22 603	23 463
Definition of poor household (R per month)			2 201	4 561	4 801	5 121	5 640	5 922	6 218	6 529	6 855
<b>Housing statistics</b>											
Formal					23 152	23 599	25 328	25 369	25 395	25 405	25 397
Informal					3 407	3 330	3 144	3 142	3 142	3 142	3 142
<b>Total number of households</b>		-	-	-	26 559	26 929	28 472	28 511	28 537	28 547	28 539
Dwellings provided by municipality					-	183		220	341	-	100
Dwellings provided by province/s					-	-					
Dwellings provided by private sector					214	264	373	382	391	401	410
<b>Total new housing dwellings</b>		-	-	-	214	447	373	602	732	401	510
<b>Economic</b>											
Inflation/inflation outlook (CPIX)					5.7%	5.9%	5.6%	6.2%	6.6%	6.2%	5.9%
Interest rate - borrowing					9.7%	9.7%	9,950%	11.5%	11,75%	12.0%	12.0%
Interest rate - investment					5.1%	5.4%	6.0%	7,24%	7,45%	7,75%	7,75%
Remuneration increases					6.5%	6.8%	7.0%	7.0%	6.0%	6.0%	6.0%
Consumption growth (electricity)					1.8%	0.5%	0.3%	0.1%	0.1%	0.3%	0.3%
Consumption growth (water)					4.2%	-5.4%	2.6%	4.4%	4.0%	2.3%	3.6%
<b>Collection rates</b>											
Property tax/service charges					100.4%	100.3%	99.6%	99.8%	99.7%	99.7%	99.7%
Rental of facilities & equipment					100.4%	100.3%	99.6%	99.8%	99.7%	99.7%	99.7%
Interest - external investments					100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Interest - debtors					100.0%	100.0%	99.6%	99.8%	99.7%	99.7%	99.7%
Revenue from agency services					100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

**Table 65 MBRR SA11 – Property rates summary**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Valuation:</b>									
Date of valuation:	02/07/2011	02/07/2011	02/07/2012						
Financial year valuation used	2012/2013	2012/2013	2012/2013	2012/2013			2016/17		
Municipal by-laws s6 in place? (Y/N)		Yes	Yes	Yes			Yes		
Municipal/assistant valuer appointed? (Y/N)		Yes	Yes	Yes			Yes		
Municipal partnership s38 used? (Y/N)		No	No	No	No	No	No	No	No
No. of assistant valuers (FTE)	2	2	2	2	2	2	2	2	2
No. of data collectors (FTE)	6	6	6	6	6	6	6	6	6
No. of internal valuers (FTE)	-	-	-	-	-	-	-	-	-
No. of external valuers (FTE)	4	3	3	3	3	3	3	3	3
No. of additional valuers (FTE)	-	-	-	-	-	-	-	-	-
Valuation appeal board established? (Y/N)		Yes	Yes	Yes			Yes		
Implementation time of new valuation roll (mths)	36	24	12	-			60		
No. of properties	40 801	41 025	41 723	41 848	41 848	41 848	40 465	40 668	40 871
No. of sectional title values	2 383	2 623	2 686	2 634	2 634	2 634	2 555	2 567	2 580
No. of unreasonably difficult properties s7(2)	-	-	-	-	-	-	-	-	-
No. of supplementary valuations	2	3	2	1	1	1	1	1	1
No. of valuation roll amendments	3	3		12	12	12	12		
No. of objections by rate payers	830	103	400	1 500	1 500	1 500	1 500	600	600
No. of appeals by rate payers	53	5	40	150	150	150	600	100	100
No. of successful objections		24		750	750	750			
No. of successful objections > 10%	137	14		75	75	75			
Supplementary valuation	4 998	4 233		3 610	3 610	3 610	3 700	3 700	3 700
Public service infrastructure value (Rm)	40	40	98	83	83	83	98	98	99
Municipality owned property value (Rm)	694	694	734	737	737	737	739	742	746
<b>Valuation reductions:</b>									
Valuation reductions-public infrastructure (Rm)	40	40	98	85	85	85	98	98	99
Valuation reductions-nature reserves/park (Rm)	-	-	282	276	276	276	283	285	286
Valuation reductions-mineral rights (Rm)	-	-	-	-	-	-	-	-	-
Valuation reductions-R15,000 threshold (Rm)	453	453	450	434	434	434	445	447	469
Valuation reductions-public worship (Rm)	209	209	155	258	258	258	151	152	152
Valuation reductions-other (Rm)	2 046	2 046	2 205	2 254	2 254	2 254	1 947	1 956	1 966
<b>Total valuation reductions:</b>	<b>2 749</b>	<b>2 749</b>	<b>3 190</b>	<b>3 306</b>	<b>3 306</b>	<b>3 306</b>	<b>2 924</b>	<b>2 938</b>	<b>2 973</b>
Total value used for rating (Rm)	39 152	39 152	42 062	39 998	39 998	39 998	42 303	42 515	42 728
Total land value (Rm)	21 360	21 360	22 143	22 151	22 151	22 151	22 249	<b>22 360</b>	<b>22 472</b>
Total value of improvements (Rm)	20 540	20 540	21 397	21 153	21 153	21 153	21 516	21 624	21 732
Total market value (Rm)	41 900	41 900	43 540	43 304	43 304	43 304	43 775	43 994	44 214
<b>Rating:</b>									
Residential rate used to determine rate for other categories? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Differential rates used? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Limit on annual rate increase (s20)? (Y/N)	No	No	No	No	No	No	No	No	No
Special rating area used? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Phasing-in properties s21 (number)	No	No		No	No	No	No		
Rates policy accompanying budget? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Fixed amount minimum value (R'000)			100	220			220		
Non-residential prescribed ratio s19? (%)	48.6%	51.4%	51.4%	51.0%			51.5%		
<b>Rate revenue:</b>									
Rate revenue budget (R '000)	120 278	134 994	152 573	157 847	157 847	157 847	174 778	185 264	196 380
Rate revenue expected to collect (R'000)	120 278	134 994	152 573	157 847	157 847	157 847	174 778	185 264	196 380
Expected cash collection rate (%)	99.9%	100.0%	99.8%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Special rating areas (R'000)	-	-	-	-	-	-	5 814	6 163	6 532
Rebates, exemptions - indigent (R'000)	-	-	-	-	-	-	-	-	-
Rebates, exemptions - pensioners (R'000)	319487	352838	401	425	425	425	561	595	630
Rebates, exemptions - bona fide farm. (R'000)	1 652 839	69 328	79	83	83	83	110	117	124
Rebates, exemptions - other (R'000)	3 707 751	3 410 396	3 875	4 108	4 108	4 108	5 421	5 747	6 091
Phase-in reductions/discounts (R'000)									
<b>Total rebates, exemptptns, reductns, discs (R'000)</b>	<b>5 680</b>	<b>3 833</b>	<b>4 355</b>	<b>4 616</b>	<b>4 616</b>	<b>4 616</b>	<b>6 092</b>	<b>6 458</b>	<b>6 845</b>

**Table 66 MBRR SA12a – Property rates by category (current year)**

Description	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.
<b>Current Year 2015/16</b>																
<b>Valuation:</b>																
No. of properties	37 116	-	1 618	237	365	2 072	544	-	-	-	-	-	112	-	-	-
No. of sectional title property values	2 201	-	341	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of unreasonably difficult properties s7(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of supplementary valuations																
Supplementary valuation (Rm)																
No. of valuation roll amendments																
No. of objections by rate-payers																
No. of appeals by rate-payers																
No. of appeals by rate-payers finalised																
No. of successful objections																
No. of successful objections > 10%																
Estimated no. of properties not valued	100 TOTAL															
Years since last valuation (select)	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Frequency of valuation (select)	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Method of valuation used (select)	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market
Base of valuation (select)	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.
Phasing-in properties s21 (number)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Combination of rating types used? (Y/N)	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Flat rate used? (Y/N)	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
Is balance rated by uniform rate/variable rate?	VARIABLE	VARIABLE	VARIABLE	VARIABLE	VARIABLE	VARIABLE	VARIABLE	VARIABLE	VARIABLE	VARIABLE	VARIABLE	VARIABLE	VARIABLE	VARIABLE	VARIABLE	VARIABLE
<b>Valuation reductions:</b>																
Valuation reductions-public infrastructure (Rm)	-	-	-	-	-	-	98	-	-	-	-	-	-	-	-	-
Valuation reductions-nature reserves/park (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	282	-	-	-
Valuation reductions-mineral rights (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-R15,000 threshold (Rm)	442	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-public worship (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	150	-
Valuation reductions-other (Rm)	1 937	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total valuation reductions:</b>																
Total value used for rating (Rm)	37 686	-	3 468	517	412	-	-	-	-	-	-	-	-	-	-	-
Total land value (Rm)	19 211	-	150	371	252	553	83	-	-	-	-	-	164	-	-	-
Total value of improvements (Rm)	18 485	-	230	146	210	181	8	-	-	-	-	-	77	-	-	-
Total market value (Rm)	0	-	380	517	462	733	91	-	-	-	-	-	241	-	-	-
<b>Rating:</b>																
Average rate	0.004420		0.006700	0.001110	0.006700				0.004420	0.006700						
Rate revenue budget (R '000)	107 047		18 657	247	20 826											
Rate revenue expected to collect (R'000)	107 047		18 657	247	20 826											
Expected cash collection rate (%)	100.0%		100.0%	100.0%	100.0%											
Special rating areas (R'000)																
Rebates, exemptions - indigent (R'000)																
Rebates, exemptions - pensioners (R'000)	435															
Rebates, exemptions - bona fide farm. (R'000)				85												
Rebates, exemptions - other (R'000)				4 203												
Phase-in reductions/discounts (R'000)																
<b>Total rebates,exemptns,reductns,discs (R'000)</b>																

**Table 67 MBRR SA12b – Property rates by category (budget year)**

Description	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.
<b>Budget Year 2016/17</b>																
<b>Valuation:</b>																
No. of properties	37 302	-	1 699	238	367	2 176	547	-	-	-	-	-	113	-	-	-
No. of sectional title property values	2 212	-	343	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of unreasonably difficult properties s7(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of supplementary valuations																
Supplementary valuation (Rm)																
No. of valuation roll amendments																
No. of objections by rate-payers																
No. of appeals by rate-payers																
No. of appeals by rate-payers finalised																
No. of successful objections																
No. of successful objections > 10%																
Estimated no. of properties not valued																
Years since last valuation (select)	<1	<1	<1	<1	<1	<1	<1	<1	<1	<1	<1	<1	<1	<1	<1	<1
Frequency of valuation (select)	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Method of valuation used (select)	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market
Base of valuation (select)	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.
Phasing-in properties s21 (number)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Combination of rating types used? (Y/N)	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Flat rate used? (Y/N)	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
Is balance rated by uniform rate/variable rate?	VARIABLE	VARIABLE	VARIABLE	VARIABLE	VARIABLE	VARIABLE	VARIABLE	VARIABLE	VARIABLE	VARIABLE	VARIABLE	VARIABLE	VARIABLE	VARIABLE	VARIABLE	VARIABLE
<b>Valuation reductions:</b>																
Valuation reductions-public infrastructure (Rm)	-	-	-	-	-	-	98	-	-	-	-	-	-	-	-	-
Valuation reductions-nature reserves/park (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	283	-	-	-
Valuation reductions-mineral rights (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-R15,000 threshold (Rm)	444	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-public worship (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	151	-
Valuation reductions-other (Rm)	1 947	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total valuation reductions:</b>																
Total value used for rating (Rm)	37 874	-	3 485	520	426	-	-	-	-	-	-	-	-	-	-	-
Total land value (Rm)	16 123	-	151	390	265	556	83	-	-	-	-	-	165	-	-	-
Total value of improvements (Rm)	18 581	-	231	147	211	182	8	-	-	-	-	-	77	-	-	-
Total market value (Rm)	<b>34 704</b>	-	<b>382</b>	<b>537</b>	<b>476</b>	<b>738</b>	<b>91</b>	-	-	-	-	-	<b>242</b>	-	-	-
<b>Rating:</b>																
Average rate	0.004740		0.007180	0.001185	0.007180				0.004740	0.007180						
Rate revenue budget (R '000)	114 755		20 000	264	22 326											
Rate revenue expected to collect (R'000)	114 755		20 000	264	22 326											
Expected cash collection rate (%)	100.0%		100.0%	100.0%	100.0%											
Special rating areas (R'000)																
Rebates, exemptions - indigent (R'000)																
Rebates, exemptions - pensioners (R'000)	561															
Rebates, exemptions - bona fide farm. (R'000)				110												
Rebates, exemptions - other (R'000)				5 421												
Phase-in reductions/discounts (R'000)																
<b>Total rebates,exemptns,eductns,discs (R'000)</b>																

**Table 68 MBRR SA13a – Service tariffs by category**

Description	Provide description of tariff structure where appropriate	2012/13	2013/14	2014/15	Current Year 2015/16	2016/17 Medium Term Revenue & Expenditure Framework		
						Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Property rates (rate in the Rand)</b>								
Residential properties		0.0036	0.0036	0.0041	0.0044	0.0047	0.0050	0.0053
Residential properties - vacant land			0.0057	0.0057	0.0061	0.0065	0.0069	0.0073
Formal/informal settlements								
Small holdings								
Farm properties - used		0.0009	0.0009	0.0010	0.0011	0.0012	0.0013	0.0013
Farm properties - not used								
Industrial properties								
Business and commercial properties		0.0055	0.0055	0.0063	0.0067	0.0072	0.0076	0.0081
Communal land - residential								
Communal land - small holdings								
Communal land - farm property								
Communal land - business and commercial								
Communal land - other								
State-owned properties								
Municipal properties								
Public service infrastructure								
Privately owned towns serviced by the owner								
State trust land								
Restitution and redistribution properties								
Protected areas								
National monuments properties								
<b>Exemptions, reductions and rebates (Rands)</b>								
<b>Residential properties</b>								
R15 000 threshold rebate		15 000	15 000			15 000	15 000	15 000
General residential rebate		15 000	15 000	15 000	15 000	15 000	15 000	15 000
Indigent rebate or exemption		100 000	100 000	100 000	220 000	220 000	220 000	220 000
Pensioners/social grants rebate or exemption		100 000	100 000	100 000	220 000	220 000	220 000	220 000
Temporary relief rebate or exemption		30-100%	30-100%	30-100%	40-100%	40-100%	40-100%	40-100%
Bona fide farmers rebate or exemption								
<b>Other rebates or exemptions</b>		75%	75%	75%	75%	75%	75%	75%
<b>Water tariffs</b>								
<b>Domestic</b>								
Basic charge/fix fee (Rands/month)		93	96	102	102	115	122	129
Service point - vacant land (Rands/month)		93	96	102	102	115	122	129
Water usage - flat rate tariff (c/kl)	0 - 6 kl		307	325	325	404	428	454
Water usage - life line tariff	7 - 18 kl	-	811	860	1 005	966	1 024	1 085
Water usage - Block 1 (c/kl)	19 - 30 kl	746	1 316	1 395	1 631	1 567	1 661	1 761
Water usage - Block 2 (c/kl)	31 - 45 kl	1 200	2 026	2 148	2 512	2 413	2 558	2 711
Water usage - Block 3 (c/kl)	46 - 60 kl	1 860	2 632	2 790	3 263	3 134	3 322	3 521
Water usage - Block 4 (c/kl)	> 60 kl	2 518	3 509	3 720	4 351	4 179	4 430	4 696
<b>Other</b>								
<b>Waste water tariffs</b>								
<b>Domestic</b>								
Basic charge/fix fee (Rands/month)		81	86	91	91	102	109	115
Service point - vacant land (Rands/month)		123	130	110	109	123	131	138
Waste water - flat rate tariff (c/kl)		877	965	1 026	1 026	1 153	1 222	1 296
Volumetric charge - Block 1 (c/kl)	Basic charge pumps	54	58	61	61	69	73	78
Volumetric charge - Block 2 (c/kl)	Service per pump	373	396	419	419	471	499	529
Volumetric charge - Block 3 (c/kl)	(fill in structure)							
Volumetric charge - Block 4 (c/kl)	(fill in structure)							
<b>Other</b>								
<b>Electricity tariffs</b>								
<b>Domestic</b>								
Basic charge/fix fee (Rands/month)	Basic charge monthly	158	193	205	204	255	270	286
Service point - vacant land (Rands/month)	Basic charge vacant	158	193	205	204	255	270	286
FBE	(how is this targeted?)							
Life-line tariff - meter	(describe structure)							
Life-line tariff - prepaid	(describe structure)	795	795	879	886	996	1 056	1 119
Flat rate tariff - meter (c/kwh)								
Flat rate tariff - prepaid(c/kwh)								
Meter - IBT Block 1 (c/kwh)	Credit Meter							
Meter - IBT Block 2 (c/kwh)	0 - 350 kWh	86.1	86.1	95.9	95.9	108.7	115.3	122.2
Meter - IBT Block 3 (c/kwh)	351 - 600 kWh	113.3	119.0	130.0	130.0	157.0	166.4	176.4
Meter - IBT Block 4 (c/kwh)	> 600 kWh	132.8	143.5	156.7	156.7	189.3	200.6	212.6
Meter - IBT Block 5 (c/kwh)	Prepaid Meter							
Prepaid - IBT Block 1 (c/kwh)	0 - 350 kWh	79.5	79.5	88.6	88.6	100.5	106.5	112.9
Prepaid - IBT Block 2 (c/kwh)	351 - 600 kWh	106.8	112.1	122.5	122.5	148.0	156.8	166.2
Prepaid - IBT Block 3 (c/kwh)	> 600 kWh	127.7	137.9	150.6	150.6	181.9	192.8	204.4
Prepaid - IBT Block 4 (c/kwh)	(fill in thresholds)							
Prepaid - IBT Block 5 (c/kwh)	(fill in thresholds)							
<b>Other</b>								
<b>Waste management tariffs</b>								
<b>Domestic</b>								
Street cleaning charge								
Basic charge/fix fee		113	123	130	130	146	155	164
80l bin - once a week								
250l bin - once a week		113	123	130	130	146	155	164

**Table 69 MBRR SA13b – Service tariffs by category (explanatory)**

Description	Provide description of tariff structure where appropriate	2012/13	2013/14	2014/15	Current Year 2015/16	2016/17 Medium Term Revenue & Expenditure Framework		
						Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Exemptions, reductions and</b>								
<i>[Insert lines as applicable]</i>	PENSIONERS	319 487	352 838	400 910	434 853	560 885	594 538	630 210
	BONA FIDE FARMS	1 652 839	69 328	78 773	85 442	110 206	116 818	123 827
	OTHER	3 707 751	3 410 396	3 875 041	4 203 123	5 421 300	5 746 578	6 091 372
<b>Water tariffs</b>								
<i>[Insert blocks as applicable]</i>	Basic charge (R)	93	96	102	102	115	122	129
	Basic charge (R)	93	96	102	102	115	122	129
	0 - 6 kl	-	307	325	325	404	428	454
<i>c/kl</i>	7 - 18 kl	746	811	860	1 005	966	1 024	1 085
<i>c/kl</i>	19 - 30 kl	1 200	1 316	1 395	1 631	1 567	1 661	1 761
<i>c/kl</i>	31 - 45 kl	1 860	2 026	2 148	2 512	2 413	2 558	2 711
<i>c/kl</i>	46 - 60 kl	1 860	2 632	2 790	3 263	3 134	3 322	3 521
<i>c/kl</i>	> 60 kl	2 518	3 509	3 720	4 351	4 179	4 430	4 696
	(fill in thresholds)							
	(fill in thresholds)							
<b>Waste water tariffs</b>								
<i>[Insert blocks as applicable]</i>	Basic charge (R)	80	86	91	91	102	109	115
	Basic charge (R)	122	130	110	109	123	131	138
	Tariff per kl (c/kl)	877	865	1 026	1 026	1 153	1 222	1 296
	Basic charge - pumps (R)	54	58	61	61	69	73	78
	Service per pump (R)	372	396	419	419	471	499	529
	(fill in structure)							
	(fill in structure)							
<b>Electricity tariffs</b>								
<i>[Insert blocks as applicable]</i>	Basic charge (R)	158	193	205	204	255	270	286
	Basic - Vacant Land	158	193	206	204	255	270	286
	Flat rate prepaid (c/kWh)	795	795	879	886	996	1 056	1 119
	Credit Meter							
<i>(c/kWh)</i>	0 - 350 kWh	86.1	86.1	95.9	95.9	108.7	115.3	122.2
<i>(c/kWh)</i>	351 - 600 kWh	113.3	119.0	130.0	130.0	157.0	166.4	176.4
<i>(c/kWh)</i>	> 600 kWh	132.8	143.5	156.7	156.7	189.3	200.6	212.6
	Prepaid							
<i>(c/kWh)</i>	0 - 350 kWh	79.5	79.5	88.6	88.6	100.5	106.5	112.9
<i>(c/kWh)</i>	351 - 600 kWh	106.8	112.1	122.5	122.5	148.0	156.8	166.2
<i>(c/kWh)</i>	> 600 kWh	127.7	137.9	150.6	150.6	181.9	192.8	204.4
	(fill in thresholds)							

**Table 70 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
Outsourcing of sub function solid waste : Overstrand	Mths	107	Outsourcing of sub function solid waste	30 October 2022	126 345
Outsourcing of sub function solid waste : Overstrand	Mths	96	Outsourcing of sub function solid waste	01 May 2017	18 651
Outsourcing of sub function water and waste water	Yrs	15	Outsourcing of sub function water and waste water	31 October 2030	689 937
Note: Overstrand make use of contractual agreements to support the implementation of core function, but the definition of outsourcing do not apply to the other contracts entered into, due to ownership that is kept within the organisation					

**Table 71 MBRR SA33 – Contracts having future budgetary implications**

Description  R thousand	Preceding Years	Current Year 2015/16	2016/17 Medium Term Revenue & Expenditure Framework			Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Total Contract Value
	Total	Original Budget	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
<b>Parent Municipality:</b>													
<b><u>Revenue Obligation By Contract</u></b>													
Contract 1: SC1127/2011 Leasing for the operation of illuminated street signs in the Overstrand Municipality area. Term of contract 01/07/ 2012 until 31/05/2022		204	214	224	236	247	260	273					1 657
Contract 2													-
Contract 3 etc													-
<b>Total Operating Revenue Implication</b>	-	204	214	224	236	247	260	273	-	-	-	-	1 657
<b><u>Expenditure Obligation By Contract</u></b>													
Contract 1: SC867B/2010 Operation of the mechanised material recovery facility at the Hermanus solid waste transfer station. Term of contract 01/12/2013 until 30/10/ 2022		1 216	1 309	1 409	1 519	1 639	1 770	1 912					10 774
Contract 2: SC878/2010 Operation of the Gansbaai landfill and public drop offs in greater Gansbaai and Stanford. Term of contract 01/05/2010 until 01/05/2017		2 949	3 323	3 697									9 969
Contract 3: Water and waste water treatment operations management contract		37 034	46 190	48 822	52 207	55 842	59 747	63 943	73 305	78 523	84 139	90 185	689 937
<b>Total Operating Expenditure Implication</b>	-	41 199	50 821	53 928	53 726	57 481	61 517	65 855	73 305	78 523	84 139	90 185	710 680
<b><u>Capital Expenditure Obligation By Contract</u></b>													
Contract 1													-
Contract 2													-
Contract 3 etc													-
<b>Total Capital Expenditure Implication</b>	-	-	-	-	-	-	-	-	-	-	-	-	-

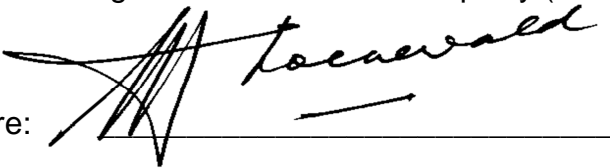


## 2.15 Municipal manager's quality certificate

I, CC Groenewald, municipal manager of Overstrand Municipality, hereby certify that the draft annual budget for the 2016/2017 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 draft annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name: CC Groenewald

Municipal manager of Overstrand Municipality (WC032)

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

Date: 29 March 2016

# **ANNEXURE A**

## **DRAFT BUDGET SCHEDULES 1-10**

# SCHEDULE 1

## WC032 Overstrand - Schedule 1 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>Revenue by Vote</b>									
Vote 1 - Council	38 353	42 274	52 212	64 808	64 808	64 808	73 182	83 276	91 694
Vote 2 - Municipal Manager	–	–	–	–	–	–	–	–	–
Vote 3 - Management Services	1 476	1 286	1 692	991	1 849	1 849	1	1	1
Vote 4 - Finance	137 728	150 786	172 800	180 339	183 766	183 766	200 953	213 109	225 908
Vote 5 - Community Services	253 932	276 626	270 483	272 957	276 775	276 775	290 065	306 364	324 475
Vote 6 - Local Economic Development	3 750	6 431	3 389	3 091	3 091	3 091	3 352	1 516	1 607
Vote 7 - Infrastructure & Planning	307 588	281 304	329 646	399 527	404 289	404 289	429 676	438 374	468 427
Vote 8 - Protection Services	20 142	28 300	31 198	37 676	37 676	37 676	37 988	38 420	38 877
<b>Total Revenue by Vote</b>	<b>762 969</b>	<b>787 007</b>	<b>861 419</b>	<b>959 389</b>	<b>972 254</b>	<b>972 254</b>	<b>1 035 217</b>	<b>1 081 060</b>	<b>1 150 989</b>
<b>Expenditure by Vote to be appropriated</b>									
Vote 1 - Council	64 385	68 239	73 581	71 496	84 733	84 733	91 748	96 140	102 598
Vote 2 - Municipal Manager	3 243	1 295	3 903	4 489	4 489	4 489	4 722	4 978	5 247
Vote 3 - Management Services	30 890	5 492	36 148	43 327	41 916	41 916	46 490	48 974	51 802
Vote 4 - Finance	51 399	23 830	59 094	69 750	70 482	70 482	69 180	73 115	77 153
Vote 5 - Community Services	296 939	394 516	330 928	341 492	332 291	332 291	347 048	358 613	375 553
Vote 6 - Local Economic Development	7 722	9 945	10 226	8 731	9 531	9 531	10 795	7 433	7 672
Vote 7 - Infrastructure & Planning	254 841	271 782	344 447	355 793	372 676	372 676	430 346	418 971	448 962
Vote 8 - Protection Services	42 651	56 923	52 938	69 453	71 285	71 285	74 657	76 951	79 864
<b>Total Expenditure by Vote</b>	<b>752 070</b>	<b>832 022</b>	<b>911 264</b>	<b>964 529</b>	<b>987 403</b>	<b>987 403</b>	<b>1 074 984</b>	<b>1 085 176</b>	<b>1 148 851</b>
<b>Surplus/(Deficit) for the year</b>	<b>10 899</b>	<b>(45 015)</b>	<b>(49 845)</b>	<b>(5 140)</b>	<b>(15 149)</b>	<b>(15 149)</b>	<b>(39 767)</b>	<b>(4 116)</b>	<b>2 138</b>

## SCHEDULE 2

### WC032 Overstrand - Schedule 2 - Budgeted Financial Performance (revenue by source and expenditure by type)

R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Revenue By Source</b>									
Property rates	120 799	134 813	152 870	162 730	162 730	162 730	180 591	191 427	202 913
Property rates - penalties & collection charges	772	821	747	891	891	891	848	899	953
Service charges - electricity revenue	247 663	268 362	286 571	338 877	336 877	336 877	357 681	379 142	401 891
Service charges - water revenue	85 243	95 136	108 391	102 045	105 045	105 045	111 544	118 237	125 331
Service charges - sanitation revenue	56 895	62 798	68 661	66 375	67 375	67 375	72 318	76 657	81 257
Service charges - refuse revenue	46 637	52 957	56 770	59 488	59 488	59 488	65 510	69 441	73 607
Service charges - other									
Rental of facilities and equipment	7 212	7 591	9 155	11 859	11 983	11 983	3 146	3 335	3 535
Interest earned - external investments	7 555	6 352	8 144	6 348	8 973	8 973	12 071	12 795	13 563
Interest earned - outstanding debtors	2 199	2 118	2 279	2 437	2 437	2 437	2 756	2 921	3 097
Dividends received									
Fines	14 244	22 739	25 389	31 859	31 859	31 859	31 143	31 164	31 187
Licences and permits	1 968	1 956	1 972	2 190	2 190	2 190	2 330	2 470	2 618
Agency services	2 025	2 395	2 766	2 970	2 970	2 970	3 220	3 413	3 618
Transfers recognised - operational	41 680	67 835	60 473	90 324	101 234	101 234	128 252	100 430	113 519
Other revenue	68 978	10 504	20 463	16 643	16 701	16 701	23 702	25 124	26 631
Gains on disposal of PPE									
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>703 871</b>	<b>736 376</b>	<b>804 650</b>	<b>895 035</b>	<b>910 752</b>	<b>910 752</b>	<b>995 114</b>	<b>1 017 455</b>	<b>1 083 718</b>
<b>Expenditure By Type</b>									
Employee related costs	231 642	260 645	267 019	291 593	292 827	292 827	314 204	322 023	339 129
Remuneration of councillors	7 084	7 933	8 104	8 674	8 674	8 674	9 110	9 620	10 161
Debt impairment	6 688	12 526	10 846	22 792	22 792	22 792	23 888	23 974	24 048
Depreciation & asset impairment	104 408	99 361	106 445	111 362	111 362	111 362	117 690	124 752	132 237
Finance charges	37 331	39 927	43 447	46 895	46 895	46 895	46 421	46 952	45 449
Bulk purchases	145 022	157 055	167 660	193 573	191 573	191 573	210 763	227 329	245 197
Other materials	12 441	13 595	16 659	57 801	59 186	59 186	76 687	41 285	46 605
Contracted services	67 697	72 754	85 327	125 322	119 897	119 897	158 718	164 936	174 154
Transfers and grants	35 856	38 749	48 659	48 497	49 448	49 448	57 479	60 808	64 336
Other expenditure	102 146	117 460	157 098	58 021	84 750	84 750	60 024	63 497	67 536
Loss on disposal of PPE	1 756	12 017							
<b>Total Expenditure</b>	<b>752 070</b>	<b>832 022</b>	<b>911 264</b>	<b>964 529</b>	<b>987 403</b>	<b>987 403</b>	<b>1 074 984</b>	<b>1 085 176</b>	<b>1 148 851</b>
<b>Surplus/(Deficit)</b>	<b>(48 199)</b>	<b>(95 646)</b>	<b>(106 615)</b>	<b>(69 494)</b>	<b>(76 651)</b>	<b>(76 651)</b>	<b>(79 870)</b>	<b>(67 720)</b>	<b>(65 133)</b>
Transfers recognised - capital	53 809	38 090	55 498	63 354	60 502	60 502	40 103	63 604	67 271
Contributions recognised - capital	5 289	7 871	1 272	1 000	1 000	1 000	-	-	-
Contributed assets		4 671							
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>10 899</b>	<b>(45 015)</b>	<b>(49 845)</b>	<b>(5 140)</b>	<b>(15 149)</b>	<b>(15 149)</b>	<b>(39 767)</b>	<b>(4 116)</b>	<b>2 138</b>
Taxation									
<b>Surplus/(Deficit) after taxation</b>	<b>10 899</b>	<b>(45 015)</b>	<b>(49 845)</b>	<b>(5 140)</b>	<b>(15 149)</b>	<b>(15 149)</b>	<b>(39 767)</b>	<b>(4 116)</b>	<b>2 138</b>
Attributable to minorities									
<b>Surplus/(Deficit) attributable to municipality</b>	<b>10 899</b>	<b>(45 015)</b>	<b>(49 845)</b>	<b>(5 140)</b>	<b>(15 149)</b>	<b>(15 149)</b>	<b>(39 767)</b>	<b>(4 116)</b>	<b>2 138</b>
Share of surplus/ (deficit) of associate									
<b>Surplus/(Deficit) for the year</b>	<b>10 899</b>	<b>(45 015)</b>	<b>(49 845)</b>	<b>(5 140)</b>	<b>(15 149)</b>	<b>(15 149)</b>	<b>(39 767)</b>	<b>(4 116)</b>	<b>2 138</b>

# SCHEDULE 3

## WC032 Overstrand - Schedule 3 - Capital Expenditure Budget by standard classification (municipal vote) and funding

Vote Description  R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Capital Expenditure - Standard</b>									
<i>Governance and administration</i>	7 154	21 308	10 561	2 648	4 213	4 213	2 040 46	–	–
Executive and council									
Budget and treasury office									
Corporate services	7 154	21 308	10 561	2 648	4 213	4 213	1 994		
<i>Community and public safety</i>	7 268	19 582	39 184	39 768	34 902	34 902	18 858	47 089	42 340
Community and social services	4 666	3 482	5 258	3 520	3 220	3 220	2 995	4 500	1 500
Sport and recreation	2 601	5 696	1 565	5 981	5 066	5 066	2 530	5 435	3 100
Public safety	–			295	295	295	310		
Housing	–	10 404	32 361	29 973	26 321	26 321	13 023	37 154	37 740
Health									
<i>Economic and environmental services</i>	25 552	16 051	6 300	12 128	13 229	13 229	12 098	6 859	13 605
Planning and development	945			25	25	25	133		
Road transport	24 607	16 051	6 300	12 103	13 204	13 204	11 965	6 859	13 605
Environmental protection									
<i>Trading services</i>	103 790	73 989	52 444	49 370	50 784	50 784	42 997	39 656	51 326
Electricity	26 768	37 115	13 682	21 726	22 891	22 891	15 108	14 000	20 500
Water	50 766	23 631	16 275	16 390	16 390	16 390	12 430	12 800	16 826
Waste water management	20 728	10 202	13 221	11 244	11 487	11 487	15 430	12 856	14 000
Waste management	5 528	3 041	9 267	10	15	15	30		
<i>Other</i>									
<b>Total Capital Expenditure - Standard</b>	<b>143 764</b>	<b>130 930</b>	<b>108 490</b>	<b>103 914</b>	<b>103 127</b>	<b>103 127</b>	<b>75 993</b>	<b>93 604</b>	<b>107 271</b>
<b>Funded by:</b>									
National Government	36 911	6 339	22 884	30 347	30 347	30 347	26 030	26 450	29 531
Provincial Government	16 898	31 751	31 850	33 007	30 155	30 155	14 073	37 154	37 740
District Municipality					–	–			
Other transfers and grants			1 000	1 000	1 000	1 000			
<b>Transfers recognised - capital</b>	<b>53 809</b>	<b>38 090</b>	<b>55 734</b>	<b>64 354</b>	<b>61 502</b>	<b>61 502</b>	<b>40 103</b>	<b>63 604</b>	<b>67 271</b>
<b>Public contributions &amp; donations</b>	<b>5 067</b>	<b>7 985</b>	<b>607</b>	<b>462</b>	<b>462</b>	<b>462</b>			
<b>Borrowing</b>	<b>67 544</b>	<b>70 634</b>	<b>39 012</b>	<b>32 346</b>	<b>33 419</b>	<b>33 419</b>	<b>30 000</b>	<b>30 000</b>	<b>40 000</b>
<b>Internally generated funds</b>	<b>17 345</b>	<b>14 222</b>	<b>13 138</b>	<b>6 753</b>	<b>7 745</b>	<b>7 745</b>	<b>5 890</b>		
<b>Total Capital Funding</b>	<b>143 764</b>	<b>130 930</b>	<b>108 490</b>	<b>103 914</b>	<b>103 127</b>	<b>103 127</b>	<b>75 993</b>	<b>93 604</b>	<b>107 271</b>

# SCHEDULE 4

## WC032 Overstrand - Schedule 4 - Budgeted Financial Position

	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>ASSETS</b>									
<b>Current assets</b>									
Cash	29 106	13 119	78 935	97 547	100 467	100 467	109 718	130 516	162 093
Call investment deposits	55 042	50 039	26 051	–	–	–	–	–	–
Consumer debtors	49 025	47 451	52 850	51 774	51 774	51 774	66 944	70 804	74 893
Other debtors	52 222	51 704	56 167	44 112	40 197	40 197	44 217	53 060	58 366
Current portion of long-term receivables	17	15	15	13	13	13	11	10	10
Inventory	20 257	13 137	10 426	14 483	14 483	14 483	13 663	14 483	15 352
<b>Total current assets</b>	<b>205 668</b>	<b>175 465</b>	<b>224 444</b>	<b>207 929</b>	<b>206 935</b>	<b>206 935</b>	<b>234 553</b>	<b>268 874</b>	<b>310 714</b>
<b>Non current assets</b>									
Long-term receivables	84	68	53	41	41	41	30	20	10
Investments	11 597	16 965	23 149	28 455	28 455	28 455	35 328	41 727	48 267
Investment property	175 866	164 501	159 761	164 501	164 501	164 501	159 761	159 761	159 761
Investment in Associate					–	–			
Property, plant and equipment	3 097 120	3 111 056	3 117 725	3 122 147	3 119 795	3 119 795	3 072 366	3 042 479	3 018 851
Agricultural					–	–			
Biological					–	–			
Intangible	4 449	5 220	4 762	5 368	5 368	5 368	4 179	2 918	1 581
Other non-current assets	1 025	4 301			–	–			
<b>Total non current assets</b>	<b>3 290 140</b>	<b>3 302 111</b>	<b>3 305 450</b>	<b>3 320 511</b>	<b>3 318 160</b>	<b>3 318 160</b>	<b>3 271 663</b>	<b>3 246 904</b>	<b>3 228 470</b>
<b>TOTAL ASSETS</b>	<b>3 495 808</b>	<b>3 477 576</b>	<b>3 529 894</b>	<b>3 528 441</b>	<b>3 525 094</b>	<b>3 525 094</b>	<b>3 506 216</b>	<b>3 515 778</b>	<b>3 539 184</b>
<b>LIABILITIES</b>									
<b>Current liabilities</b>									
Bank overdraft									
Borrowing	18 241	20 443	23 620	28 113	28 113	28 113	29 378	32 831	36 912
Consumer deposits	34 932	37 751	41 743	43 801	43 801	43 801	46 429	48 750	51 188
Trade and other payables	79 489	64 943	65 836	74 229	74 229	74 229	81 244	77 375	73 691
Provisions	27 670	25 663	23 939	28 317	25 422	25 422	26 930	28 529	30 224
<b>Total current liabilities</b>	<b>160 331</b>	<b>148 801</b>	<b>155 138</b>	<b>174 459</b>	<b>171 564</b>	<b>171 564</b>	<b>183 981</b>	<b>187 486</b>	<b>192 014</b>
<b>Non current liabilities</b>									
Borrowing	364 632	392 444	408 964	415 999	415 999	415 999	412 288	409 060	411 596
Provisions	119 319	128 527	193 227	201 669	211 226	211 226	223 827	237 184	251 343
<b>Total non current liabilities</b>	<b>483 951</b>	<b>520 970</b>	<b>602 191</b>	<b>617 668</b>	<b>627 225</b>	<b>627 225</b>	<b>636 115</b>	<b>646 245</b>	<b>662 939</b>
<b>TOTAL LIABILITIES</b>	<b>644 282</b>	<b>669 772</b>	<b>757 329</b>	<b>792 127</b>	<b>798 789</b>	<b>798 789</b>	<b>820 097</b>	<b>833 731</b>	<b>854 954</b>
<b>NET ASSETS</b>	<b>2 851 526</b>	<b>2 807 805</b>	<b>2 772 565</b>	<b>2 736 314</b>	<b>2 726 305</b>	<b>2 726 305</b>	<b>2 686 119</b>	<b>2 682 047</b>	<b>2 684 231</b>
<b>COMMUNITY WEALTH/EQUITY</b>									
Accumulated Surplus/(Deficit)	2 849 634	2 805 240	2 769 994	2 733 677	2 723 668	2 723 668	2 683 901	2 679 785	2 681 923
Reserves	1 891	2 565	2 571	2 637	2 637	2 637	2 218	2 263	2 308
Minorities' interests									
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2 851 526</b>	<b>2 807 805</b>	<b>2 772 565</b>	<b>2 736 314</b>	<b>2 726 305</b>	<b>2 726 305</b>	<b>2 686 119</b>	<b>2 682 047</b>	<b>2 684 231</b>

# SCHEDULE 5

## WC032 Overstrand - Schedule 5 - Budgeted Cash Flows

R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates, penalties & collection charges	120 273	135 875	152 186	163 800	163 800	163 800	177 971	191 444	202 932
Service charges	437 061	483 167	517 192	567 409	569 410	569 410	595 413	640 514	678 947
Other revenue	41 689	63 976	59 478	76 884	80 982	80 982	59 043	56 692	62 312
Government - operating	44 140	63 477	59 124	90 324	101 234	101 234	128 252	100 430	113 519
Government - capital	54 577	38 090	55 498	64 354	61 502	61 502	40 103	63 604	67 271
<b>Interest</b>	9 754	8 470	10 423	8 784	11 409	11 409	14 827	15 716	16 659
Dividends							-	-	-
Payments									
Suppliers and employees	(558 519)	(637 833)	(642 330)	(765 303)	(794 565)	(794 565)	(825 391)	(842 397)	(895 529)
Finance charges	(37 199)	(39 858)	(43 433)	(46 895)	(46 895)	(46 895)	(46 421)	(46 952)	(45 449)
Transfers and Grants	(35 856)	(38 749)	(48 659)	(48 497)	(49 448)	(49 448)	(57 479)	(60 808)	(64 336)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>75 920</b>	<b>76 616</b>	<b>119 478</b>	<b>110 861</b>	<b>97 429</b>	<b>97 429</b>	<b>86 318</b>	<b>118 244</b>	<b>136 325</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	1 725	5 073	14 548	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	45	18	15	18	18	18	13	11	10
Decrease (increase) in non-current investments	(4 960)	(4 529)	(4 980)	(6 248)	(6 248)	(6 248)	(6 873)	(6 399)	(6 541)
<b>Payments</b>									
Capital assets	(143 764)	(130 930)	(110 898)	(103 914)	(103 127)	(103 127)	(75 993)	(93 604)	(107 271)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(146 955)</b>	<b>(130 368)</b>	<b>(101 315)</b>	<b>(110 144)</b>	<b>(109 357)</b>	<b>(109 357)</b>	<b>(82 854)</b>	<b>(99 993)</b>	<b>(113 802)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans	(389)	(730)	64	(1 135)	(1 135)	(1 135)	-	-	-
Borrowing long term/refinancing	38 700	51 300	40 000	30 000	30 000	30 000	30 000	30 000	40 000
Increase (decrease) in consumer deposits	3 726	2 819	3 983	2 479	2 479	2 479	2 628	2 321	2 438
<b>Payments</b>									
Repayment of borrowing	(13 554)	(20 626)	(20 381)	(23 936)	(23 936)	(23 936)	(26 841)	(29 775)	(33 384)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>28 482</b>	<b>32 764</b>	<b>23 666</b>	<b>7 409</b>	<b>7 409</b>	<b>7 409</b>	<b>5 787</b>	<b>2 547</b>	<b>9 054</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(42 552)</b>	<b>(20 989)</b>	<b>41 828</b>	<b>8 126</b>	<b>(4 520)</b>	<b>(4 520)</b>	<b>9 251</b>	<b>20 798</b>	<b>31 577</b>
Cash/cash equivalents at the year begin:	126 699	84 147	63 158	89 421	104 987	104 987	100 467	109 718	130 516
Cash/cash equivalents at the year end:	84 147	63 158	104 987	97 547	100 467	100 467	109 718	130 516	162 093

## SCHEDULE 6

### WC032 Overstrand - Schedule 6 - Cash backed reserves/accumulated surplus reconciliation

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b><u>Cash and investments available</u></b>									
Cash/cash equivalents at the year end	84 147	63 158	104 987	97 547	100 467	100 467	109 718	130 516	162 093
Other current investments > 90 days	–	0	–	0	0	0	–	–	–
Non current assets - Investments	11 597	16 965	23 149	28 455	28 455	28 455	35 328	41 727	48 267
<b>Cash and investments available:</b>	<b>95 744</b>	<b>80 123</b>	<b>128 136</b>	<b>126 001</b>	<b>128 922</b>	<b>128 922</b>	<b>145 046</b>	<b>172 243</b>	<b>210 361</b>
<b><u>Application of cash and investments</u></b>									
Unspent conditional transfers	7 783	3 425	2 076	–	–	–	–	–	–
Unspent borrowing	6 133	1 847	2 800	–	–	–	–	–	–
Statutory requirements									
Other working capital requirements	(21 016)	(40 826)	(44 247)	(22 868)	(19 352)	(19 352)	(27 038)	(44 375)	(57 844)
Other provisions									
Long term investments committed	11 597	16 965	23 149	28 455	28 455	28 455	35 328	41 727	48 267
Reserves to be backed by cash/investments	1 891	2 565	2 571	2 637	2 637	2 637	2 218	2 263	2 308
<b>Total Application of cash and investments:</b>	<b>6 388</b>	<b>(16 024)</b>	<b>(13 650)</b>	<b>8 224</b>	<b>11 740</b>	<b>11 740</b>	<b>10 508</b>	<b>(385)</b>	<b>(7 269)</b>
<b>Surplus(shortfall)</b>	<b>89 356</b>	<b>96 147</b>	<b>141 786</b>	<b>117 777</b>	<b>117 182</b>	<b>117 182</b>	<b>134 538</b>	<b>172 628</b>	<b>217 630</b>



# SCHEDULE 7

## WC032 Overstrand - Schedule 7 - Asset Management

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>CAPITAL EXPENDITURE</b>									
<b>Total New Assets</b>	<b>139 617</b>	<b>83 899</b>	<b>75 763</b>	<b>83 156</b>	<b>83 635</b>	<b>83 635</b>	<b>37 453</b>	<b>65 205</b>	<b>67 946</b>
Infrastructure - Road transport	15 578	9 203	1 320	14 979	16 331	16 331	1 840	-	-
Infrastructure - Electricity	22 203	24 160	13 041	21 726	22 891	22 891	15 108	14 000	20 500
Infrastructure - Water	48 634	7 300	470	4 737	4 737	4 737	2 930	6 000	4 300
Infrastructure - Sanitation	16 478	8 449	8 892	3 420	3 413	3 413	5 500	10 160	8 500
Infrastructure - Other	5 359	1 400	9 198	10	15	15	30	-	-
Infrastructure	108 252	50 511	32 922	44 873	47 388	47 388	25 407	30 160	33 300
Community	20 997	13 896	32 280	35 611	32 009	32 009	9 872	35 045	34 646
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	795	-	-	-	-	-	-	-
Other assets	9 038	18 697	10 561	2 673	4 238	4 238	2 173	-	-
Intangibles	1 330	-	-	-	-	-	-	-	-
<b>Total Renewal of Existing Assets</b>	<b>4 147</b>	<b>47 032</b>	<b>32 727</b>	<b>20 758</b>	<b>19 493</b>	<b>19 493</b>	<b>38 541</b>	<b>28 399</b>	<b>39 325</b>
Infrastructure - Road transport	131	6 892	6 300	-	-	-	11 855	8 274	14 605
Infrastructure - Electricity	-	12 955	3 100	-	-	-	-	-	-
Infrastructure - Water	-	16 331	15 805	11 653	11 653	11 653	9 500	6 800	12 526
Infrastructure - Sanitation	-	1 711	3 179	4 947	4 947	4 947	8 200	1 281	4 500
Infrastructure - Other	-	1 641	-	-	-	-	-	-	-
Infrastructure	131	39 529	28 384	16 600	16 600	16 600	29 555	16 355	31 631
Community	756	5 686	4 343	4 158	2 893	2 893	8 986	12 044	7 694
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	3 260	1 817	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>									
Infrastructure - Road transport	15 709	16 094	7 621	14 979	16 331	16 331	13 695	8 274	14 605
Infrastructure - Electricity	22 203	37 115	16 142	21 726	22 891	22 891	15 108	14 000	20 500
Infrastructure - Water	48 634	23 631	16 275	16 390	16 390	16 390	12 430	12 800	16 826
Infrastructure - Sanitation	16 478	10 159	12 071	8 367	8 361	8 361	13 700	11 441	13 000
Infrastructure - Other	5 359	3 041	9 198	10	15	15	30	-	-
Infrastructure	108 383	90 040	61 306	61 473	63 988	63 988	54 962	46 515	64 931
Community	21 753	19 582	36 623	39 768	34 902	34 902	18 858	47 089	42 340
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	795	-	-	-	-	-	-	-
Other assets	12 298	20 513	10 561	2 673	4 238	4 238	2 173	-	-
Intangibles	1 330	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	<b>143 764</b>	<b>130 930</b>	<b>108 489</b>	<b>103 914</b>	<b>103 127</b>	<b>103 127</b>	<b>75 993</b>	<b>93 604</b>	<b>107 271</b>
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>									
Infrastructure - Road transport	947 141	942 269	935 286	925 642	926 994	926 994	906 622	878 784	855 112
Infrastructure - Electricity	609 815	619 999	616 523	620 094	619 694	619 694	613 498	604 916	601 479
Infrastructure - Water	458 648	459 954	461 764	453 842	453 842	453 842	445 155	435 572	428 672
Infrastructure - Sanitation	381 194	377 248	382 354	382 213	382 213	382 213	377 911	370 269	363 042
Infrastructure - Other	39 059	39 501	57 365	59 232	59 237	59 237	54 252	48 935	43 300
Infrastructure	2 435 858	2 438 970	2 453 291	2 441 031	2 441 981	2 441 981	2 397 438	2 338 478	2 291 605
Community	58 783	62 814	64 769	63 654	58 788	58 788	73 840	116 896	154 960
Heritage assets	99 573	99 572	97 573	99 572	99 572	99 572	99 572	99 572	99 572
Investment properties	175 866	164 501	159 761	164 501	164 501	164 501	159 761	159 761	159 761
Other assets	502 906	509 700	502 092	517 890	519 455	519 455	501 516	487 534	472 714
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	4 449	5 220	4 762	5 368	5 368	5 368	4 179	2 918	1 581
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>3 277 435</b>	<b>3 280 777</b>	<b>3 282 248</b>	<b>3 292 016</b>	<b>3 289 664</b>	<b>3 289 664</b>	<b>3 236 305</b>	<b>3 205 158</b>	<b>3 180 192</b>
<b>EXPENDITURE OTHER ITEMS</b>									
<b>Depreciation &amp; asset impairment</b>	<b>104 408</b>	<b>99 361</b>	<b>106 445</b>	<b>111 362</b>	<b>111 362</b>	<b>111 362</b>	<b>117 690</b>	<b>124 752</b>	<b>132 237</b>
<b>Repairs and Maintenance by Asset Class</b>	<b>114 414</b>	<b>150 358</b>	<b>158 026</b>	<b>121 077</b>	<b>121 077</b>	<b>121 077</b>	<b>120 795</b>	<b>123 857</b>	<b>129 068</b>
Infrastructure - Road transport	42 236	63 749	65 726	57 090	57 090	57 090	61 852	63 763	66 471
Infrastructure - Electricity	14 105	20 488	26 276	16 835	16 835	16 835	17 747	18 486	18 826
Infrastructure - Water	21 502	27 931	25 811	22 874	22 874	22 874	16 555	17 280	18 168
Infrastructure - Sanitation	7 708	15 486	16 060	12 159	12 159	12 159	11 672	11 949	12 587
Infrastructure - Other	1 499	1 491	2 136	2 492	2 492	2 492	2 546	2 639	2 735
Infrastructure	87 048	129 145	136 009	111 449	111 449	111 449	110 372	114 116	118 787
Community	5 408	7 349	8 469	4 546	4 546	4 546	4 878	4 918	5 208
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	21 958	13 864	13 548	5 081	5 081	5 081	5 545	4 822	5 072
<b>TOTAL EXPENDITURE OTHER ITEMS</b>	<b>218 821</b>	<b>249 719</b>	<b>264 471</b>	<b>232 439</b>	<b>232 439</b>	<b>232 439</b>	<b>238 486</b>	<b>248 609</b>	<b>261 304</b>
<b>Renewal of Existing Assets as % of total capex</b>	<b>2.9%</b>	<b>35.9%</b>	<b>30.2%</b>	<b>20.0%</b>	<b>18.9%</b>	<b>18.9%</b>	<b>50.7%</b>	<b>30.3%</b>	<b>36.7%</b>
<b>Renewal of Existing Assets as % of deprecn"</b>	<b>4.0%</b>	<b>47.3%</b>	<b>30.7%</b>	<b>18.6%</b>	<b>17.5%</b>	<b>17.5%</b>	<b>32.7%</b>	<b>22.8%</b>	<b>29.7%</b>
<b>R&amp;M as a % of PPE</b>	<b>3.7%</b>	<b>4.8%</b>	<b>5.1%</b>	<b>3.9%</b>	<b>3.9%</b>	<b>3.9%</b>	<b>3.9%</b>	<b>4.1%</b>	<b>4.3%</b>
<b>Renewal and R&amp;M as a % of PPE</b>	<b>4.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>4.0%</b>	<b>4.0%</b>	<b>4.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>

# SCHEDULE 8

## WC032 Overstrand - Schedule 8 - Basic service delivery measurement

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Household service targets</b>									
<b>Water:</b>									
Piped water inside dwelling	27 295	32 032	28 100	29 295	29 295	29 295	32 483	33 457	34 461
Piped water inside yard (but not in dwelling)	—	—	—	—	—	—	—	—	—
Using public tap (at least min.service level)	3 436	3 334	3 350	3 188	3 188	3 188	3 144	3 068	3 010
Other water supply (at least min.service level)	199	155	—	—	—	—	—	—	—
Minimum Service Level and Above sub-total	30 930	35 521	31 450	32 483	32 483	32 483	35 627	36 525	37 471
Using public tap (< min.service level)	—	—	—	—	—	—	—	—	—
Other water supply (< min.service level)	—	—	—	—	—	—	—	—	—
No water supply	—	—	—	—	—	—	—	—	—
Below Minimum Service Level sub-total	—	—	—	—	—	—	—	—	—
<b>Total number of households</b>	<b>30 930</b>	<b>35 521</b>	<b>31 450</b>	<b>32 483</b>	<b>32 483</b>	<b>32 483</b>	<b>35 627</b>	<b>36 525</b>	<b>37 471</b>
<b>Sanitation/sewerage:</b>									
Flush toilet (connected to sewerage)	21 284	21 632	20 030	20 818	20 818	20 818	26 910	27 717	28 548
Flush toilet (with septic tank)	9 646	9 799	11 420	11 665	11 665	11 665	8 717	8 500	8 300
Chemical toilet	—	—	—	—	—	—	—	—	—
Pit toilet (ventilated)	—	—	—	—	—	—	—	—	—
Other toilet provisions (> min.service level)	—	—	—	—	—	—	—	—	—
Minimum Service Level and Above sub-total	30 930	31 431	31 450	32 483	32 483	32 483	35 627	36 217	36 848
Bucket toilet	—	—	—	—	—	—	—	—	—
Other toilet provisions (< min.service level)	—	—	—	—	—	—	—	—	—
No toilet provisions	—	—	—	—	—	—	—	—	—
Below Minimum Service Level sub-total	—	—	—	—	—	—	—	—	—
<b>Total number of households</b>	<b>30 930</b>	<b>31 431</b>	<b>31 450</b>	<b>32 483</b>	<b>32 483</b>	<b>32 483</b>	<b>35 627</b>	<b>36 217</b>	<b>36 848</b>
<b>Energy:</b>									
Electricity (at least min.service level)	7 918	7 136	6 625	6 114	6 114	6 114	5 950	5 800	5 650
Electricity - prepaid (min.service level)	14 080	16 458	18 379	19 240	19 240	19 240	19 750	20 450	20 950
Minimum Service Level and Above sub-total	21 998	23 594	25 004	25 354	25 354	25 354	25 700	26 250	26 600
Electricity (< min.service level)	—	—	—	—	—	—	—	—	—
Electricity - prepaid (< min. service level)	—	—	1 000	—	—	—	—	—	—
Other energy sources	—	—	—	—	—	—	—	—	—
Below Minimum Service Level sub-total	—	—	1 000	—	—	—	—	—	—
<b>Total number of households</b>	<b>21 998</b>	<b>23 594</b>	<b>26 004</b>	<b>25 354</b>	<b>25 354</b>	<b>25 354</b>	<b>25 700</b>	<b>26 250</b>	<b>26 600</b>
<b>Refuse:</b>									
Removed at least once a week	31 739	31 829	32 691	33 094	33 094	33 094	36 238	37 325	38 449
Minimum Service Level and Above sub-total	31 739	31 829	32 691	33 094	33 094	33 094	36 238	37 325	38 449
Removed less frequently than once a week	—	—	—	—	—	—	—	—	—
Using communal refuse dump	—	—	—	—	—	—	—	—	—
Using own refuse dump	—	—	—	—	—	—	—	—	—
Other rubbish disposal	—	—	—	—	—	—	—	—	—
No rubbish disposal	—	—	—	—	—	—	—	—	—
Below Minimum Service Level sub-total	—	—	—	—	—	—	—	—	—
<b>Total number of households</b>	<b>31 739</b>	<b>31 829</b>	<b>32 691</b>	<b>33 094</b>	<b>33 094</b>	<b>33 094</b>	<b>36 238</b>	<b>37 325</b>	<b>38 449</b>
<b>Households receiving Free Basic Service</b>									
Water (6 kilolitres per household per month)	25 406	6 543	6 923	7 297	7 297	7 297	7 400	7 800	8 200
Sanitation (free minimum level service)	—	—	—	—	—	—	—	—	—
Electricity/other energy (50kwh per household per month)	6 423	6 543	6 923	7 297	7 297	7 297	7 400	7 800	8 200
Refuse (removed at least once a week)	—	—	—	—	—	—	—	—	—
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>									
Water (6 kilolitres per indigent household per month)	—	—	1 240	1 320	1 320	1 320	1 637	1 637	1 735
Sanitation (free sanitation service to indigent households)	—	—	—	—	—	—	—	—	—
Electricity/other energy (50kwh per indigent household per month)	—	—	2 822	2 215	2 215	2 215	2 544	2 544	2 697
Refuse (removed once a week for indigent households)	—	—	—	—	—	—	—	—	—
Cost of Free Basic Services provided - Informal Formal Settlements	13	13	14	15	15	15	15	16	16
<b>Total cost of FBS provided</b>	<b>13</b>	<b>13</b>	<b>4 076</b>	<b>3 550</b>	<b>3 550</b>	<b>3 550</b>	<b>4 196</b>	<b>4 197</b>	<b>4 448</b>
<b>Highest level of free service provided per household</b>									
Property rates (R value threshold)	100 000	100 000	100 000	220 000	220 000	220 000	220 000	220 000	220 000
Water (kilolitres per household per month)	6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)	4	4	4	4	4	4	4	4	4
Sanitation (Rand per household per month)	54	58	61	65	65	65	69	73	77
Electricity (kwh per household per month)	50	50	50	50	50	50	50	50	50
Refuse (average litres per week)	210	210	210	210	210	210	210	210	210
<b>Revenue cost of subsidised services provided (R'000)</b>									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	1 824	1 537	1 786	1 863	1 863	1 863	2 047	2 159	2 278
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)	32 278	31 127	36 411	38 126	38 126	38 126	43 167	45 757	48 502
Water (in excess of 6 kilolitres per indigent household per month)	—	—	—	—	—	—	—	—	—
Sanitation (in excess of free sanitation service to indigent households)	—	—	—	—	—	—	—	—	—
Electricity/other energy (in excess of 50 kwh per indigent household)	—	—	—	—	—	—	—	—	—
Refuse (in excess of one removal a week for indigent households)	—	—	—	—	—	—	—	—	—
Municipal Housing - rental rebates	—	—	—	—	—	—	—	—	—
Housing - top structure subsidies	—	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—	—
<b>Total revenue cost of subsidised services provided</b>	<b>34 102</b>	<b>32 664</b>	<b>38 196</b>	<b>39 989</b>	<b>39 989</b>	<b>39 989</b>	<b>45 214</b>	<b>47 916</b>	<b>50 781</b>

# SCHEDULE 9

## WC032 Overstrand - Schedule 9 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>Revenue - Standard</b>									
<i><b>Governance and administration</b></i>	<b>232 385</b>	<b>199 504</b>	<b>236 511</b>	<b>255 994</b>	<b>260 052</b>	<b>260 052</b>	<b>274 984</b>	<b>297 281</b>	<b>318 547</b>
Executive and council	38 355	42 355	52 212	64 861	64 861	64 861	73 269	83 368	91 792
Budget and treasury office	137 728	150 786	172 800	180 339	183 766	183 766	200 953	213 109	225 908
Corporate services	56 303	6 363	11 499	10 795	11 424	11 424	762	803	847
<i><b>Community and public safety</b></i>	<b>50 862</b>	<b>71 418</b>	<b>75 100</b>	<b>101 843</b>	<b>106 745</b>	<b>106 745</b>	<b>117 616</b>	<b>112 616</b>	<b>113 584</b>
Community and social services	2 990	2 574	5 213	4 657	4 757	4 757	11 676	14 703	12 315
Sport and recreation	7 765	11 427	7 939	11 942	10 489	10 489	8 875	12 654	10 752
Public safety	20 142	28 300	31 198	37 676	37 676	37 676	37 988	38 420	38 877
Housing	19 965	29 116	30 750	47 567	53 823	53 823	59 077	46 839	51 640
Health	-	-	-	-	-	-	-	-	-
<i><b>Economic and environmental services</b></i>	<b>18 567</b>	<b>30 962</b>	<b>17 928</b>	<b>20 033</b>	<b>21 639</b>	<b>21 639</b>	<b>22 139</b>	<b>17 168</b>	<b>24 533</b>
Planning and development	7 907	12 853	9 861	9 043	9 549	9 549	11 310	9 951	10 548
Road transport	10 595	17 790	8 048	10 890	11 990	11 990	10 746	7 129	13 891
Environmental protection	65	319	19	101	101	101	83	88	93
<i><b>Trading services</b></i>	<b>461 155</b>	<b>485 124</b>	<b>531 880</b>	<b>581 518</b>	<b>583 818</b>	<b>583 818</b>	<b>620 478</b>	<b>653 995</b>	<b>694 325</b>
Electricity	249 645	270 880	288 745	346 361	344 361	344 361	362 878	383 351	408 112
Water	96 325	96 086	109 581	106 211	109 211	109 211	114 799	121 402	129 044
Waste water management	68 428	65 091	76 694	69 402	70 702	70 702	77 230	79 738	83 495
Waste management	46 758	53 066	56 860	59 544	59 544	59 544	65 570	69 504	73 675
<i><b>Other</b></i>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Revenue - Standard</b>	<b>762 969</b>	<b>787 007</b>	<b>861 419</b>	<b>959 389</b>	<b>972 254</b>	<b>972 254</b>	<b>1 035 217</b>	<b>1 081 060</b>	<b>1 150 989</b>
<b>Expenditure - Standard</b>									
<i><b>Governance and administration</b></i>	<b>205 348</b>	<b>119 512</b>	<b>231 348</b>	<b>237 278</b>	<b>249 929</b>	<b>249 929</b>	<b>262 345</b>	<b>273 948</b>	<b>290 221</b>
Executive and council	67 621	71 355	92 928	92 565	106 242	106 242	114 585	118 197	125 860
Budget and treasury office	51 399	23 830	59 094	69 750	70 482	70 482	69 180	73 115	77 153
Corporate services	86 328	24 327	79 327	74 963	73 204	73 204	78 579	82 635	87 207
<i><b>Community and public safety</b></i>	<b>87 288</b>	<b>134 133</b>	<b>116 395</b>	<b>141 933</b>	<b>153 172</b>	<b>153 172</b>	<b>181 101</b>	<b>148 802</b>	<b>159 408</b>
Community and social services	26 093	30 255	35 196	31 368	31 215	31 215	34 465	35 334	37 197
Sport and recreation	14 271	18 637	16 677	18 220	18 269	18 269	20 239	20 843	22 140
Public safety	42 651	56 923	52 938	69 453	71 285	71 285	74 657	76 951	79 864
Housing	4 273	28 318	11 584	22 892	32 402	32 402	51 741	15 674	20 208
Health	-	-	-	-	-	-	-	-	-
<i><b>Economic and environmental services</b></i>	<b>113 012</b>	<b>130 335</b>	<b>109 806</b>	<b>132 046</b>	<b>155 072</b>	<b>155 072</b>	<b>176 435</b>	<b>180 172</b>	<b>189 724</b>
Planning and development	36 280	30 370	23 230	40 308	63 640	63 640	80 325	80 623	85 576
Road transport	71 108	92 659	80 914	84 786	84 933	84 933	90 397	93 565	97 944
Environmental protection	5 624	7 306	5 662	6 952	6 500	6 500	5 712	5 983	6 204
<i><b>Trading services</b></i>	<b>346 423</b>	<b>448 042</b>	<b>453 715</b>	<b>453 273</b>	<b>429 231</b>	<b>429 231</b>	<b>455 103</b>	<b>482 255</b>	<b>509 499</b>
Electricity	198 933	247 859	229 494	257 278	255 108	255 108	277 742	297 102	317 281
Water	61 422	99 439	71 697	78 253	62 213	62 213	59 028	61 272	63 072
Waste water management	45 965	64 659	57 717	63 478	57 745	57 745	59 828	62 976	66 197
Waste management	40 102	36 085	94 806	54 264	54 165	54 165	58 505	60 904	62 948
<i><b>Other</b></i>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditure - Standard</b>	<b>752 070</b>	<b>832 022</b>	<b>911 264</b>	<b>964 529</b>	<b>987 403</b>	<b>987 403</b>	<b>1 074 984</b>	<b>1 085 176</b>	<b>1 148 851</b>
<b>Surplus(Deficit) for the year</b>	<b>10 899</b>	<b>(45 015)</b>	<b>(49 845)</b>	<b>(5 140)</b>	<b>(15 149)</b>	<b>(15 149)</b>	<b>(39 767)</b>	<b>(4 116)</b>	<b>2 138</b>

# SCHEDULE 10

## WC032 Overstrand - Schedule 10 - Budgeted Capital Expenditure by directorate

Vote Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Capital expenditure - Vote</b>									
<b>Multi-year expenditure to be appropriated</b>									
Vote 1 - Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Management Services	-	-	2 658	-	-	-	-	-	-
Vote 4 - Finance	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services	-	5 000	89 992	21 911	20 996	20 996	14 311	38 890	37 031
Vote 6 - Local Economic Development	-	-	-	-	-	-	-	-	-
Vote 7 - Infrastructure & Planning	-	-	15 839	11 451	13 016	13 016	15 000	14 000	20 500
Vote 8 - Protection Services	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Vote</b>	-	5 000	108 489	33 362	34 012	34 012	29 311	52 890	57 531
<b>Single-year expenditure to be appropriated</b>									
Vote 1 - Council	-	-	-	-	-	-	5	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	41	-	-
Vote 3 - Management Services	1 274	1 790	-	2 528	4 093	4 093	320	-	-
Vote 4 - Finance	-	-	-	-	-	-	30	-	-
Vote 5 - Community Services	110 111	74 622	-	56 809	54 207	54 207	45 732	40 714	49 740
Vote 6 - Local Economic Development	945	-	-	-	-	-	15	-	-
Vote 7 - Infrastructure & Planning	31 434	49 518	-	10 920	10 520	10 520	230	-	-
Vote 8 - Protection Services	-	-	-	295	295	295	310	-	-
<b>Capital single-year expenditure sub-total</b>	<b>143 764</b>	<b>125 930</b>	<b>-</b>	<b>70 552</b>	<b>69 115</b>	<b>69 115</b>	<b>46 683</b>	<b>40 714</b>	<b>49 740</b>
<b>Total Capital Expenditure - Vote</b>	<b>143 764</b>	<b>130 930</b>	<b>108 489</b>	<b>103 914</b>	<b>103 127</b>	<b>103 127</b>	<b>75 993</b>	<b>93 604</b>	<b>107 271</b>

## **ANNEXURE B**

### **A1 SCHEDULE & A2 BUDGET CHARTS**

**Municipal annual budgets  
and MTREF  
&  
supporting tables**

Version 2.8

*Munisipaliteit • U-Masipala • Municipality*

**OVERSTRAND**



WC032 Overstrand

**Municipality Name:**

SANTIE REYNEKE-NAUDE

**CFO Name:**

028 3138040

028 3138128

cfo@overstrand.gov.za

**Fax:**

2016

No

**Budget for MTREF starting:**

**Budget Year:** 2016/17

**Does this municipality have Entities?**

**If YES: Identify type of report:**

Organisational Structure Votes		Complete Votes & Sub-Votes	Select Org. Structure
Vote 1 - Council	Vote 1	<b>Council</b>	
Vote 2 - Municipal Manager	1.1	Council General	1.1 - Council General
Vote 3 - Management Services	1.2	Mayor's Office	1.2 - Mayor's Office
Vote 4 - Finance	1.3	Pensioners & Continued Members	1.3 - Pensioners & Continued Members
Vote 5 - Community Services	Vote 2	<b>Municipal Manager</b>	
Vote 6 - Local Economic Development	2.1	Municipal Manager	2.1 - Municipal Manager
Vote 7 - Infrastructure & Planning	2.2	Internal Audit	2.2 - Internal Audit
Vote 8 - Protection Services	Vote 3	<b>Management Services</b>	
	3.1	Director: Management Services	3.1 - Director: Management Services
	3.2	Communication	3.2 - Communication
	3.3	Legal Services	3.3 - Legal Services
	3.4	Strategic Services	3.4 - Strategic Services
	3.5	Human Resources	3.5 - Human Resources
	3.6	Info & Communication Technology	3.6 - Info & Communication Technology
	3.7	Council Support Services	3.7 - Council Support Services
	3.8	Social Development	3.8 - Social Development
	3.9	Risk Management	3.9 - Risk Management
	3.10	Municipal Court	3.10 - Municipal Court
	Vote 4	<b>Finance</b>	
	4.1	Director: Finance	4.1 - Director: Finance
	4.2	Deputy Director: Finance	4.2 - Deputy Director: Finance
	4.3	Accounting Services	4.3 - Accounting Services
	4.4	Expenditure & Asset Management	4.4 - Expenditure & Asset Management
	4.5	Revenue	4.5 - Revenue
	4.6	Supply Chain Management	4.6 - Supply Chain Management
	4.7	Data Control	4.7 - Data Control
	4.8	Assessment Rates	4.8 - Assessment Rates
	Vote 5	<b>Community Services</b>	
	5.1	Director & Administration	5.1 - Director & Administration
	5.2	Offices & Community Buildings	5.2 - Offices & Community Buildings
	5.3	Parks & Townlands, Cemeteries	5.3 - Parks & Townlands, Cemeteries
	5.4	Libraries	5.4 - Libraries
	5.5	Sport & Recreation	5.5 - Sport & Recreation
	5.6	Housing & Social Upliftment	5.6 - Housing & Social Upliftment
	5.7	Roads & Stormwater	5.7 - Roads & Stormwater
	5.8	Water	5.8 - Water
	5.9	Sewerage	5.9 - Sewerage
	5.10	Refuse	5.10 - Refuse
	Vote 6	<b>Local Economic Development</b>	
	6.1	Director: Economic Development & Planning	6.1 - Director: Economic Development & Planning
	6.2	Tourism	6.2 - Tourism
	6.3	Parking Services	6.3 - Parking Services
	6.4	EPWP	6.4 - EPWP
	Vote 7	<b>Infrastructure &amp; Planning</b>	
	7.1	Director: Infrastructure & Planning	7.1 - Director: Infrastructure & Planning
	7.2	Deputy Director: Engineering Planning	7.2 - Deputy Director: Engineering Planning
	7.3	Engineering Services & Housing Development	7.3 - Engineering Services & Housing Development
	7.4	Town Planning	7.4 - Town Planning
	7.5	Geographical Info System (GIS)	7.5 - Geographical Info System (GIS)
	7.6	Building Control Services	7.6 - Building Control Services
	7.7	Environmental Management Services	7.7 - Environmental Management Services
	7.8	Electricity	7.8 - Electricity
	7.9	Solid Waste Planning & Solid Waste Disposal	7.9 - Solid Waste Planning & Solid Waste Disposal
	7.10	Property Administration	7.10 - Property Administration
	Vote 8	<b>Protection Services</b>	
	8.1	Director: Protection Services	8.1 - Director: Protection Services
	8.2	Traffic	8.2 - Traffic
	8.3	Law Enforcement	8.3 - Law Enforcement
	8.4	Vehicle testing	8.4 - Vehicle testing
	8.5	Fire Brigade/Disaster Management	8.5 - Fire Brigade/Disaster Management
	8.6	Vehicle Licensing	8.6 - Vehicle Licensing
	8.7	Special Task Team Unit	8.7 - Special Task Team Unit



<b>WC032 Overstrand - Contact Information</b>		
<b>A. GENERAL INFORMATION</b>		
<b>Municipality</b>	WC032 Overstrand	
<b>Grade</b>		3 1 Grade in terms of the Remuneration of Public Office Bearers Act.
<b>Province</b>	WC WESTERN CAPE	
<b>Web Address</b>	www.overstrand.gov.za	
<b>e-mail Address</b>	bking@overstrand.gov.za	
<b>B. CONTACT INFORMATION</b>		
<b>Postal address:</b>		
P.O. Box	P.O.BOX 20	
City / Town	HERMANUS	
Postal Code	7200	
<b>Street address</b>		
Building	MUNICIPAL OFFICE	
Street No. & Name	MAGNOLIA STREET	
City / Town	HERMANUS	
Postal Code	7200	
<b>General Contacts</b>		
Telephone number	028 313 8000	
Fax number	028 313 8128	
<b>C. POLITICAL LEADERSHIP</b>		
<b>Speaker:</b>		<b>Secretary/PA to the Speaker:</b>
Name	ANTON COETSEE	Name
Telephone number	028 3138018	Telephone number
Cell number	083 2835 237	Cell number
Fax number	028 3138067	Fax number
E-mail address	acoetsee@overstrand.gov.za	E-mail address
<b>Mayor/Executive Mayor:</b>		<b>Secretary/PA to the Mayor/Executive Mayor:</b>
Name	NICOLETTE BOTHA -GUTHRIE	Name
Telephone number	028 3138011	Telephone number
Cell number	082 3766 265	Cell number
Fax number	028 3138067	Fax number
E-mail address	nbotha-guthrie@overstrand.gov.za	E-mail address
<b>Deputy Mayor/Executive Mayor:</b>		<b>Secretary/PA to the Deputy Mayor/Executive Mayor:</b>
Name	RUDOLPH SMITH	Name
Telephone number	028 313 8191	Telephone number
Cell number	082 514 6411	Cell number
Fax number	028 313 8067	Fax number
E-mail address	rsmith@overstrand.gov.za	E-mail address
<b>D. MANAGEMENT LEADERSHIP</b>		
<b>Municipal Manager:</b>		<b>Secretary/PA to the Municipal Manager:</b>
Name	COENIE GROENEWALD	Name
Telephone number	028 3138003	Telephone number
Cell number	082 5529 555	Cell number
Fax number	0865689726	Fax number
E-mail address	cgroenewald@overstrand.gov.za	E-mail address
<b>Chief Financial Officer</b>		<b>Secretary/PA to the Chief Financial Officer</b>
Name	SANTIE REYNEKE-NAUDE	Name
Telephone number	028 3138040	Telephone number
Cell number	082 551 4499	Cell number
Fax number	028 3138128	Fax number
E-mail address	cfo@overstrand.gov.za	E-mail address
<b>Official responsible for submitting financial information</b>		
Name	BERNARD KING	
Telephone number	028 3138154	
Cell number		
Fax number	028 313 8128	
E-mail address	bking@overstrand.gov.za	
<b>Official responsible for submitting financial information</b>		
Name	GEORGIA BUCCHIANERI	
Telephone number	028 3138913	
Cell number		
Fax number	028 313 8128	
E-mail address	gbucchianeri@overstrand.gov.za	
<b>Official responsible for submitting financial information</b>		
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**WC032 Overstrand - Table A1 Budget Summary**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	121 571	135 633	153 617	163 621	163 621	163 621	181 439	192 326	203 865
Service charges	436 439	479 253	520 392	566 784	568 784	568 784	607 054	643 477	682 086
Investment revenue	7 555	6 352	8 144	6 348	8 973	8 973	12 071	12 795	13 563
Transfers recognised - operational	41 680	67 835	60 473	90 324	101 234	101 234	128 252	100 430	113 519
Other own revenue	96 627	47 302	62 024	67 957	68 140	68 140	66 298	68 428	70 686
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>703 871</b>	<b>736 376</b>	<b>804 650</b>	<b>895 035</b>	<b>910 752</b>	<b>910 752</b>	<b>995 114</b>	<b>1 017 455</b>	<b>1 083 718</b>
Employee costs	231 642	260 645	267 019	291 593	292 827	292 827	314 204	322 023	339 129
Remuneration of councillors	7 084	7 933	8 104	8 674	8 674	8 674	9 110	9 620	10 161
Depreciation & asset impairment	104 408	99 361	106 445	111 362	111 362	111 362	117 690	124 752	132 237
Finance charges	37 331	39 927	43 447	46 895	46 895	46 895	46 421	46 952	45 449
Materials and bulk purchases	157 462	170 650	184 319	251 374	250 759	250 759	287 450	268 614	291 802
Transfers and grants	35 856	38 749	48 659	48 497	49 448	49 448	57 479	60 808	64 336
Other expenditure	178 287	214 757	253 271	206 135	227 438	227 438	242 630	252 407	265 738
<b>Total Expenditure</b>	<b>752 070</b>	<b>832 022</b>	<b>911 264</b>	<b>964 529</b>	<b>987 403</b>	<b>987 403</b>	<b>1 074 984</b>	<b>1 085 176</b>	<b>1 148 851</b>
<b>Surplus/(Deficit)</b>	<b>(48 199)</b>	<b>(95 646)</b>	<b>(106 615)</b>	<b>(69 494)</b>	<b>(76 651)</b>	<b>(76 651)</b>	<b>(79 870)</b>	<b>(67 720)</b>	<b>(65 133)</b>
Transfers recognised - capital	53 809	38 090	55 498	63 354	60 502	60 502	40 103	63 604	67 271
Contributions recognised - capital & contributed assets	5 289	12 542	1 272	1 000	1 000	1 000	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>10 899</b>	<b>(45 015)</b>	<b>(49 845)</b>	<b>(5 140)</b>	<b>(15 149)</b>	<b>(15 149)</b>	<b>(39 767)</b>	<b>(4 116)</b>	<b>2 138</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>10 899</b>	<b>(45 015)</b>	<b>(49 845)</b>	<b>(5 140)</b>	<b>(15 149)</b>	<b>(15 149)</b>	<b>(39 767)</b>	<b>(4 116)</b>	<b>2 138</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>143 764</b>	<b>130 930</b>	<b>108 490</b>	<b>103 914</b>	<b>103 127</b>	<b>103 127</b>	<b>75 993</b>	<b>93 604</b>	<b>107 271</b>
Transfers recognised - capital	53 809	38 090	55 734	64 354	61 502	61 502	40 103	63 604	67 271
Public contributions & donations	5 067	7 985	607	462	462	462	-	-	-
Borrowing	67 544	70 634	39 012	32 346	33 419	33 419	30 000	30 000	40 000
Internally generated funds	17 345	14 222	13 138	6 753	7 745	7 745	5 890	-	-
<b>Total sources of capital funds</b>	<b>143 764</b>	<b>130 930</b>	<b>108 490</b>	<b>103 914</b>	<b>103 127</b>	<b>103 127</b>	<b>75 993</b>	<b>93 604</b>	<b>107 271</b>
<b>Financial position</b>									
Total current assets	205 668	175 465	224 444	207 929	206 935	206 935	234 553	268 874	310 714
Total non current assets	3 290 140	3 302 111	3 305 450	3 320 511	3 318 160	3 318 160	3 271 663	3 246 904	3 228 470
Total current liabilities	160 331	148 801	155 138	174 459	171 564	171 564	183 981	187 486	192 014
Total non current liabilities	483 951	520 970	602 191	617 668	627 225	627 225	636 115	646 245	662 939
Community wealth/Equity	2 851 526	2 807 805	2 772 565	2 736 314	2 726 305	2 726 305	2 686 119	2 682 047	2 684 231
<b>Cash flows</b>									
Net cash from (used) operating	75 920	76 616	119 478	110 861	97 429	97 429	86 318	118 244	136 325
Net cash from (used) investing	(146 955)	(130 368)	(101 315)	(110 144)	(109 357)	(109 357)	(82 854)	(99 993)	(113 802)
Net cash from (used) financing	28 482	32 764	23 666	7 409	7 409	7 409	5 787	2 547	9 054
<b>Cash/cash equivalents at the year end</b>	<b>84 147</b>	<b>63 158</b>	<b>104 987</b>	<b>97 547</b>	<b>100 467</b>	<b>100 467</b>	<b>109 718</b>	<b>130 516</b>	<b>162 093</b>
<b>Cash backing/surplus reconciliation</b>									
Cash and investments available	95 744	80 123	128 136	126 001	128 922	128 922	145 046	172 243	210 361
Application of cash and investments	6 388	(16 024)	(13 650)	8 224	11 740	11 740	10 508	(385)	(7 269)
<b>Balance - surplus (shortfall)</b>	<b>89 356</b>	<b>96 147</b>	<b>141 786</b>	<b>117 777</b>	<b>117 182</b>	<b>117 182</b>	<b>134 538</b>	<b>172 628</b>	<b>217 630</b>
<b>Asset management</b>									
Asset register summary (WDV)	3 277 435	3 280 777	3 282 248	3 292 016	3 289 664	3 289 664	3 236 305	3 205 158	3 180 192
Depreciation & asset impairment	104 408	99 361	106 445	111 362	111 362	111 362	117 690	124 752	132 237
Renewal of Existing Assets	4 147	47 032	32 727	20 758	19 493	19 493	38 541	28 399	39 325
Repairs and Maintenance	114 414	150 358	158 026	121 077	121 077	121 077	120 795	123 857	129 068
<b>Free services</b>									
Cost of Free Basic Services provided	13	13	4 076	3 550	3 550	3 550	4 196	4 197	4 448
Revenue cost of free services provided	34 102	32 664	38 196	39 989	39 989	39 989	45 214	47 916	50 781
<b>Households below minimum service level</b>									
Water:	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-
Energy:	-	-	1	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-

WC032 Overstrand - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>Revenue - Standard</b>									
<i><b>Governance and administration</b></i>	<b>232 385</b>	<b>199 504</b>	<b>236 511</b>	<b>255 994</b>	<b>260 052</b>	<b>260 052</b>	<b>274 984</b>	<b>297 281</b>	<b>318 547</b>
Executive and council	38 355	42 355	52 212	64 861	64 861	64 861	73 269	83 368	91 792
Budget and treasury office	137 728	150 786	172 800	180 339	183 766	183 766	200 953	213 109	225 908
Corporate services	56 303	6 363	11 499	10 795	11 424	11 424	762	803	847
<i><b>Community and public safety</b></i>	<b>50 862</b>	<b>71 418</b>	<b>75 100</b>	<b>101 843</b>	<b>106 745</b>	<b>106 745</b>	<b>117 616</b>	<b>112 616</b>	<b>113 584</b>
Community and social services	2 990	2 574	5 213	4 657	4 757	4 757	11 676	14 703	12 315
Sport and recreation	7 765	11 427	7 939	11 942	10 489	10 489	8 875	12 654	10 752
Public safety	20 142	28 300	31 198	37 676	37 676	37 676	37 988	38 420	38 877
Housing	19 965	29 116	30 750	47 567	53 823	53 823	59 077	46 839	51 640
Health	-	-	-	-	-	-	-	-	-
<i><b>Economic and environmental services</b></i>	<b>18 567</b>	<b>30 962</b>	<b>17 928</b>	<b>20 033</b>	<b>21 639</b>	<b>21 639</b>	<b>22 139</b>	<b>17 168</b>	<b>24 533</b>
Planning and development	7 907	12 853	9 861	9 043	9 549	9 549	11 310	9 951	10 548
Road transport	10 595	17 790	8 048	10 890	11 990	11 990	10 746	7 129	13 891
Environmental protection	65	319	19	101	101	101	83	88	93
<i><b>Trading services</b></i>	<b>461 155</b>	<b>485 124</b>	<b>531 880</b>	<b>581 518</b>	<b>583 818</b>	<b>583 818</b>	<b>620 478</b>	<b>653 995</b>	<b>694 325</b>
Electricity	249 645	270 880	288 745	346 361	344 361	344 361	362 878	383 351	408 112
Water	96 325	96 086	109 581	106 211	109 211	109 211	114 799	121 402	129 044
Waste water management	68 428	65 091	76 694	69 402	70 702	70 702	77 230	79 738	83 495
Waste management	46 758	53 066	56 860	59 544	59 544	59 544	65 570	69 504	73 675
<i><b>Other</b></i>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Revenue - Standard</b>	<b>762 969</b>	<b>787 007</b>	<b>861 419</b>	<b>959 389</b>	<b>972 254</b>	<b>972 254</b>	<b>1 035 217</b>	<b>1 081 060</b>	<b>1 150 989</b>
<b>Expenditure - Standard</b>									
<i><b>Governance and administration</b></i>	<b>205 348</b>	<b>119 512</b>	<b>231 348</b>	<b>237 278</b>	<b>249 929</b>	<b>249 929</b>	<b>262 345</b>	<b>273 948</b>	<b>290 221</b>
Executive and council	67 621	71 355	92 928	92 565	106 242	106 242	114 585	118 197	125 860
Budget and treasury office	51 399	23 830	59 094	69 750	70 482	70 482	69 180	73 115	77 153
Corporate services	86 328	24 327	79 327	74 963	73 204	73 204	78 579	82 635	87 207
<i><b>Community and public safety</b></i>	<b>87 288</b>	<b>134 133</b>	<b>116 395</b>	<b>141 933</b>	<b>153 172</b>	<b>153 172</b>	<b>181 101</b>	<b>148 802</b>	<b>159 408</b>
Community and social services	26 093	30 255	35 196	31 368	31 215	31 215	34 465	35 334	37 197
Sport and recreation	14 271	18 637	16 677	18 220	18 269	18 269	20 239	20 843	22 140
Public safety	42 651	56 923	52 938	69 453	71 285	71 285	74 657	76 951	79 864
Housing	4 273	28 318	11 584	22 892	32 402	32 402	51 741	15 674	20 208
Health	-	-	-	-	-	-	-	-	-
<i><b>Economic and environmental services</b></i>	<b>113 012</b>	<b>130 335</b>	<b>109 806</b>	<b>132 046</b>	<b>155 072</b>	<b>155 072</b>	<b>176 435</b>	<b>180 172</b>	<b>189 724</b>
Planning and development	36 280	30 370	23 230	40 308	63 640	63 640	80 325	80 623	85 576
Road transport	71 108	92 659	80 914	84 786	84 933	84 933	90 397	93 565	97 944
Environmental protection	5 624	7 306	5 662	6 952	6 500	6 500	5 712	5 983	6 204
<i><b>Trading services</b></i>	<b>346 423</b>	<b>448 042</b>	<b>453 715</b>	<b>453 273</b>	<b>429 231</b>	<b>429 231</b>	<b>455 103</b>	<b>482 255</b>	<b>509 499</b>
Electricity	198 933	247 859	229 494	257 278	255 108	255 108	277 742	297 102	317 281
Water	61 422	99 439	71 697	78 253	62 213	62 213	59 028	61 272	63 072
Waste water management	45 965	64 659	57 717	63 478	57 745	57 745	59 828	62 976	66 197
Waste management	40 102	36 085	94 806	54 264	54 165	54 165	58 505	60 904	62 948
<i><b>Other</b></i>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditure - Standard</b>	<b>752 070</b>	<b>832 022</b>	<b>911 264</b>	<b>964 529</b>	<b>987 403</b>	<b>987 403</b>	<b>1 074 984</b>	<b>1 085 176</b>	<b>1 148 851</b>
<b>Surplus/(Deficit) for the year</b>	<b>10 899</b>	<b>(45 015)</b>	<b>(49 845)</b>	<b>(5 140)</b>	<b>(15 149)</b>	<b>(15 149)</b>	<b>(39 767)</b>	<b>(4 116)</b>	<b>2 138</b>

WC032 Overstrand - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>Revenue - Standard</b>									
<b>Municipal governance and administration</b>	<b>232 385</b>	<b>199 504</b>	<b>236 511</b>	<b>255 994</b>	<b>260 052</b>	<b>260 052</b>	<b>274 984</b>	<b>297 281</b>	<b>318 547</b>
Executive and council	38 355	42 355	52 212	64 861	64 861	64 861	73 269	83 368	91 792
<i>Mayor and Council</i>	38 355	42 355	52 212	64 861	64 861	64 861	73 269	83 368	91 792
<i>Municipal Manager</i>	-	-	-	-	-	-	-	-	-
Budget and treasury office	137 728	150 786	172 800	180 339	183 766	183 766	200 953	213 109	225 908
Corporate services	56 303	6 363	11 499	10 795	11 424	11 424	762	803	847
<i>Human Resources</i>	1 158	305	755	60	60	60	-	-	-
<i>Information Technology</i>	150	350	935	930	1 730	1 730	-	-	-
<i>Property Services</i>	53 722	3 670	-	-	-	-	-	-	-
<i>Other Admin</i>	1 273	2 037	9 808	9 805	9 634	9 634	762	803	847
<b>Community and public safety</b>	<b>50 862</b>	<b>71 418</b>	<b>75 100</b>	<b>101 843</b>	<b>106 745</b>	<b>106 745</b>	<b>117 616</b>	<b>112 616</b>	<b>113 584</b>
Community and social services	2 990	2 574	5 213	4 657	4 757	4 757	11 676	14 703	12 315
<i>Libraries and Archives</i>	129	233	109	123	123	123	7 001	6 307	6 686
<i>Museums &amp; Art Galleries etc</i>	-	-	-	-	-	-	-	-	-
<i>Community halls and Facilities</i>	2 692	2 180	4 895	4 341	4 441	4 441	4 469	8 177	5 397
<i>Cemeteries &amp; Crematoriums</i>	169	161	209	194	194	194	206	218	231
<i>Child Care</i>	-	-	-	-	-	-	-	-	-
<i>Aged Care</i>	-	-	-	-	-	-	-	-	-
<i>Other Community</i>	-	-	-	-	-	-	-	-	-
<i>Other Social</i>	-	-	-	-	-	-	-	-	-
Sport and recreation	7 765	11 427	7 939	11 942	10 489	10 489	8 875	12 654	10 752
Public safety	20 142	28 300	31 198	37 676	37 676	37 676	37 988	38 420	38 877
<i>Police</i>	115	79	80	97	97	97	154	164	173
<i>Fire</i>	307	684	657	325	325	325	1 475	1 564	1 657
<i>Civil Defence</i>	-	-	-	-	-	-	-	-	-
<i>Street Lighting</i>	-	-	-	-	-	-	-	-	-
<i>Other</i>	19 719	27 537	30 461	37 255	37 255	37 255	36 359	36 692	37 047
Housing	19 965	29 116	30 750	47 567	53 823	53 823	59 077	46 839	51 640
Health	-	-	-	-	-	-	-	-	-
<i>Clinics</i>	-	-	-	-	-	-	-	-	-
<i>Ambulance</i>	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	<b>18 567</b>	<b>30 962</b>	<b>17 928</b>	<b>20 033</b>	<b>21 639</b>	<b>21 639</b>	<b>22 139</b>	<b>17 168</b>	<b>24 533</b>
Planning and development	7 907	12 853	9 861	9 043	9 549	9 549	11 310	9 951	10 548
<i>Economic Development/Planning</i>	4 150	8 191	3 389	3 091	3 597	3 597	3 352	1 516	1 607
<i>Town Planning/Building enforcement</i>	3 757	4 662	6 472	5 952	5 952	5 952	7 958	8 435	8 941
<i>Licensing &amp; Regulation</i>	-	-	-	-	-	-	-	-	-
Road transport	10 595	17 790	8 048	10 890	11 990	11 990	10 746	7 129	13 891
<i>Roads</i>	10 595	17 790	8 048	10 890	11 990	11 990	10 746	7 129	13 891
<i>Public Buses</i>	-	-	-	-	-	-	-	-	-
<i>Parking Garages</i>	-	-	-	-	-	-	-	-	-
<i>Vehicle Licensing and Testing</i>	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Environmental protection	65	319	19	101	101	101	83	88	93
<i>Pollution Control</i>	-	-	-	-	-	-	-	-	-
<i>Biodiversity &amp; Landscape</i>	65	319	19	101	101	101	83	88	93
<i>Other</i>	-	-	-	-	-	-	-	-	-
<b>Trading services</b>	<b>461 155</b>	<b>485 124</b>	<b>531 880</b>	<b>581 518</b>	<b>583 818</b>	<b>583 818</b>	<b>620 478</b>	<b>653 995</b>	<b>694 325</b>
Electricity	249 645	270 880	288 745	346 361	344 361	344 361	362 878	383 351	408 112
<i>Electricity Distribution</i>	249 645	270 880	288 745	346 361	344 361	344 361	362 878	383 351	408 112
<i>Electricity Generation</i>	-	-	-	-	-	-	-	-	-
Water	96 325	96 086	109 581	106 211	109 211	109 211	114 799	121 402	129 044
<i>Water Distribution</i>	96 325	96 086	109 581	106 211	109 211	109 211	114 799	121 402	129 044
<i>Water Storage</i>	-	-	-	-	-	-	-	-	-
Waste water management	68 428	65 091	76 694	69 402	70 702	70 702	77 230	79 738	83 495
<i>Sewerage</i>	63 963	65 032	75 494	66 926	67 926	67 926	75 730	78 323	82 495
<i>Storm Water Management</i>	4 465	59	1 200	2 477	2 777	2 777	1 500	1 415	1 000
<i>Public Toilets</i>	-	-	-	-	-	-	-	-	-
Waste management	46 758	53 066	56 860	59 544	59 544	59 544	65 570	69 504	73 675
<i>Solid Waste</i>	46 758	53 066	56 860	59 544	59 544	59 544	65 570	69 504	73 675
<b>Other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Air Transport	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Tourism	-	-	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	<b>762 969</b>	<b>787 007</b>	<b>861 419</b>	<b>959 389</b>	<b>972 254</b>	<b>972 254</b>	<b>1 035 217</b>	<b>1 081 060</b>	<b>1 150 989</b>

Standard Classification Description  R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Expenditure - Standard</b>									
<b>Municipal governance and administration</b>	<b>205 348</b>	<b>119 512</b>	<b>231 348</b>	<b>237 278</b>	<b>249 929</b>	<b>249 929</b>	<b>262 345</b>	<b>273 948</b>	<b>290 221</b>
Executive and council	67 621	71 355	92 928	92 565	106 242	106 242	114 585	118 197	125 860
<i>Mayor and Council</i>	64 378	70 977	90 897	90 290	103 967	103 967	112 244	115 720	123 239
<i>Municipal Manager</i>	3 243	378	2 031	2 275	2 275	2 275	2 341	2 477	2 621
Budget and treasury office	51 399	23 830	59 094	69 750	70 482	70 482	69 180	73 115	77 153
Corporate services	86 328	24 327	79 327	74 963	73 204	73 204	78 579	82 635	87 207
<i>Human Resources</i>	8 333	1 928	9 050	9 594	9 448	9 448	10 566	11 113	11 687
<i>Information Technology</i>	10 698	(732)	11 371	15 509	14 364	14 364	16 428	17 284	18 183
<i>Property Services</i>	17 074	6 440	12 118	5 690	5 690	5 690	6 014	6 375	6 757
<i>Other Admin</i>	50 223	16 691	46 788	44 170	43 702	43 702	45 571	47 862	50 580
<b>Community and public safety</b>	<b>87 288</b>	<b>134 133</b>	<b>116 395</b>	<b>141 933</b>	<b>153 172</b>	<b>153 172</b>	<b>181 101</b>	<b>148 802</b>	<b>159 408</b>
Community and social services	26 093	30 255	35 196	31 368	31 215	31 215	34 465	35 334	37 197
<i>Libraries and Archives</i>	4 649	6 218	5 923	6 542	6 596	6 596	7 201	7 547	7 985
<i>Museums &amp; Art Galleries etc</i>					-	-			
<i>Community halls and Facilities</i>	21 120	23 607	28 858	24 407	24 201	24 201	26 780	27 276	28 673
<i>Cemeteries &amp; Crematoriums</i>	325	430	416	419	419	419	484	511	539
<i>Child Care</i>									
<i>Aged Care</i>									
<i>Other Community</i>									
<i>Other Social</i>									
Sport and recreation	14 271	18 637	16 677	18 220	18 269	18 269	20 239	20 843	22 140
Public safety	42 651	56 923	52 938	69 453	71 285	71 285	74 657	76 951	79 864
<i>Police</i>	10 668	13 606	11 558	12 795	12 970	12 970	13 470	14 275	15 065
<i>Fire</i>	9 619	11 187	12 654	12 277	13 701	13 701	13 992	14 421	15 203
<i>Civil Defence</i>					-	-			
<i>Street Lighting</i>					-	-			
<i>Other</i>	22 364	32 129	28 726	44 381	44 614	44 614	47 195	48 256	49 596
Housing	4 273	28 318	11 584	22 892	32 402	32 402	51 741	15 674	20 208
Health	-	-	-	-	-	-	-	-	-
<i>Clinics</i>									
<i>Ambulance</i>									
<i>Other</i>									
<b>Economic and environmental services</b>	<b>113 012</b>	<b>130 335</b>	<b>109 806</b>	<b>132 046</b>	<b>155 072</b>	<b>155 072</b>	<b>176 435</b>	<b>180 172</b>	<b>189 724</b>
Planning and development	36 280	30 370	23 230	40 308	63 640	63 640	80 325	80 623	85 576
<i>Economic Development/Planning</i>	22 758	14 781	10 226	24 086	47 393	47 393	63 421	63 609	67 657
<i>Town Planning/Building enforcement</i>	13 522	15 589	13 004	16 221	16 246	16 246	16 904	17 015	17 919
<i>Licensing &amp; Regulation</i>									
Road transport	71 108	92 659	80 914	84 786	84 933	84 933	90 397	93 565	97 944
<i>Roads</i>	71 108	92 659	80 914	84 786	84 933	84 933	90 397	93 565	97 944
<i>Public Buses</i>									
<i>Parking Garages</i>									
<i>Vehicle Licensing and Testing</i>									
<i>Other</i>									
Environmental protection	5 624	7 306	5 662	6 952	6 500	6 500	5 712	5 983	6 204
<i>Pollution Control</i>									
<i>Biodiversity &amp; Landscape</i>	5 624	7 306	5 662	6 952	6 500	6 500	5 712	5 983	6 204
<i>Other</i>									
<b>Trading services</b>	<b>346 423</b>	<b>448 042</b>	<b>453 715</b>	<b>453 273</b>	<b>429 231</b>	<b>429 231</b>	<b>455 103</b>	<b>482 255</b>	<b>509 499</b>
Electricity	198 933	247 859	229 494	257 278	255 108	255 108	277 742	297 102	317 281
<i>Electricity Distribution</i>	198 933	247 859	229 494	257 278	255 108	255 108	277 742	297 102	317 281
<i>Electricity Generation</i>									
Water	61 422	99 439	71 697	78 253	62 213	62 213	59 028	61 272	63 072
<i>Water Distribution</i>	61 422	99 439	71 697	78 253	62 213	62 213	59 028	61 272	63 072
<i>Water Storage</i>									
Waste water management	45 965	64 659	57 717	63 478	57 745	57 745	59 828	62 976	66 197
<i>Sewerage</i>	41 565	58 276	50 443	54 574	48 944	48 944	50 160	52 897	55 574
<i>Storm Water Management</i>	4 400	6 024	6 987	8 478	8 398	8 398	9 220	9 608	10 128
<i>Public Toilets</i>		359	287	426	404	404	447	471	496
Waste management	40 102	36 085	94 806	54 264	54 165	54 165	58 505	60 904	62 948
<i>Solid Waste</i>	40 102	36 085	94 806	54 264	54 165	54 165	58 505	60 904	62 948
<b>Other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Air Transport</i>									
<i>Abattoirs</i>									
<i>Tourism</i>									
<i>Forestry</i>									
<i>Markets</i>									
<b>Total Expenditure - Standard</b>	<b>752 070</b>	<b>832 022</b>	<b>911 264</b>	<b>964 529</b>	<b>987 403</b>	<b>987 403</b>	<b>1 074 984</b>	<b>1 085 176</b>	<b>1 148 851</b>
<b>Surplus/(Deficit) for the year</b>	<b>10 899</b>	<b>(45 015)</b>	<b>(49 845)</b>	<b>(5 140)</b>	<b>(15 149)</b>	<b>(15 149)</b>	<b>(39 767)</b>	<b>(4 116)</b>	<b>2 138</b>

WC032 Overstrand - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Revenue by Vote</b>									
Vote 1 - Council	38 353	42 274	52 212	64 808	64 808	64 808	73 182	83 276	91 694
Vote 2 - Municipal Manager	–	–	–	–	–	–	–	–	–
Vote 3 - Management Services	1 476	1 286	1 692	991	1 849	1 849	1	1	1
Vote 4 - Finance	137 728	150 786	172 800	180 339	183 766	183 766	200 953	213 109	225 908
Vote 5 - Community Services	253 932	276 626	270 483	272 957	276 775	276 775	290 065	306 364	324 475
Vote 6 - Local Economic Development	3 750	6 431	3 389	3 091	3 091	3 091	3 352	1 516	1 607
Vote 7 - Infrastructure & Planning	307 588	281 304	329 646	399 527	404 289	404 289	429 676	438 374	468 427
Vote 8 - Protection Services	20 142	28 300	31 198	37 676	37 676	37 676	37 988	38 420	38 877
<b>Total Revenue by Vote</b>	<b>762 969</b>	<b>787 007</b>	<b>861 419</b>	<b>959 389</b>	<b>972 254</b>	<b>972 254</b>	<b>1 035 217</b>	<b>1 081 060</b>	<b>1 150 989</b>
<b>Expenditure by Vote to be appropriated</b>									
Vote 1 - Council	64 385	68 239	73 581	71 496	84 733	84 733	91 748	96 140	102 598
Vote 2 - Municipal Manager	3 243	1 295	3 903	4 489	4 489	4 489	4 722	4 978	5 247
Vote 3 - Management Services	30 890	5 492	36 148	43 327	41 916	41 916	46 490	48 974	51 802
Vote 4 - Finance	51 399	23 830	59 094	69 750	70 482	70 482	69 180	73 115	77 153
Vote 5 - Community Services	296 939	394 516	330 928	341 492	332 291	332 291	347 048	358 613	375 553
Vote 6 - Local Economic Development	7 722	9 945	10 226	8 731	9 531	9 531	10 795	7 433	7 672
Vote 7 - Infrastructure & Planning	254 841	271 782	344 447	355 793	372 676	372 676	430 346	418 971	448 962
Vote 8 - Protection Services	42 651	56 923	52 938	69 453	71 285	71 285	74 657	76 951	79 864
<b>Total Expenditure by Vote</b>	<b>752 070</b>	<b>832 022</b>	<b>911 264</b>	<b>964 529</b>	<b>987 403</b>	<b>987 403</b>	<b>1 074 984</b>	<b>1 085 176</b>	<b>1 148 851</b>
<b>Surplus/(Deficit) for the year</b>	<b>10 899</b>	<b>(45 015)</b>	<b>(49 845)</b>	<b>(5 140)</b>	<b>(15 149)</b>	<b>(15 149)</b>	<b>(39 767)</b>	<b>(4 116)</b>	<b>2 138</b>

WC032 Overstrand - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Revenue by Vote</b>									
<b>Vote 1 - Council</b>	<b>38 353</b>	<b>42 274</b>	<b>52 212</b>	<b>64 808</b>	<b>64 808</b>	<b>64 808</b>	<b>73 182</b>	<b>83 276</b>	<b>91 694</b>
1.1 - Council General	38 353	42 274	52 212	64 808	64 808	64 808	73 182	83 276	91 694
1.2 - Mayor's Office									
1.3 - Pensioners & Continued Members									
<b>Vote 2 - Municipal Manager</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
2.1 - Municipal Manager									
2.2 - Internal Audit									
<b>Vote 3 - Management Services</b>	<b>1 476</b>	<b>1 286</b>	<b>1 692</b>	<b>991</b>	<b>1 849</b>	<b>1 849</b>	<b>1</b>	<b>1</b>	<b>1</b>
3.1 - Director: Management Services	166	631			58	58			
3.2 - Communication					-	-			
3.3 - Legal Services					-	-			
3.4 - Strategic Services					-	-			
3.5 - Human Resources	1 158	305	755	60	60	60			
3.6 - Info & Communication Technology	150	350	935	930	1 730	1 730			
3.7 - Council Support Services	3		1	1	1	1	1	1	1
3.8 - Social Development									
3.9 - Risk Management									
3.10 - Municipal Court									
<b>Vote 4 - Finance</b>	<b>137 728</b>	<b>150 786</b>	<b>172 800</b>	<b>180 339</b>	<b>183 766</b>	<b>183 766</b>	<b>200 953</b>	<b>213 109</b>	<b>225 908</b>
4.1 - Director: Finance					-	-	-	-	-
4.2 - Deputy Director: Finance	1 250	1 455	1 407	1 450	1 042	1 042	1 475	1 550	1 550
4.3 - Accounting Services	8 049	7 192	9 353	6 348	8 948	8 948	10 317	10 936	11 592
4.4 - Expenditure & Asset Management	18	25	16	15	1 250	1 250	136	257	378
4.5 - Revenue	7 418	7 154	9 038	9 675	9 675	9 675	8 412	8 917	9 452
4.6 - Supply Chain Management	138	101	64	121	121	121	21	22	24
4.7 - Data Control	22		3	-	-	-	-	-	-
4.8 - Assessment Rates	120 833	134 860	152 919	162 730	162 730	162 730	180 591	191 427	202 913
<b>Vote 5 - Community Services</b>	<b>253 932</b>	<b>276 626</b>	<b>270 483</b>	<b>272 957</b>	<b>276 775</b>	<b>276 775</b>	<b>290 065</b>	<b>306 364</b>	<b>324 475</b>
5.1 - Director & Administration	1 107	938	5 744	8 447	8 447	8 447	163	168	173
5.2 - Offices & Community Buildings	891	971	2 571	1 706	1 578	1 578	2 009	5 569	2 634
5.3 - Parks & Townlands, Cemeteries	1 970	1 920	2 533	4 238	4 238	4 238	3 352	3 553	3 766
5.4 - Libraries	129	233	109	123	123	123	7 001	6 307	6 686
5.5 - Sport & Recreation	7 765	11 427	7 939	11 942	10 489	10 489	8 875	12 654	10 752
5.6 - Housing & Social Upliftment	19 965	29 116	403	453	453	453	320	339	360
5.7 - Roads & Stormwater	15 060	17 849	9 248	13 366	14 766	14 766	12 246	8 544	14 891
5.8 - Water	96 325	96 086	109 581	106 211	109 211	109 211	114 799	121 402	129 044
5.9 - Sewerage	63 963	65 032	75 494	66 926	67 926	67 926	75 730	78 323	82 495
5.10 - Refuse	46 758	53 054	56 860	59 544	59 544	59 544	65 570	69 504	73 675
<b>Vote 6 - Local Economic Development</b>	<b>3 750</b>	<b>6 431</b>	<b>3 389</b>	<b>3 091</b>	<b>3 091</b>	<b>3 091</b>	<b>3 352</b>	<b>1 516</b>	<b>1 607</b>
6.1 - Director: Economic Development & Planning	3 750	5 207	1 768	1 661	-	-	-	-	-
6.2 - Tourism					-	-	-	-	-
6.3 - Parking Services		1 224	1 621	1 430	1 912	1 912	1 430	1 516	1 607
6.4 - EPWP					1 179	1 179	1 922		
<b>Vote 7 - Infrastructure &amp; Planning</b>	<b>307 588</b>	<b>281 304</b>	<b>329 646</b>	<b>399 527</b>	<b>404 289</b>	<b>404 289</b>	<b>429 676</b>	<b>438 374</b>	<b>468 427</b>
7.1 - Director: Infrastructure & Planning		1 000	941		-	-			
7.2 - Deputy Director: Engineering Planning	400	759	1 162	0	506	506	0	0	0
7.3 - Engineering Services & Housing Development			30 347	47 114	53 370	53 370	58 757	46 500	51 280
7.4 - Town Planning	794	912	1 200	1 112	1 112	1 112	1 506	1 596	1 692
7.5 - Geographical Info System (GIS)					-	-			
7.6 - Building Control Services	2 963	3 750	5 272	4 840	4 840	4 840	6 452	6 839	7 250
7.7 - Environmental Management Services	65	319	19	101	101	101	83	88	93
7.8 - Electricity	249 645	270 880	288 745	346 361	344 361	344 361	362 878	383 351	408 112
7.9 - Solid Waste Planning & Solid Waste Disposal		12	4 095						
7.10 - Property Administration	53 722	3 670	(2 135)						
<b>Vote 8 - Protection Services</b>	<b>20 142</b>	<b>28 300</b>	<b>31 198</b>	<b>37 676</b>	<b>37 676</b>	<b>37 676</b>	<b>37 988</b>	<b>38 420</b>	<b>38 877</b>
8.1 - Director: Protection Services	50	100			-	-			
8.2 - Traffic	18 557	27 437	30 461	37 255	37 255	37 255	36 359	36 692	37 047
8.3 - Law Enforcement	115	79	80	97	97	97	154	164	173
8.4 - Vehicle testing					-	-			
8.5 - Fire Brigade/Disaster Management	307	684	657	325	325	325	1 475	1 564	1 657
8.6 - Vehicle Licensing	1 112								
8.7 - Special Task Team Unit									
<b>Total Revenue by Vote</b>	<b>762 969</b>	<b>787 007</b>	<b>861 419</b>	<b>959 389</b>	<b>972 254</b>	<b>972 254</b>	<b>1 035 217</b>	<b>1 081 060</b>	<b>1 150 989</b>

Vote Description  R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Expenditure by Vote</b>									
<b>Vote 1 - Council</b>	<b>64 385</b>	<b>68 239</b>	<b>73 581</b>	<b>71 496</b>	<b>84 733</b>	<b>84 733</b>	<b>91 748</b>	<b>96 140</b>	<b>102 598</b>
1.1 - Council General	63 356	68 203	72 791	70 656	83 894	83 894	90 755	95 094	101 497
1.2 - Mayor's Office	1 022	28	782	832	832	832	993	1 046	1 101
1.3 - Pensioners & Continued Members	7	8	8	8	8	8			
<b>Vote 2 - Municipal Manager</b>	<b>3 243</b>	<b>1 295</b>	<b>3 903</b>	<b>4 489</b>	<b>4 489</b>	<b>4 489</b>	<b>4 722</b>	<b>4 978</b>	<b>5 247</b>
2.1 - Municipal Manager	1 834	378	2 031	2 275	2 275	2 275	2 341	2 477	2 621
2.2 - Internal Audit	1 409	917	1 872	2 214	2 214	2 214	2 381	2 501	2 626
<b>Vote 3 - Management Services</b>	<b>30 890</b>	<b>5 492</b>	<b>36 148</b>	<b>43 327</b>	<b>41 916</b>	<b>41 916</b>	<b>46 490</b>	<b>48 974</b>	<b>51 802</b>
3.1 - Director: Management Services	4 461	1 482	6 534	5 709	6 204	6 204	6 289	6 782	7 501
3.2 - Communication	2 280	41	1 670	2 757	2 467	2 467	2 993	3 093	3 197
3.3 - Legal Services	1 358	779	2 174	2 974	2 974	2 974	3 047	3 212	3 385
3.4 - Strategic Services	1 084	166	1 316	1 408	1 408	1 408	1 621	1 705	1 807
3.5 - Human Resources	8 333	1 928	9 050	9 594	9 448	9 448	10 566	11 113	11 687
3.6 - Info & Communication Technology	10 695	(732)	11 371	15 509	14 364	14 364	16 428	17 284	18 183
3.7 - Council Support Services	2 679	989	3 069	3 527	3 527	3 527	3 728	3 907	4 091
3.8 - Social Development		700	872	1 100	1 045	1 045	1 153	1 183	1 216
3.9 - Risk Management			-		-	-			
3.10 - Municipal Court		139	93	749	479	479	665	695	735
<b>Vote 4 - Finance</b>	<b>51 399</b>	<b>23 830</b>	<b>59 094</b>	<b>69 750</b>	<b>70 482</b>	<b>70 482</b>	<b>69 180</b>	<b>73 115</b>	<b>77 153</b>
4.1 - Director: Finance	1 717	662	1 909	2 042	2 082	2 082	2 171	2 297	2 431
4.2 - Deputy Director: Finance	4 385	4 347	6 253	6 993	6 186	6 186	7 104	7 508	7 856
4.3 - Accounting Services	3 561	424	5 221	5 275	5 275	5 275	5 241	5 514	5 801
4.4 - Expenditure & Asset Management	7 654	1 798	8 734	10 240	11 410	11 410	11 462	12 158	12 880
4.5 - Revenue	20 869	7 154	22 165	24 880	24 860	24 860	26 012	27 485	29 031
4.6 - Supply Chain Management	7 247	4 138	8 103	9 043	9 443	9 443	8 562	9 029	9 514
4.7 - Data Control	518	186	637	966	966	966	1 030	1 091	1 156
4.8 - Assessment Rates	5 449	5 121	6 072	10 312	10 262	10 262	7 598	8 032	8 485
<b>Vote 5 - Community Services</b>	<b>296 939</b>	<b>394 516</b>	<b>330 928</b>	<b>341 492</b>	<b>332 291</b>	<b>332 291</b>	<b>347 048</b>	<b>358 613</b>	<b>375 553</b>
5.1 - Director & Administration	38 337	13 822	35 270	27 328	40 511	40 511	41 993	42 109	44 299
5.2 - Offices & Community Buildings	6 534	4 987	5 427	6 381	6 321	6 321	6 857	6 896	7 258
5.3 - Parks & Townlands, Cemeteries	14 915	19 444	23 846	20 558	20 405	20 405	22 606	23 147	24 319
5.4 - Libraries	4 649	6 218	5 923	6 542	6 596	6 596	7 201	7 547	7 985
5.5 - Sport & Recreation	14 271	18 637	16 964	18 220	18 269	18 269	20 239	20 843	22 140
5.6 - Housing & Social Upliftment	4 273	28 318	5 045	5 750	5 353	5 353	6 007	6 328	6 668
5.7 - Roads & Stormwater	75 508	98 348	87 901	92 424	92 340	92 340	98 777	102 334	107 231
5.8 - Water	61 422	99 439	71 697	78 253	62 213	62 213	59 028	61 272	63 072
5.9 - Sewerage	41 565	58 634	50 443	55 000	49 347	49 347	50 608	53 368	56 070
5.10 - Refuse	35 466	46 668	28 412	31 035	30 936	30 936	33 732	34 769	36 512
<b>Vote 6 - Local Economic Development</b>	<b>7 722</b>	<b>9 945</b>	<b>10 226</b>	<b>8 731</b>	<b>9 531</b>	<b>9 531</b>	<b>10 795</b>	<b>7 433</b>	<b>7 672</b>
6.1 - Director: Economic Development & Planning	4 720	4 291	5 259	5 672	4 342	4 342	3 756	3 936	4 138
6.2 - Tourism	3 002	3 820	2 615	2 741	2 524	2 524	3 112	3 149	3 187
6.3 - Parking Services		1 833	2 352	317	1 486	1 486	2 005	348	348
6.4 - EPWP					1 179	1 179	1 922	-	-
<b>Vote 7 - Infrastructure &amp; Planning</b>	<b>254 841</b>	<b>271 782</b>	<b>344 447</b>	<b>355 793</b>	<b>372 676</b>	<b>372 676</b>	<b>430 346</b>	<b>418 971</b>	<b>448 962</b>
7.1 - Director: Infrastructure & Planning	2 781	432	2 285	2 384	2 403	2 403	2 536	2 649	2 770
7.2 - Deputy Director: Engineering Planning	9 124	2 315	7 662	8 664	31 146	31 146	45 305	48 485	51 896
7.3 - Engineering Services & Housing Development	2 003	1 595	6 539	32 871	29 699	29 699	48 798	12 577	16 953
7.4 - Town Planning	9 494	10 635	8 557	11 192	11 392	11 392	11 749	11 606	12 247
7.5 - Geographical Info System (GIS)	1 128	495	1 288	1 289	1 289	1 289	1 347	1 420	1 497
7.6 - Building Control Services	4 027	4 954	4 447	5 030	4 855	4 855	5 155	5 409	5 673
7.7 - Environmental Management Services	5 624	7 306	5 662	6 952	6 500	6 500	5 712	5 983	6 204
7.8 - Electricity	198 933	248 194	229 494	258 118	256 098	256 098	278 582	297 942	318 121
7.9 - Solid Waste Planning & Solid Waste Disposal	4 636	(10 583)	66 394	23 229	23 229	23 229	24 773	26 135	26 436
7.10 - Property Administration	17 089	6 440	12 118	6 064	6 064	6 064	6 388	6 765	7 165
<b>Vote 8 - Protection Services</b>	<b>42 651</b>	<b>56 923</b>	<b>52 938</b>	<b>69 453</b>	<b>71 285</b>	<b>71 285</b>	<b>74 657</b>	<b>76 951</b>	<b>79 864</b>
8.1 - Director: Protection Services	1 518	1 289	1 729	1 948	1 980	1 980	2 000	2 116	2 240
8.2 - Traffic	19 243	30 524	25 892	41 049	41 210	41 210	43 438	44 277	45 384
8.3 - Law Enforcement	10 668	13 606	11 558	12 795	12 970	12 970	13 470	14 275	15 065
8.4 - Vehicle testing	178	316	396	296	311	311	350	370	391
8.5 - Fire Brigade/Disaster Management	9 619	11 187	12 654	12 277	13 701	13 701	13 992	14 421	15 203
8.6 - Vehicle Licensing	1 426		709	1 087	1 112	1 112	1 151	1 221	1 294
8.7 - Special Task Team Unit							256	271	288
<b>Total Expenditure by Vote</b>	<b>752 070</b>	<b>832 022</b>	<b>911 264</b>	<b>964 529</b>	<b>987 403</b>	<b>987 403</b>	<b>1 074 984</b>	<b>1 085 176</b>	<b>1 148 851</b>
<b>Surplus/(Deficit) for the year</b>	<b>10 899</b>	<b>(45 015)</b>	<b>(49 845)</b>	<b>(5 140)</b>	<b>(15 149)</b>	<b>(15 149)</b>	<b>(39 767)</b>	<b>(4 116)</b>	<b>2 138</b>



WC032 Overstrand - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>Revenue By Source</b>									
Property rates	120 799	134 813	152 870	162 730	162 730	162 730	180 591	191 427	202 913
Property rates - penalties & collection charges	772	821	747	891	891	891	848	899	953
Service charges - electricity revenue	247 663	268 362	286 571	338 877	336 877	336 877	357 681	379 142	401 891
Service charges - water revenue	85 243	95 136	108 391	102 045	105 045	105 045	111 544	118 237	125 331
Service charges - sanitation revenue	56 895	62 798	68 661	66 375	67 375	67 375	72 318	76 657	81 257
Service charges - refuse revenue	46 637	52 957	56 770	59 488	59 488	59 488	65 510	69 441	73 607
Service charges - other									
Rental of facilities and equipment	7 212	7 591	9 155	11 859	11 983	11 983	3 146	3 335	3 535
Interest earned - external investments	7 555	6 352	8 144	6 348	8 973	8 973	12 071	12 795	13 563
Interest earned - outstanding debtors	2 199	2 118	2 279	2 437	2 437	2 437	2 756	2 921	3 097
Dividends received									
Fines	14 244	22 739	25 389	31 859	31 859	31 859	31 143	31 164	31 187
Licences and permits	1 968	1 956	1 972	2 190	2 190	2 190	2 330	2 470	2 618
Agency services	2 025	2 395	2 766	2 970	2 970	2 970	3 220	3 413	3 618
Transfers recognised - operational	41 680	67 835	60 473	90 324	101 234	101 234	128 252	100 430	113 519
Other revenue	68 978	10 504	20 463	16 643	16 701	16 701	23 702	25 124	26 631
Gains on disposal of PPE									
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>703 871</b>	<b>736 376</b>	<b>804 650</b>	<b>895 035</b>	<b>910 752</b>	<b>910 752</b>	<b>995 114</b>	<b>1 017 455</b>	<b>1 083 718</b>
<b>Expenditure By Type</b>									
Employee related costs	231 642	260 645	267 019	291 593	292 827	292 827	314 204	322 023	339 129
Remuneration of councillors	7 084	7 933	8 104	8 674	8 674	8 674	9 110	9 620	10 161
Debt impairment	6 688	12 526	10 846	22 792	22 792	22 792	23 888	23 974	24 048
Depreciation & asset impairment	104 408	99 361	106 445	111 362	111 362	111 362	117 690	124 752	132 237
Finance charges	37 331	39 927	43 447	46 895	46 895	46 895	46 421	46 952	45 449
Bulk purchases	145 022	157 055	167 660	193 573	191 573	191 573	210 763	227 329	245 197
Other materials	12 441	13 595	16 659	57 801	59 186	59 186	76 687	41 285	46 605
Contracted services	67 697	72 754	85 327	125 322	119 897	119 897	158 718	164 936	174 154
Transfers and grants	35 856	38 749	48 659	48 497	49 448	49 448	57 479	60 808	64 336
Other expenditure	102 146	117 460	157 098	58 021	84 750	84 750	60 024	63 497	67 536
Loss on disposal of PPE	1 756	12 017							
<b>Total Expenditure</b>	<b>752 070</b>	<b>832 022</b>	<b>911 264</b>	<b>964 529</b>	<b>987 403</b>	<b>987 403</b>	<b>1 074 984</b>	<b>1 085 176</b>	<b>1 148 851</b>
<b>Surplus/(Deficit)</b>	<b>(48 199)</b>	<b>(95 646)</b>	<b>(106 615)</b>	<b>(69 494)</b>	<b>(76 651)</b>	<b>(76 651)</b>	<b>(79 870)</b>	<b>(67 720)</b>	<b>(65 133)</b>
Transfers recognised - capital	53 809	38 090	55 498	63 354	60 502	60 502	40 103	63 604	67 271
Contributions recognised - capital	5 289	7 871	1 272	1 000	1 000	1 000	-	-	-
Contributed assets		4 671							
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>10 899</b>	<b>(45 015)</b>	<b>(49 845)</b>	<b>(5 140)</b>	<b>(15 149)</b>	<b>(15 149)</b>	<b>(39 767)</b>	<b>(4 116)</b>	<b>2 138</b>
Taxation									
<b>Surplus/(Deficit) after taxation</b>	<b>10 899</b>	<b>(45 015)</b>	<b>(49 845)</b>	<b>(5 140)</b>	<b>(15 149)</b>	<b>(15 149)</b>	<b>(39 767)</b>	<b>(4 116)</b>	<b>2 138</b>
Attributable to minorities									
<b>Surplus/(Deficit) attributable to municipality</b>	<b>10 899</b>	<b>(45 015)</b>	<b>(49 845)</b>	<b>(5 140)</b>	<b>(15 149)</b>	<b>(15 149)</b>	<b>(39 767)</b>	<b>(4 116)</b>	<b>2 138</b>
Share of surplus/ (deficit) of associate									
<b>Surplus/(Deficit) for the year</b>	<b>10 899</b>	<b>(45 015)</b>	<b>(49 845)</b>	<b>(5 140)</b>	<b>(15 149)</b>	<b>(15 149)</b>	<b>(39 767)</b>	<b>(4 116)</b>	<b>2 138</b>

WC032 Overstrand - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Capital expenditure - Vote</b>									
<b>Multi-year expenditure to be appropriated</b>									
Vote 1 - Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Management Services	-	-	2 658	-	-	-	-	-	-
Vote 4 - Finance	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services	-	5 000	89 992	21 911	20 996	20 996	14 311	38 890	37 031
Vote 6 - Local Economic Development	-	-	-	-	-	-	-	-	-
Vote 7 - Infrastructure & Planning	-	-	15 839	11 451	13 016	13 016	15 000	14 000	20 500
Vote 8 - Protection Services	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	<b>-</b>	<b>5 000</b>	<b>108 489</b>	<b>33 362</b>	<b>34 012</b>	<b>34 012</b>	<b>29 311</b>	<b>52 890</b>	<b>57 531</b>
<b>Single-year expenditure to be appropriated</b>									
Vote 1 - Council	-	-	-	-	-	-	5	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	41	-	-
Vote 3 - Management Services	1 274	1 790	-	2 528	4 093	4 093	320	-	-
Vote 4 - Finance	-	-	-	-	-	-	30	-	-
Vote 5 - Community Services	110 111	74 622	-	56 809	54 207	54 207	45 732	40 714	49 740
Vote 6 - Local Economic Development	945	-	-	-	-	-	15	-	-
Vote 7 - Infrastructure & Planning	31 434	49 518	-	10 920	10 520	10 520	230	-	-
Vote 8 - Protection Services	-	-	-	295	295	295	310	-	-
<b>Capital single-year expenditure sub-total</b>	<b>143 764</b>	<b>125 930</b>	<b>-</b>	<b>70 552</b>	<b>69 115</b>	<b>69 115</b>	<b>46 683</b>	<b>40 714</b>	<b>49 740</b>
<b>Total Capital Expenditure - Vote</b>	<b>143 764</b>	<b>130 930</b>	<b>108 489</b>	<b>103 914</b>	<b>103 127</b>	<b>103 127</b>	<b>75 993</b>	<b>93 604</b>	<b>107 271</b>
<b>Capital Expenditure - Standard</b>									
<b>Governance and administration</b>	<b>7 154</b>	<b>21 308</b>	<b>10 561</b>	<b>2 648</b>	<b>4 213</b>	<b>4 213</b>	<b>2 040</b>	<b>-</b>	<b>-</b>
Executive and council							46		
Budget and treasury office									
Corporate services	7 154	21 308	10 561	2 648	4 213	4 213	1 994		
<b>Community and public safety</b>	<b>7 268</b>	<b>19 582</b>	<b>39 184</b>	<b>39 768</b>	<b>34 902</b>	<b>34 902</b>	<b>18 858</b>	<b>47 089</b>	<b>42 340</b>
Community and social services	4 666	3 482	5 258	3 520	3 220	3 220	2 995	4 500	1 500
Sport and recreation	2 601	5 696	1 565	5 981	5 066	5 066	2 530	5 435	3 100
Public safety	-	-	-	295	295	295	310		
Housing	-	10 404	32 361	29 973	26 321	26 321	13 023	37 154	37 740
Health									
<b>Economic and environmental services</b>	<b>25 552</b>	<b>16 051</b>	<b>6 300</b>	<b>12 128</b>	<b>13 229</b>	<b>13 229</b>	<b>12 098</b>	<b>6 859</b>	<b>13 605</b>
Planning and development	945			25	25	25	133		
Road transport	24 607	16 051	6 300	12 103	13 204	13 204	11 965	6 859	13 605
Environmental protection									
<b>Trading services</b>	<b>103 790</b>	<b>73 989</b>	<b>52 444</b>	<b>49 370</b>	<b>50 784</b>	<b>50 784</b>	<b>42 997</b>	<b>39 656</b>	<b>51 326</b>
Electricity	26 768	37 115	13 682	21 726	22 891	22 891	15 108	14 000	20 500
Water	50 766	23 631	16 275	16 390	16 390	16 390	12 430	12 800	16 826
Waste water management	20 728	10 202	13 221	11 244	11 487	11 487	15 430	12 856	14 000
Waste management	5 528	3 041	9 267	10	15	15	30		
<b>Other</b>									
<b>Total Capital Expenditure - Standard</b>	<b>143 764</b>	<b>130 930</b>	<b>108 490</b>	<b>103 914</b>	<b>103 127</b>	<b>103 127</b>	<b>75 993</b>	<b>93 604</b>	<b>107 271</b>
<b>Funded by:</b>									
National Government	36 911	6 339	22 884	30 347	30 347	30 347	26 030	26 450	29 531
Provincial Government	16 898	31 751	31 850	33 007	30 155	30 155	14 073	37 154	37 740
District Municipality					-	-			
Other transfers and grants			1 000	1 000	1 000	1 000			
<b>Transfers recognised - capital</b>	<b>53 809</b>	<b>38 090</b>	<b>55 734</b>	<b>64 354</b>	<b>61 502</b>	<b>61 502</b>	<b>40 103</b>	<b>63 604</b>	<b>67 271</b>
<b>Public contributions &amp; donations</b>	<b>5 067</b>	<b>7 985</b>	<b>607</b>	<b>462</b>	<b>462</b>	<b>462</b>			
<b>Borrowing</b>	<b>67 544</b>	<b>70 634</b>	<b>39 012</b>	<b>32 346</b>	<b>33 419</b>	<b>33 419</b>	<b>30 000</b>	<b>30 000</b>	<b>40 000</b>
<b>Internally generated funds</b>	<b>17 345</b>	<b>14 222</b>	<b>13 138</b>	<b>6 753</b>	<b>7 745</b>	<b>7 745</b>	<b>5 890</b>		
<b>Total Capital Funding</b>	<b>143 764</b>	<b>130 930</b>	<b>108 490</b>	<b>103 914</b>	<b>103 127</b>	<b>103 127</b>	<b>75 993</b>	<b>93 604</b>	<b>107 271</b>

WC032 Overstrand - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description  R thousand	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Capital expenditure - Municipal Vote</b>										
<b>Multi-year expenditure appropriation</b>										
<b>Vote 1 - Council</b>	-	-	-	-	-	-	-	-	-	-
1.1 - Council General								-	-	-
1.2 - Mayor's Office								-	-	-
1.3 - Pensioners & Continued Members								-	-	-
<b>Vote 2 - Municipal Manager</b>	-	-	-	-	-	-	-	-	-	-
2.1 - Municipal Manager								-	-	-
2.2 - Internal Audit								-	-	-
<b>Vote 3 - Management Services</b>	-	-	2 658	-	-	-	-	-	-	-
3.1 - Director: Management Services								-	-	-
3.2 - Communication								-	-	-
3.3 - Legal Services								-	-	-
3.4 - Strategic Services								-	-	-
3.5 - Human Resources								-	-	-
3.6 - Info & Communication Technology			2 658					-	-	-
3.7 - Council Support Services								-	-	-
3.8 - Social Development								-	-	-
3.9 - Risk Management								-	-	-
3.10 - Municipal Court								-	-	-
<b>Vote 4 - Finance</b>	-	-	-	-	-	-	-	-	-	-
4.1 - Director: Finance								-	-	-
4.2 - Deputy Director: Finance								-	-	-
4.3 - Accounting Services								-	-	-
4.4 - Expenditure & Asset Management								-	-	-
4.5 - Revenue								-	-	-
4.6 - Supply Chain Management								-	-	-
4.7 - Data Control								-	-	-
4.8 - Assessment Rates								-	-	-
<b>Vote 5 - Community Services</b>	-	5 000	89 992	21 911	20 996	20 996	-	14 311	38 890	37 031
5.1 - Director & Administration			8 918	-				-	-	-
5.2 - Offices & Community Buildings				-				1 000	4 500	1 500
5.3 - Parks & Townlands, Cemeteries				-				-	-	-
5.4 - Libraries			1 961	3 034	3 034	3 034		-	-	-
5.5 - Sport & Recreation		5 000	1 690	5 613	4 698	4 698		-	5 435	3 100
5.6 - Housing & Social Upliftment			32 361	-				-	-	-
5.7 - Roads & Stormwater			7 621	-				1 500	8 274	14 605
5.8 - Water			16 275	9 717	9 717	9 717		3 611	12 800	10 826
5.9 - Sewerage			11 970	3 547	3 547	3 547		8 200	7 881	7 000
5.10 - Refuse			9 198	-				-	-	-
<b>Vote 6 - Local Economic Development</b>	-	-	-	-	-	-	-	-	-	-
6.1 - Director: Economic Development & Planning								-	-	-
6.2 - Tourism								-	-	-
6.3 - Parking Services								-	-	-
6.4 - EPWP								-	-	-
<b>Vote 7 - Infrastructure &amp; Planning</b>	-	-	15 839	11 451	13 016	13 016	-	15 000	14 000	20 500
7.1 - Director: Infrastructure & Planning								-	-	-
7.2 - Deputy Director: Engineering Planning								-	-	-
7.3 - Engineering Services & Housing Development								-	-	-
7.4 - Town Planning								-	-	-
7.5 - Geographical Info System (GIS)								-	-	-
7.6 - Building Control Services								-	-	-
7.7 - Environmental Management Services								-	-	-
7.8 - Electricity			13 682	11 451	13 016	13 016		15 000	14 000	20 500
7.9 - Solid Waste Planning & Solid Waste Disposal								-	-	-
7.10 - Property Administration			2 157					-	-	-
<b>Vote 8 - Protection Services</b>	-	-	-	-	-	-	-	-	-	-
8.1 - Director: Protection Services								-	-	-
8.2 - Traffic								-	-	-
8.3 - Law Enforcement								-	-	-
8.4 - Vehicle testing								-	-	-
8.5 - Fire Brigade/Disaster Management								-	-	-
8.6 - Vehicle Licensing								-	-	-
8.7 - Special Task Team Unit								-	-	-
<b>Capital multi-year expenditure sub-total</b>	-	5 000	108 489	33 362	34 012	34 012	-	29 311	52 890	57 531

Vote Description	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>										
<b>Capital expenditure - Municipal Vote</b>										
<b>Single-year expenditure appropriation</b>										
<b>Vote 1 - Council</b>	-	-	-	-	-	-	-	5	-	-
1.1 - Council General								5		
1.2 - Mayor's Office										
1.3 - Pensioners & Continued Members										
<b>Vote 2 - Municipal Manager</b>	-	-	-	-	-	-	-	41	-	-
2.1 - Municipal Manager								41		
2.2 - Internal Audit										
<b>Vote 3 - Management Services</b>	1 274	1 790	-	2 528	4 093	4 093	-	320	-	-
3.1 - Director: Management Services										
3.2 - Communication										
3.3 - Legal Services										
3.4 - Strategic Services										
3.5 - Human Resources										
3.6 - Info & Communication Technology	1 274	1 790		2 528	4 093	4 093		200		
3.7 - Council Support Services								120		
3.8 - Social Development										
3.9 - Risk Management										
3.10 - Municipal Court										
<b>Vote 4 - Finance</b>	-	-	-	-	-	-	-	30	-	-
4.1 - Director: Finance								30		
4.2 - Deputy Director: Finance										
4.3 - Accounting Services										
4.4 - Expenditure & Asset Management										
4.5 - Revenue										
4.6 - Supply Chain Management										
4.7 - Data Control										
4.8 - Assessment Rates										
<b>Vote 5 - Community Services</b>	110 111	74 622	-	56 809	54 207	54 207	-	45 732	40 714	49 740
5.1 - Director & Administration				126				1 640		
5.2 - Offices & Community Buildings	5 880	10 597						945		
5.3 - Parks & Townlands, Cemeteries										
5.4 - Libraries								1 050		
5.5 - Sport & Recreation	2 601	696		228	54	54		2 530		
5.6 - Housing & Social Upliftment	-	10 404		29 973	26 321	26 321		13 023	37 154	37 740
5.7 - Roads & Stormwater	30 715	16 094		15 079	16 424	16 424		12 195		
5.8 - Water	50 766	23 631		6 673	6 673	6 673		8 819		6 000
5.9 - Sewerage	14 621	10 159		4 720	4 720	4 720		5 500	3 560	6 000
5.10 - Refuse	5 528	3 041		10	15	15		30		
<b>Vote 6 - Local Economic Development</b>	945	-	-	-	-	-	-	15	-	-
6.1 - Director: Economic Development & Planning	945							15		
6.2 - Tourism										
6.3 - Parking Services										
6.4 - EPWP										
<b>Vote 7 - Infrastructure &amp; Planning</b>	31 434	49 518	-	10 920	10 520	10 520	-	230	-	-
7.1 - Director: Infrastructure & Planning								122		
7.2 - Deputy Director: Engineering Planning										
7.3 - Engineering Services & Housing Development										
7.4 - Town Planning										
7.5 - Geographical Info System (GIS)										
7.6 - Building Control Services										
7.7 - Environmental Management Services										
7.8 - Electricity	26 768	37 115		10 275	9 875	9 875		108		
7.9 - Solid Waste Planning & Solid Waste Disposal										
7.10 - Property Administration	4 666	12 403		645	645	645				
<b>Vote 8 - Protection Services</b>	-	-	-	295	295	295	-	310	-	-
8.1 - Director: Protection Services				295	295	295		310		
8.2 - Traffic										
8.3 - Law Enforcement										
8.4 - Vehicle testing										
8.5 - Fire Brigade/Disaster Management										
8.6 - Vehicle Licensing										
8.7 - Special Task Team Unit										
<b>Capital single-year expenditure sub-total</b>	143 764	125 930	-	70 552	69 115	69 115	-	46 683	40 714	49 740
<b>Total Capital Expenditure</b>	143 764	130 930	108 489	103 914	103 127	103 127	-	75 993	93 604	107 271

WC032 Overstrand - Table A6 Budgeted Financial Position

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>ASSETS</b>									
<b>Current assets</b>									
Cash	29 106	13 119	78 935	97 547	100 467	100 467	109 718	130 516	162 093
Call investment deposits	55 042	50 039	26 051	–	–	–	–	–	–
Consumer debtors	49 025	47 451	52 850	51 774	51 774	51 774	66 944	70 804	74 893
Other debtors	52 222	51 704	56 167	44 112	40 197	40 197	44 217	53 060	58 366
Current portion of long-term receivables	17	15	15	13	13	13	11	10	10
Inventory	20 257	13 137	10 426	14 483	14 483	14 483	13 663	14 483	15 352
<b>Total current assets</b>	<b>205 668</b>	<b>175 465</b>	<b>224 444</b>	<b>207 929</b>	<b>206 935</b>	<b>206 935</b>	<b>234 553</b>	<b>268 874</b>	<b>310 714</b>
<b>Non current assets</b>									
Long-term receivables	84	68	53	41	41	41	30	20	10
Investments	11 597	16 965	23 149	28 455	28 455	28 455	35 328	41 727	48 267
Investment property	175 866	164 501	159 761	164 501	164 501	164 501	159 761	159 761	159 761
Investment in Associate				–	–	–	–	–	–
Property, plant and equipment	3 097 120	3 111 056	3 117 725	3 122 147	3 119 795	3 119 795	3 072 366	3 042 479	3 018 851
Agricultural				–	–	–	–	–	–
Biological				–	–	–	–	–	–
Intangible	4 449	5 220	4 762	5 368	5 368	5 368	4 179	2 918	1 581
Other non-current assets	1 025	4 301		–	–	–	–	–	–
<b>Total non current assets</b>	<b>3 290 140</b>	<b>3 302 111</b>	<b>3 305 450</b>	<b>3 320 511</b>	<b>3 318 160</b>	<b>3 318 160</b>	<b>3 271 663</b>	<b>3 246 904</b>	<b>3 228 470</b>
<b>TOTAL ASSETS</b>	<b>3 495 808</b>	<b>3 477 576</b>	<b>3 529 894</b>	<b>3 528 441</b>	<b>3 525 094</b>	<b>3 525 094</b>	<b>3 506 216</b>	<b>3 515 778</b>	<b>3 539 184</b>
<b>LIABILITIES</b>									
<b>Current liabilities</b>									
Bank overdraft									
Borrowing	18 241	20 443	23 620	28 113	28 113	28 113	29 378	32 831	36 912
Consumer deposits	34 932	37 751	41 743	43 801	43 801	43 801	46 429	48 750	51 188
Trade and other payables	79 489	64 943	65 836	74 229	74 229	74 229	81 244	77 375	73 691
Provisions	27 670	25 663	23 939	28 317	25 422	25 422	26 930	28 529	30 224
<b>Total current liabilities</b>	<b>160 331</b>	<b>148 801</b>	<b>155 138</b>	<b>174 459</b>	<b>171 564</b>	<b>171 564</b>	<b>183 981</b>	<b>187 486</b>	<b>192 014</b>
<b>Non current liabilities</b>									
Borrowing	364 632	392 444	408 964	415 999	415 999	415 999	412 288	409 060	411 596
Provisions	119 319	128 527	193 227	201 669	211 226	211 226	223 827	237 184	251 343
<b>Total non current liabilities</b>	<b>483 951</b>	<b>520 970</b>	<b>602 191</b>	<b>617 668</b>	<b>627 225</b>	<b>627 225</b>	<b>636 115</b>	<b>646 245</b>	<b>662 939</b>
<b>TOTAL LIABILITIES</b>	<b>644 282</b>	<b>669 772</b>	<b>757 329</b>	<b>792 127</b>	<b>798 789</b>	<b>798 789</b>	<b>820 097</b>	<b>833 731</b>	<b>854 954</b>
<b>NET ASSETS</b>	<b>2 851 526</b>	<b>2 807 805</b>	<b>2 772 565</b>	<b>2 736 314</b>	<b>2 726 305</b>	<b>2 726 305</b>	<b>2 686 119</b>	<b>2 682 047</b>	<b>2 684 231</b>
<b>COMMUNITY WEALTH/EQUITY</b>									
Accumulated Surplus/(Deficit)	2 849 634	2 805 240	2 769 994	2 733 677	2 723 668	2 723 668	2 683 901	2 679 785	2 681 923
Reserves	1 891	2 565	2 571	2 637	2 637	2 637	2 218	2 263	2 308
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2 851 526</b>	<b>2 807 805</b>	<b>2 772 565</b>	<b>2 736 314</b>	<b>2 726 305</b>	<b>2 726 305</b>	<b>2 686 119</b>	<b>2 682 047</b>	<b>2 684 231</b>

WC032 Overstrand - Table A7 Budgeted Cash Flows

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates, penalties & collection charges	120 273	135 875	152 186	163 800	163 800	163 800	177 971	191 444	202 932
Service charges	437 061	483 167	517 192	567 409	569 410	569 410	595 413	640 514	678 947
Other revenue	41 689	63 976	59 478	76 884	80 982	80 982	59 043	56 692	62 312
Government - operating	44 140	63 477	59 124	90 324	101 234	101 234	128 252	100 430	113 519
Government - capital	54 577	38 090	55 498	64 354	61 502	61 502	40 103	63 604	67 271
Interest	9 754	8 470	10 423	8 784	11 409	11 409	14 827	15 716	16 659
Dividends							-	-	-
<b>Payments</b>									
Suppliers and employees	(558 519)	(637 833)	(642 330)	(765 303)	(794 565)	(794 565)	(825 391)	(842 397)	(895 529)
Finance charges	(37 199)	(39 858)	(43 433)	(46 895)	(46 895)	(46 895)	(46 421)	(46 952)	(45 449)
Transfers and Grants	(35 856)	(38 749)	(48 659)	(48 497)	(49 448)	(49 448)	(57 479)	(60 808)	(64 336)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>75 920</b>	<b>76 616</b>	<b>119 478</b>	<b>110 861</b>	<b>97 429</b>	<b>97 429</b>	<b>86 318</b>	<b>118 244</b>	<b>136 325</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	1 725	5 073	14 548	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	45	18	15	18	18	18	13	11	10
Decrease (increase) in non-current investments	(4 960)	(4 529)	(4 980)	(6 248)	(6 248)	(6 248)	(6 873)	(6 399)	(6 541)
<b>Payments</b>									
Capital assets	(143 764)	(130 930)	(110 898)	(103 914)	(103 127)	(103 127)	(75 993)	(93 604)	(107 271)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(146 955)</b>	<b>(130 368)</b>	<b>(101 315)</b>	<b>(110 144)</b>	<b>(109 357)</b>	<b>(109 357)</b>	<b>(82 854)</b>	<b>(99 993)</b>	<b>(113 802)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans	(389)	(730)	64	(1 135)	(1 135)	(1 135)	-	-	-
Borrowing long term/refinancing	38 700	51 300	40 000	30 000	30 000	30 000	30 000	30 000	40 000
Increase (decrease) in consumer deposits	3 726	2 819	3 983	2 479	2 479	2 479	2 628	2 321	2 438
<b>Payments</b>									
Repayment of borrowing	(13 554)	(20 626)	(20 381)	(23 936)	(23 936)	(23 936)	(26 841)	(29 775)	(33 384)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>28 482</b>	<b>32 764</b>	<b>23 666</b>	<b>7 409</b>	<b>7 409</b>	<b>7 409</b>	<b>5 787</b>	<b>2 547</b>	<b>9 054</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(42 552)</b>	<b>(20 989)</b>	<b>41 828</b>	<b>8 126</b>	<b>(4 520)</b>	<b>(4 520)</b>	<b>9 251</b>	<b>20 798</b>	<b>31 577</b>
Cash/cash equivalents at the year begin:	126 699	84 147	63 158	89 421	104 987	104 987	100 467	109 718	130 516
Cash/cash equivalents at the year end:	84 147	63 158	104 987	97 547	100 467	100 467	109 718	130 516	162 093

WC032 Overstrand - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>Cash and investments available</b>									
Cash/cash equivalents at the year end	84 147	63 158	104 987	97 547	100 467	100 467	109 718	130 516	162 093
Other current investments > 90 days	–	0	–	0	0	0	–	–	–
Non current assets - Investments	11 597	16 965	23 149	28 455	28 455	28 455	35 328	41 727	48 267
<b>Cash and investments available:</b>	<b>95 744</b>	<b>80 123</b>	<b>128 136</b>	<b>126 001</b>	<b>128 922</b>	<b>128 922</b>	<b>145 046</b>	<b>172 243</b>	<b>210 361</b>
<b>Application of cash and investments</b>									
Unspent conditional transfers	7 783	3 425	2 076	–	–	–	–	–	–
Unspent borrowing	6 133	1 847	2 800	–	–	–	–	–	–
Statutory requirements									
Other working capital requirements	(21 016)	(40 826)	(44 247)	(22 868)	(19 352)	(19 352)	(27 038)	(44 375)	(57 844)
Other provisions									
Long term investments committed	11 597	16 965	23 149	28 455	28 455	28 455	35 328	41 727	48 267
Reserves to be backed by cash/investments	1 891	2 565	2 571	2 637	2 637	2 637	2 218	2 263	2 308
<b>Total Application of cash and investments:</b>	<b>6 388</b>	<b>(16 024)</b>	<b>(13 650)</b>	<b>8 224</b>	<b>11 740</b>	<b>11 740</b>	<b>10 508</b>	<b>(385)</b>	<b>(7 269)</b>
<b>Surplus(shortfall)</b>	<b>89 356</b>	<b>96 147</b>	<b>141 786</b>	<b>117 777</b>	<b>117 182</b>	<b>117 182</b>	<b>134 538</b>	<b>172 628</b>	<b>217 630</b>

WC032 Overstrand - Table A9 Asset Management

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>CAPITAL EXPENDITURE</b>									
<b>Total New Assets</b>	<b>139 617</b>	<b>83 899</b>	<b>75 763</b>	<b>83 156</b>	<b>83 635</b>	<b>83 635</b>	<b>37 453</b>	<b>65 205</b>	<b>67 946</b>
Infrastructure - Road transport	15 578	9 203	1 320	14 979	16 331	16 331	1 840	–	–
Infrastructure - Electricity	22 203	24 160	13 041	21 726	22 891	22 891	15 108	14 000	20 500
Infrastructure - Water	48 634	7 300	470	4 737	4 737	4 737	2 930	6 000	4 300
Infrastructure - Sanitation	16 478	8 449	8 892	3 420	3 413	3 413	5 500	10 160	8 500
Infrastructure - Other	5 359	1 400	9 198	10	15	15	30	–	–
Infrastructure	108 252	50 511	32 922	44 873	47 388	47 388	25 407	30 160	33 300
Community	20 997	13 896	32 280	35 611	32 009	32 009	9 872	35 045	34 646
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	795	–	–	–	–	–	–	–
Other assets	9 038	18 697	10 561	2 673	4 238	4 238	2 173	–	–
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	1 330	–	–	–	–	–	–	–	–
<b>Total Renewal of Existing Assets</b>	<b>4 147</b>	<b>47 032</b>	<b>32 727</b>	<b>20 758</b>	<b>19 493</b>	<b>19 493</b>	<b>38 541</b>	<b>28 399</b>	<b>39 325</b>
Infrastructure - Road transport	131	6 892	6 300	–	–	–	11 855	8 274	14 605
Infrastructure - Electricity	–	12 955	3 100	–	–	–	–	–	–
Infrastructure - Water	–	16 331	15 805	11 653	11 653	11 653	9 500	6 800	12 526
Infrastructure - Sanitation	–	1 711	3 179	4 947	4 947	4 947	8 200	1 281	4 500
Infrastructure - Other	–	1 641	–	–	–	–	–	–	–
Infrastructure	131	39 529	28 384	16 600	16 600	16 600	29 555	16 355	31 631
Community	756	5 686	4 343	4 158	2 893	2 893	8 986	12 044	7 694
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	3 260	1 817	–	–	–	–	–	–	–
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	–	–	–	–	–	–	–	–	–
<b>Total Capital Expenditure</b>									
Infrastructure - Road transport	15 709	16 094	7 621	14 979	16 331	16 331	13 695	8 274	14 605
Infrastructure - Electricity	22 203	37 115	16 142	21 726	22 891	22 891	15 108	14 000	20 500
Infrastructure - Water	48 634	23 631	16 275	16 390	16 390	16 390	12 430	12 800	16 826
Infrastructure - Sanitation	16 478	10 159	12 071	8 367	8 361	8 361	13 700	11 441	13 000
Infrastructure - Other	5 359	3 041	9 198	10	15	15	30	–	–
Infrastructure	108 383	90 040	61 306	61 473	63 988	63 988	54 962	46 515	64 931
Community	21 753	19 582	36 623	39 768	34 902	34 902	18 858	47 089	42 340
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	795	–	–	–	–	–	–	–
Other assets	12 298	20 513	10 561	2 673	4 238	4 238	2 173	–	–
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	1 330	–	–	–	–	–	–	–	–
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	<b>143 764</b>	<b>130 930</b>	<b>108 489</b>	<b>103 914</b>	<b>103 127</b>	<b>103 127</b>	<b>75 993</b>	<b>93 604</b>	<b>107 271</b>
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>									
Infrastructure - Road transport	947 141	942 269	935 286	925 642	926 994	926 994	906 622	878 784	855 112
Infrastructure - Electricity	609 815	619 999	616 523	620 094	619 694	619 694	613 498	604 916	601 479
Infrastructure - Water	458 648	459 954	461 764	453 842	453 842	453 842	445 155	435 572	428 672
Infrastructure - Sanitation	381 194	377 248	382 354	382 220	382 213	382 213	377 911	370 269	363 042
Infrastructure - Other	39 059	39 501	57 365	59 232	59 237	59 237	54 252	48 935	43 300
Infrastructure	2 435 858	2 438 970	2 453 291	2 441 031	2 441 981	2 441 981	2 397 438	2 338 478	2 291 605
Community	58 783	62 814	64 769	63 654	58 788	58 788	73 840	116 896	154 960
Heritage assets	99 573	99 572	97 573	99 572	99 572	99 572	99 572	99 572	99 572
Investment properties	175 866	164 501	159 761	164 501	164 501	164 501	159 761	159 761	159 761
Other assets	502 906	509 700	502 092	517 890	519 455	519 455	501 516	487 534	472 714
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	4 449	5 220	4 762	5 368	5 368	5 368	4 179	2 918	1 581
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>3 277 435</b>	<b>3 280 777</b>	<b>3 282 248</b>	<b>3 292 016</b>	<b>3 289 664</b>	<b>3 289 664</b>	<b>3 236 305</b>	<b>3 205 158</b>	<b>3 180 192</b>
<b>EXPENDITURE OTHER ITEMS</b>									
<b>Depreciation &amp; asset impairment</b>	104 408	99 361	106 445	111 362	111 362	111 362	117 690	124 752	132 237
<b>Repairs and Maintenance by Asset Class</b>	114 414	150 358	158 026	121 077	121 077	121 077	120 795	123 857	129 068
Infrastructure - Road transport	42 236	63 749	65 726	57 090	57 090	57 090	61 852	63 763	66 471
Infrastructure - Electricity	14 105	20 488	26 276	16 835	16 835	16 835	17 747	18 486	18 826
Infrastructure - Water	21 502	27 931	25 811	22 874	22 874	22 874	16 555	17 280	18 168
Infrastructure - Sanitation	7 708	15 486	16 060	12 159	12 159	12 159	11 672	11 949	12 587
Infrastructure - Other	1 499	1 491	2 136	2 492	2 492	2 492	2 546	2 639	2 735
Infrastructure	87 048	129 145	136 009	111 449	111 449	111 449	110 372	114 116	118 787
Community	5 408	7 349	8 469	4 546	4 546	4 546	4 878	4 918	5 208
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	21 958	13 864	13 548	5 081	5 081	5 081	5 545	4 822	5 072
<b>TOTAL EXPENDITURE OTHER ITEMS</b>	<b>218 821</b>	<b>249 719</b>	<b>264 471</b>	<b>232 439</b>	<b>232 439</b>	<b>232 439</b>	<b>238 486</b>	<b>248 609</b>	<b>261 304</b>
<b>Renewal of Existing Assets as % of total capex</b>	2.9%	35.9%	30.2%	20.0%	18.9%	18.9%	50.7%	30.3%	36.7%
<b>Renewal of Existing Assets as % of deprecn"</b>	4.0%	47.3%	30.7%	18.6%	17.5%	17.5%	32.7%	22.8%	29.7%
<b>R&amp;M as a % of PPE</b>	3.7%	4.8%	5.1%	3.9%	3.9%	3.9%	3.9%	4.1%	4.3%
<b>Renewal and R&amp;M as a % of PPE</b>	4.0%	6.0%	6.0%	4.0%	4.0%	4.0%	5.0%	5.0%	5.0%



WC032 Overstrand - Table A10 Basic service delivery measurement

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Household service targets</b>									
<b>Water:</b>									
Piped water inside dwelling	27 295	32 032	28 100	29 295	29 295	29 295	32 483	33 457	34 461
Piped water inside yard (but not in dwelling)	—	—	—	—	—	—	—	—	—
Using public tap (at least min.service level)	3 436	3 334	3 350	3 188	3 188	3 188	3 144	3 068	3 010
Other water supply (at least min.service level)	199	155	—	—	—	—	—	—	—
<i>Minimum Service Level and Above sub-total</i>	30 930	35 521	31 450	32 483	32 483	32 483	35 627	36 525	37 471
Using public tap (< min.service level)	—	—	—	—	—	—	—	—	—
Other water supply (< min.service level)	—	—	—	—	—	—	—	—	—
No water supply	—	—	—	—	—	—	—	—	—
<i>Below Minimum Service Level sub-total</i>	—	—	—	—	—	—	—	—	—
<b>Total number of households</b>	<b>30 930</b>	<b>35 521</b>	<b>31 450</b>	<b>32 483</b>	<b>32 483</b>	<b>32 483</b>	<b>35 627</b>	<b>36 525</b>	<b>37 471</b>
<b>Sanitation/sewerage:</b>									
Flush toilet (connected to sewerage)	21 284	21 632	20 030	20 818	20 818	20 818	26 910	27 717	28 548
Flush toilet (with septic tank)	9 646	9 799	11 420	11 665	11 665	11 665	8 717	8 500	8 300
Chemical toilet	—	—	—	—	—	—	—	—	—
Pit toilet (ventilated)	—	—	—	—	—	—	—	—	—
Other toilet provisions (> min.service level)	—	—	—	—	—	—	—	—	—
<i>Minimum Service Level and Above sub-total</i>	30 930	31 431	31 450	32 483	32 483	32 483	35 627	36 217	36 848
Bucket toilet	—	—	—	—	—	—	—	—	—
Other toilet provisions (< min.service level)	—	—	—	—	—	—	—	—	—
No toilet provisions	—	—	—	—	—	—	—	—	—
<i>Below Minimum Service Level sub-total</i>	—	—	—	—	—	—	—	—	—
<b>Total number of households</b>	<b>30 930</b>	<b>31 431</b>	<b>31 450</b>	<b>32 483</b>	<b>32 483</b>	<b>32 483</b>	<b>35 627</b>	<b>36 217</b>	<b>36 848</b>
<b>Energy:</b>									
Electricity (at least min.service level)	7 918	7 136	6 625	6 114	6 114	6 114	5 950	5 800	5 650
Electricity - prepaid (min.service level)	14 080	16 458	18 379	19 240	19 240	19 240	19 750	20 450	20 950
<i>Minimum Service Level and Above sub-total</i>	21 998	23 594	25 004	25 354	25 354	25 354	25 700	26 250	26 600
Electricity (< min.service level)	—	—	—	—	—	—	—	—	—
Electricity - prepaid (< min. service level)	—	—	1 000	—	—	—	—	—	—
Other energy sources	—	—	—	—	—	—	—	—	—
<i>Below Minimum Service Level sub-total</i>	—	—	1 000	—	—	—	—	—	—
<b>Total number of households</b>	<b>21 998</b>	<b>23 594</b>	<b>26 004</b>	<b>25 354</b>	<b>25 354</b>	<b>25 354</b>	<b>25 700</b>	<b>26 250</b>	<b>26 600</b>
<b>Refuse:</b>									
Removed at least once a week	31 739	31 829	32 691	33 094	33 094	33 094	36 238	37 325	38 449
<i>Minimum Service Level and Above sub-total</i>	31 739	31 829	32 691	33 094	33 094	33 094	36 238	37 325	38 449
Removed less frequently than once a week	—	—	—	—	—	—	—	—	—
Using communal refuse dump	—	—	—	—	—	—	—	—	—
Using own refuse dump	—	—	—	—	—	—	—	—	—
Other rubbish disposal	—	—	—	—	—	—	—	—	—
No rubbish disposal	—	—	—	—	—	—	—	—	—
<i>Below Minimum Service Level sub-total</i>	—	—	—	—	—	—	—	—	—
<b>Total number of households</b>	<b>31 739</b>	<b>31 829</b>	<b>32 691</b>	<b>33 094</b>	<b>33 094</b>	<b>33 094</b>	<b>36 238</b>	<b>37 325</b>	<b>38 449</b>
<b>Households receiving Free Basic Service</b>									
Water (6 kilolitres per household per month)	25 406	6 543	6 923	7 297	7 297	7 297	7 400	7 800	8 200
Sanitation (free minimum level service)	—	—	—	—	—	—	—	—	—
Electricity/other energy (50kwh per household per month)	6 423	6 543	6 923	7 297	7 297	7 297	7 400	7 800	8 200
Refuse (removed at least once a week)	—	—	—	—	—	—	—	—	—
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>									
Water (6 kilolitres per indigent household per month)	—	—	1 240	1 320	1 320	1 320	1 637	1 637	1 735
Sanitation (free sanitation service to indigent households)	—	—	—	—	—	—	—	—	—
Electricity/other energy (50kwh per indigent household per month)	—	—	2 822	2 215	2 215	2 215	2 544	2 544	2 697
Refuse (removed once a week for indigent households)	—	—	—	—	—	—	—	—	—
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>	13	13	14	15	15	15	15	16	16
<b>Total cost of FBS provided</b>	<b>13</b>	<b>13</b>	<b>4 076</b>	<b>3 550</b>	<b>3 550</b>	<b>3 550</b>	<b>4 196</b>	<b>4 197</b>	<b>4 448</b>
<b>Highest level of free service provided per household</b>									
Property rates (R value threshold)	100 000	100 000	100 000	220 000	220 000	220 000	220 000	220 000	220 000
Water (kilolitres per household per month)	6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)	4	4	4	4	4	4	4	4	4
Sanitation (Rand per household per month)	54	58	61	65	65	65	69	73	77
Electricity (kwh per household per month)	50	50	50	50	50	50	50	50	50
Refuse (average litres per week)	210	210	210	210	210	210	210	210	210
<b>Revenue cost of subsidised services provided (R'000)</b>									
Property rates (tariff adjustment) ( impermissible values per section 17 of MPRA)	1 824	1 537	1 786	1 863	1 863	1 863	2 047	2 159	2 278
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA	32 278	31 127	36 411	38 126	38 126	38 126	43 167	45 757	48 502
Water (in excess of 6 kilolitres per indigent household per month)	—	—	—	—	—	—	—	—	—
Sanitation (in excess of free sanitation service to indigent households)	—	—	—	—	—	—	—	—	—
Electricity/other energy (in excess of 50 kwh per indigent household per month)	—	—	—	—	—	—	—	—	—
Refuse (in excess of one removal a week for indigent households)	—	—	—	—	—	—	—	—	—
Municipal Housing - rental rebates	—	—	—	—	—	—	—	—	—
Housing - top structure subsidies	—	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—	—
<b>Total revenue cost of subsidised services provided</b>	<b>34 102</b>	<b>32 664</b>	<b>38 196</b>	<b>39 989</b>	<b>39 989</b>	<b>39 989</b>	<b>45 214</b>	<b>47 916</b>	<b>50 781</b>

WC032 Overstrand - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>REVENUE ITEMS:</b>									
<b><u>Property rates</u></b>									
Total Property Rates	153 077	165 939	189 281	200 857	200 857	200 857	223 758	237 184	251 415
<i>less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)</i>	32 278	31 127	36 411	38 126	38 126	38 126	43 167	45 757	48 502
<b>Net Property Rates</b>	<b>120 799</b>	<b>134 813</b>	<b>152 870</b>	<b>162 730</b>	<b>162 730</b>	<b>162 730</b>	<b>180 591</b>	<b>191 427</b>	<b>202 913</b>
<b><u>Service charges - electricity revenue</u></b>									
Total Service charges - electricity revenue	247 663	268 362	289 393	341 092	339 092	339 092	360 225	381 839	404 749
<i>less Revenue Foregone (in excess of 50 kwh per indigent household per month)</i>									
<i>less Cost of Free Basis Services (50 kwh per indigent household per month)</i>	–	–	2 822	2 215	2 215	2 215	2 544	2 697	2 858
<b>Net Service charges - electricity revenue</b>	<b>247 663</b>	<b>268 362</b>	<b>286 571</b>	<b>338 877</b>	<b>336 877</b>	<b>336 877</b>	<b>357 681</b>	<b>379 142</b>	<b>401 891</b>
<b><u>Service charges - water revenue</u></b>									
Total Service charges - water revenue	85 243	95 136	109 630	103 365	106 365	106 365	113 181	119 972	127 171
<i>less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)</i>									
<i>less Cost of Free Basis Services (6 kilolitres per indigent household per month)</i>	–	–	1 240	1 320	1 320	1 320	1 637	1 735	1 840
<b>Net Service charges - water revenue</b>	<b>85 243</b>	<b>95 136</b>	<b>108 391</b>	<b>102 045</b>	<b>105 045</b>	<b>105 045</b>	<b>111 544</b>	<b>118 237</b>	<b>125 331</b>
<b><u>Service charges - sanitation revenue</u></b>									
Total Service charges - sanitation revenue	56 895	62 798	68 661	66 375	67 375	67 375	72 318	76 657	81 257
<i>less Revenue Foregone (in excess of free sanitation service to indigent households)</i>									
<i>less Cost of Free Basis Services (free sanitation service to indigent households)</i>	–	–	–	–	–	–	–	–	–
<b>Net Service charges - sanitation revenue</b>	<b>56 895</b>	<b>62 798</b>	<b>68 661</b>	<b>66 375</b>	<b>67 375</b>	<b>67 375</b>	<b>72 318</b>	<b>76 657</b>	<b>81 257</b>
<b><u>Service charges - refuse revenue</u></b>									
Total refuse removal revenue	46 637	52 957	56 770	59 488	59 488	59 488	65 510	69 441	73 607
Total landfill revenue									
<i>less Revenue Foregone (in excess of one removal a week to indigent households)</i>									
<i>less Cost of Free Basis Services (removed once a week to indigent households)</i>	–	–	–	–	–	–	–	–	–
<b>Net Service charges - refuse revenue</b>	<b>46 637</b>	<b>52 957</b>	<b>56 770</b>	<b>59 488</b>	<b>59 488</b>	<b>59 488</b>	<b>65 510</b>	<b>69 441</b>	<b>73 607</b>
<b><u>Other Revenue by source</u></b>									
Plan&Dev-Building Plans	2 880	3 439	4 893	4 500	4 500	4 500	6 360	6 742	7 146
Collection charges	2 542	2 288	3 506	3 850	3 850	3 850	2 430	2 576	2 730
Developers Charges	2 615	2 766	2 652	1 451	1 451	1 451	1 446	1 532	1 624
Central improvement district	–	–	–						
Sundry income	2 637	1 330	911						
Townplanning fees	793	908	1 142	1 013	1 013	1 013	1 593	1 688	1 790
Admission fees	707	714	–	562	562	562	574	608	645
Valuation and clearance certificates	388	400	459	495	495	495	500	530	562
Fair value adjustments	49 649	(7 021)	(3 566)						
Roadworthy certificates	463	493	561	630	630	630	665	705	747
SETA claims	1 058	133	605						
Exchange Revenue (SCOA) / Other Income	5 247	5 054	9 300	4 142	4 200	4 200	10 134	10 742	11 387
<b>Total 'Other' Revenue</b>	<b>68 978</b>	<b>10 504</b>	<b>20 463</b>	<b>16 643</b>	<b>16 701</b>	<b>16 701</b>	<b>23 702</b>	<b>25 124</b>	<b>26 631</b>
<b>EXPENDITURE ITEMS:</b>									
<b><u>Employee related costs</u></b>									
Basic Salaries and Wages	151 957	166 955	174 931	198 092	192 628	192 628	209 160	212 962	225 659
Pension and UIF Contributions	24 051	25 104	27 068	31 736	30 694	30 694	32 625	34 426	36 394
Medical Aid Contributions	8 176	8 828	9 363	11 618	11 038	11 038	11 423	12 322	13 063
Overtime	12 428	14 370	14 765	15 295	13 654	13 654	14 920	15 806	16 725
Performance Bonus									
Motor Vehicle Allowance	9 178	9 750	9 634	12 164	11 239	11 239	6 990	6 993	6 996
Cellphone Allowance	1 785	1 402	1 750	1 502	1 480	1 480	1 432	1 432	1 432
Housing Allowances	1 046	967	944	1 002	1 759	1 759	5 851	5 851	5 851
Other benefits and allowances	9 396	10 222	10 957	10 621	10 108	10 108	11 375	11 972	12 606
Payments in lieu of leave	2 138	1 659	1 414	729	729	729	709	752	793
Long service awards	690	3 587	1 161	1 802	3 042	3 042	3 139	2 820	2 810
Provision for Bonus	–	–	655	455	455	455	496	526	558
Post-retirement benefit obligations	10 795	17 799	14 378	6 578	16 001	16 001	16 081	16 162	16 242
<b>sub-total</b>	<b>231 642</b>	<b>260 645</b>	<b>267 019</b>	<b>291 593</b>	<b>292 827</b>	<b>292 827</b>	<b>314 204</b>	<b>322 023</b>	<b>339 129</b>
<i>Less: Employees costs capitalised to PPE</i>									
<b>Total Employee related costs</b>	<b>231 642</b>	<b>260 645</b>	<b>267 019</b>	<b>291 593</b>	<b>292 827</b>	<b>292 827</b>	<b>314 204</b>	<b>322 023</b>	<b>339 129</b>

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>Contributions recognised - capital</b>									
Public contribution - non cash - assets	4 387	7 871	1 272						
DWA ACIP project	–								
Government contribution - non cash - assets	180								
KM CSIR	–								
Spaces for sport/Lotto	200			1 000	1 000	1 000			
Eskom Solar Rebate/ Stony Point Eco Centre etc	522								
<b>Total Contributions recognised - capital</b>	<b>5 289</b>	<b>7 871</b>	<b>1 272</b>	<b>1 000</b>	<b>1 000</b>	<b>1 000</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Depreciation &amp; asset impairment</b>									
Depreciation of Property, Plant & Equipment	94 948	99 130	103 303	111 362	111 362	111 362	117 690	124 752	132 237
Lease amortisation	235	231	65						
Capital asset impairment	9 224		3 077						
Depreciation resulting from revaluation of PPE									
<b>Total Depreciation &amp; asset impairment</b>	<b>104 408</b>	<b>99 361</b>	<b>106 445</b>	<b>111 362</b>	<b>111 362</b>	<b>111 362</b>	<b>117 690</b>	<b>124 752</b>	<b>132 237</b>
<b>Bulk purchases</b>									
Electricity Bulk Purchases	145 022	157 055	167 660	193 573	191 573	191 573	210 763	227 329	245 197
Water Bulk Purchases									
<b>Total bulk purchases</b>	<b>145 022</b>	<b>157 055</b>	<b>167 660</b>	<b>193 573</b>	<b>191 573</b>	<b>191 573</b>	<b>210 763</b>	<b>227 329</b>	<b>245 197</b>
<b>Transfers and grants</b>									
Cash transfers and grants	35 856	38 749	42 200	48 497	49 448	49 448	57 479	60 808	64 336
Non-cash transfers and grants	–	–	6 459	–	–	–	–	–	–
<b>Total transfers and grants</b>	<b>35 856</b>	<b>38 749</b>	<b>48 659</b>	<b>48 497</b>	<b>49 448</b>	<b>49 448</b>	<b>57 479</b>	<b>60 808</b>	<b>64 336</b>
<b>Contracted services</b>									
Specialist services									
Other contractors									
Ward projects	5 679	2 129	1 443						
Vehicle maintenance	4 925	5 665	6 487						
Maintenance contractors	45 380	49 471	60 245						
Contracted services	11 713	15 488	17 152						
Maintenance Of Unspecified Assets				25 439	25 439	25 439	26 472	27 137	28 083
Maintenance Of Buildings & Facilities				15 463	15 463	15 463	14 380	13 319	14 161
Haulage				7 698	7 698	7 698	8 160	8 650	9 169
Civil				6 828	6 828	6 828	6 314	6 517	6 736
Litter Picking & Street Cleaning				6 430	6 430	6 430	7 226	7 491	7 819
Security Servs				5 219	5 219	5 219	5 556	5 861	6 184
Safeguard & Security				5 028	5 028	5 028	5 517	5 679	5 959
Business & Advisory - Valuer				4 488	4 488	4 488	960	1 013	1 069
Meter Management				4 367	4 367	4 367	4 491	4 654	4 824
Maintenance Of Equip				4 177	4 177	4 177	1 979	2 077	2 187
Business & Advisory - Project Management				4 017	4 017	4 017	2 944	3 068	2 903
Traffic Fines Management				3 968	3 968	3 968	4 168	4 419	4 684
Dumping Sites				3 423	3 423	3 423	3 628	3 846	4 077
Infrastructure & Planning - Ecological				2 640	2 640	2 640	2 040	2 101	2 164
Legal Cost - Legal Advice & Litigation				2 597	2 597	2 597	2 894	3 225	3 767
Chipping				2 490	2 490	2 490	2 605	2 759	3 126
Management Of Informal Settlements				1 981	1 981	1 981	2 100	2 247	2 404
Laboratory Servs - Water				1 802	1 802	1 802	1 904	2 018	2 139
Sewerage Servs				1 772	1 772	1 772	37 674	40 534	43 611
Infrastructure & Planning - Town Planner				1 700	1 700	1 700	1 620	1 717	1 820
Electrical				1 060	1 060	1 060	491	492	496
Other contractors				12 734	7 309	7 309	15 595	16 112	16 774
<b>sub-total</b>	<b>67 697</b>	<b>72 754</b>	<b>85 327</b>	<b>125 322</b>	<b>119 897</b>	<b>119 897</b>	<b>158 718</b>	<b>164 936</b>	<b>174 154</b>
<b>Allocations to organs of state:</b>									
Electricity									
Water									
Sanitation									
Other									
<b>Total contracted services</b>	<b>67 697</b>	<b>72 754</b>	<b>85 327</b>	<b>125 322</b>	<b>119 897</b>	<b>119 897</b>	<b>158 718</b>	<b>164 936</b>	<b>174 154</b>

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>Other Expenditure By Type</b>									
Collection costs									
Contributions to 'other' provisions	3 246	(12 399)	50 281						
Consultant fees	9 376	9 431	8 944						
Audit fees	2 869	3 559	3 886	4 514	4 514	4 514	4 514	4 785	5 072
General expenses	16 384	19 600	18 564	5 302	32 030	32 030	5 629	5 882	6 045
Conditional receipts expenses	4 133	28 072	7 540						
Property valuation charges	1 030	442	406						
Water catchment, research and testing	5 295	4 266	3 986						
Fuel and oil	9 903	11 477	10 962						
Chemicals	8 488	10 553	8 379						
Legal fees	1 669	3 017	3 616						
Telephone and fax	2 934	2 839	2 807	3 048	3 048	3 048	3 224	3 384	3 553
Tourism development	2 732	2 796	2 439						
Security services	3 759	4 262	4 432						
Solid waste dumping fees	-	-	-						
Solid waste haulage	6 318	7 742	6 791						
Hermanus public protection	3 921	4 251	5 222						
Training	2 363	1 804	2 216	2 000	2 000	2 000	702	723	745
Commission Prepaid Electricity	3 248	3 652	3 833	3 804	3 804	3 804	3 660	3 861	4 074
Commission paid	4 014	1 019	975	1 213	1 213	1 213	1 280	1 350	1 425
Advertising	1 511	1 905	1 820						
Management of informal settlements	1 513	1 982	1 741	1 981	1 981	1 981			
Insurance	2 145	2 363	2 457	2 350	2 350	2 350	2 846	2 957	3 074
Printing and stationery	1 875	2 035	2 075						
Solid waste chipping	2 151	2 076	3 025						
Special projects	1 270	714	700						
Workmen's Compensation Assurance				1 750	1 750	1 750	1 550	1 750	1 750
SALGA Membership Fees									
Rentals (Equipment & Offices)									
Postage & Courier Services				1 571	1 571	1 571	1 583	1 655	1 743
Decommissioning Cost				4 619	4 619	4 619	4 948	5 245	4 420
Op Cst - Prof Bodies Memb & Subs				3 365	3 365	3 365	3 373	3 385	3 387
Specialised Computer Service				2 452	2 452	2 452	1 644	1 840	2 040
Op Cst - Uniform & Protective Clothing				2 395	2 395	2 395	2 567	2 674	2 736
Operational Cost - Skills Dev Fund Lev				2 082	2 082	2 082	2 249	2 368	4 591
Infrastructure & Planning - Town Plann				1 700	1 700	1 700			
Software Licences				2 051	2 051	2 051	3 203	3 363	3 532
Dumping Fees (District Council)				1 724	1 724	1 724	2 290	2 427	2 573
Bank Chgs Fac & Card Fees - Bank Account				1 639	1 639	1 639	1 324	1 391	1 460
Op Cst - Printing & Publications				1 471	1 471	1 471	878	911	942
Third Party Vendors				1 213	1 213	1 213			
Operating Lease				1 170	1 170	1 170	1 270	1 335	1 414
Wireless Ntwrk				937	937	937	984	1 033	1 085
Corporate Municipal Activities				721	721	721	890	1 158	1 205
Op Cst - Remuneration To Ward Commts				689	689	689	649	681	716
System Adviser				634	634	634	590	608	625
Tenders				612	612	612	752	792	832
Op Cst - Levies Paid - H2O Res Man Chrg				560	560	560	735	779	826
OperCost:Municipal Servs							5 433	5 859	6 319
OperCost:Assets < Capital Threshold							524	533	555
OperCost:Full Time Union Representativ							423	453	485
Municipal Newsletters				454	454	454	306	312	313
<b>Total 'Other' Expenditure</b>	<b>102 146</b>	<b>117 460</b>	<b>157 098</b>	<b>58 021</b>	<b>84 750</b>	<b>84 750</b>	<b>60 024</b>	<b>63 497</b>	<b>67 536</b>
<b>Repairs and Maintenance by Expenditure Item</b>									
Employee related costs	27 460	35 905	37 737	45 175	45 175	45 175	50 261	51 522	54 450
Other materials	9 153	8 865	9 317	14 541	14 541	14 541	3 500	3 719	3 989
Contracted Services	21 740	32 675	34 342	35 194	35 194	35 194	36 145	37 492	38 897
Other Expenditure	56 061	72 912	76 630	26 167	26 167	26 167	30 890	31 124	31 732
<b>Total Repairs and Maintenance Expenditure</b>	<b>114 414</b>	<b>150 358</b>	<b>158 026</b>	<b>121 077</b>	<b>121 077</b>	<b>121 077</b>	<b>120 795</b>	<b>123 857</b>	<b>129 068</b>

**WC032 Overstrand - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)**

Description	Vote 1 - Council	Vote 2 - Municipal Manager	Vote 3 - Management Services	Vote 4 - Finance	Vote 5 - Community Services	Vote 6 - Local Economic Development	Vote 7 - Infrastructure & Planning	Vote 8 - Protection Services	Total
<b>R thousand</b>									
<b>Revenue By Source</b>									
Property rates				180 591					180 591
Property rates - penalties & collection charges				848					848
Service charges - electricity revenue				722			356 959		357 681
Service charges - water revenue					111 544				111 544
Service charges - sanitation revenue					72 318				72 318
Service charges - refuse revenue					65 510				65 510
Service charges - other									-
Rental of facilities and equipment					3 146				3 146
Interest earned - external investments				10 317	1 754				12 071
Interest earned - outstanding debtors				2 756					2 756
Dividends received									-
Fines					134		180	30 829	31 143
Licences and permits					512			1 819	2 330
Agency services					20			3 200	3 220
Other revenue	232		1	4 123	6 997	1 430	8 779	2 140	23 702
Transfers recognised - operational	72 950			1 595	6 051	1 922	45 734		128 252
Gains on disposal of PPE									-
<b>Total Revenue (excluding capital transfers and contri</b>	<b>73 182</b>	<b>-</b>	<b>1</b>	<b>200 953</b>	<b>267 986</b>	<b>3 352</b>	<b>411 652</b>	<b>37 988</b>	<b>995 114</b>
<b>Expenditure By Type</b>									
Employee related costs	19 111	4 261	21 732	38 414	141 963	6 906	46 978	34 839	314 204
Remuneration of councillors	9 110								9 110
Debt impairment				420	446		231	22 792	23 888
Depreciation & asset impairment	23	19	2 395	315	83 754	133	29 809	1 242	117 690
Finance charges				110	29 857		16 454		46 421
Bulk purchases							210 763		210 763
Other materials	97	38	341	700	21 600	138	51 287	2 486	76 687
Contracted services	22	217	7 567	12 185	60 825	977	65 122	11 802	158 718
Transfers and grants	55 761		70			1 648			57 479
Other expenditure	7 623	187	14 384	17 037	8 603	993	9 701	1 496	60 024
Loss on disposal of PPE									-
<b>Total Expenditure</b>	<b>91 748</b>	<b>4 722</b>	<b>46 490</b>	<b>69 180</b>	<b>347 048</b>	<b>10 795</b>	<b>430 346</b>	<b>74 657</b>	<b>1 074 984</b>
<b>Surplus/(Deficit)</b>	<b>(18 565)</b>	<b>(4 722)</b>	<b>(46 489)</b>	<b>131 773</b>	<b>(79 062)</b>	<b>(7 443)</b>	<b>(18 694)</b>	<b>(36 669)</b>	<b>(79 870)</b>
Transfers recognised - capital					22 080		18 023		40 103
Contributions recognised - capital									-
Contributed assets									-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(18 565)</b>	<b>(4 722)</b>	<b>(46 489)</b>	<b>131 773</b>	<b>(56 982)</b>	<b>(7 443)</b>	<b>(670)</b>	<b>(36 669)</b>	<b>(39 767)</b>

**WC032 Overstrand - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>ASSETS</b>									
<b>Call investment deposits</b>									
Call deposits < 90 days	55 042	50 039	26 051						
Other current investments > 90 days									
<b>Total Call investment deposits</b>	<b>55 042</b>	<b>50 039</b>	<b>26 051</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Consumer debtors</b>									
Consumer debtors	65 941	63 810	69 821	67 774	67 774	67 774	84 040	89 083	94 428
Less: Provision for debt impairment	(16 916)	(16 359)	(16 972)	(16 000)	(16 000)	(16 000)	(17 096)	(18 279)	(19 535)
<b>Total Consumer debtors</b>	<b>49 025</b>	<b>47 451</b>	<b>52 850</b>	<b>51 774</b>	<b>51 774</b>	<b>51 774</b>	<b>66 944</b>	<b>70 804</b>	<b>74 893</b>
<b>Debt impairment provision</b>									
Balance at the beginning of the year	18 114	16 916	16 359	16 500	16 500	16 500	16 000	17 096	18 279
Contributions to the provision	594	(107)	1 252				1 596	1 682	1 756
Bad debts written off	(1 792)	(449)	(639)	(500)	(500)	(500)	(500)	(500)	(500)
<b>Balance at end of year</b>	<b>16 916</b>	<b>16 359</b>	<b>16 972</b>	<b>16 000</b>	<b>16 000</b>	<b>16 000</b>	<b>17 096</b>	<b>18 279</b>	<b>19 535</b>
<b>Property, plant and equipment (PPE)</b>									
PPE at cost/valuation (excl. finance leases)	5 819 933	5 900 309	6 003 701	6 120 657	6 118 306	6 118 306	6 194 299	6 287 903	6 395 175
Leases recognised as PPE	1 379	139	304	6 923	6 923	6 923	-	-	-
Less: Accumulated depreciation	2 724 192	2 789 392	2 886 281	3 005 433	3 005 433	3 005 433	3 121 934	3 245 424	3 376 324
<b>Total Property, plant and equipment (PPE)</b>	<b>3 097 120</b>	<b>3 111 056</b>	<b>3 117 725</b>	<b>3 122 147</b>	<b>3 119 795</b>	<b>3 119 795</b>	<b>3 072 366</b>	<b>3 042 479</b>	<b>3 018 851</b>
<b>LIABILITIES</b>									
<b>Current liabilities - Borrowing</b>									
Short term loans (other than bank overdraft)	485	63	80	1 271	1 271	1 271	-	-	-
Current portion of long-term liabilities	17 756	20 381	23 539	26 841	26 841	26 841	29 378	32 831	36 912
<b>Total Current liabilities - Borrowing</b>	<b>18 241</b>	<b>20 443</b>	<b>23 620</b>	<b>28 113</b>	<b>28 113</b>	<b>28 113</b>	<b>29 378</b>	<b>32 831</b>	<b>36 912</b>
<b>Trade and other payables</b>									
Trade and other creditors	71 706	61 518	63 759	74 229	74 229	74 229	81 244	77 375	73 691
Unspent conditional transfers	7 783	3 425	2 076						
VAT									
<b>Total Trade and other payables</b>	<b>79 489</b>	<b>64 943</b>	<b>65 836</b>	<b>74 229</b>	<b>74 229</b>	<b>74 229</b>	<b>81 244</b>	<b>77 375</b>	<b>73 691</b>
<b>Non current liabilities - Borrowing</b>									
Borrowing	364 394	392 444	408 904	411 667	411 667	411 667	412 288	409 060	411 596
Finance leases (including PPP asset element)	238	-	60	4 333	4 333	4 333	-	-	-
<b>Total Non current liabilities - Borrowing</b>	<b>364 632</b>	<b>392 444</b>	<b>408 964</b>	<b>415 999</b>	<b>415 999</b>	<b>415 999</b>	<b>412 288</b>	<b>409 060</b>	<b>411 596</b>
<b>Provisions - non-current</b>									
Retirement benefits	79 887	95 535	107 290	113 727	120 450	120 450	127 677	135 338	143 458
List other major provision items									
Refuse landfill site rehabilitation	31 933	24 054	76 731	78 422	81 335	81 335	86 215	91 387	96 871
Other	7 498	8 938	9 207	9 520	9 441	9 441	9 935	10 459	11 014
<b>Total Provisions - non-current</b>	<b>119 319</b>	<b>128 527</b>	<b>193 227</b>	<b>201 669</b>	<b>211 226</b>	<b>211 226</b>	<b>223 827</b>	<b>237 184</b>	<b>251 343</b>
<b>CHANGES IN NET ASSETS</b>									
<b>Accumulated Surplus/(Deficit)</b>									
Accumulated Surplus/(Deficit) - opening balance	2 847 332	2 855 854	2 805 240	2 738 817	2 738 817	2 738 817	2 723 668	2 683 901	2 679 785
GRAP adjustments	(9 929)	(6 220)	13 286						
Restated balance	2 837 403	2 849 634	2 818 525	2 738 817	2 738 817	2 738 817	2 723 668	2 683 901	2 679 785
Surplus/(Deficit)	10 899	(45 015)	(49 845)	(5 140)	(15 149)	(15 149)	(39 767)	(4 116)	2 138
Appropriations to Reserves									
Transfers from Reserves	1 333	620	1 314						
Depreciation offsets									
Other adjustments									
<b>Accumulated Surplus/(Deficit)</b>	<b>2 849 634</b>	<b>2 805 240</b>	<b>2 769 994</b>	<b>2 733 677</b>	<b>2 723 668</b>	<b>2 723 668</b>	<b>2 683 901</b>	<b>2 679 785</b>	<b>2 681 923</b>
<b>Reserves</b>									
Housing Development Fund	1 891	2 565	2 571	2 637	2 637	2 637	2 218	2 263	2 308
Capital replacement									
Self-insurance									
Other reserves									
Revaluation	-								
<b>Total Reserves</b>	<b>1 891</b>	<b>2 565</b>	<b>2 571</b>	<b>2 637</b>	<b>2 637</b>	<b>2 637</b>	<b>2 218</b>	<b>2 263</b>	<b>2 308</b>
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2 851 526</b>	<b>2 807 805</b>	<b>2 772 565</b>	<b>2 736 314</b>	<b>2 726 305</b>	<b>2 726 305</b>	<b>2 686 119</b>	<b>2 682 047</b>	<b>2 684 231</b>

**WC032 Overstrand - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)**

Strategic Objective	Goal	Goal Code	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
R thousand												
The provision of democratic, accountable and ethical governance	Good Governance	1	232 385	199 504	280 413	320 161	329 121	329 121	354 612	371 477	393 254	
The provision and maintenance of municipal services	Basic Service Delivery	2	461 155	485 124	531 880	581 518	583 818	583 818	620 478	653 995	694 325	
The encouragement of structured community participation in the matters of the municipality	Good Governance	3	41 457	62 333								
The creation and maintenance of a safe and healthy environment	Safe and Healthy Environment	4	20 206	28 620	31 198	37 676	37 676	37 676	37 988	38 420	38 877	
The promotion of tourism, economic and social development	Economic Development and Social upliftment	5	7 765	11 427	17 928	20 033	21 639	21 639	22 139	17 168	24 533	
Allocations to other priorities												
Total Revenue (excluding capital transfers and contributions)				762 969	787 007	861 419	959 389	972 254	972 254	1 035 217	1 081 060	1 150 989

**WC032 Overstrand - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)**

Strategic Objective	Goal	Goal Code	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
The provision of democratic, accountable and ethical governance	Good Governance	1	205 348	119 512	293 362	308 022	329 980	329 980	367 080	345 798	369 765
The provision and maintenance of municipal services	Basic Service Delivery	2	346 423	448 042	453 715	453 273	429 231	429 231	455 103	482 255	509 499
The encouragement of structured community participation in the matters of the municipality	Good Governance	3	137 754	181 602	1 443	1 735	1 835	1 835	1 710		
The creation and maintenance of a safe and healthy environment	Safe and Healthy Environment	4	48 275	64 229	52 938	69 453	71 285	71 285	74 657	76 951	79 864
The promotion of tourism, economic and social development	Economic Development and Social upliftment	5	14 271	18 637	109 806	132 046	155 072	155 072	176 435	180 172	189 724
Allocations to other priorities											
Total Expenditure			752 070	832 022	911 264	964 529	987 403	987 403	1 074 984	1 085 176	1 148 851



**WC032 Overstrand - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)**

Strategic Objective	Goal	Goal Code	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
The provision of democratic, accountable and ethical governance	Good Governance	1	7 154	21 308	2 526	2 648	3 613	3 613	1 994		
The provision and maintenance of municipal services	Basic Service Delivery	2	103 790	73 989	52 449	58 033	50 784	50 784	42 997	39 656	51 326
The encouragement of structured community participation in the matters of the municipality	Good Governance	3	30 219	29 937	5 580	3 465	3 245	3 245	3 174	4 500	1 500
The creation and maintenance of a safe and healthy environment	Safe and Healthy Environment	4	–	–		295	895	895	310		
The promotion of tourism, economic and social development	Economic Development and Social upliftment	5	2 601	5 696	47 934	39 473	44 591	44 591	27 518	49 448	54 445
Allocations to other priorities											
Total Capital Expenditure			143 764	130 930	108 489	103 914	103 127	103 127	75 993	93 604	107 271

**WC032 Overstrand - Supporting Table SA7 Measureable performance objectives**

Description	Unit of measurement	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Council</b>										
<b>Council and Municipal Manager</b>										
<b>Municipal Manager</b>										
Risk based audit plan proved by the Audit Committee by the end of June 2017	Plan approved	1	1	0	1			1	1	1
Quarterly report to the Management, Executive Mayor, Auditor-General and Audit Committee on progress with implementation of key controls as identified in key control deficiencies	Quarterly reports submitted	1	1	4	4			4	4	4
Submit quarterly progress reports on the revision of the top 10 risks as a corrective action to the Executive Management Team	Number of progress reports submitted	1	1	4	4			4	4	4
Percentage of a municipality's capital budget actually spent on capital projects identified for 2016/17 in terms of the municipality's IDP ((Actual amount spent on projects as identified for the year in the IDP/Total amount spent on capital projects)X100)	% of capital budget spent	98.00%	93.77%	88.21%	98%			98%	98%	88%
<b>Management Services</b>										
<b>Director: Management Services</b>										
<b>Human Resources</b>										
90% of the approved and funded organogram filled ((actual number of posts filled divided by the funded posts budgeted) x100)	% filled	92.86%	92.41%	92.31%	90%			90%	90%	90%
The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	The number of people from EE target groups employed	2	no kpi set	60	54			54	54	54
The percentage of a municipality's budget (training budget) actually spent on implementing its workplace skills plan	% of the training budget spent on implementation of the WSP	100%	100%	100.0%	100%			100%	100%	100%
Review the Municipal Organisational Staff Structure by the end of June 2017	Structure reviewed	no kpi set	0	1	1			1	1	1
Revise the Section 14 Access to Information Manual by the end of June 2017 to ensure compliant and up to date policies	Manual revised	1	1	1	1			1	0	0
Provide legal assistance and input on policies, contracts, agreements, legislation, by-laws and authorities within 5 working days	Number of responses to legal assistance provided within 5 working days	no kpi set	no kpi set	no kpi set	120			120	120	120
Monthly Reports on additional court matters	Number of reports on court matter	no kpi set	no kpi set	no kpi set	24			24	24	24
Establishment of LDAC (Local Drug Action Committee) in terms of the Prevention and Treatment of Substance abuse Act by August 2015	Established LDAC	no kpi set	no kpi set	no kpi set	1			0	0	0
<b>Finance</b>										
<b>Director: Finance</b>										
<b>Director Finance</b>										
Financial viability measured in terms of the available cash to cover fixed operating expenditure ((Available cash+ investments)/ Monthly fixed operating expenditure)	Ratio achieved	3.49%	2.30%	3.72%	1.3			1.3	1.3	1.3
Financial viability measured in terms of the municipality's ability to meet it's service debt obligations ((Total operating revenue-operating grants received)/debt service payments due within the year) (%)	Ratio achieved	17.46%	16.90%	17.13%	17			17	17	17
Financial viability measured in terms of the outstanding service debtors (Total outstanding service debtors/ revenue received for services)	% achieved	11.90%	10.40%	10.36%	12.2			12.2	12.2	12.2
Submit a reviewed long term financial plan by the end of October 2016	Submission of long term financial plan	no kpi set	no kpi set	1	1			1	1	1
Financial statements submitted to the Auditor General by 31 August 2016	Financial statements submitted	1	1	1	1			1	1	1
Provision of free basic electricity, refuse removal, sanitation and water in terms of the equitable share requirements	Number of households	6523	6536	6842	6650			7400	7800	8200
Achieve a debt recovery rate not less than 96% (Receipts/total billed for 12 months period x 100)	% Recovered	100.44%	100.33%	97.73%	96%			96%	96%	96%

Description	Unit of measurement	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Community Services</b>										
<b>Director: Community Services</b>										
<b>Director: Community Services</b>										
Ward committee meetings held to facilitate consistent and regular communication with residents	No of ward committee meetings per ward per annum	8	9	8	8			8	8	8
98% of the operational conditional grant (Libraries, CDW) spent (Actual expenditure divided by the total grant received)	% of total conditional operational grants spent (Libraries, CDW)	100.0%	100.45%	100.0%	98%			98%	98%	98%
m² of roads patched and resealed according to approved Paveman Management System within available budget	m² of roads patched and resealed	216162	101560	163240	100000			100000	100000	100000
Limit unaccounted water to less than 18% {(Number of kiloliter water purified - Number of kiloliter water sold)/Number of kiloliter sold x 100}}	% of water unaccounted for	25.57%	21.5%	19.33%	25%			18%	18%	18%
Provision of water to informal households based on the standard of 1 water point to 25 households	The number of taps installed in relation to the number of informal households Note: Unit of measurement & target revised in 2015/16 mid-year assessment	no kpi set	no kpi set	3144	126			126	123	120
Provision of cleaned piped water to all formal households within 200 m from households	No of formal households that meet agreed service standards for piped water	25426	27373	32544	32483			32483	33457	34461
Provision of refuse removal, refuse dumps and solid waste disposal to all formal households at least once a week	Number of formal households for which refuse is removed at least once a week	no kpi set	34299	33224	33094			33094	34257	35439
Provision of refuse removal, refuse dumps and solid waste disposal to all informal households at least once a week	Number of weekly removal of refuse in informal households (once per week = 52 weeks per annum) Note: Unit of measurement & target revised in 2015/16 mid-year assessment	no kpi set	no kpi set	3144	52			52	52	52
The provision of sanitation services to informal households based on the standard of 1 toilette to 5 households	The number of toilet structures provided in relation to the number of informal households Note: Unit of measurement & target revised in 2015/16 mid-year assessment	no kpi set	no kpi set	3144	629			629	614	602
Provision of sanitation services to formal residential households	No of formal residential households which are billed for sewerage in accordance to the SAMRAS financial system	31221	31231	31719	32483			32483	33457	34461

Description	Unit of measurement	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Local Economic Development</b>										
<b>Director: LED</b>										
<b>LED</b>										
Report bi-annually to the Portfolio committee on LED and Tourism initiatives	Bi-annual report on LED and Tourism initiatives	no kpi set	no kpi set	no kpi set	2			2	2	2
Report to Council on Grants to festival organisers through Service Level Agreements (SLA) by end March 2017	Number of reports submitted	no kpi set	no kpi set	no kpi set	1			1	1	1
Support 30 SMME's in terms of the SMME Development Programme by 30 June 2017	Number of SMME's supported	23	45	73	30			30	30	30
Support Emerging Contractors in terms of the Emerging Contractor Development Programme by 30 June 2017	Number of emerging contractors supported	no kpi set	no kpi set	no kpi set	no kpi set			20	20	20
Raise funds for local economic development through financial and non-financial resource mobilisation	Number of MOU's entered into and amount generated	no kpi set	no kpi set	4	3			3	3	3
Report quarterly to Director LED on linkages established with other spheres of government, agencies, donors, SALGA and other relevant bodies for benefit of local area/Stakeholder engagement and creation of partnerships to broaden economic benefit for local communities	Quarterly report on linkages established. Database of Stakeholders/ No of initiatives	no kpi set	no kpi set	4	4			4	4	4
The number of job opportunities created through the EPWP programme and as per set targets (grant agreement - FTE's, translates to 421 work opportunities)	Number of temporary jobs created	609	517	512	396			421	421	421
Monthly monitor the statistics on the usage of the LED Walk-in Centre (outreach & referral purposes) through the attendance registers	Monthly registers on LED outreach statistics (walk in centre)	no kpi set	no kpi set	no kpi set	12			12	12	12
Compile an action plan to improve on the LED maturity assessment	Plan Completed	no kpi set	no kpi set	2	1			1	1	1
<b>Infrastructure &amp; Planning</b>										
<b>Director: Infrastructure and Planning</b>										
<b>Electricity</b>										
Limit electricity losses to 8% or less ((Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated) × 100)	% of electricity unaccounted for	6.88%	5.95%	5.78%	8%			8%	8%	8%
Provision of Electricity: Number of metered electrical connections in formal area (Eskom Areas excluded)	Number of formal household that meet agreed service standards	no kpi set	25751	26476	25354			25700	26250	26600
<b>Water</b>										
Report on the implementation of the Water Service Development plan annually by the end of October 2015	Report submitted	1	1	1	1			1	1	1
Quality of effluent comply 90% with SANS 241	% compliance	86.02%	82.78%	88%	90%			90%	90%	90%
Quality of potable water comply 95% with SANS 241	% compliance	no kpi set	95.38%	96%	95%			95%	95%	95%
<b>Planning and Development</b>										
100% of the Municipal Infrastructure Grant (MIG) spent by 30 June 2017 (Actual MIG expenditure/Allocation received)	% Expenditure of allocated funds	no kpi set	no kpi set	no kpi set	100%			100%	100%	100%
<b>Protection Services</b>										
<b>Director Protection Services</b>										
Annually review Community Safety Plan by the end of June in conjunction with the Department of Community Safety	Plan reviewed	1	1	1	1			1	1	1
Arrange public awareness sessions on Protection Services	Number of sessions held	60	55	88	32			32	32	32
<b>Disaster and Fire Management</b>										
Annually review and submit Disaster Management Plan to the District by the end of June 2017	Reviewed plan submitted	1	1	1	1			1	1	1
Annually review the Fire Management Plan by the end of June 2017	Plan reviewed	1	1	1	1			1	1	1
<b>Traffic</b>										
Collect R6000000 Public Safety Income by 30 June 2017	R-value of public safety collected income	R 5 730 902	R 5 154 575	R 14 285 330	6000000			6000000	6000000	6000000
<b>And so on for the rest of the Votes</b>										

WC032 Overstrand - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b><u>Borrowing Management</u></b>										
Credit Rating										
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	6.8%	7.3%	7.0%	7.3%	7.2%	7.2%	6.8%	7.1%	6.9%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	7.7%	9.1%	8.6%	8.8%	8.7%	8.7%	8.5%	8.4%	8.1%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	45.1%	59.6%	76.8%	73.8%	70.1%	70.1%	83.6%	100.0%	100.0%
<b><u>Safety of Capital</u></b>										
Gearing	Long Term Borrowing/ Funds & Reserves	19277.5%	15300.9%	15906.6%	15774.5%	15774.5%	15774.5%	18584.8%	18077.7%	17833.1%
<b><u>Liquidity</u></b>										
Current Ratio	Current assets/current liabilities	1.3	1.2	1.4	1.2	1.2	1.2	1.3	1.4	1.6
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.3	1.2	1.4	1.2	1.2	1.2	1.3	1.4	1.6
Liquidity Ratio	Monetary Assets/Current Liabilities	0.5	0.4	0.7	0.6	0.6	0.6	0.6	0.7	0.8
<b><u>Revenue Management</u></b>										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		99.9%	100.7%	99.3%	100.1%	100.1%	100.1%	98.1%	99.5%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		99.9%	100.7%	99.3%	100.1%	100.1%	100.1%	98.1%	99.5%	99.5%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	14.4%	13.5%	13.6%	10.7%	10.1%	10.1%	11.2%	12.2%	12.3%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	90.3%	97.2%	97.2%	97.2%	97.2%	97.2%	97.2%	97.2%	97.2%
<b><u>Creditors Management</u></b>										
Creditors System Efficiency	% of Creditors Paid Within Terms (within' MFMA' s 65(e))	100.0%	97.8%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Creditors to Cash and Investments		85.2%	97.4%	60.7%	76.1%	73.9%	73.9%	74.0%	59.3%	45.5%
<b><u>Other Indicators</u></b>										
Electricity Distribution Losses (2)	Total Volume Losses (kW)	15831477	13668967	13272396	13 667 000	13 667 000	13 667 000	13870000	14013000	14125000
	Total Cost of Losses (Rand '000)	7 101	7 028	987	7 927	7 927	7 927	1 611	1 884	2 499
	% Volume (units purchased and generated less units sold)/units purchased and generated	6.91%	5.95%	5.77%	5.95%	5.95%	5.95%	6.00%	6.05%	6.07%
Water Distribution Losses (2)	Total Volume Losses (kℓ)	1 445	1 455	1 281	1 453	1 453	1 453	1 440	1 541	1 613
	Total Cost of Losses (Rand '000)	3 830	5 726	5 019	4 272	4 272	4 272	5 217	5 388	5 682
	% Volume (units purchased and generated less units sold)/units purchased and generated	20.01%	21.47%	19.33%	20.19%	20.19%	20.19%	18.90%	18.70%	18.45%
Employee costs	Employee costs/(Total Revenue - capital revenue)	32.9%	35.4%	33.2%	32.6%	32.2%	32.2%	31.6%	31.6%	31.3%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	33.9%	36.5%	34.2%	33.5%	33.1%	33.1%	32.5%	32.6%	32.2%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	16.3%	20.4%	19.6%	13.5%	13.3%	13.3%	12.1%	12.2%	11.9%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	20.1%	18.9%	18.6%	17.7%	17.4%	17.4%	16.5%	16.9%	16.4%
<b><u>IDP regulation financial viability indicators</u></b>										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	22.8	21.7	22.7	22.8	22.8	22.8	19.1	18.3	19.4
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	17.9%	15.9%	16.0%	12.9%	12.4%	12.4%	14.0%	14.8%	15.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.8	1.2	1.9	1.5	1.6	1.6	1.6	1.8	2.1

WC032 Overstrand - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Basis of calculation	2001 Census	2007 Survey	2011 Census	2012/13	2013/14	2014/15	Current Year 2015/16	2016/17 Medium Term Revenue & Expenditure Framework		
					Outcome	Outcome	Outcome	Original Budget	Estimate	Estimate	Estimate
<b>Demographics</b>											
Population	Stats SA	55 012	74 546	80 432	83 488	86 661	89 954	93 372	96 920	100 603	104 286
Females aged 5 - 14		2 770	5 837	5 228	5 427	5 633	5 847	6 069	6 300	6 539	6 779
Males aged 5 - 14		2 816	5 892	5 278	5 479	5 687	5 903	6 127	6 360	6 602	6 843
Females aged 15 - 34		5 561	11 567	13 139	13 638	14 157	14 694	15 253	15 832	16 434	17 036
Males aged 15 - 34		6 029	11 235	13 648	14 167	14 705	15 264	15 844	16 446	17 071	17 696
Unemployment		5 165	8 099	4 237	4 398	4 565	4 739	4 919	5 106	5 300	5 494
<b>Monthly household income (no. of households)</b>											
No income		2 226	770	4 585	4 759	4 940	5 128	5 323	5 525	5 735	5 953
R1 - R1 600		6 149	5 307	5 326	5 528	5 738	5 957	6 183	6 418	6 662	6 915
R1 601 - R3 200		3 742	3 177	4 878	5 063	5 256	5 455	5 663	5 878	6 101	6 333
R3 201 - R6 400		3 344	3 789	4 362	4 528	4 700	4 878	5 064	5 256	5 456	5 663
R6 401 - R12 800		2 303	2 750	3 830	3 976	4 127	4 283	4 446	4 615	4 791	4 973
R12 801 - R25 600		920	1 947	2 896	3 006	3 120	3 239	3 362	3 490	3 622	3 760
R25 601 - R51 200		227	1 066	1 456	1 511	1 569	1 628	1 690	1 754	1 821	1 890
R52 201 - R102 400		77	184	486	504	524	544	564	586	608	631
R102 401 - R204 800		44	176	109	113	117	122	127	131	136	142
R204 801 - R409 600		27		81	84	87	91	94	98	101	105
R409 601 - R819 200											
> R819 200											
<b>Poverty profiles (no. of households)</b>											
< R2 060 per household per month	# households earning less than R1600	8 374	6 077	9 911	10 288	10 679	11 084	11 506	11 943	12 397	12 868
Insert description	based on monthly household income figures above										
<b>Household/demographics (000)</b>											
Number of people in municipal area	Stats SA	55 012	74 546	80 432	86 661	89 954	90 000	93 372	96 920	100 503	104 426
Number of poor people in municipal area		34 601	35 916	37 433	40 332	41 865	31 153	32 868	34 977	36 585	38 597
Number of households in municipal area	Stats SA	19 059	19 166	28 008	29 073	30 179	31 325	32 673	33 101	33 535	33 974
Number of poor households in municipal area			8 439	16 317	18 285	19 469	20 209	20 978	21 775	22 603	23 463
Definition of poor household (R per month)			2 201	4 561	4 801	5 121	5 640	5 922	6 218	6 529	6 855
<b>Housing statistics</b>											
Formal					23 152	23 599	25 328	25 369	25 395	25 405	25 397
Informal					3 407	3 330	3 144	3 142	3 142	3 142	3 142
<b>Total number of households</b>		-	-	-	26 559	26 929	28 472	28 511	28 537	28 547	28 539
Dwellings provided by municipality					-	183		220	341	-	100
Dwellings provided by province/s					-	-					
Dwellings provided by private sector					214	264	373	382	391	401	410
<b>Total new housing dwellings</b>		-	-	-	214	447	373	602	732	401	510
<b>Economic</b>											
Inflation/inflation outlook (CPIX)					5.7%	5.9%	5.6%	6.2%	6.6%	6.2%	5.9%
Interest rate - borrowing					9.7%	9.7%	9.950%	11.5%	11.75%	12.0%	12.0%
Interest rate - investment					5.1%	5.4%	6.0%	7.24%	7.45%	7.75%	7.75%
Remuneration increases					6.5%	6.8%	7.0%	7.0%	6.0%	6.0%	6.0%
Consumption growth (electricity)					1.8%	0.5%	0.3%	0.1%	0.1%	0.3%	0.3%
Consumption growth (water)					4.2%	-5.4%	2.6%	4.4%	4.0%	2.3%	3.6%
<b>Collection rates</b>											
Property tax/service charges					100.4%	100.3%	99.6%	99.8%	99.7%	99.7%	99.7%
Rental of facilities & equipment					100.4%	100.3%	99.6%	99.8%	99.7%	99.7%	99.7%
Interest - external investments					100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Interest - debtors					100.0%	100.0%	99.6%	99.8%	99.7%	99.7%	99.7%
Revenue from agency services					100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

**WC032 Overstrand Supporting Table SA10 Funding measurement**

Description	MFMA section	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Funding measures</b>										
Cash/cash equivalents at the year end - R'000	18(1)b	84 147	63 158	104 987	97 547	100 467	100 467	109 718	130 516	162 093
Cash + investments at the yr end less applications - R'000	18(1)b	89 356	96 147	141 786	117 777	117 182	117 182	134 538	172 628	217 630
Cash year end/monthly employee/supplier payments	18(1)b	1.8	1.2	1.9	1.5	1.6	1.6	1.6	1.8	2.1
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	10 899	(45 015)	(49 845)	(5 140)	(15 149)	(15 149)	(39 767)	(4 116)	2 138
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	N.A.	4.2%	3.6%	2.4%	(5.7%)	(6.0%)	1.7%	0.0%	(0.0%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	91.5%	103.1%	99.0%	101.2%	101.7%	101.7%	97.4%	98.3%	98.7%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	1.2%	2.0%	1.6%	3.1%	3.1%	3.1%	3.0%	2.9%	2.7%
Capital payments % of capital expenditure	18(1)c;19	100.0%	100.0%	102.2%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	43.0%	55.3%	75.8%	75.8%	72.1%	72.1%	83.6%	100.0%	100.0%
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.	(2.1%)	9.9%	(12.0%)	(4.1%)	0.0%	20.9%	11.4%	7.6%
Long term receivables % change - incr(decr)	18(1)a	N.A.	(18.4%)	(21.8%)	(23.0%)	0.0%	0.0%	(26.0%)	(33.9%)	(49.1%)
R&M % of Property Plant & Equipment	20(1)(vi)	3.7%	4.8%	5.1%	3.9%	3.9%	3.9%	3.9%	4.1%	4.3%
Asset renewal % of capital budget	20(1)(vi)	2.9%	35.9%	30.2%	20.0%	18.9%	18.9%	50.7%	30.3%	36.7%
Total billable revenue	18(1)a	558 010	614 886	674 009	730 406	732 406	732 406	788 493	835 803	885 951
Service charges		558 010	614 886	674 009	730 406	732 406	732 406	788 493	835 803	885 951
Property rates		121 571	135 633	153 617	163 621	163 621	163 621	181 439	192 326	203 865
Service charges - electricity revenue		247 663	268 362	286 571	338 877	336 877	336 877	357 681	379 142	401 891
Service charges - water revenue		85 243	95 136	108 391	102 045	105 045	105 045	111 544	118 237	125 331
Service charges - sanitation revenue		56 895	62 798	68 661	66 375	67 375	67 375	72 318	76 657	81 257
Service charges - refuse removal		46 637	52 957	56 770	59 488	59 488	59 488	65 510	69 441	73 607
Rental of facilities and equipment		7 212	7 591	9 155	11 859	11 983	11 983	3 146	3 335	3 535
Capital expenditure excluding capital grant funding		89 956	92 840	52 756	39 560	41 625	41 625	35 890	30 000	40 000
Cash receipts from ratepayers	18(1)a	599 024	683 018	728 856	808 094	814 191	814 191	832 427	888 650	944 190
Ratepayer & Other revenue	18(1)a	654 636	662 188	736 033	798 363	800 545	800 545	854 791	904 231	956 637
Change in consumer debtors (current and non-current)		19 705	(2 110)	9 847	(13 144)	(17 060)	(17 060)	15 261	12 693	9 384
Operating and Capital Grant Revenue	18(1)a	95 489	105 925	115 970	153 678	161 736	161 736	168 355	164 034	180 790
Capital expenditure - total	20(1)(vi)	143 764	130 930	108 489	103 914	103 127	103 127	75 993	93 604	107 271
Capital expenditure - renewal	20(1)(vi)	4 147	47 032	32 727	20 758	19 493	19 493	38 541	28 399	39 325
<b>Supporting benchmarks</b>										
CPI guideline		4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	6,8%	6,3%	5,9%
DoRA operating grants total MFY								76 347	84 580	92 983
DoRA capital grants total MFY								26 030	26 450	29 531
Provincial operating grants								51 905	15 850	20 536
Provincial capital grants								14 073	37 154	37 740
Total gazetted/advised national, provincial and district grants								168 355	164 034	180 790
<b>Total Operating Revenue</b>		703 871	736 376	804 650	895 035	910 752	910 752	995 114	1 017 455	1 083 718
<b>Total Operating Expenditure</b>		752 070	832 022	911 264	964 529	987 403	987 403	1 074 984	1 085 176	1 148 851
<b>Operating Performance Surplus/(Deficit)</b>		(48 199)	(95 646)	(106 615)	(69 494)	(76 651)	(76 651)	(79 870)	(67 720)	(65 133)
<b>Revenue</b>										
% Increase in Total Operating Revenue			4.6%	9.3%	11.2%	1.8%	0.0%	9.3%	2.2%	6.5%
% Increase in Property Rates Revenue			11.6%	13.4%	6.4%	0.0%	0.0%	11.0%	6.0%	6.0%
% Increase in Electricity Revenue			8.4%	6.8%	18.3%	(0.6%)	0.0%	6.2%	6.0%	6.0%
% Increase in Property Rates & Services Charges			10.2%	9.6%	8.4%	0.3%	0.0%	7.7%	6.0%	6.0%
<b>Expenditure</b>										
% Increase in Total Operating Expenditure			10.6%	9.5%	5.8%	2.4%	0.0%	8.9%	0.9%	5.9%
% Increase in Employee Costs			12.5%	2.4%	9.2%	0.4%	0.0%	7.3%	2.5%	5.3%
% Increase in Electricity Bulk Purchases			8.3%	6.8%	15.5%	(1.0%)	0.0%	10.0%	7.9%	7.9%
R&M % of PPE		3.7%	4.8%	5.1%	3.9%	3.9%	3.9%	3.9%	4.1%	4.3%
Asset Renewal and R&M as a % of PPE		4.0%	6.0%	6.0%	4.0%	4.0%	4.0%	5.0%	5.0%	5.0%
Debt Impairment % of Total Billable Revenue		1.2%	2.0%	1.6%	3.1%	3.1%	3.1%	3.0%	2.9%	2.7%
<b>Capital Revenue</b>										
Internally Funded & Other (R'000)		22 412	22 207	13 745	7 215	8 206	8 206	5 890	-	-
Borrowing (R'000)		67 544	70 634	39 012	32 346	33 419	33 419	30 000	30 000	40 000
Grant Funding and Other (R'000)		53 809	38 090	55 734	64 354	61 502	61 502	40 103	63 604	67 271
Internally Generated funds % of Non Grant Funding		24.9%	23.9%	26.1%	18.2%	19.7%	19.7%	16.4%	0.0%	0.0%
Borrowing % of Non Grant Funding		75.1%	76.1%	73.9%	81.8%	80.3%	80.3%	83.6%	100.0%	100.0%
Grant Funding % of Total Funding		37.4%	29.1%	51.4%	61.9%	59.6%	59.6%	52.8%	68.0%	62.7%
<b>Capital Expenditure</b>										
Total Capital Programme (R'000)		143 764	130 930	108 490	103 914	103 127	103 127	75 993	93 604	107 271
Asset Renewal		4 147	47 032	32 727	20 758	19 493	19 493	38 541	28 399	39 325
Asset Renewal % of Total Capital Expenditure		2.9%	35.9%	30.2%	20.0%	18.9%	18.9%	50.7%	30.3%	36.7%
<b>Cash</b>										
Cash Receipts % of Rate Payer & Other		91.5%	103.1%	99.0%	101.2%	101.7%	101.7%	97.4%	98.3%	98.7%
<b>Borrowing</b>										
Capital Charges to Operating		6.8%	7.3%	7.0%	7.3%	7.2%	7.2%	6.8%	7.1%	6.9%
Borrowing Receipts % of Capital Expenditure		43.0%	55.3%	75.8%	75.8%	72.1%	72.1%	83.6%	100.0%	100.0%
<b>High Level Outcome of Funding Compliance</b>										
Total Operating Revenue		703 871	736 376	804 650	895 035	910 752	910 752	995 114	1 017 455	1 083 718
Total Operating Expenditure		752 070	832 022	911 264	964 529	987 403	987 403	1 074 984	1 085 176	1 148 851
Surplus/(Deficit) Budgeted Operating Statement		(48 199)	(95 646)	(106 615)	(69 494)	(76 651)	(76 651)	(79 870)	(67 720)	(65 133)
Surplus/(Deficit) Considering Reserves and Cash Backing		89 356	96 147	141 786	117 777	117 182	117 182	134 538	172 628	217 630
MTREF Funded (1) / Unfunded (0)		1	1	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded ✗		✓	✓	✓	✓	✓	✓	✓	✓	✓

**WC032 Overstrand - Supporting Table SA11 Property rates summary**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Valuation:</b>									
Date of valuation:	02/07/2011	02/07/2011	02/07/2012						
Financial year valuation used	2012/2013	2012/2013	2012/2013	2012/2013			2016/17		
Municipal by-laws s6 in place? (Y/N)		Yes	Yes	Yes			Yes		
Municipal/assistant valuer appointed? (Y/N)		Yes	Yes	Yes			Yes		
Municipal partnership s38 used? (Y/N)		No	No	No	No	No	No	No	No
No. of assistant valuers (FTE)	2	2	2	2	2	2	2	2	2
No. of data collectors (FTE)	6	6	6	6	6	6	6	6	6
No. of internal valuers (FTE)	-	-	-	-	-	-	-	-	-
No. of external valuers (FTE)	4	3	3	3	3	3	3	3	3
No. of additional valuers (FTE)	-	-	-	-	-	-	-	-	-
Valuation appeal board established? (Y/N)		Yes	Yes	Yes			Yes		
Implementation time of new valuation roll (mths)	36	24	12	-			60		
No. of properties	40 801	41 025	41 723	41 848	41 848	41 848	40 465	40 668	40 871
No. of sectional title values	2 383	2 623	2 686	2 634	2 634	2 634	2 555	2 567	2 580
No. of unreasonably difficult properties s7(2)	-	-	-	-	-	-	-	-	-
No. of supplementary valuations	2	3	2	1	1	1	1	1	1
No. of valuation roll amendments	3	3		12	12	12	12		
No. of objections by rate payers	830	103	400	1 500	1 500	1 500	1 500	600	600
No. of appeals by rate payers	53	5	40	150	150	150	600	100	100
No. of successful objections		24		750	750	750			
No. of successful objections > 10%	137	14		75	75	75			
Supplementary valuation	4 998	4 233		3 610	3 610	3 610	3 700	3 700	3 700
Public service infrastructure value (Rm)	40	40	98	83	83	83	98	98	99
Municipality owned property value (Rm)	694	694	734	737	737	737	739	742	746
<b>Valuation reductions:</b>									
Valuation reductions-public infrastructure (Rm)	40	40	98	85	85	85	98	98	99
Valuation reductions-nature reserves/park (Rm)	-	-	282	276	276	276	283	285	286
Valuation reductions-mineral rights (Rm)	-	-	-	-	-	-	-	-	-
Valuation reductions-R15,000 threshold (Rm)	453	453	450	434	434	434	445	447	469
Valuation reductions-public worship (Rm)	209	209	155	258	258	258	151	152	152
Valuation reductions-other (Rm)	2 046	2 046	2 205	2 254	2 254	2 254	1 947	1 956	1 966
<b>Total valuation reductions:</b>	<b>2 749</b>	<b>2 749</b>	<b>3 190</b>	<b>3 306</b>	<b>3 306</b>	<b>3 306</b>	<b>2 924</b>	<b>2 938</b>	<b>2 973</b>
Total value used for rating (Rm)	39 152	39 152	42 062	39 998	39 998	39 998	42 303	42 515	42 728
Total land value (Rm)	21 360	21 360	22 143	22 151	22 151	22 151	22 249	<b>22 360</b>	<b>22 472</b>
Total value of improvements (Rm)	20 540	20 540	21 397	21 153	21 153	21 153	21 516	21 624	21 732
Total market value (Rm)	41 900	41 900	43 540	43 304	43 304	43 304	43 775	43 994	44 214
<b>Rating:</b>									
Residential rate used to determine rate for other categories? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Differential rates used? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Limit on annual rate increase (s20)? (Y/N)	No	No	No	No	No	No	No	No	No
Special rating area used? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Phasing-in properties s21 (number)	No	No		No	No	No	No		
Rates policy accompanying budget? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Fixed amount minimum value (R'000)			100	220			220		
Non-residential prescribed ratio s19? (%)	48.6%	51.4%	51.4%	51.0%			51.5%		
<b>Rate revenue:</b>									
Rate revenue budget (R'000)	120 278	134 994	152 573	157 847	157 847	157 847	174 778	185 264	196 380
Rate revenue expected to collect (R'000)	120 278	134 994	152 573	157 847	157 847	157 847	174 778	185 264	196 380
Expected cash collection rate (%)	99.9%	100.0%	99.8%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Special rating areas (R'000)	-	-	-	-	-	-	5 814	6 163	6 532
Rebates, exemptions - indigent (R'000)	-	-	-	-	-	-	-	-	-
Rebates, exemptions - pensioners (R'000)	319	353	401	425	425	425	561	595	630
Rebates, exemptions - bona fide farm. (R'000)	1 653	69	79	83	83	83	110	117	124
Rebates, exemptions - other (R'000)	3 708	3 410	3 875	4 108	4 108	4 108	5 421	5 747	6 091
Phase-in reductions/discounts (R'000)									
<b>Total rebates,exemptns,eductns,discs (R'000)</b>	<b>5 680</b>	<b>3 833</b>	<b>4 355</b>	<b>4 616</b>	<b>4 616</b>	<b>4 616</b>	<b>6 092</b>	<b>6 458</b>	<b>6 845</b>



**WC032 Overstrand - Supporting Table SA12a Property rates by category (current year)**

Description	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.
<b>Current Year 2015/16</b>																
<b>Valuation:</b>																
No. of properties	37 116	-	1 618	237	365	2 072	544	-	-	-	-	-	112	-	-	-
No. of sectional title property values	2 201	-	341	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of unreasonably difficult properties s7(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of supplementary valuations																
Supplementary valuation (Rm)																
No. of valuation roll amendments																
No. of objections by rate-payers																
No. of appeals by rate-payers																
No. of appeals by rate-payers finalised																
No. of successful objections																
No. of successful objections > 10%																
Estimated no. of properties not valued	100 TOTAL															
Years since last valuation ( <b>select</b> )	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Frequency of valuation ( <b>select</b> )	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Method of valuation used ( <b>select</b> )	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market
Base of valuation ( <b>select</b> )	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.
Phasing-in properties s21 (number)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Combination of rating types used? (Y/N)	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Flat rate used? (Y/N)	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
Is balance rated by uniform rate/variable rate?	VARIABLE	VARIABLE	VARIABLE	VARIABLE	VARIABLE	VARIABLE	VARIABLE	VARIABLE	VARIABLE	VARIABLE	VARIABLE	VARIABLE	VARIABLE	VARIABLE	VARIABLE	VARIABLE
<b>Valuation reductions:</b>																
Valuation reductions-public infrastructure (Rm)	-	-	-	-	-	-	98	-	-	-	-	-	-	-	-	-
Valuation reductions-nature reserves/park (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	282	-	-	-
Valuation reductions-mineral rights (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-R15,000 threshold (Rm)	442	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-public worship (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	150	-
Valuation reductions-other (Rm)	1 937	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total valuation reductions:</b>																
Total value used for rating (Rm)	37 686	-	3 468	517	412	-	-	-	-	-	-	-	-	-	-	-
Total land value (Rm)	19 211	-	150	371	252	553	83	-	-	-	-	-	164	-	-	-
Total value of improvements (Rm)	18 485	-	230	146	210	181	8	-	-	-	-	-	77	-	-	-
Total market value (Rm)	0	-	380	517	462	733	91	-	-	-	-	-	241	-	-	-
<b>Rating:</b>																
Average rate	0.004420		0.006700	0.001110	0.006700				0.004420	0.006700						
Rate revenue budget (R '000)	107 047		18 657	247	20 826											
Rate revenue expected to collect (R'000)	107 047		18 657	247	20 826											
Expected cash collection rate (%)	100.0%		100.0%	100.0%	100.0%											
Special rating areas (R'000)																
Rebates, exemptions - indigent (R'000)																
Rebates, exemptions - pensioners (R'000)	435															
Rebates, exemptions - bona fide farm. (R'000)				85												
Rebates, exemptions - other (R'000)				4 203												
Phase-in reductions/discouts (R'000)																
<b>Total rebates, exemptns, reductns, discs (R'000)</b>																

**WC032 Overstrand - Supporting Table SA12b Property rates by category (budget year)**

Description	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.
<b>Budget Year 2016/17</b>																
<b>Valuation:</b>																
No. of properties	37 302	-	1 699	238	367	2 176	547	-	-	-	-	-	113	-	-	-
No. of sectional title property values	2 212	-	343	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of unreasonably difficult properties s7(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of supplementary valuations																
Supplementary valuation (Rm)																
No. of valuation roll amendments																
No. of objections by rate-payers																
No. of appeals by rate-payers																
No. of appeals by rate-payers finalised																
No. of successful objections																
No. of successful objections > 10%																
Estimated no. of properties not valued																
Years since last valuation ( <b>select</b> )	<1	<1	<1	<1	<1	<1	<1	<1	<1	<1	<1	<1	<1	<1	<1	<1
Frequency of valuation ( <b>select</b> )	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Method of valuation used ( <b>select</b> )	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market
Base of valuation ( <b>select</b> )	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.
Phasing-in properties s21 (number)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Combination of rating types used? (Y/N)	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Flat rate used? (Y/N)	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
Is balance rated by uniform rate/variable rate?	VARIABLE	VARIABLE	VARIABLE	VARIABLE	VARIABLE	VARIABLE	VARIABLE	VARIABLE	VARIABLE	VARIABLE	VARIABLE	VARIABLE	VARIABLE	VARIABLE	VARIABLE	VARIABLE
<b>Valuation reductions:</b>																
Valuation reductions-public infrastructure (Rm)	-	-	-	-	-	-	98	-	-	-	-	-	-	-	-	-
Valuation reductions-nature reserves/park (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	283	-	-	-
Valuation reductions-mineral rights (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-R15,000 threshold (Rm)	444	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-public worship (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	151	-
Valuation reductions-other (Rm)	1 947	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total valuation reductions:</b>																
Total value used for rating (Rm)	37 874	-	3 485	520	426	-	-	-	-	-	-	-	-	-	-	-
Total land value (Rm)	16 123	-	151	390	265	556	83	-	-	-	-	-	165	-	-	-
Total value of improvements (Rm)	18 581	-	231	147	211	182	8	-	-	-	-	-	77	-	-	-
Total market value (Rm)	<b>34 704</b>	-	<b>382</b>	<b>537</b>	<b>476</b>	<b>738</b>	<b>91</b>	-	-	-	-	-	<b>242</b>	-	-	-
<b>Rating:</b>																
Average rate	0.004740		0.007180	0.001185	0.007180				0.004740	0.007180						
Rate revenue budget (R '000)	114 755		20 000	264	22 326											
Rate revenue expected to collect (R'000)	114 755		20 000	264	22 326											
Expected cash collection rate (%)	100.0%		100.0%	100.0%	100.0%											
Special rating areas (R'000)																
Rebates, exemptions - indigent (R'000)																
Rebates, exemptions - pensioners (R'000)	561															
Rebates, exemptions - bona fide farm. (R'000)				110												
Rebates, exemptions - other (R'000)				5 421												
Phase-in reductions/discounts (R'000)																
<b>Total rebates, exemptns, reductns, discs (R'000)</b>																

**WC032 Overstrand - Supporting Table SA13a Service Tariffs by category**

Description	Provide description of tariff structure where appropriate	2012/13	2013/14	2014/15	Current Year 2015/16	2016/17 Medium Term Revenue & Expenditure Framework		
						Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Property rates (rate in the Rand)</b>								
Residential properties		100 066 700	91 896 000	93 405 376	97 925 000	96 914 564	102 729 437	108 893 204
Residential properties - vacant land				17 299 063	18 899 000	17 840 167	18 910 577	20 045 212
Formal/informal settlements								
Small holdings								
Farm properties - used	287 327	221 000	256 477	634 000	264 499	280 369	297 191	
Farm properties - not used								
Industrial properties								
Business and commercial properties	19 923 518	18 416 000	19 393 495	22 188 000	20 000 111	21 200 118	22 472 125	
Communal land - residential								
Communal land - small holdings								
Communal land - farm property								
Communal land - business and commercial								
Communal land - other								
State-owned properties	17 066 300	19 154 361	21 648 615	18 201 000	22 325 769	23 665 316	25 085 235	
Municipal properties								
Public service infrastructure								
Privately owned towns serviced by the owner								
State trust land								
Restitution and redistribution properties								
Protected areas								
National monuments properties								
<b>Exemptions, reductions and rebates (Rands)</b>								
<b>Residential properties</b>								
R15 000 threshold rebate	15 000	15 000				15 000	15 000	15 000
General residential rebate	15 000	15 000	15 000	15 000	15 000	15 000	15 000	15 000
Indigent rebate or exemption	100 000	100 000	100 000	220 000	220 000	220 000	220 000	220 000
Pensioners/social grants rebate or exemption	100 000	100 000	100 000	220 000	220 000	220 000	220 000	220 000
Temporary relief rebate or exemption	30-100%	30-100%	30-100%	40-100%	40-100%	40-100%	40-100%	40-100%
Bona fide farmers rebate or exemption								
<b>Other rebates or exemptions</b>	75%	75%	75%	75%	75%	75%	75%	75%
<b>Water tariffs</b>								
<b>Domestic</b>								
Basic charge/fixed fee (Rands/month)	93	96	102	102	114	122	129	
Service point - vacant land (Rands/month)	93	96	102	102	114	122	129	
Water usage - flat rate tariff (c/kl)	0 - 6 kl	307	325	325	404	448	498	
Water usage - life line tariff	7 - 18 kl	-	811	860	1 005	966	1 024	1 085
Water usage - Block 1 (c/kl)	19 - 30 kl	746	1 316	1 395	1 631	1 567	1 661	1 761
Water usage - Block 2 (c/kl)	31 - 45 kl	1 200	2 026	2 148	2 512	2 413	2 558	2 711
Water usage - Block 3 (c/kl)	46 - 60 kl	1 860	2 632	2 790	3 263	3 135	3 323	3 522
Water usage - Block 4 (c/kl)	> 60 kl	2 518	3 509	3 720	4 351	4 179	4 430	4 696
<b>Waste water tariffs</b>								
<b>Domestic</b>								
Basic charge/fixed fee (Rands/month)	81	86	91	91	103	109	115	
Service point - vacant land (Rands/month)	123	130	110	109	123	130	138	
Waste water - flat rate tariff (c/kl)	877	965	1 026	1 026	1 154	1 223	1 297	
Volumetric charge - Block 1 (c/kl)	Basic charge pumps	54	58	61	61	69	73	78
Volumetric charge - Block 2 (c/kl)	Service per pump	373	396	419	419	471	499	529
Volumetric charge - Block 3 (c/kl)	(fill in structure)							
Volumetric charge - Block 4 (c/kl)	(fill in structure)							
<b>Electricity tariffs</b>								
<b>Domestic</b>								
Basic charge/fixed fee (Rands/month)	Basic charge monthly	158	193	205	204	255	298	349
Service point - vacant land (Rands/month)	Basic charge vacant land	158	193	205	204	255	298	349
FBE	(how is this targeted?)							
Life-line tariff - meter	(describe structure)							
Life-line tariff - prepaid	(describe structure)	795	795	879	886	1 106	9 954	89 586
Flat rate tariff - meter (c/kwh)								
Flat rate tariff - prepaid(c/kwh)								
Meter - IBT Block 1 (c/kwh)	Credit Meter							
Meter - IBT Block 2 (c/kwh)	0 - 350 kWh	86.1	86.1	95.9	95.9	113.0	123.2	134.3
Meter - IBT Block 3 (c/kwh)	351 - 600 kWh	113.3	119.0	130.0	130.0	156.0	170.0	185.3
Meter - IBT Block 4 (c/kwh)	> 600 kWh	132.8	143.5	156.7	156.7	191.6	208.8	227.6
Meter - IBT Block 5 (c/kwh)	Prepaid Meter							
Prepaid - IBT Block 1 (c/kwh)	0 - 350 kWh	79.5	79.5	88.6	88.6	104.4	113.8	124.0
Prepaid - IBT Block 2 (c/kwh)	351 - 600 kWh	106.8	112.1	122.5	122.5	147.0	160.2	174.7
Prepaid - IBT Block 3 (c/kwh)	> 600 kWh	127.7	137.9	150.6	150.6	184.2	200.8	218.8
Prepaid - IBT Block 4 (c/kwh)	(fill in thresholds)							
Prepaid - IBT Block 5 (c/kwh)	(fill in thresholds)							
<b>Waste management tariffs</b>								
<b>Domestic</b>								
Street cleaning charge								
Basic charge/fixed fee	113	123	130	130	146	155	164	
80l bin - once a week								
250l bin - once a week	113	123	130	130	146	155	164	

**WC032 Overstrand - Supporting Table SA13b Service Tariffs by category - explanatory**

Description	Provide description of tariff structure where appropriate	2012/13	2013/14	2014/15	Current Year 2015/16	2016/17 Medium Term Revenue & Expenditure Framework		
						Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Exemptions, reductions and rebates (Rands)</b>								
[Insert lines as applicable]	RESIDENTIAL	0.003600	0.003600	0.004140	0.004420	0.004740	0.005024	0.005326
	BUSINESS & COMMERCIAL	0.005450	0.005450	0.006270	0.006700	0.007180	0.007611	0.008067
	FARM PROPERTIES	0.000900	0.000900	0.001040	0.001110	0.001185	0.001256	0.001331
	VACANT		0.005660	0.005660	0.006050	0.006490	0.006879	0.007292
<b>Water tariffs</b>								
[Insert blocks as applicable]	Basic charge (R)	93	96	102	102	114	121	128
	Basic charge (R)	93	96	102	102	114	121	128
	0 - 6 kl	-	307	325	325	404	448	498
c/kl	7 - 18 kl	746	811	860	1 005	966	1 024	1 085
c/kl	19 - 30 kl	1 200	1 316	1 395	1 631	1 567	1 661	1 761
c/kl	31 - 45 kl	1 860	2 026	2 148	2 512	2 413	2 558	2 711
c/kl	46 - 60 kl	1 860	2 632	2 790	3 263	3 135	3 323	3 522
c/kl	> 60 kl	2 518	3 509	3 720	4 351	4 179	4 430	4 696
<b>Waste water tariffs</b>								
[Insert blocks as applicable]	Basic charge (R)	80	86	91	91	103	109	115
	Basic charge (R)	122	130	110	109	123	130	138
	Tariff per kl (c/kl)	877	865	1 026	1 026	1 154	1 223	1 297
	Basic charge - pumps (R)	54	58	61	61	69	73	78
	Service per pump (R)	372	396	419	419	471	499	529
<b>Electricity tariffs</b>								
[Insert blocks as applicable]	Basic charge (R)	158	193	205	204	255	270	286
	Basic - Vacant Land	158	193	206	204	255	270	286
	Flat rate prepaid (c/kWh)	795	795	879	886	1 106	1 172	1 243
	Credit Meter							
(c/kWh)	0 - 350 kWh	86.1	86.1	95.9	95.9	113.0	123.2	134.3
(c/kWh)	351 - 600 kWh	113.3	119.0	130.0	130.0	156.0	170.0	185.3
(c/kWh)	> 600 kWh	132.8	143.5	156.7	156.7	191.6	208.8	227.6
	Prepaid							
(c/kWh)	0 - 350 kWh	79.5	79.5	88.6	88.6	104.4	113.8	124.0
(c/kWh)	351 - 600 kWh	106.8	112.1	122.5	122.5	147.0	160.2	174.7
(c/kWh)	> 600 kWh	127.7	137.9	150.6	150.6	184.2	200.8	218.8

**WC032 Overstrand - Supporting Table SA14 Household bills**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17 % incr.	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Rand/cent</b>										
<b><u>Monthly Account for Household - 'Middle Income Range'</u></b>										
<b>Rates and services charges:</b>										
Property rates	151.25	156.00	179.40	191.69	191.69	191.69	7.1%	205.32	217.64	230.70
Electricity: Basic levy	157.89	192.98	204.56	216.83	216.83	216.83	17.5%	254.78	270.07	286.27
Electricity: Consumption	1 056.28	1 126.62	1 219.00	1 357.95	1 357.95	1 357.95	8.3%	1 470.05	1 558.25	1 651.75
Water: Basic levy	92.98	96.49	102.28	108.42	108.42	108.42	6.0%	114.93	121.83	129.14
Water: Consumption	224.44	273.66	290.10	308.64	308.64	308.64	8.1%	333.74	353.76	374.99
Sanitation	264.87	288.62	305.94	325.09	325.09	325.09	6.0%	344.54	365.22	387.13
Refuse removal	113.16	122.81	130.18	137.99	137.99	137.99	6.0%	146.27	155.05	164.35
Other										
<b>sub-total</b>	<b>2 060.87</b>	<b>2 257.18</b>	<b>2 431.46</b>	<b>2 646.61</b>	<b>2 646.61</b>	<b>2 646.61</b>	<b>8.4%</b>	<b>2 869.63</b>	<b>3 041.81</b>	<b>3 224.32</b>
VAT on Services	267.35	294.17	312.99	344.41	344.41	344.41		373.00	395.38	419.11
<b>Total large household bill:</b>	<b>2 328.22</b>	<b>2 551.35</b>	<b>2 744.44</b>	<b>2 991.02</b>	<b>2 991.02</b>	<b>2 991.02</b>	<b>8.4%</b>	<b>3 242.64</b>	<b>3 437.20</b>	<b>3 643.43</b>
<b>% increase/-decrease</b>		<b>9.6%</b>	<b>7.6%</b>	<b>9.0%</b>	<b>-</b>	<b>-</b>		<b>8.4%</b>	<b>6.0%</b>	<b>6.0%</b>
<b><u>Monthly Account for Household - 'Affordable Range'</u></b>										
<b>Rates and services charges:</b>										
Property rates	104.70	108.00	124.20	132.71	132.71	132.71	7.1%	142.15	150.68	159.72
Electricity: Basic levy	157.89	192.98	204.56	216.83	216.83	216.83	17.5%	254.78	270.07	286.27
Electricity: Consumption	438.62	456.59	494.01	550.31	550.31	550.31	6.5%	586.13	621.30	658.58
Water: Basic levy	92.98	96.49	102.28	108.42	108.42	108.42	6.0%	114.93	121.83	129.14
Water: Consumption	164.44	207.86	220.35	236.54	236.54	236.54	6.5%	251.87	266.98	283.00
Sanitation	234.17	254.84	270.13	287.01	287.01	287.01	6.0%	304.19	322.44	341.79
Refuse removal	113.16	122.81	130.18	137.99	137.99	137.99	6.0%	146.27	155.05	164.35
Other										
<b>sub-total</b>	<b>1 305.96</b>	<b>1 439.57</b>	<b>1 545.71</b>	<b>1 669.81</b>	<b>1 669.81</b>	<b>1 669.81</b>	<b>7.8%</b>	<b>1 800.32</b>	<b>1 908.34</b>	<b>2 022.84</b>
VAT on Services	168.18	186.42	199.01	215.19	215.19	215.19		232.14	246.07	260.84
<b>Total small household bill:</b>	<b>1 474.14</b>	<b>1 625.99</b>	<b>1 744.72</b>	<b>1 885.00</b>	<b>1 885.00</b>	<b>1 885.00</b>	<b>7.8%</b>	<b>2 032.46</b>	<b>2 154.41</b>	<b>2 283.68</b>
<b>% increase/-decrease</b>		<b>10.3%</b>	<b>7.3%</b>	<b>8.0%</b>	<b>-</b>	<b>-</b>		<b>7.8%</b>	<b>6.0%</b>	<b>6.0%</b>
<b><u>Monthly Account for Household - 'Indigent' Household receiving free basic services</u></b>										
<b>Rates and services charges:</b>										
Property rates	58.16	60.00	69.00	73.73	73.73	73.73	7.1%	78.97	83.71	88.73
Electricity: Basic levy	157.89	192.98	204.56	216.83	216.83	216.83	17.5%	254.78	270.07	286.27
Electricity: Consumption	278.39	286.75	310.24	345.59	345.59	345.59	5.8%	365.51	387.44	410.69
Water: Basic levy	92.98	96.49	102.28	108.42	108.42	108.42	6.0%	114.93	121.83	129.14
Water: Consumption	104.44	123.67	131.10	139.02	139.02	139.02	24.8%	173.47	183.88	194.91
Sanitation	203.48	221.07	234.33	248.93	248.93	248.93	6.0%	263.83	279.66	296.44
Refuse removal	113.16	122.81	130.18	137.99	137.99	137.99	6.0%	146.27	155.05	164.35
Other	(521.33)	(598.16)	(635.06)	(676.64)	(676.64)	(676.64)		(743.13)	(787.72)	(834.98)
<b>sub-total</b>	<b>487.17</b>	<b>505.61</b>	<b>546.63</b>	<b>593.87</b>	<b>593.87</b>	<b>593.87</b>	<b>10.2%</b>	<b>654.63</b>	<b>693.91</b>	<b>735.54</b>
VAT on Services	60.06	64.96	69.91	73.12	73.12	73.12		91.65	97.15	102.98
<b>Total small household bill:</b>	<b>547.23</b>	<b>570.57</b>	<b>616.54</b>	<b>666.99</b>	<b>666.99</b>	<b>666.99</b>	<b>11.9%</b>	<b>746.28</b>	<b>791.05</b>	<b>838.52</b>
<b>% increase/-decrease</b>		<b>4.3%</b>	<b>8.1%</b>	<b>8.2%</b>	<b>-</b>	<b>-</b>		<b>11.9%</b>	<b>6.0%</b>	<b>6.0%</b>

**References**

1. Use as basis property value of R700 000, 1 000 kWh electricity and 30kl water
2. Use as basis property value of R500 000 and R700 000, 500 kWh electricity and 25kl water
3. Use as basis property value of R 300 000, 350kWh electricity and 20kl water (50 kWh electricity and 6 kl water free)
4. Note this is for a SINGLE household.

**WC032 Overstrand - Supporting Table SA15 Investment particulars by type**

Investment type	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>Parent municipality</b>									
Securities - National Government									
Listed Corporate Bonds									
Deposits - Bank	55 042	50 039							
Deposits - Public Investment Commissioners									
Deposits - Corporation for Public Deposits									
Bankers Acceptance Certificates									
Negotiable Certificates of Deposit - Banks									
Guaranteed Endowment Policies (sinking)	11 597	16 965	49 200	28 455	28 455	28 455	35 328	41 727	48 267
Repurchase Agreements - Banks									
Municipal Bonds									
<b>Municipality sub-total</b>	<b>66 638</b>	<b>67 004</b>	<b>49 200</b>	<b>28 455</b>	<b>28 455</b>	<b>28 455</b>	<b>35 328</b>	<b>41 727</b>	<b>48 267</b>
<b>Entities</b>									
Securities - National Government									
Listed Corporate Bonds									
Deposits - Bank									
Deposits - Public Investment Commissioners									
Deposits - Corporation for Public Deposits									
Bankers Acceptance Certificates									
Negotiable Certificates of Deposit - Banks									
Guaranteed Endowment Policies (sinking)									
Repurchase Agreements - Banks									
<b>Entities sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Consolidated total:</b>	<b>66 638</b>	<b>67 004</b>	<b>49 200</b>	<b>28 455</b>	<b>28 455</b>	<b>28 455</b>	<b>35 328</b>	<b>41 727</b>	<b>48 267</b>

WC032 Overstrand - Supporting Table 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 3.	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												
<u>Parent municipality</u>													
LIBERTY 15934476	15 YEARS	POLICY	YES	VARIABLE	Fair Value Adjustment			01/09/2025	8 385	66		1 500	9 951
LIBERTY 21196964	14 YEARS	POLICY	YES	VARIABLE	Fair Value Adjustment			01/09/2025	13 186	216		3 120	16 523
MOMENTUM 3853776	15 YEARS	POLICY	YES	VARIABLE	Fair Value Adjustment			01/07/2026	1 578	44		360	1 981
													-
<b>TOTAL INVESTMENTS AND INTEREST</b>									<b>23 149</b>		<b>-</b>	<b>4 980</b>	<b>28 455</b>

**WC032 Overstrand - Supporting Table SA17 Borrowing**

Borrowing - Categorised by type R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Parent municipality</b>									
Long-Term Loans (annuity/reducing balance)	274 394	292 444	308 904	311 667	311 667	311 667	312 288	309 060	311 596
Long-Term Loans (non-annuity)	90 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000
Local registered stock									
Instalment Credit				4 333	4 333	4 333			
Financial Leases	238		60	-	-	-			
PPP liabilities									
Finance Granted By Cap Equipment Supplier									
Marketable Bonds									
Non-Marketable Bonds									
Bankers Acceptances									
Financial derivatives									
Other Securities									
<b>Municipality sub-total</b>	<b>364 632</b>	<b>392 444</b>	<b>408 964</b>	<b>415 999</b>	<b>415 999</b>	<b>415 999</b>	<b>412 288</b>	<b>409 060</b>	<b>411 596</b>
<b>Entities</b>									
Long-Term Loans (annuity/reducing balance)									
Long-Term Loans (non-annuity)									
Local registered stock									
Instalment Credit									
Financial Leases									
PPP liabilities									
Finance Granted By Cap Equipment Supplier									
Marketable Bonds									
Non-Marketable Bonds									
Bankers Acceptances									
Financial derivatives									
Other Securities									
<b>Entities sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Borrowing</b>	<b>364 632</b>	<b>392 444</b>	<b>408 964</b>	<b>415 999</b>	<b>415 999</b>	<b>415 999</b>	<b>412 288</b>	<b>409 060</b>	<b>411 596</b>

<b>Unspent Borrowing - Categorised by type</b>									
<b>Parent municipality</b>									
Long-Term Loans (annuity/reducing balance)	6 133	1 847	2 800						
Long-Term Loans (non-annuity)									
Local registered stock									
Instalment Credit									
Financial Leases									
PPP liabilities									
Finance Granted By Cap Equipment Supplier									
Marketable Bonds									
Non-Marketable Bonds									
Bankers Acceptances									
Financial derivatives									
Other Securities									
<b>Municipality sub-total</b>	<b>6 133</b>	<b>1 847</b>	<b>2 800</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Entities</b>									
Long-Term Loans (annuity/reducing balance)									
Long-Term Loans (non-annuity)									
Local registered stock									
Instalment Credit									
Financial Leases									
PPP liabilities									
Finance Granted By Cap Equipment Supplier									
Marketable Bonds									
Non-Marketable Bonds									
Bankers Acceptances									
Financial derivatives									
Other Securities									
<b>Entities sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Unspent Borrowing</b>	<b>6 133</b>	<b>1 847</b>	<b>2 800</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



**WC032 Overstrand - Supporting Table SA18 Transfers and grant receipts**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>RECEIPTS:</b>									
<b><u>Operating Transfers and Grants</u></b>									
<b>National Government:</b>	<b>38 956</b>	<b>45 033</b>	<b>56 511</b>	<b>67 709</b>	<b>67 709</b>	<b>67 709</b>	<b>76 347</b>	<b>84 580</b>	<b>92 983</b>
Local Government Equitable Share	36 146	41 949	52 021	64 598	64 598	64 598	72 950	83 030	91 433
Finance Management	698	1 300	1 450	1 450	1 450	1 450	1 475	1 550	1 550
Municipal Systems Improvement	780	540							
EPWP Incentive	1 332	1 244	1 768	1 661	1 661	1 661	1 922		
Disaster recovery grant			1 272						
Other transfers/grants [insert description]									
<b>Provincial Government:</b>	<b>2 703</b>	<b>23 332</b>	<b>4 481</b>	<b>22 615</b>	<b>32 723</b>	<b>32 723</b>	<b>51 905</b>	<b>15 850</b>	<b>20 536</b>
Housing	1 659	18 669	632	17 141	27 049	27 049	45 734	9 346	13 540
Emergency Housing Programme (EHP)	–	–							
Provincial Library Grant	691	795	3 182	5 288	5 288	5 288	5 839	6 189	6 561
Financial Management Support Grant	–	800							
Disaster recovery grant									
Community Development Worker Grant	70	49	70	72	72	72	75	75	75
Main Road Subsidy	65	2 651	83	114	114	114	137		
Sport & Recreation Grant	–	–							
Nelson Mandela commemoration Grant	–	100							
Greenest Municipality	–	50	–						
Financial Management Support Grant			515				120	240	360
Thusong Service centre grant	218	218			200	200			
Other transfers/grants [insert description]									
<b>District Municipality:</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<i>[insert description]</i>									
<b>Other grant providers:</b>	<b>652</b>	<b>586</b>	<b>165</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
ACIP									
Prov Govt. Nelson Mandela Commemoration									
Prov Govt. ICT Projects for Libraries	–	27							
Table Mountain Fund	–	240							
Public Contr. KCIH									
Samras Usergroup	22	–	3						
Friedrich Naumann Foundation	–	319	162						
Spaces 4 Sport	630	–							
<b>Total Operating Transfers and Grants</b>	<b>42 311</b>	<b>68 951</b>	<b>61 158</b>	<b>90 324</b>	<b>100 432</b>	<b>100 432</b>	<b>128 252</b>	<b>100 430</b>	<b>113 519</b>
<b><u>Capital Transfers and Grants</u></b>									
<b>National Government:</b>	<b>36 911</b>	<b>26 068</b>	<b>23 608</b>	<b>30 347</b>	<b>30 347</b>	<b>30 347</b>	<b>26 030</b>	<b>26 450</b>	<b>29 531</b>
Municipal Infrastructure Grant (MIG)	16 947	18 755	20 674	21 417	21 417	21 417	21 030	22 450	23 531
Public Transport and Systems									
Regional Bulk Infrastructure	15 174	–							
Neighbourhood Development Partnership	2 418	3 963							
Finance Management	552	–							
Municipal Systems Improvement	20	350	934	930	930	930			
INEP	1 800	3 000	2 000	8 000	8 000	8 000	5 000	4 000	6 000
Other capital transfers/grants [insert desc]									
<b>Provincial Government:</b>	<b>20 217</b>	<b>8 819</b>	<b>30 195</b>	<b>33 007</b>	<b>30 155</b>	<b>30 155</b>	<b>14 073</b>	<b>37 154</b>	<b>37 740</b>
Housing	18 693	7 727	28 045	29 973	26 321	26 321	13 023	37 154	37 740
Sport & Recreation Grant	–	100							
Provincial Library Grant	13	10	2 150	3 034	3 034	3 034	1 050		
Provincial Transport Infrastructure Grant	1 500	982							
Community Development Worker Grant	11	–							
Financial Management Support Grant					800	800			
<b>District Municipality:</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Other grant providers:</b>	<b>–</b>	<b>–</b>	<b>2 000</b>	<b>1 000</b>	<b>1 000</b>	<b>1 000</b>	<b>–</b>	<b>–</b>	<b>–</b>
National Lotto			1 000	1 000	1 000	1 000			
DWA ACIP			1 000						
Spaces 4 Sport									
Friedrich Nauman Foundation/SAMRAS usergroup									
<b>Total Capital Transfers and Grants</b>	<b>57 128</b>	<b>34 887</b>	<b>55 803</b>	<b>64 354</b>	<b>61 502</b>	<b>61 502</b>	<b>40 103</b>	<b>63 604</b>	<b>67 271</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>99 439</b>	<b>103 838</b>	<b>116 961</b>	<b>154 678</b>	<b>161 934</b>	<b>161 934</b>	<b>168 355</b>	<b>164 034</b>	<b>180 790</b>

**WC032 Overstrand - Supporting Table SA19 Expenditure on transfers and grant programme**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>EXPENDITURE:</b>									
<b><u>Operating expenditure of Transfers and Grants</u></b>									
<b>National Government:</b>	<b>2 810</b>	<b>3 084</b>	<b>3 900</b>	<b>3 111</b>	<b>3 701</b>	<b>3 701</b>	<b>3 397</b>	<b>1 550</b>	<b>1 550</b>
Local Government Equitable Share									
Finance Management	698	1 300	860	1 450	2 040	2 040	1 475	1 550	1 550
Municipal Systems Improvement	780	540							
EPWP Incentive	1 332	1 244	1 768	1 661	1 661	1 661	1 922		
Disaster recovery grant			1 272						
Other transfers/grants [insert description]									
<b>Provincial Government:</b>	<b>2 724</b>	<b>22 802</b>	<b>4 551</b>	<b>22 615</b>	<b>32 936</b>	<b>32 936</b>	<b>51 905</b>	<b>15 850</b>	<b>20 536</b>
Housing	1 659	18 669	632	17 141	27 049	27 049	45 734	9 346	13 540
Community Development Worker Grant	70	49	70	72	72	72	75	75	75
Main Road Subsidy	65	2 651	83	114	114	114	137		
Sport & Recreation Grant									
Provincial Library Grant	691	795	3 182	5 288	5 288	5 288	5 839	6 189	6 561
Disaster recovery grant									
Financial Management Support Grant	–	155	547		213	213	120	240	360
Nelson Mandela commemoration Grant	–	100							
Greenest Municipality	–	12	38						
HCE	19	47							
Mobility Strategy	2	106							
Thusong Service centre grant	218	218			200	200			
<b>District Municipality:</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
[insert description]									
<b>Other grant providers:</b>	<b>222</b>	<b>894</b>	<b>252</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Spaces 4 Sport/Friedrich Naumann Foundation	200	627	249						
ICT Projects for Libraries/Samras Usergroup	22	267	3						
<b>Total operating expenditure of Transfers and Grants:</b>	<b>5 756</b>	<b>26 781</b>	<b>8 704</b>	<b>25 726</b>	<b>36 636</b>	<b>36 636</b>	<b>55 302</b>	<b>17 400</b>	<b>22 086</b>
<b><u>Capital expenditure of Transfers and Grants</u></b>									
<b>National Government:</b>	<b>36 911</b>	<b>25 094</b>	<b>23 608</b>	<b>30 347</b>	<b>30 347</b>	<b>30 347</b>	<b>26 030</b>	<b>26 450</b>	<b>29 531</b>
Municipal Infrastructure Grant (MIG)	16 947	18 755	20 674	21 417	21 417	21 417	21 030	22 450	23 531
Public Transport and Systems									
Regional Bulk Infrastructure	15 174	–							
Municipal Systems Improvement	20	350	934	930	930	930			
INEP	1 800	2 026	2 000	8 000	8 000	8 000	5 000	4 000	6 000
Finance Management	552	–							
Neighbourhood Development Partnership	2 418	3 963							
<b>Provincial Government:</b>	<b>16 898</b>	<b>12 996</b>	<b>31 890</b>	<b>33 007</b>	<b>30 155</b>	<b>30 155</b>	<b>14 073</b>	<b>37 154</b>	<b>37 740</b>
Housing	16 651	10 404	29 740	29 973	26 321	26 321	13 023	37 154	37 740
Sport & Recreation Grant	–	100							
Public transport non-motorised infrastructure grant	–	2 482							
Provincial Library Grant	13	10	2 150	3 034	3 034	3 034	1 050		
Financial Management Support Grant					800	800			
Mobility strategy (pound)/ CDW	234	–							
<b>District Municipality:</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
[insert description]									
<b>Other grant providers:</b>	<b>500</b>	<b>–</b>	<b>1 000</b>	<b>1 000</b>	<b>1 000</b>	<b>1 000</b>	<b>–</b>	<b>–</b>	<b>–</b>
National Lotto				1 000	1 000	1 000			
'DWA ACIP			1 000						
'Spaces 4 Sport									
National Lotto	500	–	–						
<b>Total capital expenditure of Transfers and Grants</b>	<b>54 309</b>	<b>38 090</b>	<b>56 498</b>	<b>64 354</b>	<b>61 502</b>	<b>61 502</b>	<b>40 103</b>	<b>63 604</b>	<b>67 271</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>60 065</b>	<b>64 871</b>	<b>65 202</b>	<b>90 080</b>	<b>98 138</b>	<b>98 138</b>	<b>95 405</b>	<b>81 004</b>	<b>89 357</b>

**WC032 Overstrand - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b><u>Operating transfers and grants:</u></b>									
<b>National Government:</b>									
Balance unspent at beginning of the year	–	–	–		590	590			
Current year receipts	38 956	45 033	56 511	67 709	67 709	67 709	76 347	84 580	92 983
<b>Conditions met - transferred to revenue</b>	<b>38 956</b>	<b>45 033</b>	<b>55 921</b>	<b>67 709</b>	<b>68 299</b>	<b>68 299</b>	<b>76 347</b>	<b>84 580</b>	<b>92 983</b>
Conditions still to be met - transferred to liabilities			590						
<b>Provincial Government:</b>									
Balance unspent at beginning of the year	174	153	683		213	213			
Current year receipts	2 703	23 332	4 481	22 615	32 723	32 723	51 905	15 850	20 536
Transfer to creditor/debtor	(222)	(894)	(400)						
<b>Conditions met - transferred to revenue</b>	<b>2 502</b>	<b>21 908</b>	<b>4 551</b>	<b>22 615</b>	<b>32 936</b>	<b>32 936</b>	<b>51 905</b>	<b>15 850</b>	<b>20 536</b>
Conditions still to be met - transferred to liabilities	153	683	213						
<b>District Municipality:</b>									
Balance unspent at beginning of the year									
Current year receipts									
<b>Conditions met - transferred to revenue</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Conditions still to be met - transferred to liabilities									
<b>Other grant providers:</b>									
Balance unspent at beginning of the year	240	669	361						
Current year receipts	652	586	165						
<b>Conditions met - transferred to revenue</b>	<b>222</b>	<b>894</b>	<b>252</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Conditions still to be met - transferred to liabilities	669	361	274						
<b>Total operating transfers and grants revenue</b>	<b>41 680</b>	<b>67 835</b>	<b>60 725</b>	<b>90 324</b>	<b>101 234</b>	<b>101 234</b>	<b>128 252</b>	<b>100 430</b>	<b>113 519</b>
<b>Total operating transfers and grants - CTBM</b>	<b>822</b>	<b>1 044</b>	<b>1 076</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b><u>Capital transfers and grants:</u></b>									
<b>National Government:</b>									
Balance unspent at beginning of the year	–	–							
Current year receipts	36 911	26 068	23 608	30 347	30 347	30 347	26 030	26 450	29 531
Transfer to creditor/debtor	–	(974)							
<b>Conditions met - transferred to revenue</b>	<b>36 911</b>	<b>25 094</b>	<b>23 608</b>	<b>30 347</b>	<b>30 347</b>	<b>30 347</b>	<b>26 030</b>	<b>26 450</b>	<b>29 531</b>
Conditions still to be met - transferred to liabilities									
<b>Provincial Government:</b>									
Balance unspent at beginning of the year	3 642	6 961	2 382						
Current year receipts	20 217	8 819	30 195	33 007	30 155	30 155	14 073	37 154	37 740
Transfer to creditor/debtor	–	(402)	(687)						
<b>Conditions met - transferred to revenue</b>	<b>16 898</b>	<b>12 996</b>	<b>31 890</b>	<b>33 007</b>	<b>30 155</b>	<b>30 155</b>	<b>14 073</b>	<b>37 154</b>	<b>37 740</b>
Conditions still to be met - transferred to liabilities	6 961	2 382							
<b>District Municipality:</b>									
Balance unspent at beginning of the year									
Current year receipts									
<b>Conditions met - transferred to revenue</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Conditions still to be met - transferred to liabilities									
<b>Other grant providers:</b>									
Balance unspent at beginning of the year	–	–							
Current year receipts	–	–	1 000	1 000	1 000	1 000			
<b>Conditions met - transferred to revenue</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1 000</b>	<b>1 000</b>	<b>1 000</b>	<b>–</b>	<b>–</b>	<b>–</b>
Conditions still to be met - transferred to liabilities			1 000						
<b>Total capital transfers and grants revenue</b>	<b>53 809</b>	<b>38 090</b>	<b>55 498</b>	<b>64 354</b>	<b>61 502</b>	<b>61 502</b>	<b>40 103</b>	<b>63 604</b>	<b>67 271</b>
<b>Total capital transfers and grants - CTBM</b>	<b>6 961</b>	<b>2 382</b>	<b>1 000</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>	<b>95 489</b>	<b>105 925</b>	<b>116 223</b>	<b>154 678</b>	<b>162 736</b>	<b>162 736</b>	<b>168 355</b>	<b>164 034</b>	<b>180 790</b>
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>	<b>7 783</b>	<b>3 425</b>	<b>2 076</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

**WC032 Overstrand - Supporting Table SA21 Transfers and grants made by the municipality**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>Cash Transfers to other municipalities</b>									
Total Cash Transfers To Municipalities:	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to Entities/Other External Mechanisms</b>									
Total Cash Transfers To Entities/Ems'	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to other Organs of State</b>									
Total Cash Transfers To Other Organs Of State:	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to Organisations</b>									
Grant-in-aid	398	451	278					278	278
Badisa herberg-aan-see				5	5	5			
Nsri				28	28	28			
Hermanus hacking group				15	15	15			
Camphill school				20	20	20			
Overstrand Arts / Kunste				20	20	20			
Overstrand hospice				20	20	20			
Stanford animal welfare society				15	15	15			
Flower valley conservation trust				15	15	15			
kids@the centre				15	15	15			
Siyazama				15	15	15			
Overstrand association for persons with disabilities				20	20	20			
Strandloperijje bewaarskool				15	15	15			
Narrative foundation				15	15	15			
Hermanus botanical society				20	20	20			
Whale coast conservation				20	20	20			
Camphill farm community				20	20	20			
Pearly Shell Service Centre							9		
RDP Training Centre							10		
Hermanus Night Shelter							15		
The Recycle Swap Shop							20		
Blommeland Day Care							5		
Overstrand Arts / Kunste							23		
Whale Coast 96 FM							8		
Pearly Beach Conservancy							15		
Whale Coast Conservation							30		
Overstrand Hospice							30		
Hermanus Botanical Society							9		
Narrative Foundation							35		
Women Action Group							10		
Stanford Conservation							20		
Dyer Island Conservation Trust							25		
Grootbos Green Futures Foundation							15		
Tourism buro's				1 649	1 649	1 649	1 648	1 648	1 648
Total Cash Transfers To Organisations	398	451	278	1 927	1 927	1 927	1 926	1 926	1 926
<b>Cash Transfers to Groups of Individuals</b>									
Low income house-hold subsidies	35 458	38 298	41 922	46 570	47 521	47 521	55 553	58 882	62 410
Total Cash Transfers To Groups Of Individuals:	35 458	38 298	41 922	46 570	47 521	47 521	55 553	58 882	62 410
<b>TOTAL CASH TRANSFERS AND GRANTS</b>	<b>35 856</b>	<b>38 749</b>	<b>42 200</b>	<b>48 497</b>	<b>49 448</b>	<b>49 448</b>	<b>57 479</b>	<b>60 808</b>	<b>64 336</b>
<b>Non-Cash Transfers to other municipalities</b>									
Total Non-Cash Transfers To Municipalities:	-	-	-	-	-	-	-	-	-
<b>Non-Cash Transfers to Entities/Other External Mechanisms</b>									
Total Non-Cash Transfers To Entities/Ems'	-	-	-	-	-	-	-	-	-
<b>Non-Cash Transfers to other Organs of State</b>									
Transfers/donations made to other organs of state			6 459						
Total Non-Cash Transfers To Other Organs Of State:	-	-	6 459	-	-	-	-	-	-
<b>Non-Cash Grants to Organisations</b>									
Total Non-Cash Grants To Organisations	-	-	-	-	-	-	-	-	-
<b>Groups of Individuals</b>									
Total Non-Cash Grants To Groups Of Individuals:	-	-	-	-	-	-	-	-	-
<b>TOTAL NON-CASH TRANSFERS AND GRANTS</b>	<b>-</b>	<b>-</b>	<b>6 459</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL TRANSFERS AND GRANTS</b>	<b>35 856</b>	<b>38 749</b>	<b>48 659</b>	<b>48 497</b>	<b>49 448</b>	<b>49 448</b>	<b>57 479</b>	<b>60 808</b>	<b>64 336</b>

**WC032 Overstrand - Supporting Table SA22 Summary councillor and staff benefits**

Summary of Employee and Councillor remuneration R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
	A	B	C	D	E	F	G	H	I
<b><u>Councillors (Political Office Bearers plus Other)</u></b>									
Basic Salaries and Wages	7 084	7 415	7 533	8 037	8 037	8 037	8 499	9 008	9 549
Pension and UIF Contributions									
Medical Aid Contributions									
Motor Vehicle Allowance									
Cellphone Allowance		518	570	638	638	638	612	612	612
Housing Allowances									
Other benefits and allowances									
<b>Sub Total - Councillors</b>	<b>7 084</b>	<b>7 933</b>	<b>8 104</b>	<b>8 674</b>	<b>8 674</b>	<b>8 674</b>	<b>9 110</b>	<b>9 620</b>	<b>10 161</b>
<b>% increase</b>		<b>12.0%</b>	<b>2.2%</b>	<b>7.0%</b>	<b>-</b>	<b>-</b>	<b>5.0%</b>	<b>5.6%</b>	<b>5.6%</b>
<b><u>Senior Managers of the Municipality</u></b>									
Basic Salaries and Wages	8 100	8 566	9 190	9 735	9 735	9 735	10 150	10 757	11 401
Pension and UIF Contributions									
Medical Aid Contributions									
Overtime									
Performance Bonus									
Motor Vehicle Allowance									
Cellphone Allowance	139	139	147	154	154	154	154	154	154
Housing Allowances									
Other benefits and allowances	3								
Payments in lieu of leave	82								
Long service awards									
Post-retirement benefit obligations									
<b>Sub Total - Senior Managers of Municipality</b>	<b>8 324</b>	<b>8 706</b>	<b>9 337</b>	<b>9 889</b>	<b>9 889</b>	<b>9 889</b>	<b>10 305</b>	<b>10 911</b>	<b>11 555</b>
<b>% increase</b>		<b>4.6%</b>	<b>7.3%</b>	<b>5.9%</b>	<b>-</b>	<b>-</b>	<b>4.2%</b>	<b>5.9%</b>	<b>5.9%</b>
<b><u>Other Municipal Staff</u></b>									
Basic Salaries and Wages	143 857	158 389	165 741	188 357	182 893	182 893	199 010	202 205	214 259
Pension and UIF Contributions	24 051	25 104	27 068	31 736	30 694	30 694	32 625	34 426	36 394
Medical Aid Contributions	8 176	8 828	9 363	11 618	11 038	11 038	11 423	12 322	13 063
Overtime	12 428	14 370	14 765	15 295	13 654	13 654	14 920	15 806	16 725
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	9 178	9 750	9 634	12 164	11 239	11 239	6 990	6 993	6 996
Cellphone Allowance	1 785	1 402	1 750	1 348	1 326	1 326	1 278	1 278	1 278
Housing Allowances	1 046	967	944	1 002	1 759	1 759	5 851	5 851	5 851
Other benefits and allowances	9 254	10 083	11 228	10 621	10 108	10 108	11 375	11 972	12 606
Provision for Accrued Leave	2 056	1 659	996	729	729	729	709	752	793
Provision for Long service awards	690	3 587	1 161	1 802	3 042	3 042	3 139	2 820	2 810
Provision for Bonus	-	-	655	455	455	455	496	526	558
Post-retirement benefit obligations	10 795	17 799	14 378	6 578	16 001	16 001	16 081	16 162	16 242
<b>Sub Total - Other Municipal Staff</b>	<b>223 317</b>	<b>251 939</b>	<b>257 682</b>	<b>281 705</b>	<b>282 938</b>	<b>282 938</b>	<b>303 899</b>	<b>311 112</b>	<b>327 574</b>
<b>% increase</b>		<b>12.8%</b>	<b>2.3%</b>	<b>9.3%</b>	<b>0.4%</b>	<b>-</b>	<b>7.4%</b>	<b>2.4%</b>	<b>5.3%</b>
<b>Total Parent Municipality</b>	<b>238 726</b>	<b>268 577</b>	<b>275 123</b>	<b>300 268</b>	<b>301 502</b>	<b>301 502</b>	<b>323 314</b>	<b>331 643</b>	<b>349 289</b>
		<b>12.5%</b>	<b>2.4%</b>	<b>9.1%</b>	<b>0.4%</b>	<b>-</b>	<b>7.2%</b>	<b>2.6%</b>	<b>5.3%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>238 726</b>	<b>268 577</b>	<b>275 123</b>	<b>300 268</b>	<b>301 502</b>	<b>301 502</b>	<b>323 314</b>	<b>331 643</b>	<b>349 289</b>
<b>% increase</b>		<b>12.5%</b>	<b>2.4%</b>	<b>9.1%</b>	<b>0.4%</b>	<b>-</b>	<b>7.2%</b>	<b>2.6%</b>	<b>5.3%</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>231 642</b>	<b>260 645</b>	<b>267 019</b>	<b>291 593</b>	<b>292 827</b>	<b>292 827</b>	<b>314 204</b>	<b>322 023</b>	<b>339 129</b>

**WC032 Overstrand - Supporting Table SA23 Salaries, allowances & 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.
<b><u>Councillors</u></b>							
Speaker	1	642 795		24 468			667 263
Chief Whip							–
Executive Mayor	1	803 493		24 468			827 961
Deputy Executive Mayor	1	642 795		24 468			667 263
Executive Committee	3	1 807 863		73 404			1 881 267
Total for all other councillors	19	4 601 608		464 892			5 066 500
<b>Total Councillors</b>	<b>25</b>	<b>8 498 554</b>	<b>–</b>	<b>611 700</b>			<b>9 110 254</b>
<b><u>Senior Managers of the Municipality</u></b>							
Municipal Manager (MM)	1	1 814 878		22 872			1 837 750
Chief Finance Officer	1	1 678 835		19 872			1 698 707
Management Serv	1	1 272 554		22 872			1 295 426
LED	1	1 192 084		19 872			1 211 956
Protection Serv	1	1 150 142		22 872			1 173 014
Infrastrucure and Plzanning	1	1 668 515		22 872			1 691 387
<i>List of each offical with packages &gt;= senior manager</i>							
Community Serv	1	1 373 410		22 872			1 396 282
							–
<b>Total Senior Managers of the Municipality</b>	<b>7</b>	<b>10 150 418</b>	<b>–</b>	<b>154 104</b>	<b>–</b>		<b>10 304 522</b>
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	<b>32</b>	<b>18 648 972</b>	<b>–</b>	<b>765 804</b>	<b>–</b>		<b>19 414 776</b>

WC032 Overstrand - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers		2014/15			Current Year 2015/16			Budget Year 2016/17		
Number		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>										
Councillors (Political Office Bearers plus Other Councillors)		25	7	–	25	7		25	7	
Board Members of municipal entities										
<b>Municipal employees</b>										
Municipal Manager and Senior Managers		7	7	–	7	7		7	7	
Other Managers		57	49		61	54		55	52	
Professionals		53	52	–	54	40	–	57	43	–
<i>Finance</i>		22	21		23	15		23	17	
<i>Spatial/town planning</i>		8	8		8	7		8	7	
<i>Information Technology</i>										
<i>Roads</i>		8	8		8	8		8	6	
<i>Electricity</i>		5	5		5	1		8	6	
<i>Water</i>		4	4		4	3		4	1	
<i>Sanitation</i>		3	3		3	3		3	3	
<i>Refuse</i>		3	3		3	3		3	3	
<i>Other</i>										
Technicians		213	203	–	215	194	–	202	190	–
<i>Finance</i>										
<i>Spatial/town planning</i>		6	6		6	5		6	5	
<i>Information Technology</i>		3	3		4	3		4	3	
<i>Roads</i>		3	2		3	3		3	3	
<i>Electricity</i>		22	18		22	15		22	18	
<i>Water</i>		4	2		5	4		5	4	
<i>Sanitation</i>		6	4		6	5		6	6	
<i>Refuse</i>		3	3		3	3		3	3	
<i>Other</i>		166	165		166	156		153	148	
Clerks (Clerical and administrative)		189	177		186	162		186	173	
Service and sales workers		54	51		114	106		114	105	
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators		42	23		45	40		25	24	
Elementary Occupations		487	474		492	477		466	434	
<b>TOTAL PERSONNEL NUMBERS</b>		<b>1 127</b>	<b>1 043</b>	<b>–</b>	<b>1 199</b>	<b>1 087</b>	<b>–</b>	<b>1 137</b>	<b>1 035</b>	<b>–</b>
<b>% increase</b>					6.4%	4.2%	–	(5.2%)	(4.8%)	–
<b>Total municipal employees headcount</b>		<b>1 102</b>	<b>1 036</b>		<b>1 174</b>	<b>1 080</b>		<b>1 112</b>	<b>1 028</b>	
Finance personnel headcount		<b>126</b>	<b>116</b>		<b>111</b>	<b>116</b>		<b>113</b>	<b>100</b>	
Human Resources personnel headcount		<b>19</b>	<b>18</b>		<b>18</b>	<b>18</b>		<b>18</b>	<b>17</b>	

**WC032 Overstrand - Supporting Table SA25 Budgeted monthly revenue and expenditure**

Description	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>															
<b>Revenue By Source</b>															
Property rates	17 873	14 969	14 944	14 946	14 946	14 992	14 989	14 981	14 447	14 646	14 447	14 409	180 591	191 427	202 913
Property rates - penalties & collection charges	62	59	54	62	64	33	33	47	93	102	102	138	848	899	953
Service charges - electricity revenue	31 267	29 843	27 895	27 341	27 019	28 768	30 163	26 790	28 436	35 768	31 644	32 746	357 681	379 142	401 891
Service charges - water revenue	8 307	8 962	8 279	8 873	9 924	11 218	14 629	11 938	8 924	6 693	5 577	8 222	111 544	118 237	125 331
Service charges - sanitation revenue	5 875	6 118	6 072	6 114	6 333	7 099	7 937	6 796	5 785	4 339	5 062	4 788	72 318	76 657	81 257
Service charges - refuse revenue	5 521	5 692	5 742	5 568	5 670	5 691	5 682	5 545	3 931	5 241	5 896	5 332	65 510	69 441	73 607
Service charges - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	200	127	347	180	207	643	302	225	263	136	109	408	3 146	3 335	3 535
Interest earned - external investments	842	1 540	1 329	1 996	1 042	1 134	2 073	997	362	362	241	152	12 071	12 795	13 563
Interest earned - outstanding debtors	247	250	242	237	263	262	279	292	220	191	185	88	2 756	2 921	3 097
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines	516	4 126	2 146	2 107	2 057	2 018	2 115	2 491	641	881	1 246	10 801	31 143	31 164	31 187
Licences and permits	204	198	205	185	190	177	225	211	173	205	140	218	2 330	2 470	2 618
Agency services	284	223	246	280	286	335	318	293	221	225	193	315	3 220	3 413	3 618
Transfers recognised - operational	34 700	747	1 286	4 358	29 769	8 200	–	10 358	12 825	8 978	2 565	14 466	128 252	100 430	113 519
Other revenue	2 145	1 616	2 547	3 683	2 355	1 809	2 184	2 639	1 422	711	1 185	1 406	23 702	25 124	26 631
Gains on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>108 042</b>	<b>74 470</b>	<b>71 332</b>	<b>75 930</b>	<b>100 125</b>	<b>82 377</b>	<b>80 930</b>	<b>83 604</b>	<b>77 744</b>	<b>78 477</b>	<b>68 593</b>	<b>93 490</b>	<b>995 114</b>	<b>1 017 455</b>	<b>1 083 718</b>
<b>Expenditure By Type</b>															
Employee related costs	19 797	21 991	25 432	23 251	35 970	23 882	25 331	29 914	24 735	28 932	22 943	32 027	314 204	322 023	339 129
Remuneration of councillors	696	696	696	734	717	717	982	759	759	759	759	837	9 110	9 620	10 161
Debt impairment	1 991	1 991	1 991	1 991	1 991	1 991	1 991	1 991	1 911	1 911	1 911	2 230	23 888	23 974	24 048
Depreciation & asset impairment	9 808	9 808	9 808	9 808	9 808	9 808	9 808	9 808	9 808	9 808	9 808	9 808	117 690	124 752	132 237
Finance charges	122	664	1 097	3 849	1 241	8 425	1 541	1 912	1 857	4 642	6 963	14 110	46 421	46 952	45 449
Bulk purchases	3 608	26 257	24 455	15 727	14 954	16 196	16 126	15 887	18 857	22 540	16 600	19 557	210 763	227 329	245 197
Other materials	1 570	2 508	3 308	6 691	5 076	10 413	2 222	11 286	5 368	7 669	7 669	12 907	76 687	41 285	46 605
Contracted services	1 809	7 224	8 569	8 341	8 639	16 037	10 340	26 517	11 110	31 744	12 697	15 691	158 718	164 936	174 154
Transfers and grants	3 897	6 693	5 031	4 599	4 588	4 597	4 596	4 581	2 874	4 048	4 032	7 943	57 479	60 808	64 336
Other expenditure	864	4 392	3 507	5 968	4 736	4 408	3 143	5 402	7 803	7 203	6 002	6 596	60 024	63 497	67 536
Loss on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total Expenditure</b>	<b>44 161</b>	<b>82 222</b>	<b>83 892</b>	<b>80 958</b>	<b>87 718</b>	<b>96 473</b>	<b>76 080</b>	<b>108 056</b>	<b>85 081</b>	<b>119 254</b>	<b>89 385</b>	<b>121 705</b>	<b>1 074 984</b>	<b>1 085 176</b>	<b>1 148 851</b>
<b>Surplus/(Deficit)</b>	<b>63 881</b>	<b>(7 751)</b>	<b>(12 560)</b>	<b>(5 029)</b>	<b>12 407</b>	<b>(14 095)</b>	<b>4 850</b>	<b>(24 453)</b>	<b>(7 337)</b>	<b>(40 777)</b>	<b>(20 792)</b>	<b>(28 215)</b>	<b>(79 870)</b>	<b>(67 720)</b>	<b>(65 133)</b>
Transfers recognised - capital	150	2 904	7 293	1 320	3 083	4 399	–	1 029	3 506	5 908	4 411	6 100	40 103	63 604	67 271
Contributions recognised - capital	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Contributed assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>64 032</b>	<b>(4 848)</b>	<b>(5 267)</b>	<b>(3 709)</b>	<b>15 491</b>	<b>(9 697)</b>	<b>4 850</b>	<b>(23 424)</b>	<b>(3 831)</b>	<b>(34 870)</b>	<b>(16 380)</b>	<b>(22 115)</b>	<b>(39 767)</b>	<b>(4 116)</b>	<b>2 138</b>
Taxation	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Attributable to minorities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit)</b>	<b>64 032</b>	<b>(4 848)</b>	<b>(5 267)</b>	<b>(3 709)</b>	<b>15 491</b>	<b>(9 697)</b>	<b>4 850</b>	<b>(23 424)</b>	<b>(3 831)</b>	<b>(34 870)</b>	<b>(16 380)</b>	<b>(22 115)</b>	<b>(39 767)</b>	<b>(4 116)</b>	<b>2 138</b>



**WC032 Overstrand - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)**

Description	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>															
<b>Revenue by Vote</b>															
Vote 1 - Council	35 018	40	20	21	24 336	22	18	18	11 636	1 927	41	86	73 182	83 276	91 694
Vote 2 - Municipal Manager	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vote 3 - Management Services	0	0	0	0	0	0	0	0	0	0	0	0	1	1	1
Vote 4 - Finance	19 088	16 603	16 775	17 234	16 539	16 430	17 341	16 749	15 030	15 579	15 625	17 959	200 953	213 109	225 908
Vote 5 - Community Services	20 749	21 063	23 392	24 170	25 076	30 494	30 084	29 467	24 553	29 674	26 379	4 963	290 065	306 364	324 475
Vote 6 - Local Economic Development	197	296	318	841	293	290	137	330	90	335	168	56	3 352	1 516	1 607
Vote 7 - Infrastructure & Planning	32 118	34 696	35 379	31 436	34 308	36 979	30 605	35 048	28 749	34 970	26 993	68 395	429 676	438 374	468 427
Vote 8 - Protection Services	1 022	4 676	2 742	3 547	2 656	2 561	2 744	3 021	1 190	1 899	3 799	8 132	37 988	38 420	38 877
<b>Total Revenue by Vote</b>	<b>108 193</b>	<b>77 374</b>	<b>78 626</b>	<b>77 250</b>	<b>103 208</b>	<b>86 776</b>	<b>80 930</b>	<b>84 633</b>	<b>81 250</b>	<b>84 384</b>	<b>73 004</b>	<b>99 590</b>	<b>1 035 217</b>	<b>1 081 060</b>	<b>1 150 989</b>
<b>Expenditure by Vote to be appropriated</b>															
Vote 1 - Council	5 546	8 061	6 464	6 077	6 194	6 085	6 269	13 774	6 555	7 695	5 728	13 300	91 748	96 140	102 598
Vote 2 - Municipal Manager	337	382	435	367	378	366	357	312	333	472	403	581	4 722	4 978	5 247
Vote 3 - Management Services	2 086	4 867	3 432	3 587	4 078	3 221	3 905	2 862	4 793	704	3 204	9 752	46 490	48 974	51 802
Vote 4 - Finance	2 899	4 505	5 252	6 956	7 744	5 410	4 296	3 808	2 331	3 649	3 468	18 862	69 180	73 115	77 153
Vote 5 - Community Services	18 123	21 750	25 877	27 377	33 705	39 215	27 158	37 439	30 240	41 157	31 815	13 194	347 048	358 613	375 553
Vote 6 - Local Economic Development	319	1 203	766	1 192	853	740	926	623	1 710	755	1 103	606	10 795	7 433	7 672
Vote 7 - Infrastructure & Planning	10 415	36 365	35 953	29 901	28 171	35 689	26 935	43 494	35 054	59 284	39 956	49 129	430 346	418 971	448 962
Vote 8 - Protection Services	4 437	5 087	5 714	5 500	6 597	5 748	6 234	5 745	4 065	5 539	3 708	16 283	74 657	76 951	79 864
<b>Total Expenditure by Vote</b>	<b>44 161</b>	<b>82 222</b>	<b>83 892</b>	<b>80 958</b>	<b>87 718</b>	<b>96 473</b>	<b>76 080</b>	<b>108 056</b>	<b>85 081</b>	<b>119 254</b>	<b>89 385</b>	<b>121 705</b>	<b>1 074 984</b>	<b>1 085 176</b>	<b>1 148 851</b>
<b>Surplus/(Deficit) before assoc.</b>	<b>64 032</b>	<b>(4 848)</b>	<b>(5 267)</b>	<b>(3 709)</b>	<b>15 491</b>	<b>(9 697)</b>	<b>4 850</b>	<b>(23 424)</b>	<b>(3 831)</b>	<b>(34 870)</b>	<b>(16 380)</b>	<b>(22 115)</b>	<b>(39 767)</b>	<b>(4 116)</b>	<b>2 138</b>
Taxation												—	—	—	—
Attributable to minorities												—	—	—	—
Share of surplus/ (deficit) of associate												—	—	—	—
<b>Surplus/(Deficit)</b>	<b>64 032</b>	<b>(4 848)</b>	<b>(5 267)</b>	<b>(3 709)</b>	<b>15 491</b>	<b>(9 697)</b>	<b>4 850</b>	<b>(23 424)</b>	<b>(3 831)</b>	<b>(34 870)</b>	<b>(16 380)</b>	<b>(22 115)</b>	<b>(39 767)</b>	<b>(4 116)</b>	<b>2 138</b>

**WC032 Overstrand - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)**

Description	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Revenue - Standard</b>															
<i><b>Governance and administration</b></i>	<b>53 922</b>	<b>16 688</b>	<b>16 875</b>	<b>17 330</b>	<b>40 981</b>	<b>16 707</b>	<b>17 372</b>	<b>16 901</b>	<b>26 052</b>	<b>17 509</b>	<b>15 710</b>	<b>18 937</b>	<b>274 984</b>	<b>297 281</b>	<b>318 547</b>
Executive and council	34 798	46	27	23	24 349	147	27	49	10 990	1 862	42	909	73 269	83 368	91 792
Budget and treasury office	19 088	16 603	16 775	17 234	16 539	16 430	17 341	16 749	15 030	15 579	15 625	17 959	200 953	213 109	225 908
Corporate services	35	39	73	73	92	129	4	103	31	69	43	70	762	803	847
<i><b>Community and public safety</b></i>	<b>2 159</b>	<b>9 847</b>	<b>15 865</b>	<b>7 941</b>	<b>7 868</b>	<b>13 667</b>	<b>4 151</b>	<b>11 771</b>	<b>7 899</b>	<b>12 398</b>	<b>9 353</b>	<b>14 697</b>	<b>117 616</b>	<b>112 616</b>	<b>113 584</b>
Community and social services	659	598	2 324	582	590	645	637	665	1 632	947	1 950	446	11 676	14 703	12 315
Sport and recreation	260	291	311	381	477	2 112	742	474	332	488	464	2 544	8 875	12 654	10 752
Public safety	1 022	4 676	2 742	3 547	2 656	2 561	2 744	3 021	1 190	3 465	1 236	9 130	37 988	38 420	38 877
Housing	218	4 282	10 488	3 431	4 145	8 349	28	7 611	4 744	7 498	5 704	2 577	59 077	46 839	51 640
Health												-	-	-	-
<i><b>Economic and environmental services</b></i>	<b>879</b>	<b>981</b>	<b>1 772</b>	<b>1 952</b>	<b>1 541</b>	<b>2 636</b>	<b>680</b>	<b>2 229</b>	<b>946</b>	<b>1 800</b>	<b>1 904</b>	<b>4 820</b>	<b>22 139</b>	<b>17 168</b>	<b>24 533</b>
Planning and development	852	981	1 149	1 877	1 146	857	641	1 326	647	918	617	299	11 310	9 951	10 548
Road transport	12	-	623	75	394	1 779	40	903	296	875	1 286	4 463	10 746	7 129	13 891
Environmental protection	15	-	-	-	-	-	-	-	2	7	1	58	83	88	93
<i><b>Trading services</b></i>	<b>51 233</b>	<b>49 858</b>	<b>44 114</b>	<b>50 027</b>	<b>52 819</b>	<b>53 766</b>	<b>58 726</b>	<b>53 731</b>	<b>46 353</b>	<b>52 678</b>	<b>46 037</b>	<b>61 136</b>	<b>620 478</b>	<b>653 995</b>	<b>694 325</b>
Electricity	31 259	28 657	23 283	28 659	29 754	29 578	30 159	29 242	27 342	33 866	29 547	41 533	362 878	383 351	408 112
Water	8 223	8 871	8 219	8 838	10 209	11 239	14 659	11 932	9 599	9 150	6 429	7 430	114 799	121 402	129 044
Waste water management	6 226	6 633	6 862	6 958	7 180	7 243	8 225	7 011	4 634	4 862	5 300	6 095	77 230	79 738	83 495
Waste management	5 524	5 696	5 750	5 572	5 675	5 706	5 683	5 546	4 779	4 801	4 761	6 077	65 570	69 504	73 675
<i><b>Other</b></i>												-	-	-	-
<b>Total Revenue - Standard</b>	<b>108 193</b>	<b>77 374</b>	<b>78 626</b>	<b>77 250</b>	<b>103 208</b>	<b>86 776</b>	<b>80 930</b>	<b>84 633</b>	<b>81 250</b>	<b>84 384</b>	<b>73 004</b>	<b>99 590</b>	<b>1 035 217</b>	<b>1 081 060</b>	<b>1 150 989</b>
<b>Expenditure - Standard</b>															
<i><b>Governance and administration</b></i>	<b>14 277</b>	<b>21 639</b>	<b>20 683</b>	<b>20 201</b>	<b>24 059</b>	<b>21 778</b>	<b>23 071</b>	<b>27 585</b>	<b>14 512</b>	<b>26 021</b>	<b>17 866</b>	<b>30 652</b>	<b>262 345</b>	<b>273 948</b>	<b>290 221</b>
Executive and council	7 292	10 027	9 563	7 347	8 914	8 706	9 104	18 452	9 017	10 657	8 279	7 227	114 585	118 197	125 860
Budget and treasury office	2 899	4 505	5 252	6 956	7 744	5 410	4 296	3 808	2 331	3 649	3 468	18 862	69 180	73 115	77 153
Corporate services	4 086	7 106	5 869	5 898	7 401	7 662	9 671	5 325	3 163	11 716	6 118	4 564	78 579	82 635	87 207
<i><b>Community and public safety</b></i>	<b>7 608</b>	<b>8 793</b>	<b>9 930</b>	<b>13 240</b>	<b>14 422</b>	<b>19 409</b>	<b>11 554</b>	<b>20 895</b>	<b>8 650</b>	<b>26 212</b>	<b>15 928</b>	<b>24 460</b>	<b>181 101</b>	<b>148 802</b>	<b>159 408</b>
Community and social services	1 987	2 323	2 429	2 738	4 453	2 639	2 667	2 593	2 410	4 883	2 564	2 780	34 465	35 334	37 197
Sport and recreation	850	1 010	1 331	1 447	1 659	3 141	2 268	1 475	1 642	2 856	1 482	1 078	20 239	20 843	22 140
Public safety	4 437	5 087	5 714	5 500	6 597	5 748	6 234	5 745	4 065	5 539	3 708	16 283	74 657	76 951	79 864
Housing	334	372	457	3 555	1 714	7 880	386	11 083	533	12 935	8 174	4 319	51 741	15 674	20 208
Health												-	-	-	-
<i><b>Economic and environmental services</b></i>	<b>6 996</b>	<b>10 738</b>	<b>10 279</b>	<b>11 679</b>	<b>13 645</b>	<b>15 039</b>	<b>8 655</b>	<b>24 464</b>	<b>26 666</b>	<b>22 609</b>	<b>17 607</b>	<b>8 058</b>	<b>176 435</b>	<b>180 172</b>	<b>189 724</b>
Planning and development	2 472	4 009	3 784	4 606	4 846	3 957	3 425	18 389	19 777	6 636	6 280	2 145	80 325	80 623	85 576
Road transport	4 258	6 404	6 078	6 686	8 345	10 723	4 954	5 731	6 485	15 402	10 641	4 692	90 397	93 565	97 944
Environmental protection	266	325	417	388	454	359	276	345	404	571	685	1 222	5 712	5 983	6 204
<i><b>Trading services</b></i>	<b>15 280</b>	<b>41 051</b>	<b>43 000</b>	<b>35 838</b>	<b>35 591</b>	<b>40 248</b>	<b>32 800</b>	<b>35 113</b>	<b>35 252</b>	<b>44 412</b>	<b>37 984</b>	<b>58 534</b>	<b>455 103</b>	<b>482 255</b>	<b>509 499</b>
Electricity	6 639	29 744	28 620	20 593	19 937	22 862	20 556	21 707	22 516	24 308	23 535	36 727	277 742	297 102	317 281
Water	2 992	3 898	4 726	6 346	4 945	7 134	3 158	4 448	4 914	5 860	3 775	6 832	59 028	61 272	63 072
Waste water management	3 127	3 887	5 044	4 893	5 288	5 760	4 529	4 388	4 403	5 468	4 239	8 803	59 828	62 976	66 197
Waste management	2 523	3 522	4 610	4 006	5 422	4 491	4 558	4 570	3 420	8 776	6 436	6 172	58 505	60 904	62 948
<i><b>Other</b></i>												-	-	-	-
<b>Total Expenditure - Standard</b>	<b>44 161</b>	<b>82 222</b>	<b>83 892</b>	<b>80 958</b>	<b>87 718</b>	<b>96 473</b>	<b>76 080</b>	<b>108 056</b>	<b>85 081</b>	<b>119 254</b>	<b>89 385</b>	<b>121 705</b>	<b>1 074 984</b>	<b>1 085 176</b>	<b>1 148 851</b>
<b>Surplus/(Deficit) before assoc.</b>	<b>64 032</b>	<b>(4 848)</b>	<b>(5 267)</b>	<b>(3 709)</b>	<b>15 491</b>	<b>(9 697)</b>	<b>4 850</b>	<b>(23 424)</b>	<b>(3 831)</b>	<b>(34 870)</b>	<b>(16 380)</b>	<b>(22 115)</b>	<b>(39 767)</b>	<b>(4 116)</b>	<b>2 138</b>
Share of surplus/ (deficit) of associate												-	-	-	-
<b>Surplus/(Deficit)</b>	<b>64 032</b>	<b>(4 848)</b>	<b>(5 267)</b>	<b>(3 709)</b>	<b>15 491</b>	<b>(9 697)</b>	<b>4 850</b>	<b>(23 424)</b>	<b>(3 831)</b>	<b>(34 870)</b>	<b>(16 380)</b>	<b>(22 115)</b>	<b>(39 767)</b>	<b>(4 116)</b>	<b>2 138</b>

**WC032 Overstrand - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)**

Description	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>															
<b><u>Multi-year expenditure to be appropriated</u></b>															
Vote 1 - Council												-	-	-	-
Vote 2 - Municipal Manager												-	-	-	-
Vote 3 - Management Services												-	-	-	-
Vote 4 - Finance												-	-	-	-
Vote 5 - Community Services	-	1 111	850	350	1 600	1 550	-	1 590	940	1 940	2 040	2 340	14 311	38 890	37 031
Vote 6 - Local Economic Development												-	-	-	-
Vote 7 - Infrastructure & Planning		437	400	1 400	200	1 008	1 600	1 800	2 300	2 300	1 100	2 456	15 000	14 000	20 500
Vote 8 - Protection Services												-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	<b>-</b>	<b>1 548</b>	<b>1 250</b>	<b>1 750</b>	<b>1 800</b>	<b>2 558</b>	<b>1 600</b>	<b>3 390</b>	<b>3 240</b>	<b>4 240</b>	<b>3 140</b>	<b>4 796</b>	<b>29 311</b>	<b>52 890</b>	<b>57 531</b>
<b><u>Single-year expenditure to be appropriated</u></b>															
Vote 1 - Council												5	5	-	-
Vote 2 - Municipal Manager					15	10						16	41	-	-
Vote 3 - Management Services												320	320	-	-
Vote 4 - Finance												30	30	-	-
Vote 5 - Community Services	50	1 430	710	2 105	2 295	1 590	585	5 150	6 846	7 763	8 072	9 136	45 732	40 714	49 740
Vote 6 - Local Economic Development												15	15	-	-
Vote 7 - Infrastructure & Planning	-	-	-	-	15	30	-	12	-	28	79	66	230	-	-
Vote 8 - Protection Services	-	-	110	30	70	-	-	-	-	20	40	40	310	-	-
<b>Capital single-year expenditure sub-total</b>	<b>50</b>	<b>1 430</b>	<b>820</b>	<b>2 135</b>	<b>2 395</b>	<b>1 630</b>	<b>585</b>	<b>5 162</b>	<b>6 846</b>	<b>7 811</b>	<b>8 191</b>	<b>9 628</b>	<b>46 683</b>	<b>40 714</b>	<b>49 740</b>
<b>Total Capital Expenditure</b>	<b>50</b>	<b>2 978</b>	<b>2 070</b>	<b>3 885</b>	<b>4 195</b>	<b>4 188</b>	<b>2 185</b>	<b>8 551</b>	<b>10 086</b>	<b>12 051</b>	<b>11 331</b>	<b>14 424</b>	<b>75 993</b>	<b>93 604</b>	<b>107 271</b>

**WC032 Overstrand - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)**

Description	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>															
<b>Capital Expenditure - Standard</b>															
<i>Governance and administration</i>	–	–	–	120	15	10	–	50	381	410	541	512	2 040	–	–
Executive and council					15	10						21	46	–	–
Budget and treasury office												–	–	–	–
Corporate services				120				50	381	410	541	491	1 994	–	–
<i>Community and public safety</i>	–	450	520	715	805	575	85	2 850	2 565	2 968	3 696	3 629	18 858	47 089	42 340
Community and social services			10	70	435	500	–	450	115	40	1 025	350	2 995	4 500	1 500
Sport and recreation	–	450	400	415	100	75	85	300	250	408	18	29	2 530	5 435	3 100
Public safety	–	–	110	30	70	–	–	–	–	20	40	40	310	–	–
Housing	–	–	–	200	200	–	–	2 100	2 200	2 500	2 613	3 210	13 023	37 154	37 740
Health												–	–	–	–
<i>Economic and environmental services</i>	50	980	300	1 300	1 560	1 135	–	1 050	1 100	1 630	1 399	1 594	12 098	6 859	13 605
Planning and development	–	–	–	–	–	–	–	–	–	25	54	54	133	–	–
Road transport	50	980	300	1 300	1 560	1 135	–	1 050	1 100	1 605	1 345	1 540	11 965	6 859	13 605
Environmental protection												–	–	–	–
<i>Trading services</i>	–	1 548	1 250	1 750	1 815	2 468	2 100	4 601	6 040	7 043	5 695	8 688	42 997	39 656	51 326
Electricity	–	437	400	1 400	215	1 038	1 600	1 811	2 300	2 303	1 125	2 479	15 108	14 000	20 500
Water	–	611	–	–	600	400	–	1 040	2 040	2 690	2 300	2 749	12 430	12 800	16 826
Waste water management	–	500	850	350	1 000	1 030	500	1 750	1 700	2 050	2 250	3 450	15 430	12 856	14 000
Waste management	–	–	–	–	–	–	–	–	–	–	20	10	30	–	–
<i>Other</i>												–	–	–	–
<b>Total Capital Expenditure - Standard</b>	<b>50</b>	<b>2 978</b>	<b>2 070</b>	<b>3 885</b>	<b>4 195</b>	<b>4 188</b>	<b>2 185</b>	<b>8 551</b>	<b>10 086</b>	<b>12 051</b>	<b>11 331</b>	<b>14 424</b>	<b>75 993</b>	<b>93 604</b>	<b>107 271</b>
<b>Funded by:</b>															
National Government	50	1 400	1 050	2 565	2 250	2 200	500	2 500	2 350	3 185	2 120	5 861	26 030	26 450	29 531
Provincial Government	–	–	–	200	200	–	–	2 100	2 200	2 525	3 638	3 210	14 073	37 154	37 740
District Municipality												–	–	–	–
Other transfers and grants												–	–	–	–
<b>Transfers recognised - capital</b>	<b>50</b>	<b>1 400</b>	<b>1 050</b>	<b>2 765</b>	<b>2 450</b>	<b>2 200</b>	<b>500</b>	<b>4 600</b>	<b>4 550</b>	<b>5 710</b>	<b>5 758</b>	<b>9 071</b>	<b>40 103</b>	<b>63 604</b>	<b>67 271</b>
<b>Public contributions &amp; donations</b>												–	–	–	–
<b>Borrowing</b>	–	1 548	900	900	800	908	1 600	3 640	5 040	5 640	4 490	4 536	30 000	30 000	40 000
<b>Internally generated funds</b>	–	30	120	220	945	1 080	85	312	496	701	1 084	817	5 890	–	–
<b>Total Capital Funding</b>	<b>50</b>	<b>2 978</b>	<b>2 070</b>	<b>3 885</b>	<b>4 195</b>	<b>4 188</b>	<b>2 185</b>	<b>8 551</b>	<b>10 086</b>	<b>12 051</b>	<b>11 331</b>	<b>14 424</b>	<b>75 993</b>	<b>93 604</b>	<b>107 271</b>

**WC032 Overstrand - Supporting Table SA30 Budgeted monthly cash flow**

MONTHLY CASH FLOWS	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Cash Receipts By Source</b>													1		
Property rates	17 546	14 681	14 646	14 647	14 652	14 715	14 732	14 696	14 152	14 369	14 156	14 133	177 123	190 545	201 979
Property rates - penalties & collection charges	62	59	54	62	64	33	33	47	93	102	102	138	848	899	953
Service charges - electricity revenue	30 694	29 269	27 338	26 793	26 487	28 236	29 645	26 279	27 855	35 091	31 006	32 118	350 812	377 396	400 041
Service charges - water revenue	8 155	8 789	8 114	8 695	9 728	11 011	14 378	11 710	8 741	6 566	5 465	8 064	109 415	117 692	124 754
Service charges - sanitation revenue	5 767	6 001	5 951	5 992	6 208	6 968	7 801	6 666	5 667	4 257	4 960	4 696	70 933	76 304	80 883
Service charges - refuse revenue	5 420	5 583	5 627	5 456	5 558	5 586	5 584	5 439	3 850	5 142	5 777	5 230	64 252	69 121	73 269
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	196	124	340	176	203	631	297	221	257	133	107	400	3 086	3 319	3 518
Interest earned - external investments	842	1 540	1 329	1 996	1 042	1 134	2 073	997	362	362	241	152	12 071	12 795	13 563
Interest earned - outstanding debtors	247	250	242	237	263	262	279	292	220	191	185	88	2 756	2 921	3 097
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	516	4 126	2 146	2 107	2 057	2 018	2 115	2 491	641	881	1 246	10 801	31 143	31 164	31 187
Licences and permits	204	198	205	185	190	177	225	211	173	205	140	218	2 330	2 470	2 618
Agency services	284	223	246	280	286	335	318	293	221	225	193	315	3 220	3 413	3 618
Transfer receipts - operational	34 700	747	1 286	4 358	29 769	8 200	-	10 358	12 825	8 978	2 565	14 466	128 252	100 430	113 519
Other revenue	1 775	1 246	2 178	3 313	1 985	1 439	1 815	2 269	1 052	341	815	1 036	19 263	16 325	21 370
<b>Cash Receipts by Source</b>	<b>106 408</b>	<b>72 836</b>	<b>69 698</b>	<b>74 296</b>	<b>98 491</b>	<b>80 743</b>	<b>79 296</b>	<b>81 970</b>	<b>76 110</b>	<b>76 843</b>	<b>66 959</b>	<b>91 856</b>	<b>975 506</b>	<b>1 004 796</b>	<b>1 074 369</b>
<b>Other Cash Flows by Source</b>															
Transfer receipts - capital	150	2 904	7 293	1 320	3 083	4 399	-	1 029	3 506	5 908	4 411	6 100	40 103	63 604	67 271
Contributions recognised - capital & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	30 000	-	-	-	-	-	30 000	30 000	40 000
Increase (decrease) in consumer deposits	219	219	219	219	219	219	219	219	219	219	219	219	2 628	2 321	2 438
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	1	1	1	1	1	1	1	1	1	1	1	1	13	11	10
Decrease (increase) in non-current investment	(573)	(573)	(573)	(573)	(573)	(573)	(573)	(573)	(573)	(573)	(573)	(573)	(6 873)	(6 399)	(6 541)
<b>Total Cash Receipts by Source</b>	<b>106 206</b>	<b>75 387</b>	<b>76 639</b>	<b>75 263</b>	<b>101 222</b>	<b>84 789</b>	<b>108 943</b>	<b>82 646</b>	<b>79 263</b>	<b>82 397</b>	<b>71 018</b>	<b>97 603</b>	<b>1 041 377</b>	<b>1 094 334</b>	<b>1 177 547</b>
<b>Cash Payments by Type</b>															
Employee related costs	19 183	21 376	24 817	22 636	35 355	23 267	24 716	29 299	24 120	28 317	22 329	31 412	306 828	314 204	330 841
Remuneration of councillors	696	696	696	734	717	717	982	759	759	759	759	837	9 110	9 620	10 161
Finance charges	122	664	1 097	3 849	1 241	8 425	1 541	1 912	1 857	4 642	6 963	14 110	46 421	46 952	45 449
Bulk purchases - Electricity	3 608	26 257	24 455	15 727	14 954	16 196	16 126	15 887	18 857	22 540	16 600	19 557	210 763	227 329	245 197
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	1 570	2 508	3 308	6 691	5 076	10 413	2 222	11 286	5 368	7 669	7 669	12 907	76 687	41 285	46 605
Contracted services	1 809	7 224	8 569	8 341	8 639	16 037	10 340	26 517	11 110	31 744	12 697	15 691	158 718	164 936	174 154
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	3 897	6 693	5 031	4 599	4 588	4 597	4 596	4 581	2 874	4 048	4 032	7 943	57 479	60 808	64 336
Other expenditure	1 136	4 663	3 779	6 239	5 007	4 680	3 415	5 674	7 995	7 395	6 195	7 107	63 285	85 022	88 572
<b>Cash Payments by Type</b>	<b>32 020</b>	<b>70 080</b>	<b>71 751</b>	<b>68 817</b>	<b>75 577</b>	<b>84 331</b>	<b>63 939</b>	<b>95 915</b>	<b>72 940</b>	<b>107 113</b>	<b>77 244</b>	<b>109 564</b>	<b>929 291</b>	<b>950 157</b>	<b>1 005 314</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	50	2 978	2 070	3 885	4 195	4 188	2 185	8 551	10 086	12 051	11 331	14 424	75 993	93 604	107 271
Repayment of borrowing	1 606	864	840	5 395	1 146	3 037	2 072	937	897	5 754	1 219	3 074	26 841	29 775	33 384
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Payments by Type</b>	<b>33 676</b>	<b>73 922</b>	<b>74 661</b>	<b>78 097</b>	<b>80 918</b>	<b>91 556</b>	<b>68 196</b>	<b>105 404</b>	<b>83 923</b>	<b>124 918</b>	<b>89 794</b>	<b>127 061</b>	<b>1 032 126</b>	<b>1 073 536</b>	<b>1 145 969</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>72 530</b>	<b>1 465</b>	<b>1 978</b>	<b>(2 834)</b>	<b>20 304</b>	<b>(6 766)</b>	<b>40 747</b>	<b>(22 758)</b>	<b>(4 660)</b>	<b>(42 520)</b>	<b>(18 776)</b>	<b>(29 458)</b>	<b>9 251</b>	<b>20 798</b>	<b>31 577</b>
Cash/cash equivalents at the month/year begin	100 467	172 998	174 463	176 440	173 606	193 910	187 143	227 890	205 132	200 473	157 952	139 176	100 467	109 718	130 516
Cash/cash equivalents at the month/year end	172 998	174 463	176 440	173 606	193 910	187 143	227 890	205 132	200 473	157 952	139 176	109 718	109 718	130 516	162 093

**WC032 Overstrand - NOT REQUIRED - municipality does not have entities**

Description R million	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b><u>Financial Performance</u></b>									
Property rates									
Service charges									
Investment revenue									
Transfers recognised - operational									
Other own revenue									
Contributions recognised - capital & contributed assets									
<b>Total Revenue (excluding capital transfers and contributions)</b>	-	-	-	-	-	-	-	-	-
Employee costs									
Remuneration of Board Members									
Depreciation & asset impairment									
Finance charges									
Materials and bulk purchases									
Transfers and grants									
Other expenditure									
<b>Total Expenditure</b>	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	-	-	-	-	-	-	-	-	-
<b><u>Capital expenditure &amp; funds sources</u></b>									
<b><u>Capital expenditure</u></b>									
Transfers recognised - operational									
Public contributions & donations									
Borrowing									
Internally generated funds									
<b>Total sources</b>	-	-	-	-	-	-	-	-	-
<b><u>Financial position</u></b>									
Total current assets									
Total non current assets									
Total current liabilities									
Total non current liabilities									
Equity									
<b><u>Cash flows</u></b>									
Net cash from (used) operating									
Net cash from (used) investing									
Net cash from (used) financing									
<b>Cash/cash equivalents at the year end</b>									

**WC032 Overstrand - Supporting Table SA32 List of external mechanisms**

External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand
Outsourcing of sub function solid waste :	Mths	107	Outsourcing of sub function solid waste	30 October 2022	126 345
Outsourcing of sub function solid waste :	Mths	96	Outsourcing of sub function solid waste	01 May 2017	18 651
Outsourcing of sub function water and waste water	Yrs	15	Outsourcing of sub function water and waste water	31 October 2030	689 937
Note: Overstrand make use of contractual agreements to support the implementation of core function, but the definition of outsourcing do not apply to the other contracts entered into, due to ownership that is kept within the organisation					

**WC032 Overstrand - Supporting Table SA33 Contracts having future budgetary implications**

Description	Preceding Years	Current Year 2015/16	2016/17 Medium Term Revenue & Expenditure Framework			Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Total Contract Value
	Total	Original Budget	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
<b>R thousand</b>													
<b>Parent Municipality:</b>													
<b><u>Revenue Obligation By Contract</u></b>													
Contract 1: SC1127/2011 Leasing for the operation of illuminated street signs in the Overstrand Municipality area. Term of contract 01/07/ 2012 until 31/05/2022		204	214	224	236	247	260	273					1 657
Contract 2													-
Contract 3 etc													-
<b>Total Operating Revenue Implication</b>	-	204	214	224	236	247	260	273	-	-	-	-	1 657
<b><u>Expenditure Obligation By Contract</u></b>													
Contract 1: SC8678/2010 Operation of the mechanised material recovery facility at the Hermanus solid waste transfer station. Term of contract 01/12/2013 until 30/10/ 2022		1 216	1 309	1 409	1 519	1 639	1 770	1 912					10 774
Contract 2: SC878/2010 Operation of the Gansbaai landfill and public drop offs in greater Gansbaai and Stanford. Term of contract 01/05/2010 until 01/05/2017		2 949	3 323	3 697									9 969
Contract 3: Water and waste water treatment operations management contract		37 034	46 190	48 822	52 207	55 842	59 747	63 943	73 305	78 523	84 139	90 185	689 937
<b>Total Operating Expenditure Implication</b>	-	41 199	50 821	53 928	53 726	57 481	61 517	65 855	73 305	78 523	84 139	90 185	710 680
<b><u>Capital Expenditure Obligation By Contract</u></b>													
Contract 1													-
Contract 2													-
Contract 3 etc													-
<b>Total Capital Expenditure Implication</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Parent Expenditure Implication</b>	-	41 199	50 821	53 928	53 726	57 481	61 517	65 855	73 305	78 523	84 139	90 185	710 680
<b>Entities:</b>													
<b><u>Revenue Obligation By Contract</u></b>													
Contract 1													-
Contract 2													-
Contract 3 etc													-
<b>Total Operating Revenue Implication</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b><u>Expenditure Obligation By Contract</u></b>													
Contract 1													-
Contract 2													-
Contract 3 etc													-
<b>Total Operating Expenditure Implication</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b><u>Capital Expenditure Obligation By Contract</u></b>													
Contract 1													-
Contract 2													-
Contract 3 etc													-
<b>Total Capital Expenditure Implication</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Entity Expenditure Implication</b>	-	-	-	-	-	-	-	-	-	-	-	-	-



**WC032 Overstrand - Supporting Table SA34a Capital expenditure on new assets by asset class**

Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>108 252</b>	<b>50 511</b>	<b>32 922</b>	<b>44 873</b>	<b>47 388</b>	<b>47 388</b>	<b>25 407</b>	<b>30 160</b>	<b>33 300</b>
Infrastructure - Road transport	15 578	9 203	1 320	14 979	16 331	16 331	1 840	–	–
Roads, Pavements & Bridges	10 720	9 160		12 103	13 204	13 204	1 610		
Storm water	4 858	43	1 320	2 877	3 127	3 127	230		
Infrastructure - Electricity	22 203	24 160	13 041	21 726	22 891	22 891	15 108	14 000	20 500
Generation									
Transmission & Reticulation	22 203	24 160	13 041	21 726	22 891	22 891	15 108	14 000	20 500
Street Lighting									
Infrastructure - Water	48 634	7 300	470	4 737	4 737	4 737	2 930	6 000	4 300
Dams & Reservoirs							2 930	6 000	3 500
Water purification	48 634								
Reticulation		7 300	470	4 737	4 737	4 737			800
Infrastructure - Sanitation	16 478	8 449	8 892	3 420	3 413	3 413	5 500	10 160	8 500
Reticulation							5 500	7 160	7 500
Sewerage purification	16 478	8 449	8 892	3 420	3 413	3 413		3 000	1 000
Infrastructure - Other	5 359	1 400	9 198	10	15	15	30	–	–
Waste Management	5 359	1 400	9 198	10	15	15	30		
Transportation									
Gas									
Other									
<b>Community</b>	<b>20 997</b>	<b>13 896</b>	<b>32 280</b>	<b>35 611</b>	<b>32 009</b>	<b>32 009</b>	<b>9 872</b>	<b>35 045</b>	<b>34 646</b>
Parks & gardens	2 156								
Sportsfields & stadia	1 964	5 471	127	1 823	2 173	2 173	465	4 435	3 000
Swimming pools									
Community halls							945		
Libraries	3		1 961	3 080	3 080	3 080	1 050		
Recreational facilities									
Fire, safety & emergency				295	295	295	310		
Security and policing	223								
Buses									
Clinics									
Museums & Art Galleries									
Cemeteries									
Social rental housing	16 651	4 943	26 895	29 973	26 321	26 321	7 102	30 610	31 646
Other	–	3 482	3 296	440	140	140			
<b>Heritage assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Buildings									
Other									
<b>Investment properties</b>	<b>–</b>	<b>795</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Housing development									
Other		795							
<b>Other assets</b>	<b>9 038</b>	<b>18 697</b>	<b>10 561</b>	<b>2 673</b>	<b>4 238</b>	<b>4 238</b>	<b>2 173</b>	<b>–</b>	<b>–</b>
General vehicles		4 690	3 904	120	–	–	1 485		
Specialised vehicles	–	–	–	–	–	–	–	–	–
Plant & equipment					720	720			
Computers - hardware/equipment		961	2 433	2 528	3 328	3 328			
Furniture and other office equipment			1 716						
Abattoirs									
Markets									
Civic Land and Buildings									
Other Buildings		510							
Other Land		9 075							
Surplus Assets - (Investment or Inventory)	9 038								
Other		3 461	2 507	25	190	190	688		
<b>Agricultural assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
List sub-class									
<b>Biological assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
List sub-class									
<b>Intangibles</b>	<b>1 330</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Computers - software & programming	1 330								
Other (list sub-class)									
<b>Total Capital Expenditure on new assets</b>	<b>139 617</b>	<b>83 899</b>	<b>75 763</b>	<b>83 156</b>	<b>83 635</b>	<b>83 635</b>	<b>37 453</b>	<b>65 205</b>	<b>67 946</b>

**WC032 Overstrand - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class**

Description  R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>131</b>	<b>39 529</b>	<b>28 384</b>	<b>16 600</b>	<b>16 600</b>	<b>16 600</b>	<b>29 555</b>	<b>16 355</b>	<b>31 631</b>
Infrastructure - Road transport	131	6 892	6 300	-	-	-	11 855	8 274	14 605
Roads, Pavements & Bridges		6 892	6 300				10 355	6 859	13 605
Storm water	131						1 500	1 415	1 000
Infrastructure - Electricity	-	12 955	3 100	-	-	-	-	-	-
Generation									
Transmission & Reticulation		12 955	3 100						
Street Lighting									
Infrastructure - Water	-	16 331	15 805	11 653	11 653	11 653	9 500	6 800	12 526
Dams & Reservoirs									
Water purification									
Reticulation		16 331	15 805	11 653	11 653	11 653	9 500	6 800	12 526
Infrastructure - Sanitation	-	1 711	3 179	4 947	4 947	4 947	8 200	1 281	4 500
Reticulation									
Sewerage purification		1 711	3 179	4 947	4 947	4 947	8 200	1 281	4 500
Infrastructure - Other	-	1 641	-	-	-	-	-	-	-
Waste Management		1 641							
Transportation									
Gas									
Other									
<b>Community</b>	<b>756</b>	<b>5 686</b>	<b>4 343</b>	<b>4 158</b>	<b>2 893</b>	<b>2 893</b>	<b>8 986</b>	<b>12 044</b>	<b>7 694</b>
Parks & gardens									
Sportsfields & stadia		225	1 454	4 158	2 893	2 893	2 065	1 000	100
Swimming pools									
Community halls							1 000	4 500	1 500
Libraries									
Recreational facilities									
Fire, safety & emergency									
Security and policing									
Buses									
Clinics									
Museums & Art Galleries									
Cemeteries									
Social rental housing	756	5 461	2 889				5 921	6 544	6 094
Other									
<b>Heritage assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Buildings									
Other									
<b>Investment properties</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing development									
Other									
<b>Other assets</b>	<b>3 260</b>	<b>1 817</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
General vehicles	3 260								
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment									
Computers - hardware/equipment		833							
Furniture and other office equipment									
Abattoirs									
Markets									
Civic Land and Buildings									
Other Buildings									
Other Land									
Surplus Assets - (Investment or Inventory)									
Other		984							
<b>Agricultural assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
List sub-class									
<b>Biological assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
List sub-class									
<b>Intangibles</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Computers - software & programming									
Other (list sub-class)									
<b>Total Capital Expenditure on renewal of existing assets</b>	<b>4 147</b>	<b>47 032</b>	<b>32 727</b>	<b>20 758</b>	<b>19 493</b>	<b>19 493</b>	<b>38 541</b>	<b>28 399</b>	<b>39 325</b>

**WC032 Overstrand - Supporting Table SA34c Repairs and maintenance expenditure by asset class**

Description  R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>87 048</b>	<b>129 145</b>	<b>136 009</b>	<b>111 449</b>	<b>111 449</b>	<b>111 449</b>	<b>110 372</b>	<b>114 116</b>	<b>118 787</b>
Infrastructure - Road transport	42 236	63 749	65 726	57 090	57 090	57 090	61 852	63 763	66 471
<i>Roads, Pavements &amp; Bridges</i>	39 790	60 016	60 328	51 401	51 401	51 401	55 545	57 207	59 544
<i>Storm water</i>	2 446	3 732	5 398	5 689	5 689	5 689	6 306	6 555	6 927
Infrastructure - Electricity	14 105	20 488	26 276	16 835	16 835	16 835	17 747	18 486	18 826
<i>Generation</i>									
<i>Transmission &amp; Reticulation</i>	14 105	20 488	26 276	16 835	16 835	16 835	17 747	18 486	18 826
<i>Street Lighting</i>									
Infrastructure - Water	21 502	27 931	25 811	22 874	22 874	22 874	16 555	17 280	18 168
<i>Dams &amp; Reservoirs</i>	80								
<i>Water purification</i>	1 963								
<i>Reticulation</i>	19 459	27 931	25 811	22 874	22 874	22 874	16 555	17 280	18 168
Infrastructure - Sanitation	7 708	15 486	16 060	12 159	12 159	12 159	11 672	11 949	12 587
<i>Reticulation</i>	6 623								
<i>Sewerage purification</i>	1 085	15 486	16 060	12 159	12 159	12 159	11 672	11 949	12 587
Infrastructure - Other	1 499	1 491	2 136	2 492	2 492	2 492	2 546	2 639	2 735
<i>Waste Management</i>	1 499	1 491	2 136	2 492	2 492	2 492	2 546	2 639	2 735
<i>Transportation</i>									
<i>Gas</i>									
<i>Other</i>									
<b>Community</b>	<b>5 408</b>	<b>7 349</b>	<b>8 469</b>	<b>4 546</b>	<b>4 546</b>	<b>4 546</b>	<b>4 878</b>	<b>4 918</b>	<b>5 208</b>
Parks & gardens	1 503	2 504	2 759	2 084	2 084	2 084	2 214	2 287	2 409
Sportsfields & stadia	956	853	737	588	588	588	608	621	646
Swimming pools	289	279	314	483	483	483	557	506	612
Community halls	916	814	1 166	564	564	564	617	582	568
Libraries	161	194	107	99	99	99	103	105	111
Recreational facilities									
Fire, safety & emergency	848	787	1 352						
Security and policing	546	575	829						
Buses									
Clinics									
Museums & Art Galleries									
Cemeteries	62	53	74	27	27	27	28	28	30
Social rental housing		224	177						
Other	125	1 066	954	701	701	701	751	789	833
<b>Heritage assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Buildings									
Other									
<b>Investment properties</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing development									
Other									
<b>Other assets</b>	<b>21 958</b>	<b>13 864</b>	<b>13 548</b>	<b>5 081</b>	<b>5 081</b>	<b>5 081</b>	<b>5 545</b>	<b>4 822</b>	<b>5 072</b>
General vehicles	5 399								
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment									
Computers - hardware/equipment	5 035	4 441	4 392						
Furniture and other office equipment									
Abattoirs									
Markets									
Civic Land and Buildings									
Other Buildings	1 368	824	801	661	661	661	673	679	705
Other Land									
Surplus Assets - (Investment or Inventory)									
Other	10 156	8 599	8 355	4 420	4 420	4 420	4 872	4 144	4 367
<b>Agricultural assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>List sub-class</i>									
<b>Biological assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>List sub-class</i>									
<b>Intangibles</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Computers - software & programming									
Other ( <i>list sub-class</i> )									
<b>Total Repairs and Maintenance Expenditure</b>	<b>114 414</b>	<b>150 358</b>	<b>158 026</b>	<b>121 077</b>	<b>121 077</b>	<b>121 077</b>	<b>120 795</b>	<b>123 857</b>	<b>129 068</b>

**WC032 Overstrand - Supporting Table SA34d Depreciation by asset class**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b><u>Depreciation by Asset Class/Sub-class</u></b>									
<b><u>Infrastructure</u></b>	<b>81 931</b>	<b>85 101</b>	<b>92 028</b>	<b>94 154</b>	<b>94 154</b>	<b>94 154</b>	<b>99 505</b>	<b>105 475</b>	<b>111 804</b>
Infrastructure - Road transport	29 992	30 210	30 974	32 235	32 235	32 235	34 067	36 111	38 277
<i>Roads, Pavements &amp; Bridges</i>	27 959	27 965	28 576	29 645	29 645	29 645	31 330	33 210	35 202
<i>Storm water</i>	2 033	2 245	2 398	2 590	2 590	2 590	2 737	2 901	3 075
Infrastructure - Electricity	18 779	18 887	22 172	20 158	20 158	20 158	21 304	22 582	23 937
<i>Generation</i>									
<i>Transmission &amp; Reticulation</i>	18 779	18 887	22 172	20 158	20 158	20 158	21 304	22 582	23 937
<i>Street Lighting</i>									
Infrastructure - Water	16 865	18 974	19 088	19 981	19 981	19 981	21 116	22 383	23 726
<i>Dams &amp; Reservoirs</i>									
<i>Water purification</i>									
<i>Reticulation</i>	16 865	18 974	19 088	19 981	19 981	19 981	21 116	22 383	23 726
Infrastructure - Sanitation	13 420	14 103	15 753	17 034	17 034	17 034	18 002	19 083	20 228
<i>Reticulation</i>	13 420	14 103	15 753	17 034	17 034	17 034	18 002	19 083	20 228
<i>Sewerage purification</i>									
Infrastructure - Other	2 874	2 928	4 041	4 746	4 746	4 746	5 015	5 316	5 635
<i>Waste Management</i>	2 256	2 928	3 456	3 930	3 930	3 930	4 153	4 402	4 667
<i>Transportation</i>									
<i>Gas</i>									
<i>Other</i>	618		585	816	816	816	862	914	969
<b><u>Community</u></b>	<b>2 851</b>	<b>2 961</b>	<b>2 983</b>	<b>3 601</b>	<b>3 601</b>	<b>3 601</b>	<b>3 806</b>	<b>4 034</b>	<b>4 276</b>
Parks & gardens									
Sportsfields & stadia									
Swimming pools									
Community halls									
Libraries									
Recreational facilities	2 851	2 961	2 983	3 601	3 601	3 601	3 806	4 034	4 276
Fire, safety & emergency									
Security and policing									
Buses									
Clinics									
Museums & Art Galleries									
Cemeteries									
Social rental housing									
Other									
<b><u>Heritage assets</u></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Buildings									
Other									
<b><u>Investment properties</u></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing development									
Other									
<b><u>Other assets</u></b>	<b>19 253</b>	<b>10 670</b>	<b>10 823</b>	<b>12 481</b>	<b>12 481</b>	<b>12 481</b>	<b>13 190</b>	<b>13 981</b>	<b>14 820</b>
General vehicles	2 360	2 588		-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment									
Computers - hardware/equipment	1 948	2 213							
Furniture and other office equipment	254	261							
Abattoirs									
Markets									
Civic Land and Buildings			5 653	5 685	5 685	5 685	6 008	6 368	6 751
Other Buildings	5 467	5 608							
Other Land									
Surplus Assets - (Investment or Inventory)									
Other	9 224		5 170	6 796	6 796	6 796	7 182	7 613	8 070
<b><u>Agricultural assets</u></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>List sub-class</i>									
<b><u>Biological assets</u></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>List sub-class</i>									
<b><u>Intangibles</u></b>	<b>373</b>	<b>629</b>	<b>612</b>	<b>1 126</b>	<b>1 126</b>	<b>1 126</b>	<b>1 190</b>	<b>1 261</b>	<b>1 337</b>
Computers - software & programming	373	629							
Other ( <i>list sub-class</i> )			612	1 126	1 126	1 126	1 190	1 261	1 337
<b>Total Depreciation</b>	<b>104 408</b>	<b>99 361</b>	<b>106 445</b>	<b>111 362</b>	<b>111 362</b>	<b>111 362</b>	<b>117 690</b>	<b>124 751</b>	<b>132 237</b>

**WC032 Overstrand - Supporting Table SA35 Future financial implications of the capital budget**

Vote Description  R thousand	2016/17 Medium Term Revenue & Expenditure Framework			Forecasts			
	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Present value
<b>Capital expenditure</b>							
Vote 1 - Council	5	–	–				
Vote 2 - Municipal Manager	41	–	–				
Vote 3 - Management Services	320	–	–				
Vote 4 - Finance	30	–	–				
Vote 5 - Community Services	60 042	79 604	86 771	Project phases become operational after completion			
Vote 6 - Local Economic Development	15	–	–				
Vote 7 - Infrastructure & Planning	15 230	14 000	20 500	Project phases become operational after completion			
Vote 8 - Protection Services	310	–	–				
<b>Total Capital Expenditure</b>	<b>75 993</b>	<b>93 604</b>	<b>107 271</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Future operational costs by vote</b>							
Vote 1 - Council							
Vote 2 - Municipal Manager							
Vote 3 - Management Services							
Vote 4 - Finance							
Vote 5 - Community Services		2 342	5 726	9 736	10 189	10 642	132 454
Vote 6 - Local Economic Development							
Vote 7 - Infrastructure & Planning		594	1 198	2 138	2 238	2 337	29 092
Vote 8 - Protection Services							
<b>Total future operational costs</b>	<b>–</b>	<b>2 936</b>	<b>6 924</b>	<b>11 874</b>	<b>12 427</b>	<b>12 979</b>	<b>161 546</b>
<b>Future revenue by source</b>							
Property rates							
Property rates - penalties & collection charges							
Service charges - electricity revenue		825	1 675	2 859	3 002	3 152	65 038
Service charges - water revenue		672	1 433	2 155	2 262	2 376	49 234
Service charges - sanitation revenue		726	1 394	2 116	2 222	2 333	48 403
Service charges - refuse revenue							
Service charges - other							
Rental of facilities and equipment							
List other revenues sources if applicable							
List entity summary if applicable							
<b>Total future revenue</b>	<b>–</b>	<b>2 223</b>	<b>4 502</b>	<b>7 129</b>	<b>7 486</b>	<b>7 860</b>	<b>162 675</b>
<b>Net Financial Implications</b>	<b>75 993</b>	<b>94 317</b>	<b>109 693</b>	<b>4 745</b>	<b>4 941</b>	<b>5 119</b>	<b>(1 128)</b>

WC032 Overstrand - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project	Program/Project description	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2016/17 Medium Term Revenue & Expenditure Framework			Project information	
								Audited Outcome 2014/15	Current Year 2015/16 Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Ward location	New or renewal
<b>R thousand</b>														
<b>Parent municipality:</b> <i>List all capital projects grouped by Municipal Vote</i>														
<b>EXECUTIVE &amp; COUNCIL</b>	<b>EXECUTIVE &amp; COUNCIL</b>													
MINOR ASSETS :MAYOR'S OFFICE	MINOR ASSETS :MAYOR'S OFFICE	1	Yes	Other	Furniture and other office equipment	Overstrand Wide				5			Overstrand	N
MINOR ASSETS :MUNICIPAL MANAGER,TOWN SECRETARY & CHIEF EXEC	MINOR ASSETS :MUNICIPAL MANAGER,TOWN SECRETARY & CHIEF EXEC	1	Yes	Other	Furniture and other office equipment	Overstrand Wide				16			Overstrand	N
MINOR ASSETS :MUNICIPAL MANAGER,TOWN SECRETARY & CHIEF EXEC	MINOR ASSETS :MUNICIPAL MANAGER,TOWN SECRETARY & CHIEF EXEC	1	Yes	Other	Furniture and other office equipment	Overstrand Wide				25			Overstrand	N
<b>FINANCE AND ADMINISTRATION</b>	<b>FINANCE AND ADMINISTRATION</b>							10 561	5 000					
VEHICLES	VEHICLES	1	Yes	Other	General vehicles	Overstrand Wide				1 185			Overstrand	N
VEHICLES -REFURBISHMENT/REBUILD ENGINES	VEHICLES -REFURBISHMENT/REBUILD ENGINES	1	Yes	Other	General vehicles	Overstrand Wide				300			Overstrand	N
FLEET MANAGEMENT SOFTWARE	FLEET MANAGEMENT SOFTWARE	1	Yes	Other	Other	-34.41756 19.23815				85			Overstrand	N
CARAVAN PARK LICENSES FEES	CARAVAN PARK LICENSES FEES	1	Yes	Other	Other	-34.41756 19.23815				20			Overstrand	N
MINOR ASSETS :ICT OVERSTRAND WIDE	MINOR ASSETS :ICT OVERSTRAND WIDE	1	Yes	Other	Furniture and other office equipment	-34.41756 19.23815				200			Overstrand	N
MINOR ASSETS :COUNCIL SUPPORT SERVICES	MINOR ASSETS :COUNCIL SUPPORT SERVICES	1	Yes	Other	Furniture and other office equipment	Overstrand Wide				120			Overstrand	N
MINOR ASSETS :FINANCE	MINOR ASSETS :FINANCE	1	Yes	Other	Furniture and other office equipment	Overstrand Wide				30			Overstrand	N
MINOR ASSETS :FLEET MANAGEMENT	MINOR ASSETS :FLEET MANAGEMENT	1	Yes	Other	Furniture and other office equipment	Overstrand Wide				50			Overstrand	N
MINOR ASSETS :PROPERTY SERVICES	MINOR ASSETS :PROPERTY SERVICES	1		Other	Furniture and other office equipment	Overstrand Wide				4			Overstrand	N
<b>PLANNING AND DEVELOPMENT</b>	<b>PLANNING AND DEVELOPMENT</b>								25					
MINOR ASSETS:BUILDING REGULATIONS AND ENFORCEMENT	MINOR ASSETS:BUILDING REGULATIONS AND ENFORCEMENT	3	Yes	Other	Furniture and other office equipment	Overstrand Wide				23			Overstrand	N
MINOR ASSETS :TOWN PLANNING; BUILDING REGULATIONS AND ENFORCEMENT	MINOR ASSETS :TOWN PLANNING; BUILDING REGULATIONS AND ENFORCEMENT	3	Yes	Other	Furniture and other office equipment	Overstrand Wide				5			Overstrand	N
MINOR ASSETS :NATURE CONSERVATION	MINOR ASSETS :NATURE CONSERVATION	3	Yes	Other	Furniture and other office equipment	Overstrand Wide				8			Overstrand	N
DEVELOPMENT OF OPEN SPACES/PLAY PARKS	DEVELOPMENT OF OPEN SPACES/PLAY PARKS	3	Yes	Community	Parks & gardens	34° 35' 22" S 19° 21' 02" E				30			Ward 01	N
UPGRADE OF MARKET SQUARE (CNR DIRKIE UYS/MARKET STREET)	UPGRADE OF MARKET SQUARE (CNR DIRKIE UYS/MARKET STREET)	3	Yes	Community	Parks & gardens	19.349477 -34.607311				15			Ward 02	N
MINOR ASSETS:ECONOMIC DEVELOPMENT/PLANNING	MINOR ASSETS:ECONOMIC DEVELOPMENT/PLANNING	3	Yes	Other	Furniture and other office equipment	Overstrand Wide				50			Overstrand	N
MINOR ASSETS :GIS	MINOR ASSETS :GIS	3	Yes	Other	Furniture and other office equipment	Overstrand Wide				3			Overstrand	N
<b>PUBLIC SAFETY</b>	<b>PUBLIC SAFETY</b>								295					
MINOR ASSETS:FIRE FIGHTING AND PROTECTION	MINOR ASSETS:FIRE FIGHTING AND PROTECTION	4	Yes	Other	Furniture and other office equipment	34.4200016 / 19.225824				60			Overstrand	N
FIRE HYDRANTS (PHASE I)	FIRE HYDRANTS (PHASE I)	4	Yes	Other	Fire, safety & emergency	34° 35' 22" S 19° 21' 02" E				100			Ward 01	N
COMPLETION OF FIRE STATION	COMPLETION OF FIRE STATION	4	Yes	Community	Other	34°20'31.2"S, 18°50'34.4"E				50			Ward 10	N
MINOR ASSETS:POLICE FORCES, TRAFFIC AND STREET PARKING CONTROL	MINOR ASSETS:POLICE FORCES, TRAFFIC AND STREET PARKING CONTROL	4	Yes	Other	Furniture and other office equipment	Overstrand Wide				100			Overstrand	N
<b>COMMUNITY AND SOCIAL SERVICES</b>	<b>COMMUNITY AND SOCIAL SERVICES</b>							5 257	3 220					
EXTENSION OF THUSONG CENTRE	EXTENSION OF THUSONG CENTRE	3	Yes	Community	Community halls	19°08'03"E 34°23'30"S				1 000	4 500	1 500	Ward 08	R
BUILDING OF DISABLED TOILET AT MOUNT PLEASANT SPORTS GROUND	BUILDING OF DISABLED TOILET AT MOUNT PLEASANT SPORTS GROUND	3	Yes	Community	Community halls	34°41'97.49" S 19° 21'79.17" E				50			Ward 04	N
COMMONAGE IN WEST CLIFF	COMMONAGE IN WEST CLIFF	3	Yes	Community	Community halls	34°42'73.62" S 19° 22'6533" E				100			Ward 04	N
UPGRADING OF MOFFAT HALL	UPGRADING OF MOFFAT HALL	3	Yes	Community	Community halls	34°41'99.03" S 19° 21'34.70" E				150			Ward 04	N
ZWELIHLI TAXI RANK-FENCING AND MAINTENANCE	ZWELIHLI TAXI RANK-FENCING AND MAINTENANCE	3	Yes	Community	Other	34°42'71.56" S 19° 21'23.09" E				100			Ward 05	N
UPGRADING OF MASIZAKHE CRÈCHE(FENCING,PURHASING AND FIXING PLAY PARK EQUIPMENT)	UPGRADING OF MASIZAKHE CRÈCHE(FENCING,PURHASING AND FIXING PLAY PARK EQUIPMENT)	3	Yes	Community	Other	34°42'75.40" S 19° 21'02.83" E				140			Ward 05	N
PA SYSTEM - ZWELIHLI COMMUNITY HALL	PA SYSTEM - ZWELIHLI COMMUNITY HALL	3	Yes	Community	Other	34°43'09.74" S 19° 21'55.44" E				85			Ward 06	N
CONSTRUCTION OF WOODEN RAILINGS AND STEPS IN 4TH STREET	CONSTRUCTION OF WOODEN RAILINGS AND STEPS IN 4TH STREET	3	Yes	Community	Other	34°20'39.2"S, 19°01'48.7"E				40			Ward 09	N
EXTENSION AND BEAUTIFICATION OF BUS SHELTER OPPOSITE SIYABULELA CRÈCHE	EXTENSION AND BEAUTIFICATION OF BUS SHELTER OPPOSITE SIYABULELA CRÈCHE	3	Yes	Community	Other	34°20'19.0"S, 19°00'37.5"E				30			Ward 10	N
EXTENSION/ALTERATIONS TO MOOIUTSIG COMMUNITY HALL	EXTENSION/ALTERATIONS TO MOOIUTSIG COMMUNITY HALL	3	Yes	Community	Other	34°21'17.6"S, 18°52'49.7"E				250			Ward 10	N
<b>LIBRARIES</b>	<b>LIBRARIES</b>													
HAWSTON LIBRARY UPGRADE	HAWSTON LIBRARY UPGRADE	3	Yes	Community	Libraries	34°39'19.22" S 19° 13'39.10" E				1 000			Ward 08	N
MINOR ASSETS :LIBRARIES AND ARCHIVES	MINOR ASSETS :LIBRARIES AND ARCHIVES	3	Yes	Community	Furniture and other office equipment	Overstrand Wide				50			Overstrand	N
<b>SPORT &amp; RECREATION</b>	<b>SPORT &amp; RECREATION</b>							1 565	5 066					
ARTIFICIAL TURF SOCCERFIELD	ARTIFICIAL TURF SOCCERFIELD	3	Yes	Other	Sportsfields & stadia	34.429016 & 19.215687					5 435	3 100	Ward 12	N
PLAYPARK EQUIPMENT (REPLACEMENTS)	PLAYPARK EQUIPMENT (REPLACEMENTS)	3	Yes	Other	Other	34°36'31.10S / 19°20'16.30E				20			Ward 02	N
PURCHASING OF PAVILLION (SITTING) & 2 SOCCER POLES	PURCHASING OF PAVILLION (SITTING) & 2 SOCCER POLES	3	Yes	Other	Sportsfields & stadia	34°43'20.24" S 19° 21'51.67" E				100			Ward 05	N
PLAY PARK- BETWEEN QHAYIYA & BAMBANANI STREET	PLAY PARK- BETWEEN QHAYIYA & BAMBANANI STREET	3	Yes	Other	Other	34°42'36.80" S 19° 21'18.10" E				75			Ward 12	N
PLAY PARK- SOPHUMELELE CORRIDOR	PLAY PARK- SOPHUMELELE CORRIDOR	3	Yes	Other	Other	34°42'54.89" S 19° 21'19.08" E				85			Ward 12	N
BOXING GYM AT JIKELEZA STREET ( EARTH WORKS )	BOXING GYM AT JIKELEZA STREET ( EARTH WORKS )	3	Yes	Other	Other	34°42'53.13" S 19° 21'30.75" E				150			Ward 12	N
MINOR ASSETS :COMMUNITY PARK(INCL. NURSERIES)	MINOR ASSETS :COMMUNITY PARK(INCL. NURSERIES)	3	Yes	Other	Furniture and other office equipment	Overstrand Wide				11			Overstrand	N
MINOR ASSETS :COMMUNITY PARK(INCL. NURSERIES)	MINOR ASSETS :COMMUNITY PARK(INCL. NURSERIES)	3	Yes	Other	Furniture and other office equipment	Overstrand Wide				24			Overstrand	N
OVERHILLS : KLEINMOND SOCCERFIELD	OVERHILLS : KLEINMOND SOCCERFIELD	3	Yes	Other	Sportsfields & stadia	19°00'18"E 34°20'08"S				1 265			Ward 09	R
SPORT FACILITIES	SPORT FACILITIES	3	Yes	Other	Sportsfields & stadia	19°07'02"E 34°23'02"S				800			Overstrand	R

Municipal Vote/Capital project	Program/Project description	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2016/17 Medium Term Revenue & Expenditure Framework			Project information	
								Audited Outcome 2014/15	Current Year 2015/16 Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Ward location	New or renewal
<b>R thousand</b>														
<b>HOUSING</b>	<b>HOUSING</b>													
MASAKHANE	MASAKHANE	3	Yes	Community	Social rental housing	34.593147 & 19.360478		32 361	26 321	1 000	7 568	13 041	Ward 01	N
BEVERLY HILLS PROJECT	BEVERLY HILLS PROJECT	3	Yes	Community	Social rental housing	34.596323 & 19.342379				2 561	5 728		Ward 02	N
ZWELIHLE PROJECT - TRANSIT CAMP	ZWELIHLE PROJECT - TRANSIT CAMP	3	Yes	Community	Social rental housing	34.426132 & 19.216377				1 000	6 242		Ward 06	N
MANDELA SQUARE	MANDELA SQUARE	3	Yes	Community	Social rental housing	34.429257 & 19.209641				4 308			Ward 06	R
BUFFELJAGSBAAI	BUFFELJAGSBAAI	3	Yes	Community	Social rental housing	34.75143 & 19.608740						72	Ward 11	N
HAWSTON PROJECT - IRDP	HAWSTON PROJECT - IRDP	3	Yes	Community	Social rental housing	34.386799 & 19.139259				2 541	9 173	9 141	Ward 08	N
ZWELIHLE - TAMBO SQUARE PROJECT	ZWELIHLE - TAMBO SQUARE PROJECT	3	Yes	Community	Social rental housing	34.429016 & 19.215687					1 000	3 973	Ward 05	N
STANFORD IRDP	STANFORD IRDP	3	Yes	Community	Social rental housing	34.446248 & 19.448291				1 613	6 544	6 094	Ward 11	R
BLOMPARK PROJECT	BLOMPARK PROJECT	3	Yes	Community	Social rental housing	34.595003 & 19.340739					900	5 419	Ward 02	N
KLEINMOND OVERHILLS	KLEINMOND OVERHILLS	3	Yes	Community	Social rental housing	34.336578 & 19.006367							Ward 10	N
<b>ROADS</b>	<b>ROADS</b>													
REHABILITATION OF EXISTING PAVE ROAD (LIC)	REHABILITATION OF EXISTING PAVE ROAD (LIC)	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19°12'40"E 34°25'32"S		6 300	13 204	2 000			Ward 06	R
REHABILITATION OF EXISTING PAVE ROAD (LIC) PH2	REHABILITATION OF EXISTING PAVE ROAD (LIC) PH2	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19°12'40"E 34°25'32"S				7 000	4 396	3 000	Ward 06	R
REHABILITATE ROADS AND UPGRADE STORMWATER	REHABILITATE ROADS AND UPGRADE STORMWATER					19°12'43"E 34°24'45"S						2 500	Ward 04	R
REHABILITATE ROADS - ANGELIER STREET	REHABILITATE ROADS - ANGELIER STREET					34°41'97.49" S 19° 21'79.17" E							Ward 04	R
REHABILITATE ROADS - BLOMPARK	REHABILITATE ROADS - BLOMPARK					19°20'51"E 34°35'43"S				405	1 263	1 105	Ward 02	R
TRAFFIC CALMING	TRAFFIC CALMING	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	34° 35' 22" S 19° 21' 02" E				50			Ward 01	N
SPEED HUMPS-LANDA, JIKELEZA, NTLABATHI	SPEED HUMPS-LANDA, JIKELEZA, NTLABATHI	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	34°42'60.15" S 19°21'06.58" E; 34°42'54.00"S 19°21'31.62"E; 34°42'68.96"S 19°21'50.44"E				60			Ward 05	N
SPEED HUMPS -TSHANDU STREET	SPEED HUMPS -TSHANDU STREET	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	34°42'96.71" S 19°21'18.28" E				30			Ward 06	N
SIDEWALKS -NAMA/KROZANI STREET	SIDEWALKS -NAMA/KROZANI STREET	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	34°43'16.46" S 19°21'20.77" E				135			Ward 06	N
NEW SIDEWALK - DAHLIA STREET	NEW SIDEWALK - DAHLIA STREET	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19.348154 -34.594590				80			Ward 02	N
TARRING OF SIDEWALKS - MADELIEFIE STREET	TARRING OF SIDEWALKS - MADELIEFIE STREET	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19.347458-34.597053				50			Ward 02	N
TARRING OF EAST END STREET	TARRING OF EAST END STREET	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	34°42'62.84" S 19°20'55.81" E				400			Ward 07	N
HAWSTON -PAVING OF CIRCLES	HAWSTON -PAVING OF CIRCLES	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	34°23'19.60" S 19°07'53.24" E				100			Ward 08	N
HAWSTON - SIDEWALKS	HAWSTON - SIDEWALKS	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	34°22'51.29" S 19°08'55.51" E				100			Ward 08	N
PAVING OF PARKING AREA - COR. 4TH STREET AND 15TH AVENUE	PAVING OF PARKING AREA - COR. 4TH STREET AND 15TH AVENUE	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	34°19'58.1"S, 19°01'45.2"E				30			Ward 09	N
EXTENSION OF HEUNINGKLOOF FOOTPATH	EXTENSION OF HEUNINGKLOOF FOOTPATH	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	34°20'15.8"S, 19°02'36.2"E				100			Ward 09	N
EXTENSION OF PAVING OF SIDEWALK - SCHOOL STREET PROTEADORP	EXTENSION OF PAVING OF SIDEWALK - SCHOOL STREET PROTEADORP	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	34°20'15.8"S, 19°01'04.0"E				70			Ward 09	N
TARRING OF STRANDVELD STREET	TARRING OF STRANDVELD STREET	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19° 21' 13" E 34° 56" S				100			Ward 11	N
DREYER STREET SIDEWALKS (FINAL PHASE)	DREYER STREET SIDEWALKS (FINAL PHASE)	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19° 27' 20" E 34° 26' 22" S				100			Ward 11	N
REHABILITATE ROADS - STANFORD	REHABILITATE ROADS - STANFORD	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19°26'53"E 34°27'12"S				450	200	3 000	Ward 11	R
ATLANTIC DRIVE WALKWAY	ATLANTIC DRIVE WALKWAY	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	34°41'91.41" S 19°17'44.32" E				200			Ward 13	N
MINOR ASSETS :ROADS	MINOR ASSETS :ROADS	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Overstrand Wide				5			Overstrand	N
REHABILITATE ROADS - MASAKHANE	REHABILITATE ROADS - MASAKHANE	5	Yes	Other	Furniture and other office equipment	19°21'29"E 34°35'32"S				500	1 000	4 000	Ward 01	R
<b>ELECTRICITY</b>	<b>ELECTRICITY</b>													
FRANSKRAAL,KLEINBAAI & BIRKENHEAD: MV/LV AND MINISUB UPGRADE	FRANSKRAAL,KLEINBAAI & BIRKENHEAD: MV/LV AND MINISUB UPGRADE	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	19.349477 -34.607311		13 682	22 891			1 500	Ward 01	N
GANSBAAI: CCTV,SCADA,MINISUB AND MV/LV UPGRADE	GANSBAAI: CCTV,SCADA,MINISUB AND MV/LV UPGRADE	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	34°35'4.84"S 19°21'23.55"E				3 000	3 000	1 000	Ward 02	N
STANFORD: MV UPGRADE	STANFORD: MV UPGRADE	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	19.459117 -34.436799						1 000	Ward 11	N
ELECTRIFICATION OF LOW COST HOUSING AREAS (INEP)	ELECTRIFICATION OF LOW COST HOUSING AREAS (INEP)	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	34°25'46.93" S 19°30'36.94"E				5 000	4 000	6 000	Ward 05	N
HERMANUS: MV & LV UPGRADE/REPLACEMENT	HERMANUS: MV & LV UPGRADE/REPLACEMENT	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	34°24'30.49" S 19°35'52.80"E				4 000	4 000	7 000	Ward 03	N
KLEINMOND: MV & LV NETWORK UPGRADE	KLEINMOND: MV & LV NETWORK UPGRADE	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	34°20'33.11" S 19°01'25.68"E				1 500	1 500	2 000	Ward 09	N
HAWSTON: MV & LV UPGRADE/REPLACEMENT	HAWSTON: MV & LV UPGRADE/REPLACEMENT	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	34°23'24.76" S 19°08'13.30"E				1 500	1 500	2 000	Ward 08	N
MINOR ASSETS :ELECTRICITY	MINOR ASSETS :ELECTRICITY	2	Yes	Other	Overstrand Wide	Overstrand Wide				15			Overstrand	N
MINOR ASSETS :ELECTRICITY	MINOR ASSETS :ELECTRICITY	2	Yes	Other	Furniture and other office equipment	Overstrand Wide				10			Overstrand	N
MINOR ASSETS :ELECTRICITY	MINOR ASSETS :ELECTRICITY	2	Yes	Other	Furniture and other office equipment	Overstrand Wide				6			Overstrand	N
MINOR ASSETS :ELECTRICITY	MINOR ASSETS :ELECTRICITY	2	Yes	Other	Furniture and other office equipment	Overstrand Wide				15			Overstrand	N
MINOR ASSETS :ELECTRICITY	MINOR ASSETS :ELECTRICITY	2	Yes	Other	Furniture and other office equipment	Overstrand Wide				12			Overstrand	N
STREETLIGHTS (MILKWOOD)	STREETLIGHTS (MILKWOOD)	2	Yes	Infrastructure - Electricity	Street Lighting	34° 35' 23" S 19° 21' 02" E				20			Ward 01	N
STREET LIGHTS	STREET LIGHTS	2	Yes	Infrastructure - Electricity	Street Lighting	34°20'11.8"S 19°01'35.4"E				30			Ward 10	N

Municipal Vote/Capital project	Program/Project description	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2016/17 Medium Term Revenue & Expenditure Framework			Project information	
								Audited Outcome 2014/15	Current Year 2015/16 Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Ward location	New or renewal
<b>R thousand</b>														
<b>WATER</b>	<b>WATER</b>							16 275	16 390					
REPLACEMENT OF OVERSTRAND WATER PIPES	REPLACEMENT OF OVERSTRAND WATER PIPES	2	Yes	Infrastructure - Water	Reticulation	Overstrand Wide					3 800	3 800	Overstrand	R
NEW BULK WATER RESERVOIR -SANDBAAI	NEW BULK WATER RESERVOIR -SANDBAAI	2	Yes	Infrastructure - Water	Dams & Reservoirs	S34°25.21'0" / E19°12.063'					6 000	3 500	Ward 07	R
UPGRADING OF FRANSKRAAL-KLEINBAAI -GANSBAAI PIPELINES	UPGRADING OF FRANSKRAAL-KLEINBAAI -GANSBAAI PIPELINES	2	Yes	Infrastructure - Water	Reticulation	S 34°35.41.4' E 019°21.05.8'				8 800			Ward 01	R
REFURBISH BUFFELS RIVER DAM BRIDGE AND TOWER & PALMIET RIVER WEIR	REFURBISH BUFFELS RIVER DAM BRIDGE AND TOWER & PALMIET RIVER WEIR	2	Yes	Infrastructure - Water	Reticulation	S34°19.96' / E18°50.26'						1 200	Ward 09	R
WATER PUMPS (CONTINGENCY )	WATER PUMPS (CONTINGENCY )	2	Yes	Infrastructure - Water	Reticulation	Overstrand Wide				200	200	200	Overstrand	R
NEW 1 MU/S RESERVOIR OHW.B31	NEW 1 MU/S RESERVOIR OHW.B31	2	Yes	Infrastructure - Water	Dams & Reservoirs	19°12'43"E 34°24'45"S				2 911			Ward 04	N
HAWSTON: BULK WATER UPGRADE FOR HOUSING PROJECT	HAWSTON: BULK WATER UPGRADE FOR HOUSING PROJECT	2	Yes	Infrastructure - Water	Reticulation	19°08'18"E 34°23'16"S				500	2 800	3 326	Ward 08	R
UPGRADE HERMANUS WELL FIELDS PHASE 1	UPGRADE HERMANUS WELL FIELDS PHASE 1	2	Yes	Infrastructure - Water	Reticulation	S34°24.512' / E19°12.474'						4 000	Hermanus	R
MINOR ASSETS :WATER DISTRIBUTION	MINOR ASSETS :WATER DISTRIBUTION	2	Yes	Other	Furniture and other office equipment	Overstrand Wide				8			Overstrand	N
MINOR ASSETS :WATER DISTRIBUTION	MINOR ASSETS :WATER DISTRIBUTION	2	Yes	Other	Furniture and other office equipment	Overstrand Wide				11			Overstrand	N
NEW VOORBERG BOOSTER PUMP STATION	NEW VOORBERG BOOSTER PUMP STATION	2	Yes	Infrastructure - Water	Reticulation	34.336437 19.006527						800	Ward 10	N
<b>SEWERAGE</b>	<b>SEWERAGE</b>							11 901	8 361					
UPGRADING OF PUMPSTATIONS	UPGRADING OF PUMPSTATIONS	2	Yes	Infrastructure - Sanitation	Other	S 34 24 24.1' E 19 16 18.83'				4 500		4 000	Overstrand	R
STANFORD - SEWER NETWORK EXTENSION	STANFORD - SEWER NETWORK EXTENSION	2	Yes	Infrastructure - Sanitation	Other	S34°439.75' / E19°455.90'				5 500			Ward 11	N
SEWERAGE PUMPS (CONTINGENCY)	SEWERAGE PUMPS (CONTINGENCY)	2	Yes	Infrastructure - Sanitation	Other	Overstrand Wide				500	500	500	Overstrand	R
KLEINMOND - SEWER NETWORK EXTENSION	KLEINMOND - SEWER NETWORK EXTENSION	2	Yes	Infrastructure - Sanitation	Other	S34°20.44' / E19°1.91'					3 600	1 500	Ward 09	N
GANSBAAI - CBD SEWER NETWORK EXTENSION	GANSBAAI - CBD SEWER NETWORK EXTENSION	2	Yes	Infrastructure - Sanitation	Other	S34°35.377' / E19°21.087'					3 560		Ward 02	N
UPGRADING OF KIDBROOKE PIPELINE	UPGRADING OF KIDBROOKE PIPELINE	2	Yes	Infrastructure - Sanitation	Other	S34°24.810' / E19°10.001'						1 800	Ward 13	N
WWTW UPGRADE - STANFORD	WWTW UPGRADE - STANFORD	2	Yes	Infrastructure - Sanitation	Sewerage purification	S34°26.518' / E19°26.929'					3 000	1 000	Ward 11	N
BULK SEWERAGE OUTFALL LINE 525 MM Ø OHS13.2	BULK SEWERAGE OUTFALL LINE 525 MM Ø OHS13.2	2	Yes	Infrastructure - Sanitation	Other	19°12'34"E 34°25'48"S				3 200	781		Ward 12	R
PEACH HOUSE & WHALE ROCK P/S LINK WITH GENERATORS	PEACH HOUSE & WHALE ROCK P/S LINK WITH GENERATORS	2	Yes	Infrastructure - Sanitation	Other	19°12'40"E34°25'52"S						430	Ward 12	N
REHABILITATE MAIN BULK SEWER TO WWTW PH1	REHABILITATE MAIN BULK SEWER TO WWTW PH1	2	Yes	Infrastructure - Sanitation	Other	S34°20.44' / E19°1.91'						3 770	Ward 09	N
<b>STORMWATER</b>	<b>STORMWATER</b>							1 320	3 127					
UPGRADE STORMWATER DRAINAGE	UPGRADE STORMWATER DRAINAGE	2	Yes	Other	Storm water	19°21'39"E 34°35'30"S				1 500	1 415	1 000	Ward 01	R
FISHERHAVEN -STORMWATER	FISHERHAVEN -STORMWATER	2	Yes	Other	Storm water	34°21'23.75" S 19°07'25.79" E				200			Ward 08	N
CONSTRUCTION OF DRAINAGE DITCHES	CONSTRUCTION OF DRAINAGE DITCHES	2	Yes	Other	Storm water	34°18'06.0"S, 18°49'09.9"E				30			Ward 10	N
UPGRADE STORMWATER - INTERNAL & EXTERNAL	UPGRADE STORMWATER - INTERNAL & EXTERNAL	2	Yes	Other	Storm water	19°12'48"E34°25'32"S							Ward 05	N
<b>WASTE MANAGEMENT</b>	<b>WASTE MANAGEMENT</b>							9 267	15					
MINOR ASSETS:SOLID WASTE DISPOSAL	MINOR ASSETS:SOLID WASTE DISPOSAL	2	Yes	Other	Furniture and other office equipment	Overstrand Wide				30			Overstrand	N
<b>Total Capital expenditure</b>								<b>108 489</b>	<b>103 914</b>	<b>75 993</b>	<b>93 604</b>	<b>107 271</b>		



**WC032 Overstrand - Supporting Table SA37 Projects delayed from previous financial year/s**

Municipal Vote/Capital project	Ref.	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete	Current Year 2015/16		2016/17 Medium Term Revenue & Expenditure Framework		
	1,2							Original Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
	R thousand						Year					
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>				<i>Examples</i>	<i>Examples</i>							
NO POTENTIAL ROLL OVER PROJECTS IDENTIFIED AT THIS STAGE - REFER TO FINAL BUDGET												

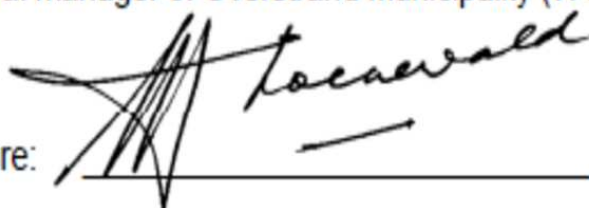
## Municipal manager's quality certificate

I, CC Groenewald, municipal manager of Overstrand Municipality, hereby certify that the draft annual budget for the 2016/2017 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 draft annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name: CC Groenewald

Municipal manager of Overstrand Municipality (WC032)

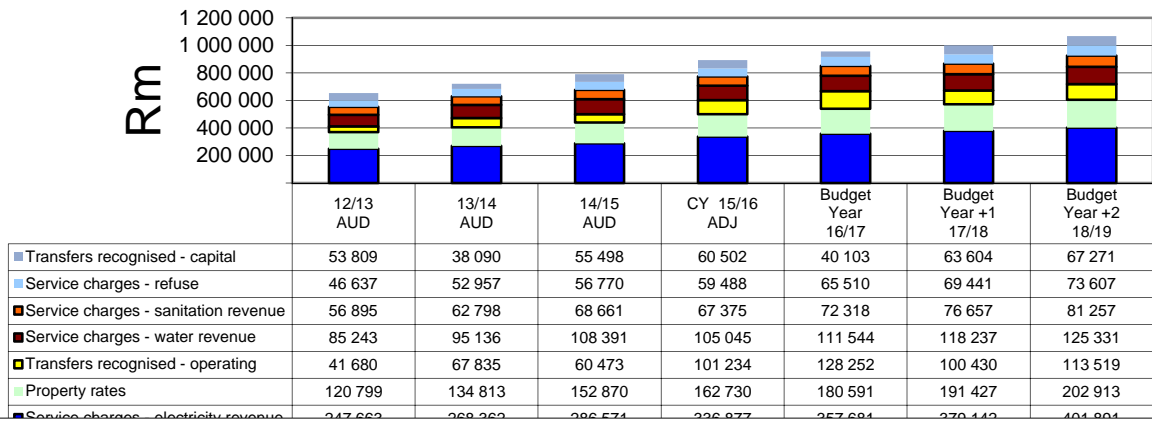
Signature:

A handwritten signature in black ink, appearing to read 'C. Groenewald', is written over a horizontal line. The signature is stylized with a large, sweeping initial 'C'.

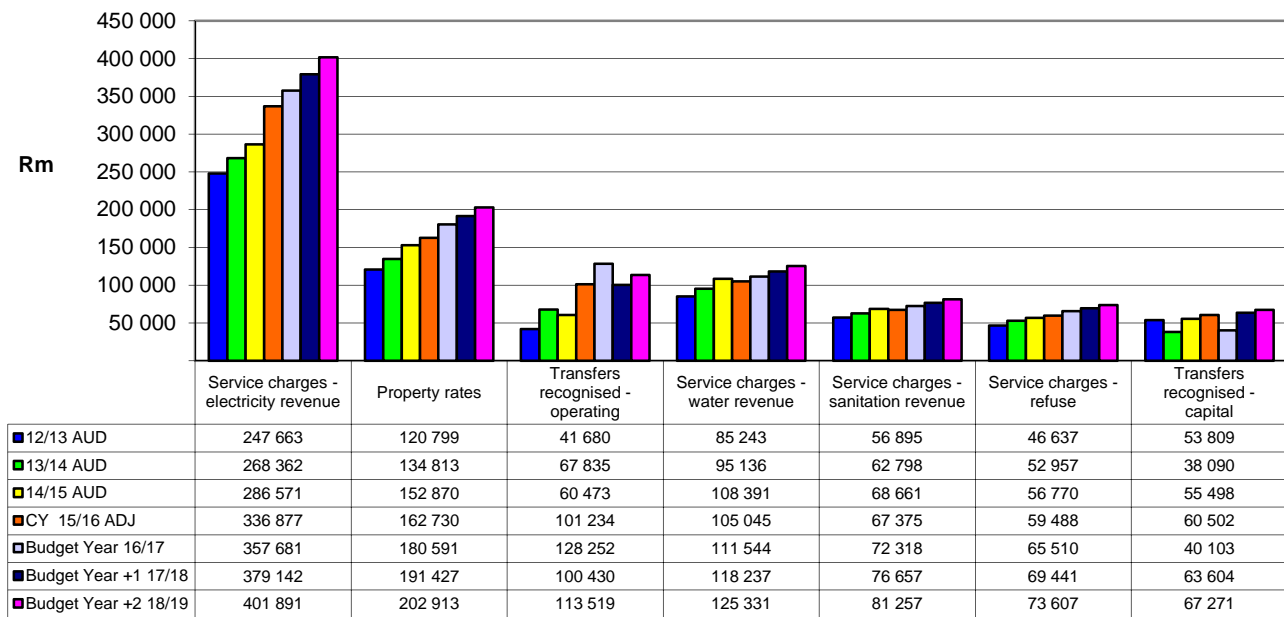
Date: 29 March 2016

# OVERSTRAND MUNICIPALITY - BUDGET REGULATION CHARTS 2015/2016 DRAFT BUDGET

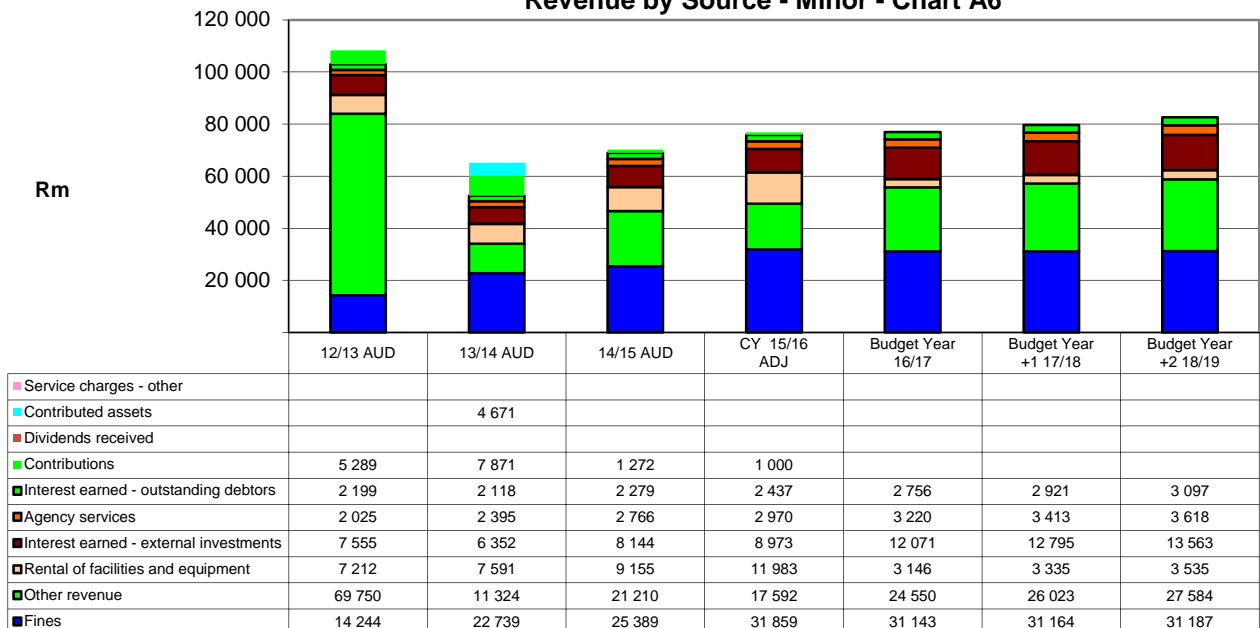
## Revenue by Source - Major - Chart A5(a)



## Revenue by Source - Major - Chart A5(b) - source trend

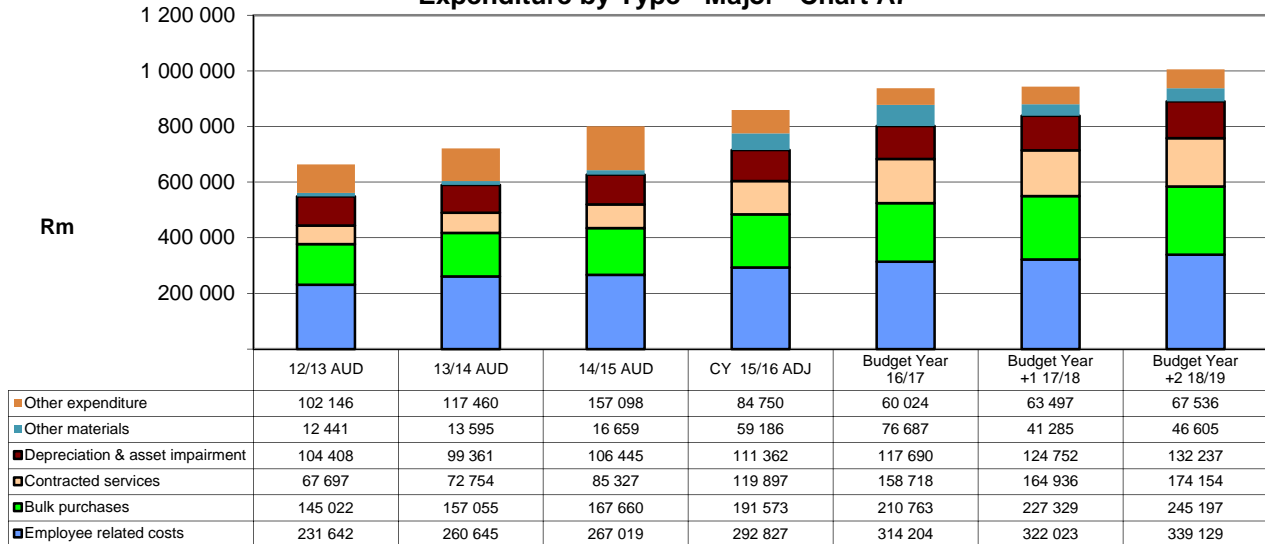


## Revenue by Source - Minor - Chart A6

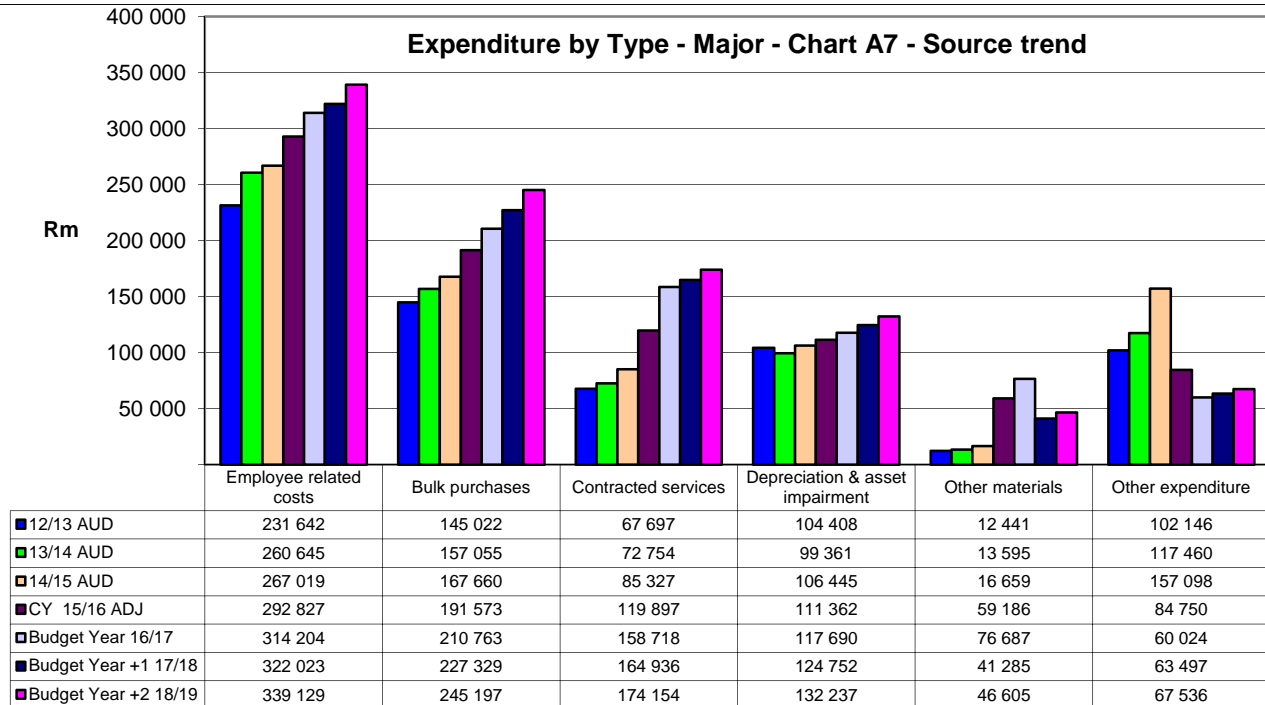


# OVERSTRAND MUNICIPALITY - BUDGET REGULATION CHARTS 2015/2016 DRAFT BUDGET

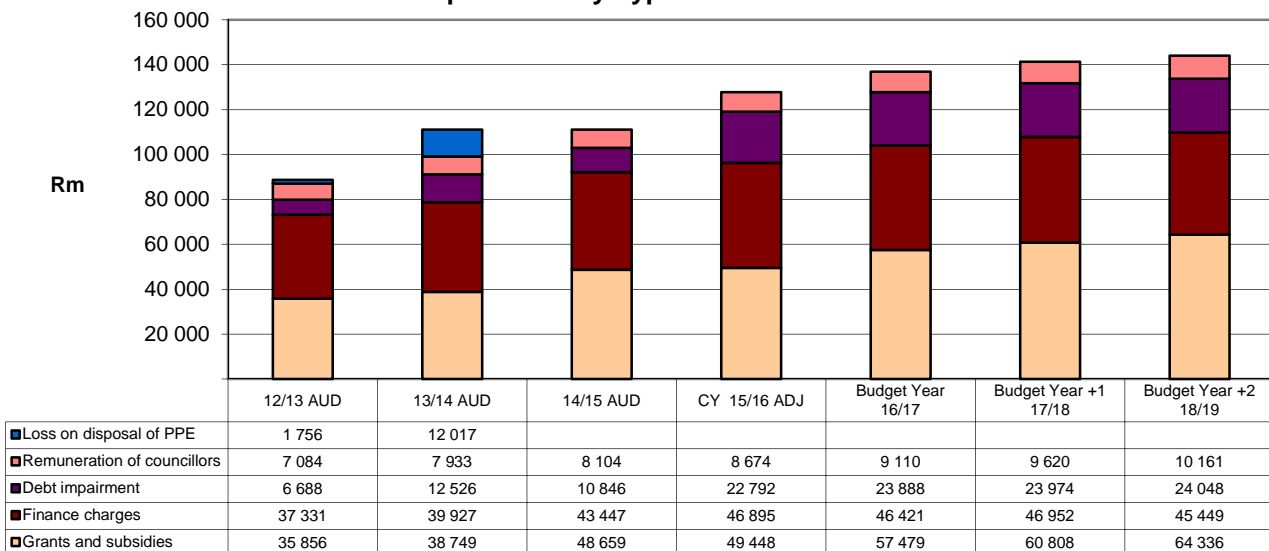
## Expenditure by Type - Major - Chart A7



## Expenditure by Type - Major - Chart A7 - Source trend

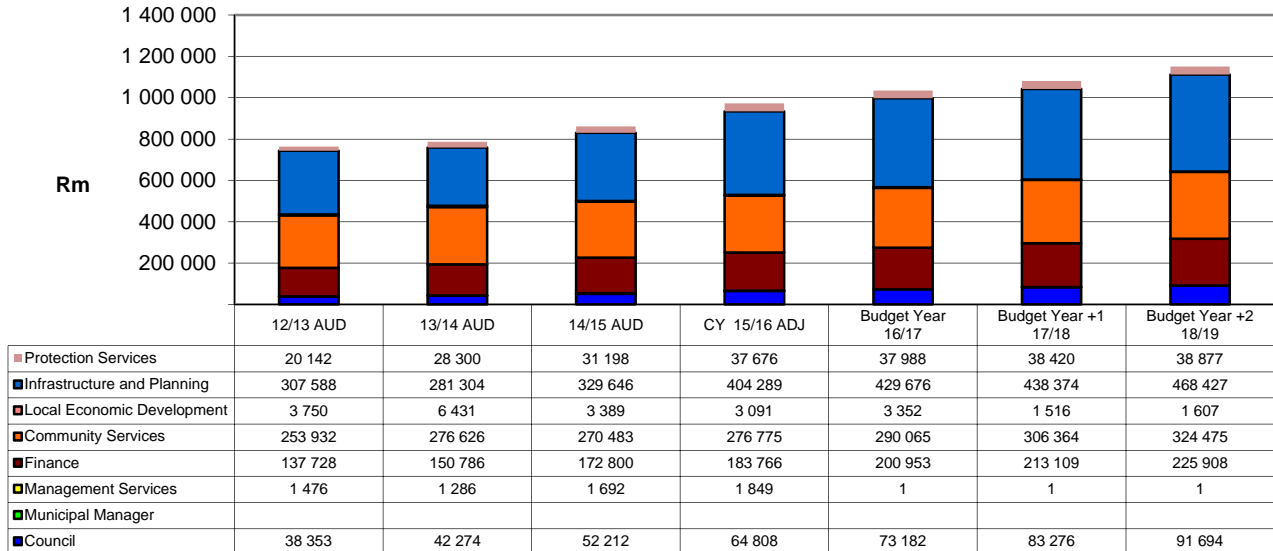


## Expenditure by Type - Minor - Chart A7

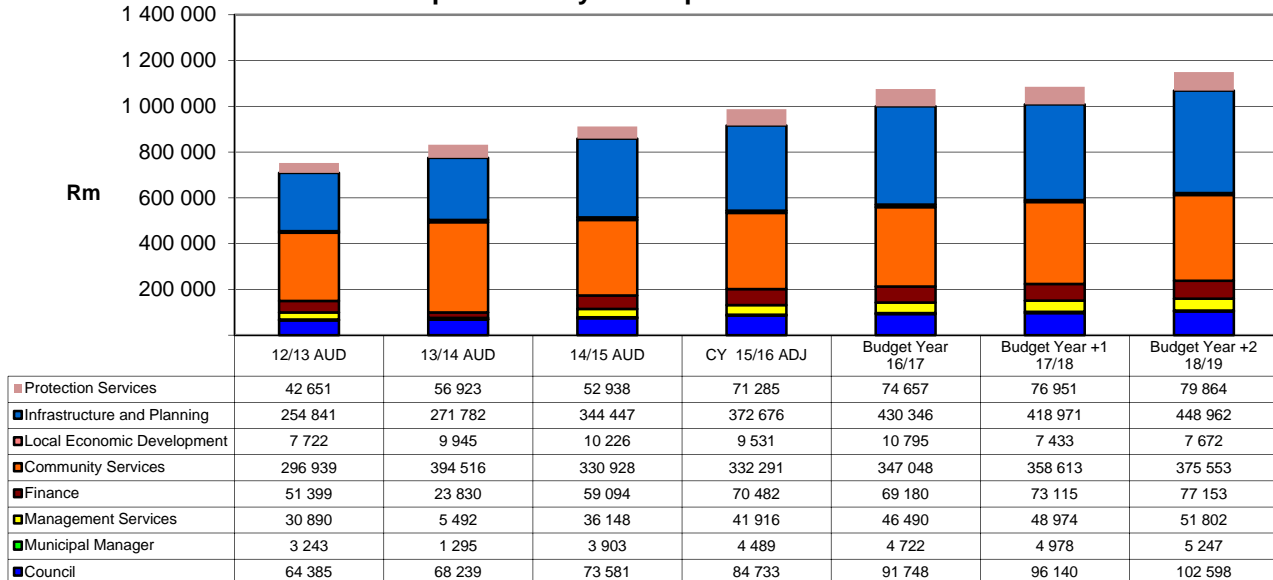


# OVERSTRAND MUNICIPALITY - BUDGET REGULATION CHARTS 2015/2016 DRAFT BUDGET

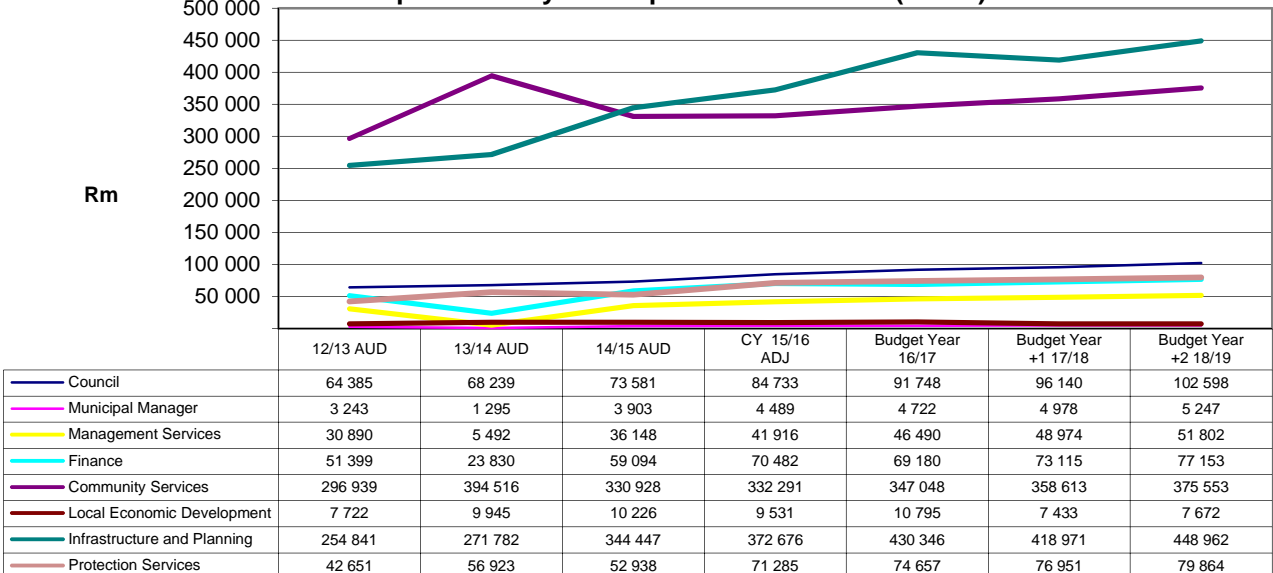
## Revenue by Municipal Vote classification - Chart A1



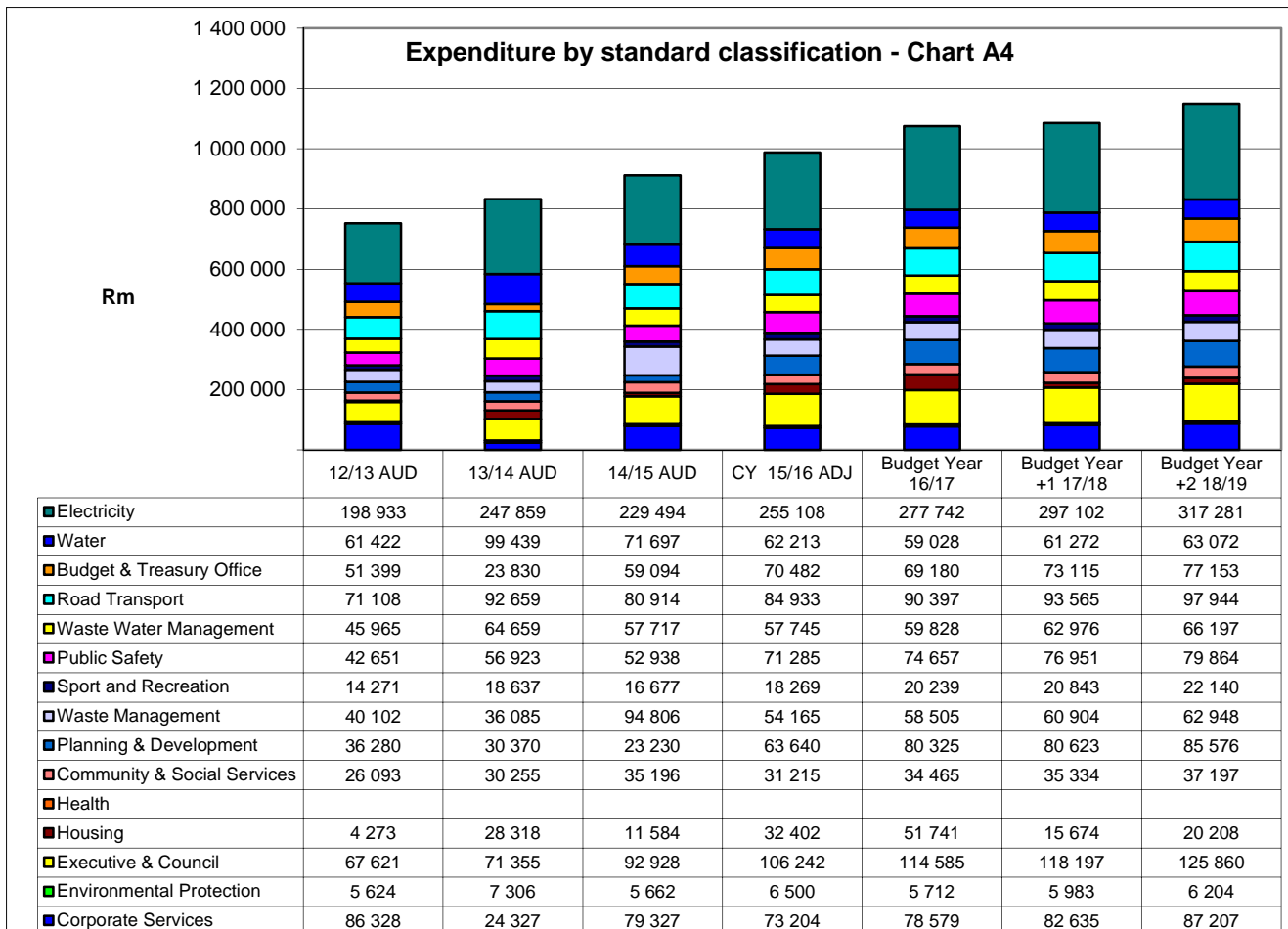
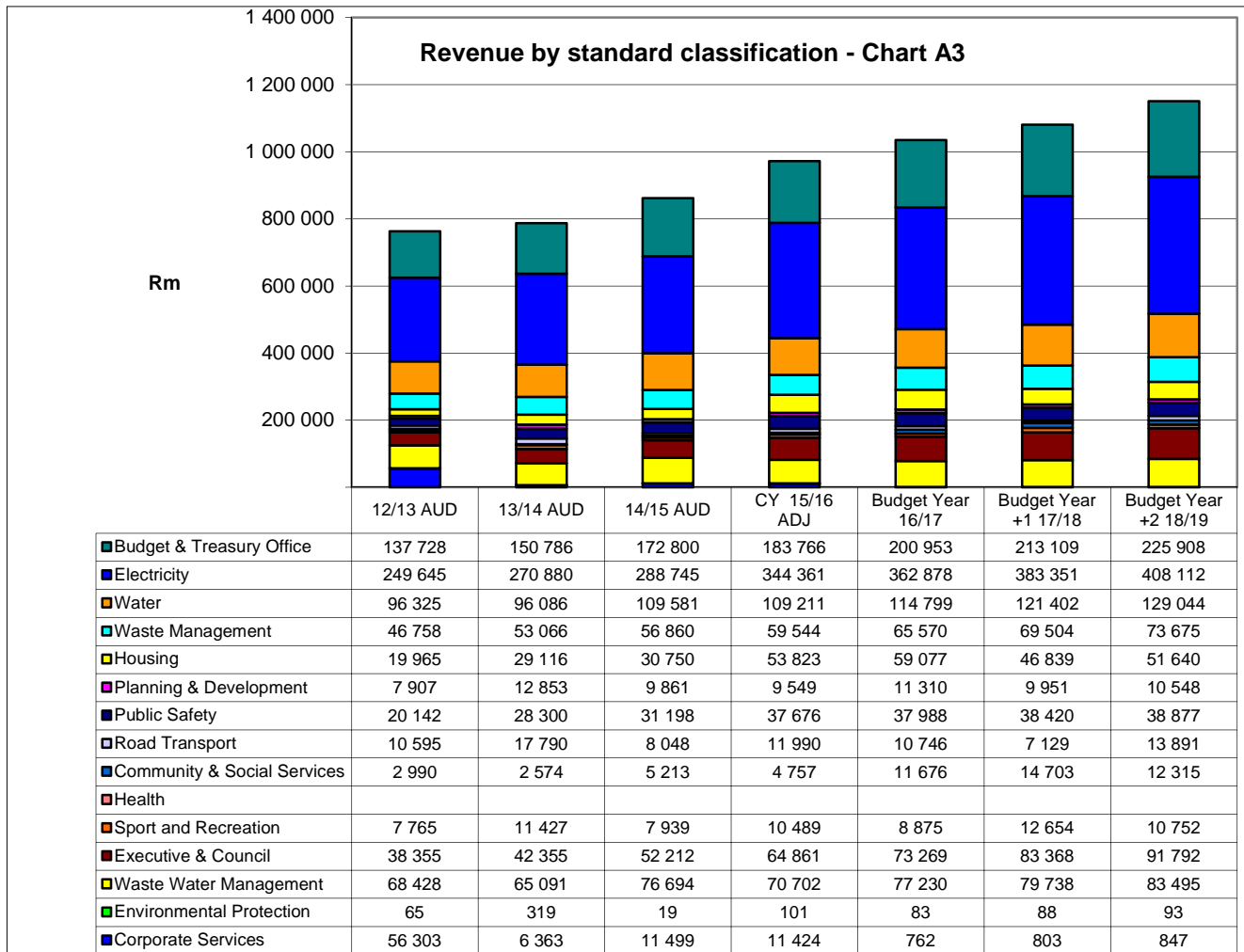
## Expenditure by Municipal Vote - Chart A2a



## Expenditure by Municipal Vote - Chart A2 (Trend)

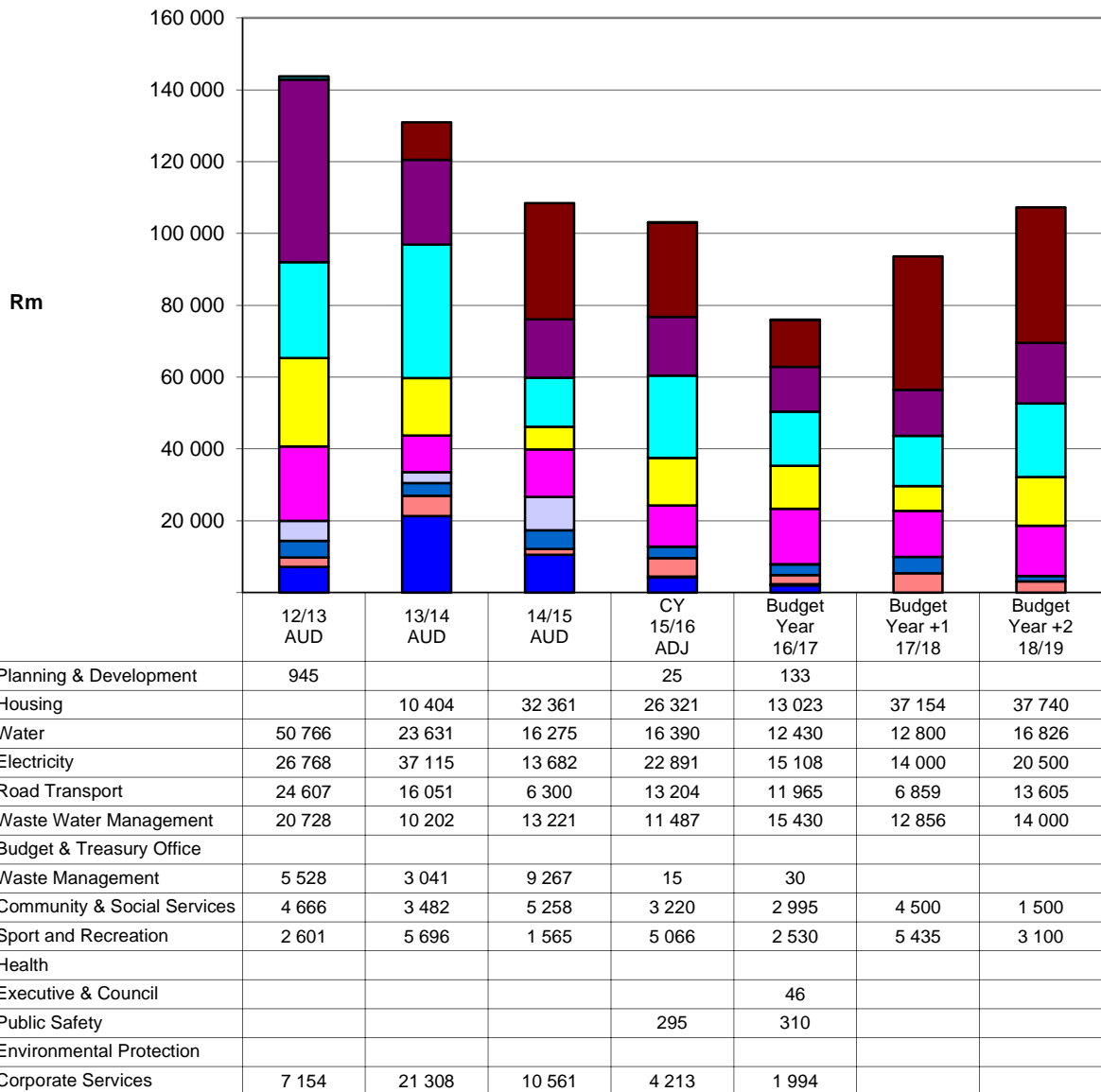


# OVERSTRAND MUNICIPALITY - BUDGET REGULATION CHARTS 2015/2016 DRAFT BUDGET

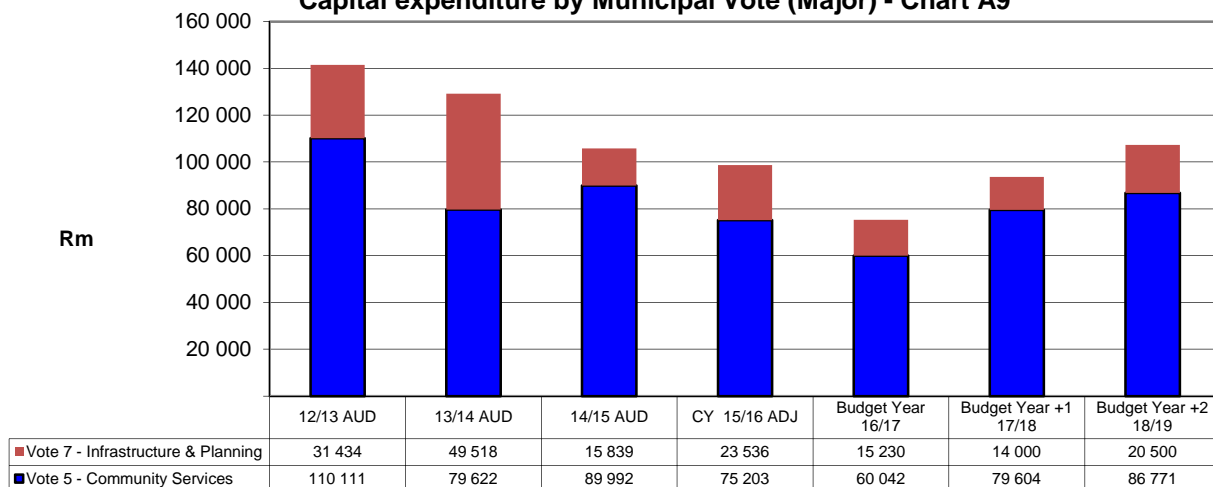


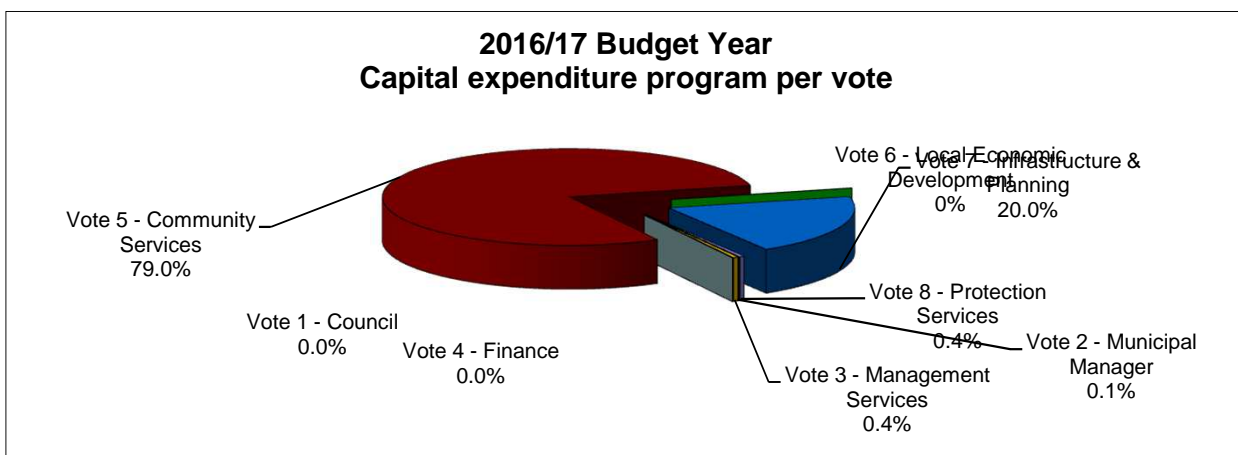
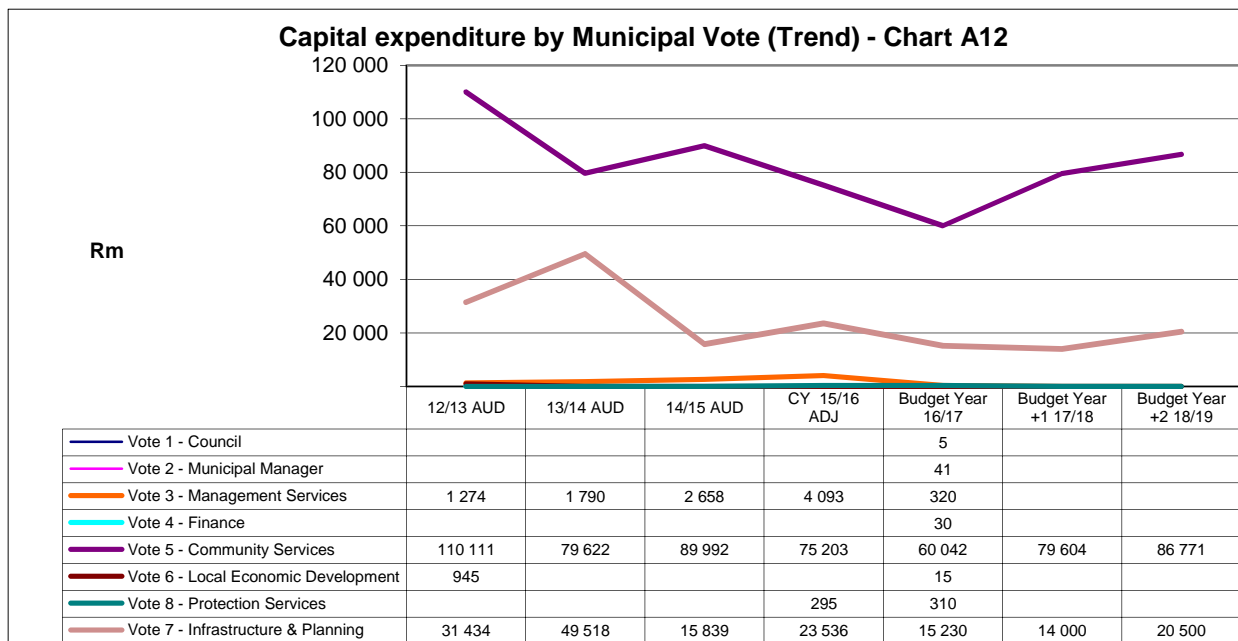
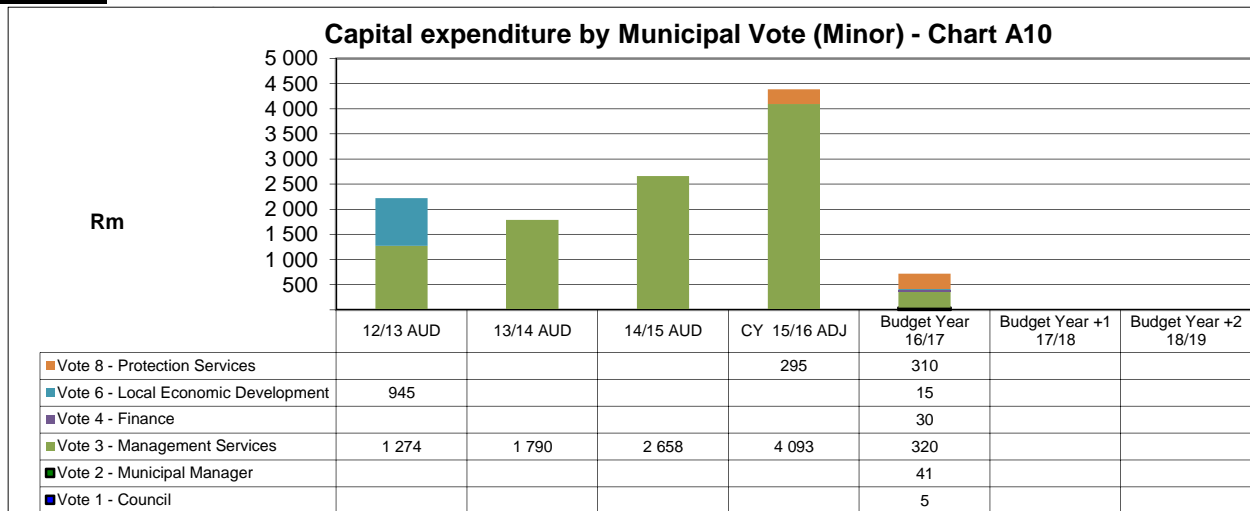
# OVERSTRAND MUNICIPALITY - BUDGET REGULATION CHARTS 2015/2016 DRAFT BUDGET

## Capital expenditure by Standard Classification - Chart A11



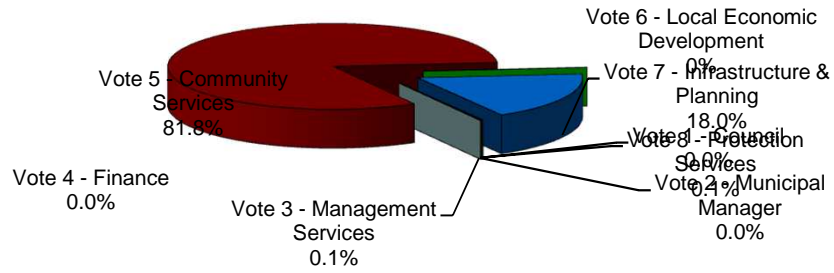
## Capital expenditure by Municipal Vote (Major) - Chart A9



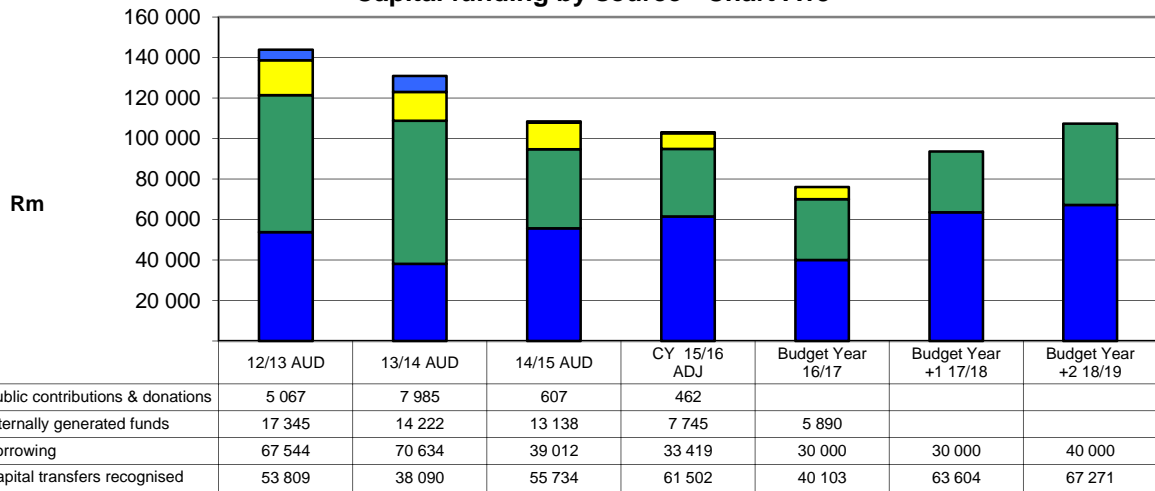




### 2016/17 MTREF (3 year total) Capital expenditure program per vote



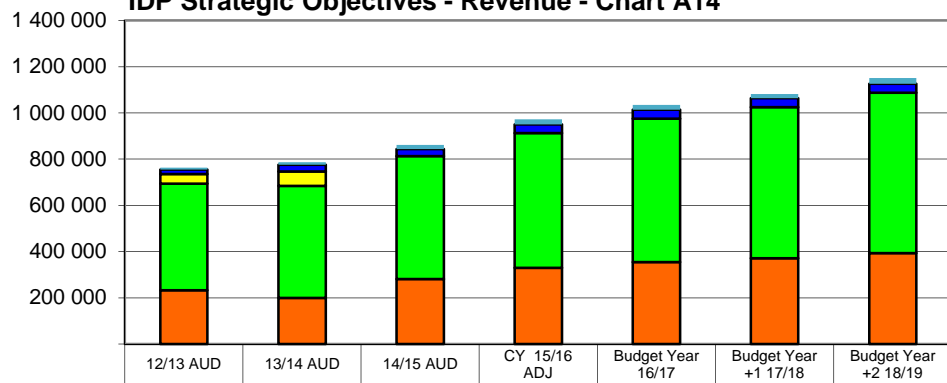
### Capital funding by source - Chart A13



**OVERSTRAND MUNICIPALITY - BUDGET REGULATION CHARTS 2015/2016 DRAFT BUDGET**

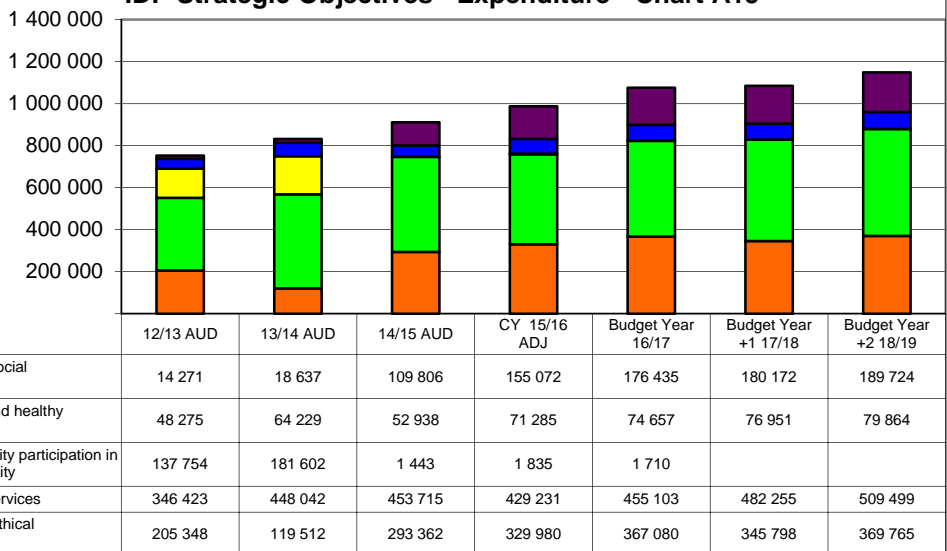
**IDP Strategic Objectives - Revenue - Chart A14**

Rm



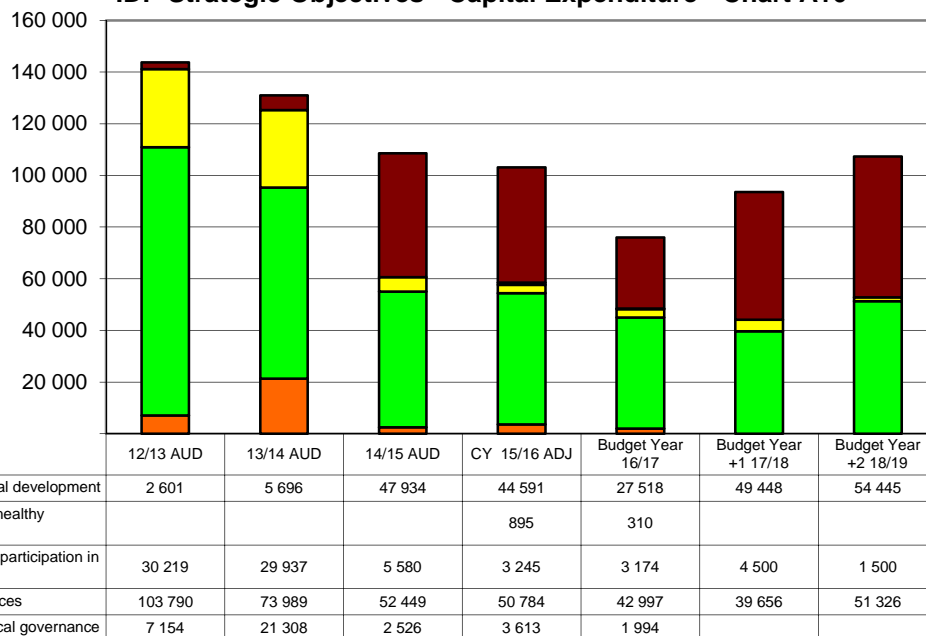
**IDP Strategic Objectives - Expenditure - Chart A15**

Rm



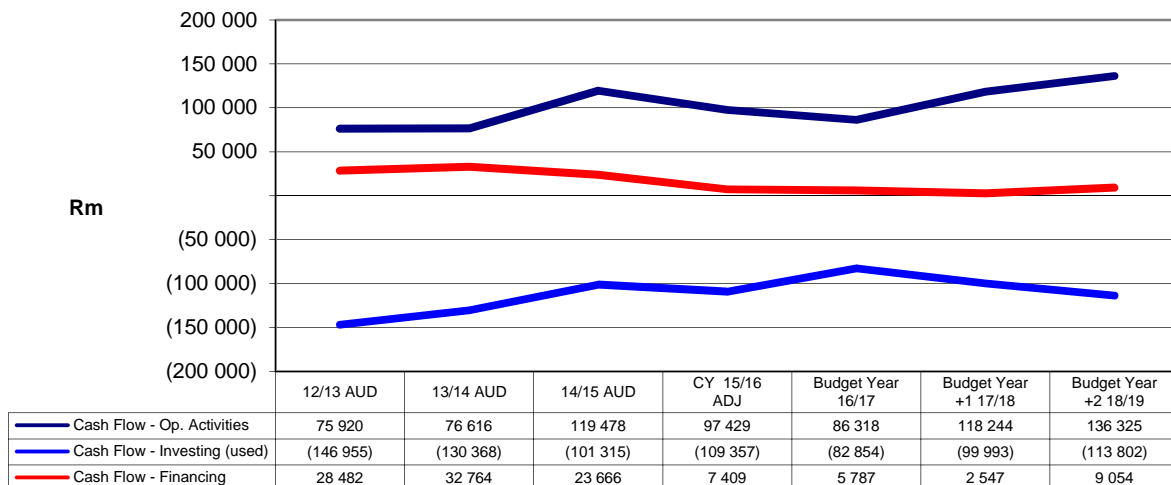
**IDP Strategic Objectives - Capital Expenditure - Chart A16**

Rm

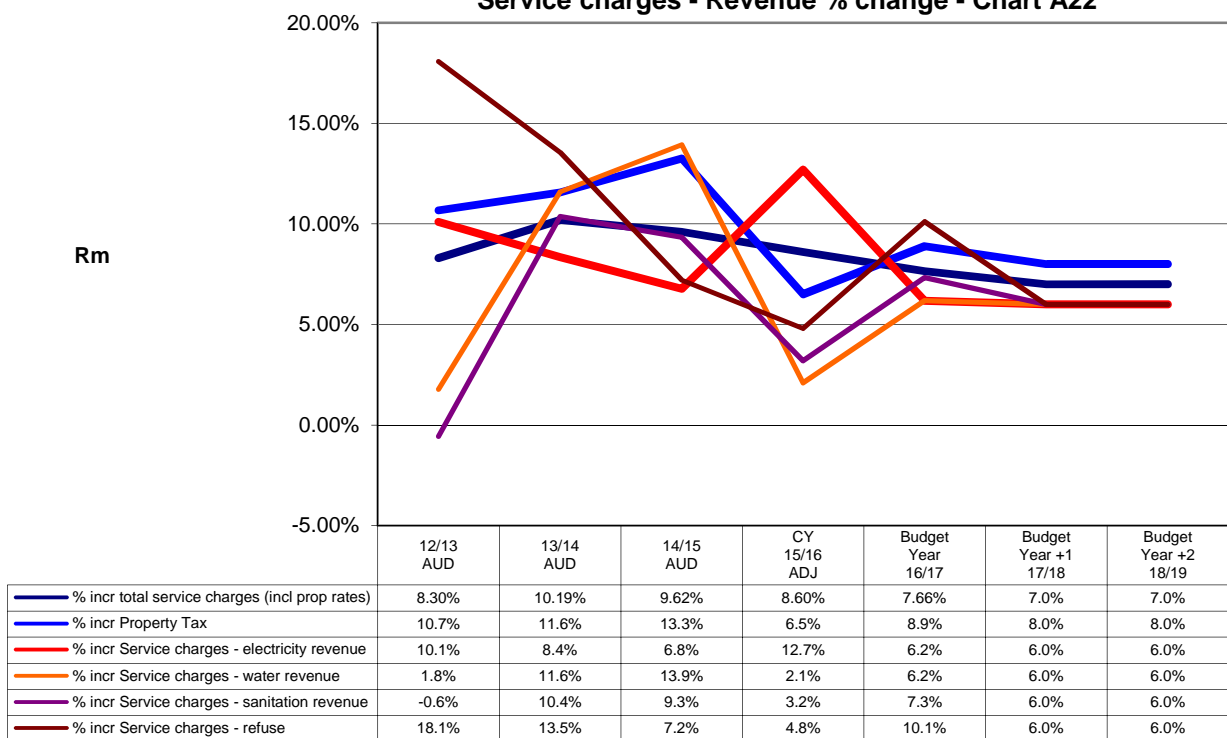


# OVERSTRAND MUNICIPALITY - BUDGET REGULATION CHARTS 2015/2016 DRAFT BUDGET

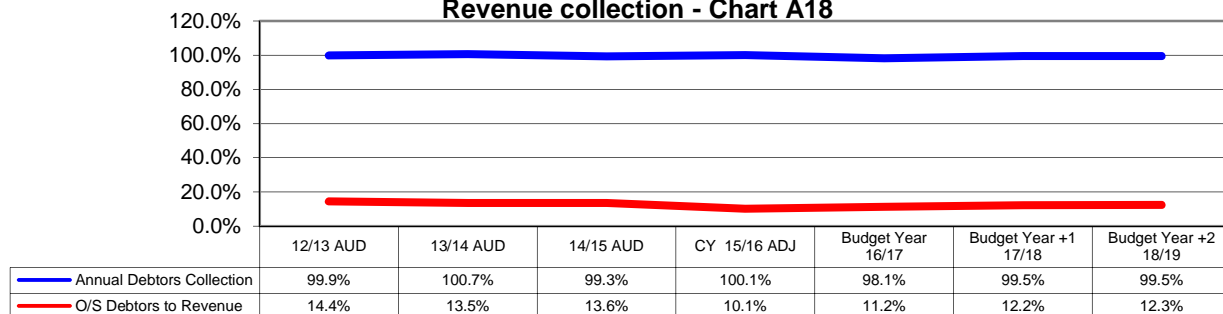
## Cash flow trend - Chart A23



## Service charges - Revenue % change - Chart A22

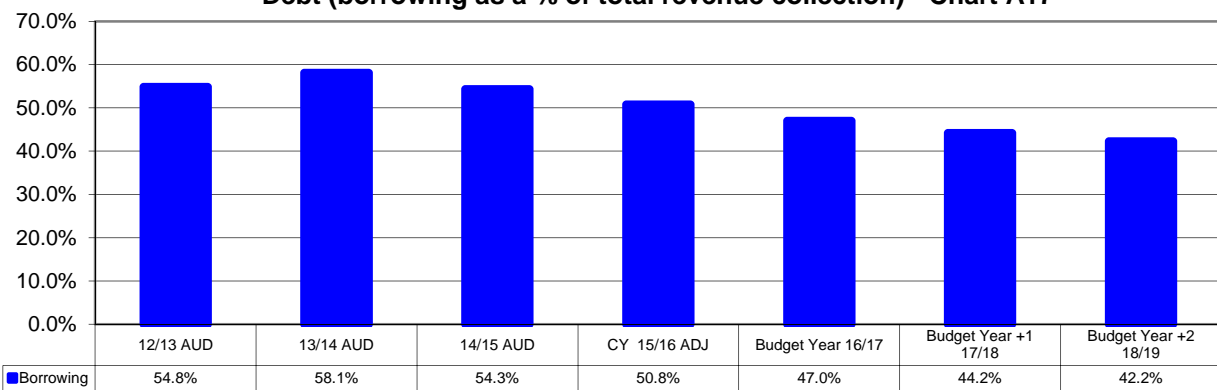


## Revenue collection - Chart A18

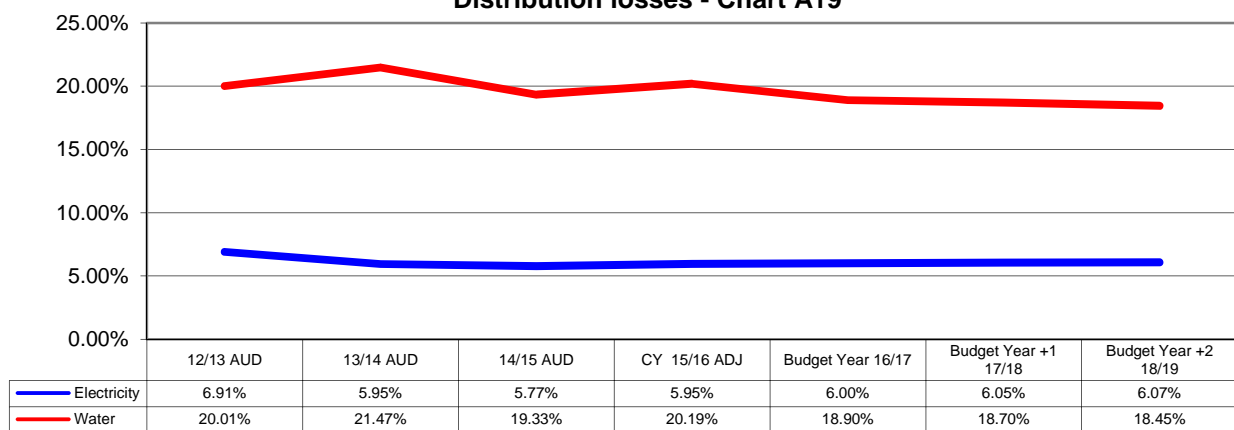


# OVERSTRAND MUNICIPALITY - BUDGET REGULATION CHARTS 2015/2016 DRAFT BUDGET

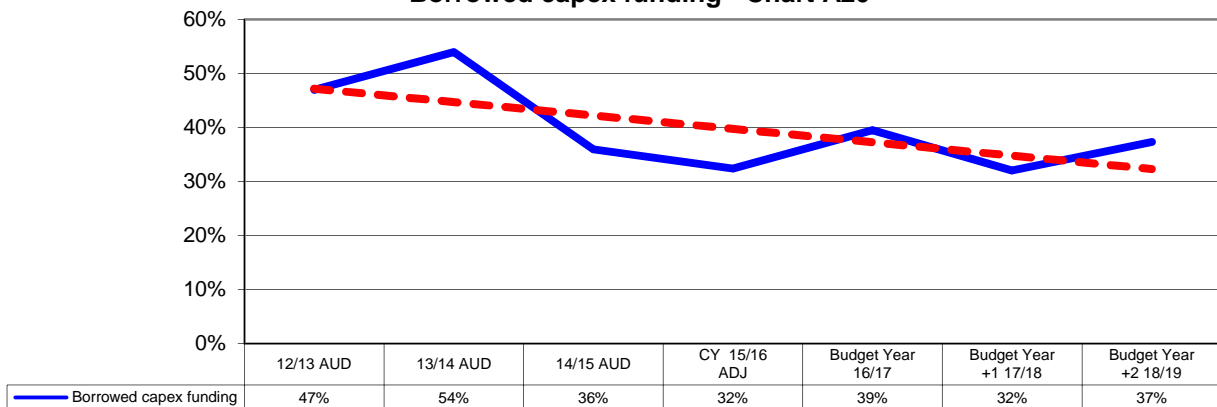
## Debt (borrowing as a % of total revenue collection) - Chart A17



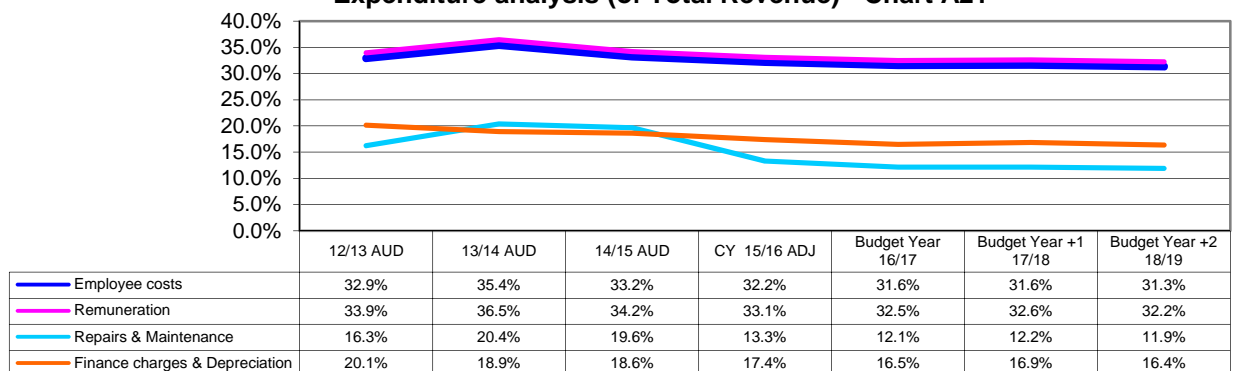
## Distribution losses - Chart A19



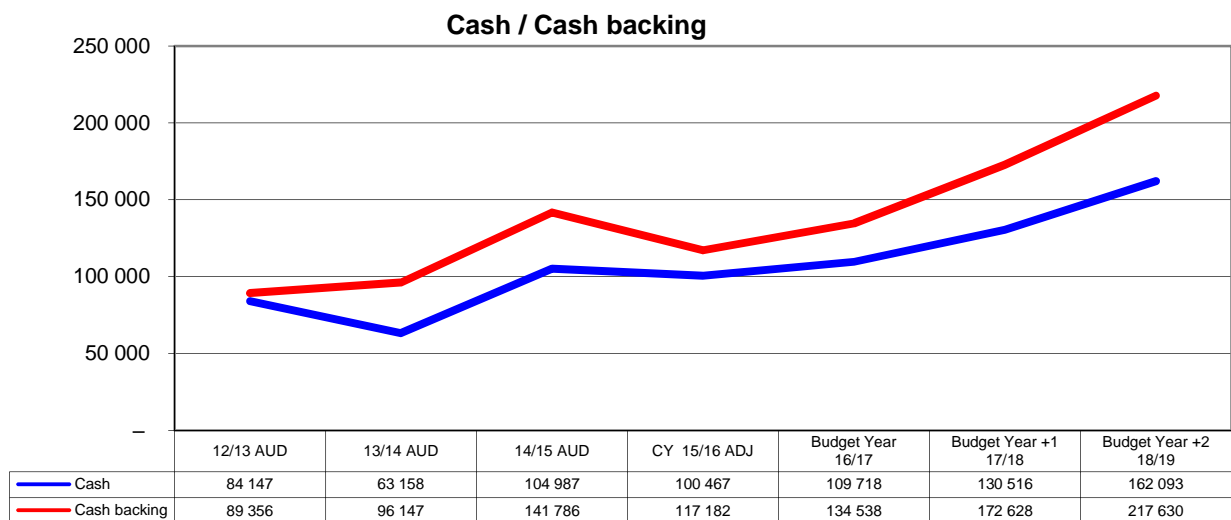
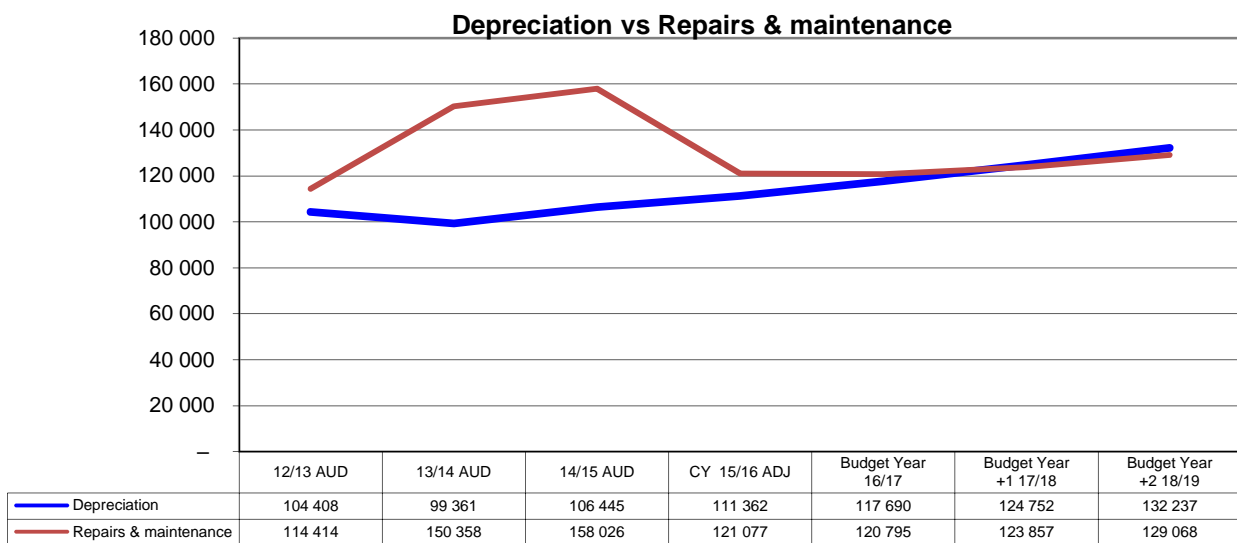
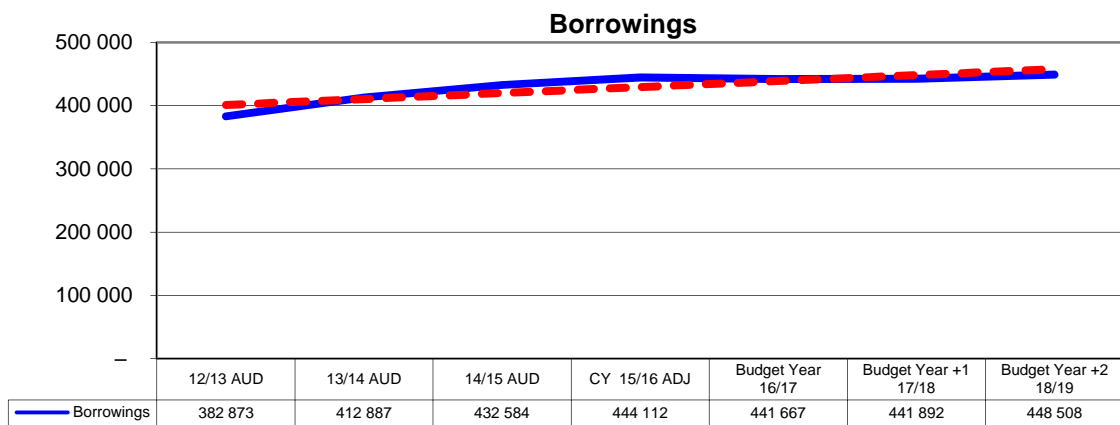
## Borrowed capex funding - Chart A20



## Expenditure analysis (of Total Revenue) - Chart A21



# OVERSTRAND MUNICIPALITY - BUDGET REGULATION CHARTS 2015/2016 DRAFT BUDGET



## **ANNEXURE C**

### **RATES AND TARIFFS**

# OVERSTRAND MUNICIPALITY TARIFF LIST

## RATES TARIFFS

Tariff Code	Detail	2016/2017		2015/2016		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
<b>RATES</b>	<b>YEAR OF GENERAL VALUATION: 02 JULY 2015</b>					1.0720
<b>RATE1*</b>	Commercial Land with Improvements	0.00718	0.00718	0.00670	0.00670	7.2000%
<b>RATE2*</b>	Residential Land with Improvements	0.00474	0.00474	0.00442	0.00442	7.2000%
	<i>* See attached schedule of Exemptions and Rebates applicable</i>					
<b>RATE3</b>	Municipal Properties: Investment Properties	Applicable tariff for Commercial or Residential	Applicable tariff for Commercial or Residential	Applicable tariff for Commercial or Residential	Applicable tariff for Commercial or Residential	
<b>RATE4</b>	Municipal Properties: Property, Plant and Equipment	0.00000	0.00000	0.00000	0.00000	
<b>RATE5</b>	Improvement District Surcharge (HPP) on total rates payable on approved Improvement District	0.10000	0.10000	0.10000	0.10000	0.0000%
<b>RATE6</b>	Building Clause	Equals to tariff for rates on property	Equals to tariff for rates on property	Equals to tariff for rates on property	Equals to tariff for rates on property	
<b>RATE7</b>	Farm/Agriculture (Bona-fide)	0.001185	0.001185	0.00111	0.00111	6.7171%
<b>RATE8</b>	Undeveloped erven	0.00649	0.00649	0.00605	0.00605	7.2000%
<b>RATE9</b>	Government Properties: Commercial	0.00718	0.00718	0.00670	0.00670	7.2000%
<b>RATE10</b>	Government Properties: Residential	0.00474	0.00474	0.00442	0.00442	7.2000%
<b>PLEASE NOTE: VAT IS LEVIED AT A RATE OF 0% ON ASSESSMENT RATES</b>						

## OVERSTRAND MUNICIPALITY

(Attachments to the Rates Tariff Schedule)

TARIFF CODE	CLASS TAX	TYPE OF PROPERTY	REBATE OR EXEMPTIONS
<b>BUS</b>	General Tax: Commercial	All business, industries, Bed and Breakfast and Guest Houses	No exemptions. Bed and Breakfast as well as Guesthouses can apply before 30 June for the following rebate on the <u>difference between Bus and Res. rate</u> : 1 -2 X lettable room: 100% 3 X lettable rooms: 75% 4 X lettable rooms: 50% 5 X lettable rooms: 25%
<b>BUSO</b>	General Tax: Tourism and recreational resorts outside the municipal urban areas	Hotels, Guest Houses, Cottages, Caravan parks and Holiday Resorts, Chalets	50% rebate on the tax applicable on commercial property in urban areas.
<b>RES</b>	General Tax: Residential properties within the municipal service areas	Single residential properties, Group housing, Retirement Villages, Flats, Sectional Schemes, small holdings not used for bona fide farming purposes	The first R15 000.00 of the rateable value of all residential properties is exempted from property tax. A further R35 000.00 of the rateable value is exempted in respect of all residential properties where a residential completion certificate has been issued and an additional rebate of 20% of the levy calculated on such properties, is granted. Rebate to qualifying property owners as indicated under "Other Rebate"
<b>RESO</b>	General Tax: Residential properties outside the municipal urban area	Single residential properties, Group housing, Retirement Villages, Flats, Sectional Schemes	50% of the tax applicable on residential property in urban areas. Rebate to qualifying property owners as indicated under "Other Rebate"
<b>FARMS</b>	General Tax: Farming Properties	Smallholdings used for bona fide farming purposes outside municipal service area	Agricultural purpose in relation to the use of a property, excludes the use of a property for the purpose of ecotourism or for the trading in or hunting of game.
<b>FARMS</b>	Conservation land	Privately owned properties whether designated or used for conservation purposes.	Not rateable in terms of section 17(1)(e) of the act.



<p><b>PR100</b></p> <p><b>PR050</b></p> <p><b>PR040</b></p>	Other Rebates	Single residential properties, Group Housing, Retirement Villages, Flats, Sectional Schemes	<ul style="list-style-type: none"> <li>- Property must be occupied permanently;</li> <li>- The applicant must be the registered owner;</li> <li>- Only one residential unit allowed on the property</li> <li>- Applicant may not be the registered owner of more than one property</li> </ul> <ul style="list-style-type: none"> <li>• A rebate of 100% to approved applicants, in terms of the <b>Property Rates</b> Policy, who's gross monthly household income may not exceed the amount of two times (2X) of state funded social pensions per month;</li> <li>• A rebate of 50% to approved applicants, in terms of the <b>Property Rates</b> Policy, who are older than 60 with a gross monthly household income less than four times (4X) of state funded social pensions per month;</li> <li>• A rebate of 40% to approved applicants, in terms of the <b>Property Rates</b>, who are older than 60 with a gross monthly household income of more than four times (4X) but less than eight times (8X) of state funded social pensions per month.</li> </ul>
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## EXEMPTIONS FROM PROPERTY RATES (Rates Policy)

<b>Religious Organizations</b>	A property registered in the name of and used primarily as a place of public worship by a religious organization/community, including an official residence registered in the name of that organization/community which is occupied by an office bearer who officiates at services at that place of worship in terms of section 17(1)(i) of the MPRA.
<b>Health and welfare institutions</b>	Properties used exclusively as a hospital, clinic, mental hospital, orphanage, non-profit retirement village, old age home or benevolent institution, including workshops used by the inmates, laundry or cafeteria facilities, provided that any profits from the use of the property are used entirely for the benefit of the institution and/or to charitable purposes within the boundaries of Overstrand Municipality.
<b>Private schools and Educational Institutions</b>	Property used by registered private schools for educational purposes only
<b>Charitable institutions</b>	Properties belonging to not-for-gain institutions or organizations that perform charitable work.
<b>Sporting bodies</b>	Property used by an organization whose sole purpose is to use the property for sporting purposes, for gain or not. Assistance to professional sporting organizations may differ from that afforded to amateur bodies. The rebate will be award <b>at the sole discretion of council on an annual basis.</b>
<b>Agricultural societies</b>	Property belonging to agricultural societies affiliated to the SA Agricultural Union used for the purposes of the society.
<b>Cultural institutions</b>	Properties declared in terms of the Cultural Institutions Act, Act 29 of 1969 or the Cultural Institutions Act, Act 66 of 1989.
<b><i>Museums, libraries, art galleries and botanical gardens</i></b>	Registered in the name of private persons, open to the public and not operated for gain.
<b>Youth development organizations</b>	Property owned and/or used by organizations such as the Boy Scouts, Girls Guides, Voortrekkers or organizations the Council deems to be similar.
<b>Animal protection</b>	Property owned or used by institutions/organizations whose exclusive aim is to protect birds, reptiles and animals on a not-for-gain basis.

## OVERSTRAND MUNICIPALITY

## SUNDRY TARIFF LIST

Tariff Code	Detail	2016/2017		2015/2016		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S1	BOAT LICENCE/PERMITS, LAUNCHING & ENTRANCE FEE					
S1J	Kleinbaai Boat Launching:					
S1T	Registered Launching Sites managed by the Overstrand Municipality (08:00-16:00) (Western Cape December School Holiday and when declared by Council)					
S1T1	Affiliated Members					
S1T1A	Annually	185.97	212.00	175.44	200.00	6.00%
S1T1B	Monthly	111.40	127.00	105.26	120.00	5.83%
S1T1C	Weekly	56.14	64.00	52.63	60.00	6.67%
S1T1D	Daily	18.42	21.00	17.54	20.00	5.02%
S1T2	Non- Affiliated Members					
S1T2A	Annually	371.93	424.00	350.88	400.00	6.00%
S1T2B	Monthly	167.54	191.00	157.89	179.99	6.11%
S1T2C	Weekly	92.98	106.00	87.72	100.00	6.00%
S1T2D	Daily	28.07	32.00	26.32	30.00	6.65%
S2	BUILDING CONTROL					
S2A1	Building Plan Fees up to 100 m² (R/m²)	25.44	29.00	23.68	27.00	7.43%
S2A2	Building Plan Fees from 101 m² to 200 sq m (R/m²)	29.83	34.00	28.07	32.00	6.25%
S2A3	Building Plan Fees from 201 m² to 300 sq m (R/m²)	35.09	40.00	32.46	37.00	8.10%
S2A4	Building Plan Fees greater than 300 m² (R/m²)	39.47	45.00	36.84	42.00	7.14%
S2A5	Building Plan fees - Building Sub Economic < 70 m²	357.90	408.00	337.72	385.00	5.97%
S2B	Alterations and Additions smaller than 30 m² (S2A1 X 30)	753.51	859.00	710.53	810.00	6.05%
S2C	Building Plan fees related to farm buildings (farm sheds, stables, etc) R/m²	16.67	19.00	15.79	18.00	5.57%
S2D1	Building Plan fees related to Industrial buildings R/m²	16.67	19.00	15.79	18.00	5.57%
S2D2	Building Plan Fees Related to Government Buildings (School etc) (R/m²)	16.67	19.00	15.79	18.00	5.57%
S2F1	Plan Scrutiny Fees - < 200 m²	436.84	498.00	412.28	470.00	5.96%
S2F2	> 200 m² (R/m²)	3.51	4.00	3.33	3.80	5.50%
S2G	Demolition application	436.84	498.00	412.28	470.00	5.96%
S2H	Inspection & Re-inspection fees and Inspections on complaints, rates clearance etc.	260.53	297.00	245.61	280.00	6.07%
S2J1	Building Deposit - < 50m² or less or less than R150,000.00	775.00	no vat	730.00	no vat	6.16%
S2J2	Building Deposit - Recoverable 50m² to 200m² or more than R150,000.00	2 060.00	no vat	1 940.00	no vat	6.19%
S2J3	Building Deposit - Recoverable more than 200m²	5 650.00	no vat	5 330.00	no vat	6.00%
S2J4	Building Deposit - Sub economic Areas only (Not applicable to Additions)	No Deposit	no vat	No Deposit	no vat	
S2K	Administration / Viewing Fee	50.88	58.00	48.25	55.00	5.46%
S2L	Minor Building Works	204.39	233.00	192.98	220.00	5.91%
S2L1	Heritage Investigation Minor Alterations (no additions)	408.77	466.00	385.97	440.00	5.91%
S2L2	Heritage Investigation add and alt smaller than 30m² (2 X S2L1)	818.42	933.00	771.93	880.00	6.02%
S2L3	Heritage Investigation add and alt greater than 30m² (2 X S2L2)	1 724.56	1 966.00	1 543.86	1 760.00	11.70%
S3	BUILDING CONTROL: PLAN PRINTING FEES					
S3A1	Per sheet - Size A0 (Private copy)	56.14	64.00	52.63	60.00	6.67%
S3A2	Size A1 (Private copy)	43.86	50.00	42.11	48.00	4.17%
S3A3	Size A2 (Private copy)	32.46	37.00	31.58	36.00	2.79%
S3A4	Per sheet - Size A0 (Official copy)	43.86	50.00	42.11	48.00	4.17%
S3A5	- Size A1 (Official copy)	32.46	37.00	31.58	36.00	2.79%

**OVERSTRAND MUNICIPALITY**

**SUNDRY TARIFF LIST**

Tariff Code	Detail	2016/2017		2015/2016		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S3A6	- Size A2 (Official copy)	22.81	26.00	21.93	25.00	4.01%
S3B1	Per sheet - Size A0 (Private copy) Colour	292.98	334.00	276.32	315.00	6.03%
S3B2	Size A1 (Private copy) Colour	223.68	255.00	210.53	240.00	6.25%
S3B3	Size A2 (Private copy) Colour	149.12	170.00	140.35	160.00	6.25%
S3B4	Per sheet - Size A0 (Official copy) Colour	149.12	170.00	140.35	160.00	6.25%
S3B5	- Size A1 (Official copy) Colour	111.40	127.00	105.26	120.00	5.83%
S3B6	- Size A2 (Official copy) Colour	74.56	85.00	70.18	80.00	6.25%
<b>S5</b>	<b>BUSINESS LICENSE</b>					
S5B1	Business Licence - Formal	649.12	740.00	615.62	701.80	5.44%
S5B2	Business Licence - Informal	232.46	265.00	221.93	253.00	4.74%
S5B3	Re-inspection Fee	127.19	145.00	122.06	139.15	4.20%
S5B4	Duplicate Licence Fee	127.19	145.00	122.06	139.15	4.20%
<b>S15</b>	<b>CEMETERY</b>					
	<b>Residents (RES):</b>					
<b>S15A</b>	<b>Plot Cost (Fixed)</b>					
	<b>Grave Depths</b>					
<b>Note</b>	- Infill grave (between two existing graves) must have a soil coverage of not less than 1 meter; - Other single graves (not infill) must have a soil coverage of not less than 1.5 meters; - Double graves (in depth) must have a soil coverage of not less than 1.5 meters with a 300mm soil between the coffins; - Child grave must have a soil coverage of not less than 1 meter.					
S15A1	All cemeteries - single grave	503.51	574.00	474.56	541.00	6.10%
S15A2	All cemeteries - Double graves - depth for two coffins	780.70	890.00	736.84	840.00	5.95%
S15A3	Double grave next to each other	1 006.14	1 147.00	949.12	1 082.00	6.01%
S15A4	Children under 12years	377.19	430.00	356.14	406.00	5.91%
S15A5	Garden of Remembrance Fees	184.21	210.00	173.68	198.00	6.06%
<b>S15B</b>	<b>Indication of grave</b>					
S15B1	New graves (include inspection before and after funeral)	499.12	569.00	499.12	569.00	0.00%
S15B2	Existing graves	159.65	182.00	159.65	182.00	0.00%
	<b>Non Residents:</b>					
<b>S15C</b>	<b>Plot Cost</b>					
S15C1	All Tariffs	Res Tariff X 5	Vat on Res Tariff X 5	Res Tariff X 5	Vat on Res Tariff X 5	
<b>S15D</b>	<b>Indication of grave</b>					
S15D1	All Tariffs	Res Tariff X 5	Vat on Res Tariff X 5	Res Tariff X 5	Vat on Res Tariff X 5	
<b>S18</b>	<b>COMMERCIAL FILMING/PHOTOGRAPHING</b>					
S18A1	Large per day or part thereof ≥ 50 people	11 929.83	13 600.00	11 254.39	12 830.00	6.00%
S18A2	Small per day or part thereof more than 10 but < 50 people	4 184.21	4 770.00	3 947.37	4 500.00	6.00%
S18A3	Small per day or part thereof ≤ 10 people	1 200.00	1 368.00	1 131.58	1 290.00	6.05%
	<b>Addition to Shoot</b>					
S18C	Animals (per animal per day or part of a day)	149.12	170.00	140.35	160.00	6.25%
S18D	Area required for production and catering (per m² per day or part of a day)	33.33	38.00	31.58	36.00	5.54%
S18E	Cancellation Fee (per application at full permit fee)	15% of Fee	15% of Fee	15% of Fee	15% of Fee	
S18G	Enviromental Control Officer: Fees per hour or part thereof	349.12	398.00	328.95	375.00	6.13%

## OVERSTRAND MUNICIPALITY

## SUNDRY TARIFF LIST

Tariff Code	Detail	2016/2017		2015/2016		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S18H	Vehicles off Public Roads per Parking Bay (per vehicle per day/part of a day)	125.44	143.00	118.42	135.00	5.93%
<b>S20</b>	<b>CREDIT CONTROL AND DEBT COLLECTION</b>					
S20A1	Admin fee on arrear accounts Notices	315.79	360.00	315.79	360.00	0.00%
S20A2	Admin fee on 24 hour Notices - Bulk users	315.79	360.00	315.79	360.00	0.00%
S20B	Admin fee on arrear accounts Disconnection and Reconnection Fee	530.71	605.00	530.71	605.00	0.00%
S20C	SMS admin fee on arrear accounts Notices	21.93	25.00	21.93	25.00	0.00%
<b>S22</b>	<b>DOG TAX</b>					
S22A	Licence per dog	66.67	76.00	63.16	72.00	5.56%
S22B	Social pensioner and registered indigent clients on application	FREE	no vat applicable	FREE	no vat applicable	
<b>S23</b>	<b>FIRE SERVICES &amp; DISASTER MANAGEMENT</b>					
S23A	Plot Clearing	Actual Cost + R964.92 admin. Fee	(Actual Cost + Vat) + R1 100,00	Actual Cost + R964.92 admin. Fee	(Actual Cost + Vat) + R1 100,00	0.00%
S23B	Re-inspection Fee under By-law	135.09	154.00	127.19	145.00	6.21%
<b>S23C</b>	<b>Extinguishing of Fires</b>					
S23C1	Extinguishing of structural fires per hour or part thereof per incident	1 534.21	1 749.00	1 447.37	1 650.00	6.00%
S23C2	Extinguishing of structural fires - indigent households	FREE	no vat applicable	FREE	no vat applicable	
S23C3	Extinguishing of veld - and other fires per hour or part thereof	511.41	583.00	482.46	550.00	6.00%
S23C4	Assistance at motor vehicle accidents and rescues	FREE	no vat applicable	FREE	no vat applicable	
<b>S23D</b>	<b>Standby at fire scene</b>					
S23D1	Per hour or part thereof for vehicle and fire fighters	511.41	583.00	482.46	550.00	6.00%
<b>S23E</b>	<b>Fire Prevention Inspections</b>					
S23E1	Tank installation - per tank	289.48	330.00	289.48	330.00	0.00%
S23E2	LP Gas - per installation 48Kg and more incl bulk tanks	289.48	330.00	289.48	330.00	0.00%
<b>S23F</b>	<b>Fire Safety</b>					
S23F1	1st and 2nd compliance inspection	FREE	no vat applicable	FREE	no vat applicable	
S23F2	3rd and continuing compliance inspection	289.48	330.00	289.48	330.00	0.00%
<b>S23G</b>	<b>Events</b>					
S23G1	Inspection of location and issuing of Population Certificate	192.98	220.00	192.98	220.00	0.00%
S23G2	Standby at event per event per day or part thereof for vehicle and fire fighters	964.91	1 100.00	964.91	1 100.00	0.00%
<b>S23H</b>	<b>Burn Permits</b>					
S23H1	Burn Permit Inspection	241.23	275.00	241.23	275.00	0.00%
<b>S23G</b>	<b>Special Services</b>					
S23G1	Ad hoc services	526.32	600.00	NEW	NEW	
S23G2	Water Supply per hour, excluding water tariff as set out in structure	526.32	600.00	NEW	NEW	
<b>S25</b>	<b>LAW ENFORCEMENT</b>					
<b>S25C</b>	<b>Impoundment of Hawkers Goods</b>					
S25C1	Per Impoundment	576.32	657.00	543.86	620.00	5.97%
S25C2	Removal of illegal structure per structure	2 361.40	2 692.00	2 228.07	2 540.00	5.98%
S25C3	Storage Fee per day	153.51	175.00	144.74	165.00	6.06%
<b>S25D</b>	<b>Pound fee: Dogs and Cats</b>					
S25D1	Impoundment of Dogs and Cats	62.28	71.00	58.77	67.00	5.97%

## OVERSTRAND MUNICIPALITY

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Tariff Code	Detail	2016/2017		2015/2016		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S25D2	Pound fee: from day 2 per day	40.35	46.00	37.72	43.00	6.97%
<b>S25E</b>	<b><u>Pound fee: Other Animals</u></b>					
S25E1	Impoundment fee per week per animal	619.30	706.00	584.21	666.00	6.01%
<b>S25F</b>	<b><u>Bylaw on Outdoor Advertising</u></b>					
S25F1	Impoundment of illegal Advertising/Agent boards (per board) - small <2400cm <sup>2</sup>	62.28	71.00	58.77	67.00	5.97%
S25F2	Impoundment of illegal Advertising/Agent boards (per board) - large >2400cm <sup>2</sup>	619.30	706.00	584.21	666.00	6.01%
<b>S28</b>	<b><u>LIBRARY</u></b>					
S28A1	Copies: A3 / Page	3.51	4.00	3.33	3.80	5.50%
S28A3	Copies: A3 page Colour	7.02	8.00	7.28	8.30	-3.57%
S28A5	Copies: A4/Page	1.75	2.00	2.90	3.30	-39.55%
S28A7	Copies: A4 page Colour	4.39	5.00	5.26	6.00	-16.54%
S28B1	Deposit to person/s <b>non-residents Fiction &amp; Non-Fiction</b>	350.00	no vat	330.00	no vat	6.06%
S28C1	Fax per page - excluding 0865/6 numbers	3.95	4.50	3.77	4.30	4.77%
S28C2	Fax per page - 0865/6 numbers	6.75	7.70	6.40	7.30	5.50%
S28D1	Lost Cards: Laminated (R/card) first time	21.93	25.00	19.30	22.00	13.66%
S28D1a	Lost Cards: Laminated (R/card)(subsequent lost card)	43.86	50.00	new	new	
S28D2	Laminated Cost A3	5.09	5.80	4.83	5.50	5.50%
S28D3	Laminated Cost A4	2.54	2.90	2.41	2.75	5.50%
S28E1	Penalty per book per week	2.00	no vat	1.00	no vat	100.00%
S28E2	Penalty per record/CD per week	4.00	no vat	1.00	no vat	300.00%
S28E3	Penalty per video per day	2.00	no vat	2.00	no vat	0.00%
S28F1	Scanning of Document - Black & White	17.54	20.00	16.67	19.00	5.22%
S28F2	Scanning of Document - Colour	19.30	22.00	18.42	21.00	4.78%
S28G1	Special Requests - Hold per Book	4.39	5.00	2.63	3.00	66.92%
S28G2	Special Requests - ILL per Book	8.77	10.00	4.39	5.00	99.77%
S28H1	Subscriptions/ reader - Adults (Non residents)	131.58	150.00	127.19	145.00	3.45%
S28H2	Subscriptions/ reader - Children (Non residents)	83.33	95.00	78.95	90.00	5.55%
S28H3	Subscriptions/ reader - Family max 5 (Non residents)	324.56	370.00	307.02	350.00	5.71%
S28K	Visitor's fee - Handling charge / item	11.14	12.70	10.53	12.00	5.79%
S28L1	Hire of Library Hall per Hour - Fundraising event	127.19	145.00	121.05	138.00	5.07%
S28L2	Hire of Library Hall per Hour - NON- Fundraising event	22.81	26.00	21.93	25.00	4.01%
S28M1	Minor Damage to book (per book)	22.81	26.00	new	new	
S28M2	Damage or lost library material	As per System Price Rounded	applicable vat	new	new	
<b>S30</b>	<b><u>STONY POINT</u></b>					
S30A1	Visitors fee Stony Point Nature Reserve per day (persons 12 years and older)	17.54	20.00	13.16	15.00	33.28%
S30A2	Visitors fee Stony Point Nature Reserve per day (children under 12 years)	8.77	10.00	NEW	NEW	
<b>S32</b>	<b><u>PARKING FEE</u></b>					
	<b><u>Metered parking (excluding public holidays)</u></b>					
S32P	Parking Monthly Permit per vehicle	263.16	300.00	263.16	300.00	0.00%
S32Q	Per Quarter Hour or part of it - Monday to Friday 08:30 - 16:00	0.88	1.00	0.88	1.00	0.00%
S32R	Per Half Hour or part of it - Monday to Friday 08:30 - 16:00	1.75	2.00	1.75	2.00	0.00%

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		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S32S	Per Hour Normal (Monday to Friday : 08:30 - 16:00)	3.51	4.00	3.51	4.00	0.00%
S32T	Per Hour Saturday (08:30 - 13:00)	3.51	4.00	3.51	4.00	0.00%
<b>S33</b>	<b>OPERATIONAL COST</b>					
S33A	Application fee for Installation of Street Signage (brown direction boards)	cost + 15%	applicable vat	cost + 15%	applicable vat	
<b>S34</b>	<b>PROPERTY ADMINISTRATION</b>					
S34A	Application for Encroachment (Administration of Immovable Property Policy (Par. 64.2; 64.3; 64.4)	2 250.00	2 565.00	2 122.81	2 420.00	5.99%
S34B1	Application for lease or purchase of Municipal Property ( <i>excluding Sport Facilities/Stalls and organs of state</i> )	2 250.00	2 565.00	2 122.81	2 420.00	5.99%
S34B2	Application for lease of Municipal Property - registered Social Care Institutions / Organisations	511.40	583.00	482.46	550.00	6.00%
	<b>Encroachment Fee:</b>					
S34C	Veranda, Balcony, Sign, Signboards or similar structure (per annum) (Par. 64.2)	388.60	443.00	366.67	418.00	5.98%
S34D	Encroachments onto Commonage, Public Open Spaces, or Conservation areas (per annum) (Par. 64.3)	388.60	443.00	366.67	418.00	5.98%
S34F	Enclosure or exclusive use or portions of the Commonage, Public Open Spaces, Road Reserves or Public Thoroughfares for gardening purposes (per m² per month) (Par 64.4)	11.14	12.70	10.53	12.00	5.79%
	<b>Leases</b>					
S34G	Temporary use (<12months) of Municipal land for general purposes (per m² per month) (Par 64.5)	4.39	5.00	24.56	28.00	-82.13%
<b>S34H</b>	<b>Radio Mast</b>					
S34H1	Equipment on Mast - per month per mast	1 710.53	1 950.00	1 614.04	1 840.00	5.98%
S34H2	Space in building per m² - per month	450.00	513.00	424.56	484.00	5.99%
S34H3	Space outside the building per m² - per month	225.44	257.00	212.28	242.00	6.20%
S34H4	Land for installation of a new mast per m² - per month	57.02	65.00	53.51	61.00	6.56%
	<b>Memorial Benches</b>					
S34J	Memorial Benches (Installation and application)	2 813.16	3 207.00	2 653.51	3 025.00	6.02%
S34K	Memorial Benches (per Annum)	225.44	257.00	212.28	242.00	6.20%
<b>S36</b>	<b>PROPERTY INFORMATION</b>					
S36A1	Clearance Certificate (R/certificate) - <b>ELECTRONIC</b>	85.97	98.00	80.70	92.00	6.52%
S36A2	Clearance Certificate (R/certificate) - <b>MANUAL</b>	260.53	297.00	245.61	280.00	6.07%
S36B1	Deeds office registrations with sales information (R/100 erven or part)	112.28	128.00	106.14	121.00	5.78%
S36B2	Deeds office registrations with sales information (R/erf)	28.95	33.00	27.19	31.00	6.47%
S36C	Extract from the Valuation Roll (R/page)	9.65	11.00	8.77	10.00	10.03%
S36F	Revaluation fee	1 608.77	1 834.00	1 517.54	1 730.00	6.01%
S36G1	Valuation Certificate (R/certificate) - <b>ELECTRONIC</b>	40.35	46.00	37.72	43.00	6.97%
S36G2	Valuation Certificate (R/certificate) - <b>MANUAL</b>	135.09	154.00	127.19	145.00	6.21%
S36H	Access of valuation roll Information on CD	307.02	350.00	289.47	330.00	6.06%
<b>S40</b>	<b>RENTAL: COMMUNITY HALLS</b>					
S40.1	All events hosted where the municipal council or administration is the official host	free of charge	free of charge	free of charge	free of charge	
S40.3	Elections by the Electoral Commission	as per IEC policy	applicable vat	as per IEC policy	applicable vat	



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		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S40.4	Events of Government Departments directly in interest of community	free of charge	free of charge	new	new	
<b>S40A</b>	<b><u>Auditorium &amp; Banqueting Hall</u></b>					
S40A1	Deposit for all functions (refundable) - excluding meetings	1 700.00	no vat	1 700.00	no vat	0.00%
S40A2	Hire of Auditorium and Banqueting Hall per Hour or part of a hour	540.35	616.00	509.65	581.00	6.02%
S40A3	Hire of Auditorium per Hour or part of a hour	271.05	309.00	255.26	291.00	6.19%
S40A4	Hire of Banqueting Hall per Hour or part of a hour	405.26	462.00	382.46	436.00	5.96%
<b>Note</b>	<i>Hiring of Kitchen (Banqueting Hall &amp; Auditorium) used for the serving of food only is included in the hiring fee mentioned above as this facility forms an integral part of the building and cannot be separated there from.</i>					
S40A5	Non-fundraising events for Schools, other training institutions and sport & recreation per day	408.77	466.00	385.97	440.00	5.91%
S40A6	Piano per event	Actual Tuning Cost + R321.05 admin. Fee	Actual Tuning Cost + R366.00	Actual Tuning Cost + R302.98 admin. Fee	Actual Tuning Cost + R345.40	5.64%
S40A7	Sound OR Ligthning Equipment per event (each item) per hour	85.97	98.00	80.70	92.00	6.52%
S40A8	Use of Kitchen per day	562.28	641.00	530.71	605.00	5.95%
S40A10	Local NGO's and CBO's per hour per venue - all events	175.44	200.00	234.21	267.00	-25.09%
S40A12	Preparation for event - per hour / per event dependent on hourly or per event tariff applied	112.28	128.00	106.14	121.00	5.78%
S40A13	Meetings: Government departments (private meetings), NGO's and CBO's from outside the municipal area, per hour (Banquet hall)	248.25	283.00	234.21	267.00	5.99%
S40A14	Meetings: Local CBO's & NGO's per hour (Banquet hall only)	23.68	27.00	21.93	25.00	7.98%
S40A15	Daily Tariff	3 508.77	4 000.00	new	new	
S40A16	Package deal for Festivals, Exhibitions, Weddings, Birthdays, Eistedfods, Special Events - per day	1 754.39	2 000.00	new	new	
<b>S40C</b>	<b><u>Barracks - Kleinmond</u></b>					
S40C1	Hire per room per month	37.72	43.00	35.09	40.00	7.50%
<b>S40E</b>	<b><u>Baardskeerdersbos / Betty's Bay / Blompark / Buffelsjags /Eluxolweni /Hawston Abalone Village/Kleinmond Youth Centre / Kleinmond Club House / Masakane / Moffat Hall / Mooiuitsig / Overhills / Pringle Bay / Proteadorp / Stanford / Stanford Committee Room / Zwelihle</u></b>					
S40E4	Fundraising: (Karaoke) Per daytime or evening	248.25	283.00	234.21	267.00	5.99%
S40E5	Funeral Tea (three hours)	101.75	116.00	95.61	109.00	6.42%
S40E7	Non-fundraising events for Schools, other training institutions and sport & recreation	204.39	233.00	192.98	220.00	5.91%
S40E8	Meetings: Local CBO's and NGO's per hour	23.68	27.00	21.93	25.00	7.98%
S40E9	Non-fundraising (parties) Per daytime or evening	124.56	142.00	117.54	134.00	5.97%
S40E10	Use of Kitchen - Fundraising events per <b>event</b>	225.44	257.00	212.28	242.00	6.20%
S40E11	Use of Kitchen - Non Fundraising	No charge	no vat	No charge	no vat	
<b>Note</b>	<b><i>Daytime = 07:00 - 17:00 // Evening = 18:00 - 24:00 (Charge seperately)</i></b>					
<b>S40J</b>	<b><u>Kleinmond Hall, &amp; Hawston Thusong Centre</u></b>					
S40J1	Deposit: (refundable) Funeral Teas, Church Services, Government Imbizos & Meetings.	466.00	no vat	440.00	no vat	5.91%
S40J2	Deposit: Hawston Thusong Centre	1 160.00	no vat	1 100.00	no vat	5.45%
S40J3	Fundraising: Karaoke, Disco, competitions, etc. per daytime or evening	562.28	641.00	530.71	605.00	5.95%
S40J4	Funeral Tea (three hours)	101.75	116.00	95.61	109.00	6.42%
S40J5	Government Imbizos (per day)	1 733.33	1 976.00	1 635.09	1 864.00	6.01%



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		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S40J6	Non-fundraising events for Schools, other training institutions and sport & recreation	204.39	233.00	192.98	220.00	5.91%
S40J7	Meetings: Government Departments (private meetings) & CBO's outside Municipal area per hour	248.25	283.00	234.21	267.00	5.99%
S40J8	Meetings: Local CBO's, NGO's per hour (only large groups > 30)	23.68	27.00	21.93	25.00	7.98%
S40J9	Non-fundraising: Parties, weddings, indoor sports, etc. per hour	112.28	128.00	106.14	121.00	5.78%
S40J10	Sound OR Ligthing Equipment per event (each item) per hour	85.97	98.00	80.70	92.00	6.52%
S40J11	Use of kitchen (per event per day)	270.18	308.00	255.26	291.00	5.84%
S40J12	Use of kitchen (per event per day) - Welfare, churches, non-profit organizations	270.18	308.00	255.26	291.00	5.84%
<b>S43</b>	<b>RENTAL: HAWKERS' STALLS, OPEN SPACES &amp; BEACHES</b>					
<b>S43A</b>	<b><u>CBD</u></b>					
S43A1	All open stalls per day (demarcated area)(excluding Western Cape December Holiday plus Easter Weekend)	23.68	27.00	21.93	25.00	7.98%
S43A2	Open Stalls per day (Western Cape December Holiday plus Easter Weekend)	34.21	39.00	32.46	37.00	5.39%
<b>S43B</b>	<b><u>Outside the CBD</u></b>					
S43B1	Open Stalls Rental - Western Cape December Holiday plus Easter Weekend / pm	77.19	88.00	72.81	83.00	6.02%
S43B2	Open Stalls Rental - excluding Western Cape December Holiday plus Easter Weekend / pm	33.33	38.00	31.58	36.00	5.54%
<b>S43D</b>	<b><u>Public Open Space</u></b>					
S43D1	Car Park - Private Car Sales per day (demarcated areas)	30.70	35.00	28.95	33.00	6.04%
S43D2	Funfair, Circus etc per day	731.58	834.00	690.35	787.00	5.97%
S43D3	Welfare, churches, non-profit organizations	no charge	no vat	no charge	no vat	
S43D4	Sport Events per day	3 319.30	3 784.00	3 131.58	3 570.00	5.99%
<b>S43F</b>	<b><u>Beaches</u></b>					
S43F1	Beach Rentals - per day (Private functions)	1 069.30	1 219.00	1 008.77	1 150.00	6.00%
<b>S46</b>	<b>RENTAL: OFFICE</b>					
S46A	Rental per m <sup>2</sup> / pm	101.75	116.00	95.61	109.00	6.42%
S46A1	Rental per m <sup>2</sup> / pm (except the Hermanus area)	50.88	58.00	48.25	55.00	5.46%
S46A2	NGO's/NPO's per m <sup>2</sup> / pm	30.70	35.00	28.95	33.00	6.04%
S46B	Local Council Functions	no charge	no vat	no charge	no vat	
<b>S48</b>	<b>RENTAL: SPORT FACILITIES</b>					
<b>S48A</b>	<b><u>Spaces for Sport - Gansbaai</u></b>					
S48A1	Club House - per hour (private events)	141.23	161.00	133.33	152.00	5.93%
S48A2	Club House - Sport events (Overstrand Teams)	no charge	no vat	no charge	no vat	
S48A3	Club House - Sport Event - per hour	71.05	81.00	66.67	76.00	6.57%
S48A4	Sport grounds - Non Overstrand per event	1 391.23	1 586.00	1 312.28	1 496.00	6.02%
S48A6	Sport grounds - Functions/Events (excluding departmental events)	767.54	875.00	723.68	825.00	6.06%
S48A7	Gym fees per month	71.93	82.00	67.54	77.00	6.50%
<b>S48B</b>	<b><u>Overhills</u></b>					
S48B1	Sport grounds - Non Overstrand per event	1 391.23	1 586.00	1 312.28	1 496.00	6.02%
S48B2	Sport grounds - Functions/Events (excluding departmental events)	767.54	875.00	723.68	825.00	6.06%
<b>S49</b>	<b>RENTAL: UNDEVELOPED SERVICED ERVEN</b>					
S49A	Wetcore Stands (Social Housing) - rent per month	28.07	32.00	26.32	30.00	6.65%
<b>S50</b>	<b>SCHUSS HOUSES KLEINMOND (Meerenvlei)</b>					

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		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S50A	Rent per month	833.33	950.00	785.97	896.00	6.03%
<b>S55</b>	<b>SUNDRY</b>					
S55A	Access to Information as per Act (2 of 2000) - Tariffs	As Stipulated in the Act	As Stipulated in the Act	As Stipulated in the Act	As Stipulated in the Act	
S55B1	Administration Cost - RD ACB	59.65	68.00	56.14	64.00	6.25%
S55B2	Administration Cost - RD cheques ,Post Dated Cheques	actual cost + R40.35	actual cost + R46.00	actual cost + R37.72	actual cost + R43.00	6.98%
S55B3	Administration Cost - Trace of Direct Deposit	81.58	93.00	77.19	88.00	5.69%
S55C	Copies of Council Agendas and Minutes per annum	1 162.28	1 325.00	1 096.49	1 250.00	6.00%
S55D1	Copies: A3 page	3.51	4.00	3.33	3.80	5.50%
S55D2	Copies: A3 page Colour	7.02	8.00	7.02	8.00	0.00%
S55D3	Copies: A4 page	1.75	2.00	2.63	3.00	-33.46%
S55D4	Copies: A4 page Colour	4.39	5.00	5.26	6.00	-16.54%
S55E	Foreign Bank Cost	actual cost	actual vat	actual cost	actual vat	
S55F1	Fax per page - excluding 0865/6 numbers	3.95	4.50	3.68	4.20	7.34%
S55F2	Fax per page - 0865/6 numbers	6.75	7.70	6.40	7.30	5.50%
S55G1	Interest on accounts in arrear	prime + 4%	no vat	prime + 4%	no vat	
S55G2	Placard / Poster Deposit for Elections	3 850.00	no vat	3 630.00	no vat	6.06%
S55G4	Placard / Poster Deposit for Political Parties	3 850.00	no vat	3 630.00	no vat	6.06%
S55H	Placard / Poster each	13.51	15.40	12.72	14.50	6.21%
S55I	Duplicate Account	6.75	7.70	6.32	7.20	6.80%
S55J	Section 62 of local Government: Systems Act: appeal deposit (refundable if appeal is upheld)	2 710.00	no vat	2 560.00	no vat	5.86%
S55K1A	Tender objection deposit (refundable if appeal is upheld)	2 710.00	no vat	2 560.00	no vat	5.86%
S55k1B	Tender objection deposit (partially upheld - refundable)	1 350.00	no vat	1 280.00	no vat	5.47%
S55K2	Tender documentation Administration Fee: (less than 20 pages)	27.19	31.00	25.44	29.00	6.88%
S55K3	Tender documentation Administration Fee: (more than 21 pages less than 50 pages)	146.49	167.00	138.60	158.00	5.69%
S55K4	Tender documentation Administration Fee: (more than 50 pages)	585.97	668.00	552.63	630.00	6.03%
S55L	Advertising Signs Auctioneers per 14days	416.67	475.00	392.98	448.00	6.03%
S55K1	Laminated Cost A3	5.26	6.00	4.83	5.50	9.02%
S55K2	Laminated Cost A4	2.63	3.00	2.46	2.80	6.91%
<b>S60</b>	<b>SWIMMING POOL</b>					
<b>S60A</b>	<b>Daily Tariffs</b>					
S60A1	Adults - per person per DAY or part of a day	8.77	10.00	7.90	9.00	11.08%
S60A2	Children (< 16years) per child per day or part of a day	No Charge	no vat	No Charge	no vat	
S60A4	Galas	85.96	97.99	80.70	92.00	6.52%
S60A5	Training sessions (Schools & Clubs) per season	135.09	154.00	127.19	145.00	6.21%
<b>S60B</b>	<b>Peak time Tariffs (Hourly tariffs) (Western Cape December Holiday plus Easter Weekend)</b>					
S60B1	Adults - per person per hour or part of a hour	0.88	1.00	0.97	1.10	-8.81%
S60B2	Children (< 16years) per child per day or part of a day	No Charge	no vat	No Charge	no vat	
<b>S65</b>	<b>TOP MANAGEMENT CONSULTATIONS</b>					
S65A1	Consultation Fee (Top Management) per hour	787.72	898.00	742.98	847.00	6.02%
<b>S72</b>	<b>TOWN PLANNING: APPLICATION FEES</b>					
S72A	Amendment of application and conditions and plans of submission	1 912.28	2 180.00	1 804.39	2 057.00	5.98%

## OVERSTRAND MUNICIPALITY

## SUNDRY TARIFF LIST

Tariff Code	Detail	2016/2017		2015/2016		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S72B	Application for amendment of SDF	2 250.00	2 565.00	2 122.81	2 420.00	5.99%
S72F	<b><u>Removal of Title Deed Restrictions</u></b>					
S72F1	Erven 300 m <sup>2</sup> and smaller	418.42	477.00	394.74	450.00	6.00%
S72F2	Erven <b>larger</b> than 300 m <sup>2</sup>	3 185.97	3 632.00	3 006.14	3 427.00	5.98%
<b>S72G</b>	<b><u>Consolidations</u></b>					
S72G1	Erven 300 m <sup>2</sup> and <b>smaller</b>	394.74	450.00	371.93	424.00	6.13%
S72G2	Erven <b>larger</b> than 300 m <sup>2</sup>	2 250.00	2 565.00	2 122.81	2 420.00	5.99%
<b>S72H</b>	<b><u>Subdivision (cumulative)</u></b>					
S72H1	up to 5 erven	4 387.72	5 002.00	4 139.48	4 719.00	6.00%
S72H2	6 to 10 erven	5 175.44	5 900.00	4 882.46	5 566.00	6.00%
S72H3	More than 10	7 313.16	8 337.00	6 899.12	7 865.00	6.00%
S72I1	Application for Consent Uses/Special Use/Occupational Use/Additional Consent	2 250.00	2 565.00	2 122.81	2 420.00	5.99%
S72I1	Application for Consent Uses/Special Consent (Erven 300m <sup>2</sup> and smaller)	473.68	540.00	446.49	509.00	6.09%
S72J	<b><u>Application for Rezoning</u></b>					
S72J1	Erven 300 m <sup>2</sup> and <b>smaller</b>	473.68	540.00	446.49	509.00	6.09%
S72J2	Erven <b>between</b> 301m <sup>2</sup> and 5000 m <sup>2</sup>	3 713.16	4 233.00	3 502.63	3 993.00	6.01%
S72J3	Erven <b>larger</b> than 5000 m <sup>2</sup>	5 175.44	5 900.00	4 882.46	5 566.00	6.00%
S72K	<b><u>Departure</u></b>					
S72K1A	Application for Departure	2 250.00	2 565.00	2 122.81	2 420.00	5.99%
S72K1B	Application for Departure (Erven 300m <sup>2</sup> and smaller)	371.93	424.00	371.93	424.00	0.00%
S72K2	<b><u>Application for Departure (Building Lines)</u></b>					
S72K2A	Erven 300 m <sup>2</sup> and <b>smaller</b>	429.83	490.00	405.26	462.00	6.06%
S72L	<b><u>Appeal deposit in terms of Section 78(2) of the Bylaw on Municipal Land Use Planning (refundable if appeal is upheld)</u></b>					
S72L1	Erven 300 m <sup>2</sup> and <b>smaller</b>	500.00	no VAT	new	new	
S72L2	Erven <b>larger</b> than 300m <sup>2</sup>	2 700.00	no VAT			
S72M	Amendment of site development plan, Constitution/Architectural Guidelines	1 635.96	1 864.99	1 543.86	1 760.00	5.97%
S72N	<b><u>Determination of Zoning</u></b>					
S72N1	Erven 300m <sup>2</sup> and <b>smaller</b>	473.68	540.00	446.49	509.00	6.09%
S72N2	Erven 301m <sup>2</sup> - 5000m <sup>2</sup>	3 713.16	4 233.00	3 502.63	3 993.00	6.01%
S72N3	Erven <b>larger</b> than 5000m <sup>2</sup>	5 175.44	5 900.00	4 882.46	5 566.00	6.00%
S72N4	Disestablishment of HOA	2 250.00	2 565.00	2 122.81	2 420.00	5.99%
S72P	<b><u>Relaxation of Title Deed</u></b>					
S72P1	Erven 300m <sup>2</sup> and <b>smaller</b>	393.86	449.00	371.93	424.00	5.90%
S72P2	Erven <b>larger</b> than 300m <sup>2</sup>	2 239.47	2 553.00	2 122.81	2 420.00	5.50%
S72Q	<b><u>Permission in terms of Zoning Scheme</u></b>					
S72Q1	Erven 300m <sup>2</sup> and <b>smaller</b>	392.98	448.00	371.93	424.00	5.66%

**OVERSTRAND MUNICIPALITY**

**SUNDRY TARIFF LIST**

Tariff Code	Detail	2016/2017		2015/2016		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S72Q2	Erven between 300m²	2 250.00	2 565.00	2 122.81	2 420.00	5.99%
S72Q3	Closure of Public Place/Part thereof	5 175.44	5 900.00	4 882.46	5 566.00	6.00%
S72R	Extention of Time	597.37	681.00	563.16	642.00	6.07%
<b>S75</b>	<b>TOWN PLANNING: LAND USE PLANNING FEE</b>					
S75A1	Advertising Costs Government Gazette	3 150.00	3 591.00	2 971.93	3 388.00	5.99%
S75A2	Advertising Costs Local newspapers	3 150.00	3 591.00	2 971.93	3 388.00	5.99%
S75A2	Advertising Costs Local Newspaper (Removal of Restriction only)	10 526.00	12 000.00	new	new	
S75A3	Advertising Costs - Placing of Final Notice in the Government Gazette	2 045.61	2 332.00	1 929.83	2 200.01	6.00%
S75B	Regulations of Zoning schemes	371.93	424.00	350.88	400.00	6.00%
S75C	Spatial Development Framework	878.07	1 001.00	828.07	944.00	6.04%
S75D	Zoning Certificate	225.44	257.00	212.28	242.00	6.20%
S75E	Registered Letters - more than 10 letters, applicant to pay applicable tariffs according to the South African Post Office Rates	applicable rate	applicable vat	applicable rate	applicable vat	
S75F	CD - Planning Documents	371.93	424.00	350.88	400.00	6.00%
<b>S80</b>	<b>TRAFFIC</b>					
<b>S80J</b>	<b>Business &amp; Other Events</b>					
S80J1	Per officer per hour or part thereof - Mon - Sat	393.86	449.00	371.93	424.00	5.90%
S80J2	Per officer per hour or part thereof - Sundays and public Holidays	450.00	513.00	424.56	484.00	5.99%
S80J4	Administrative fee for provision of officers - per application	112.28	128.00	106.14	121.00	5.78%
<b>S80K</b>	<b>Removal of Vehicles/Towing Fee</b>					
S80K1	Removal of Vehicles per vehicle	945.61	1 078.00	892.11	1 017.01	6.00%
S80K2	Storage Fees per day	259.65	296.00	244.74	279.00	6.09%
S80K3	Towing Charge	Cost plus 15%	applicable vat	Cost plus 15%	applicable vat	
S80K4	Wheel Clamping per vehicle	247.37	282.00	233.51	266.20	5.94%
<b>S80L</b>	<b>Traffic Cones</b>					
S80L1	Hire of Traffic Cones per Cone per day	57.02	65.00	53.51	61.00	6.56%
<b>S80P</b>	<b>Disabled Parking Token</b>					
S80P1	Disabled Parking Token per application - valid for 2year period	102.63	117.00	96.49	110.00	6.36%

**OVERSTRAND MUNICIPALITY**

**REFUSE (SOLID WASTE)**

Tariff Code	Detail	2016/2017		2015/2016	
		Exclude VAT	Include VAT	Exclude VAT	Include VAT
<b>SAN1</b>	<b>REFUSE REMOVAL (1 removal per week of 4 bags or 1X240 Bin)</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
	<b><u>DOMESTIC WASTE</u></b>				
SAN1A	Residential (All registered erven/unit with approved building plan) 1 x removal per week (R/Month)	146.49	167.00	137.99	157.30
SA1A2	Residential Indigent (All registered erven/unit with approved building plan) 1 x removal per week (R/Month)	146.49	167.00	137.99	157.30
	<b><u>BUSINESS WASTE</u></b>				
SAN1C	Commercial/Businesses (Hostels, Old Age Homes, Caravan Sites, Semi-permanent Resorts etc) (R/Month)	146.49	167.00	137.99	157.30
SA1N1	Bulk Container 240L (Wheeley bin) (R/Month) 1 X per week (if available)	146.49	167.00	137.99	157.30
SAN1N	Bulk Container 240L (Wheeley bin) (R/Month) 2 X per week (if available)	292.98	334.00	275.97	314.60
SA1N3	Bulk Container 240L (Wheeley bin) (R/Month) 3 X per week CBD (if available)	439.47	501.00	413.95	471.90
SA1N4	Bulk Container 240L (Wheeley bin) (R/Month) 4 X per week CBD (if available)	585.97	668.00	551.93	629.20
SA1N2	Bulk Container 240L (Wheeley bin) (R/Month) 5 X per week CBD (if available)	732.46	835.00	689.91	786.50
SAN1O	Camphill Route (R/Month) (If available)	1 149.12	1 310.00	1 084.21	1 236.00
SAN1P	Additional Removals per week on <b>Saturday</b> per Bin (R/Month) per removal	219.74	250.50	206.98	235.95
SA1P1	Additional Removals on request Central Town (CBD) per bin (R/Month) (Sunday or Public Holidays) per removal	292.98	334.00	275.97	314.60
SA1Q1	Caravan Sites, Chalets, Semi-permanent & Resorts (R/Month) (Uilenskraalmond Vakansieoord; Franskraal Vakansieoord; Pearly Beach Camp, Micheal Fuchs Guesthouse) <b>NO REMOVAL (per unit/site)</b>	46.93	53.50	44.35	50.56
SAN1R	Departmental Consumption (Municipal Consumption per removal site per month)	125.44	143.00	118.27	134.83
SAN1U	Schools (R/Month)	146.49	167.00	137.99	157.30
SAN1T	Removal outside service area (per removal per hour) (If available)	1 097.37	1 251.00	1 034.90	1 179.78
SAN1V	Single Quarters & Transit Camps per unit	47.02	53.60	44.35	50.56
SAN1W	Guesthouses, Bed & Breakfast (R/Month)	146.49	167.00	137.99	157.30
SAN1X	Removal of food waste for safe disposal (R/per Collection)	291.23	332.00	new tariff	new tariff
<b>SAN2</b>	<b><u>SELF DUMPING TRANSFER STATIONS &amp; DUMPING SITES:</u></b>				
SA2A1	Vehicles up to 1 Ton per vehicle load capacity clean builders rubble admission to transfer station	no Charge	no Charge	no Charge	no Charge

**OVERSTRAND MUNICIPALITY**

**REFUSE (SOLID WASTE)**

Tariff Code	Detail	2016/2017		2015/2016		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
SA2A2	Vehicles up to 1 Ton per vehicle load capacity - mixed builders rubble NO ADMISSION to Transfer Station. Only to landfill as per tariff SA2B - SA2B11	applicable tariff	applicable VAT	applicable tariff	applicable VAT	
SA2B	Vehicles up to 1 Ton per vehicle load capacity	no Charge	no Charge	no Charge	no Charge	
SA2B1	Vehicles >1 & up to 2 Ton per vehicle load capacity	212.28	242.00	200.00	228.00	6.14%
SA2B2	Vehicles >2 & up to 3 Ton per vehicle load capacity	318.42	363.00	300.00	342.00	6.14%
SA2B3	Vehicles >3 & up to 4 Ton per vehicle load capacity	424.56	484.00	400.00	456.00	6.14%
SA2B4	Vehicles >4 & up to 5 Ton per vehicle load capacity	530.70	605.00	500.00	570.00	6.14%
SA2B5	Vehicles >5 & up to 6 Ton per vehicle load capacity (no admission to transfer station, only to dumping sites)	636.84	726.00	600.00	684.00	6.14%
SA2B6	Vehicles >6 & up to 7 Ton per vehicle load capacity (no admission to transfer station, only to dumping sites)	742.98	847.00	700.00	798.00	6.14%
SA2B7	Vehicles >7 & up to 8 Ton per vehicle load capacity (no admission to transfer station, only to dumping sites)	849.12	968.00	800.00	912.00	6.14%
SA2B8	Vehicles >8 & up to 9 Ton per vehicle load capacity (no admission to transfer station, only to dumping sites)	955.26	1 089.00	900.00	1 026.00	6.14%
SA2B9	Vehicles >9 & up to 10 Ton per vehicle load capacity (no admission to transfer station, only to dumping sites)	1 061.40	1 210.00	1 000.00	1 140.00	6.14%
SA2B11	Vehicles >10 Ton per vehicle load capacity (no admission to transfer station, only to dumping sites)	1 273.68	1 452.00	1 200.00	1 368.00	6.14%
SA2C	Dumping at Karwyderskraal Landfill Site by other municipalities and external parties, per Ton	128.95	147.00	122.00	139.08	5.70%
<b>SAN3</b>	<b><u>WEIGHT BRIDGE</u></b>					
SAN3A	As per tariff SA2B - SA2B11 per weighed load	applicable tariff	applicable VAT	new tariff	new tariff	
<b>SAN4</b>	<b><u>BASIC FEE REFUSE SERVICE (Erven without approved building plans)</u></b>					
SAN4A	All registered erven without approved building plans (R/Month)	73.25	83.50	68.98	78.64	6.18%
<b>SAN5</b>	<b><u>SUNDRIES</u></b>					
SAN5A	Rental of Bulk Container per day (including disposal)	77.19	88.00	72.99	83.21	5.75%
SAN5B	Deposit - rental of bulk containers per 4 bins or less	590.00	no vat	560.00	no vat	5.36%
SAN5C	Asbestos Sheet - per unit	55.26	63.00	52.26	59.57	5.75%
SAN5D	Baboon Resistant 240L Wheeley bin with lock delivered to homes - projects	789.47	900.00	818.06	932.58	-3.49%

**THE REFUSE REMOVAL TARIFF IS MADE UP AS FOLLOWS: REMOVAL 40%, DISPOSAL 10% AND A BASIC FEE OF 50%**

## OVERSTRAND MUNICIPALITY

## SEWER TARIFF LIST

Tariff Code	Detail	2016/2017		2015/2016		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
<b>SE7A</b>	<b>SEWERAGE - SINGLE AND INTERMEDIATE RESIDENTIAL</b> <b>Conventional Sewers, small bore sewers and conservancy tanks)</b>	<b>(Dwelling house and Duplex flats,</b>				
SE7A1	0 - 35kl per kl (based on 70% of 50kl water usage) - per unit per month , Conservancy tank service only during office hours per month. For after hours service, refer to tariff SE9B.	11.54	13.15	10.88	12.40	6.02%
	<b>SEWERAGE - REGISTERED INDIGENT HOUSEHOLDS</b>					
SE7A4	0 - 4.2 kl - <b>subsidised</b>	11.54	13.15	10.88	12.40	6.02%
SE7A5	4.3 - 35kl per kl (based on 70% of 50kl water usage) - per unit per month , Conservancy tank service only during office hours per month. For after hours service, refer to tariff SE9B.	11.54	13.15	10.88	12.40	6.02%
<b>SE7B</b>	<b>SEWERAGE - GENERAL RESIDENTIAL (Blocks of flats and Residential Buildings)</b>					
SE7B1	0 - 45kl per kl (based on 90% of 50kl water usage) per unit per month	11.54	13.15	10.88	12.40	6.02%
<b>SE7C</b>	<b>SEWERAGE - GUEST HOUSE; BED &amp; BREAKFAST ESTABLISHMENTS</b>					
SE7C1	per kl (based on 70% of water usage) per unit per month	11.54	13.15	10.88	12.41	5.99%
<b>SE7D</b>	<b>CONSUMPTION - ALL OTHER (Including Commercial, Industrial, School, Sport, etc)</b>					
SE7D1	per kl (based on 90% of water usage) per unit per month - this percentage may be adjusted according to the Tariff Policy after investigation	11.54	13.15	10.88	12.40	6.02%
<b>SE7E</b>	<b>CONSUMPTION - DEPARTMENTAL</b>					
SE7E1	0 - 35 kl per kl (based on 70% of 50kl water usage) per unit per month	11.54	13.15	10.88	12.40	6.02%
<b>SE8</b>	<b>BASIC CHARGE</b>					
SE8A	Basic Monthly Charge Developed sites per erf/unit per month	102.63	117.00	96.61	110.13	6.24%
SE8B	Basic Monthly Charge Undeveloped sites - can not connect to the network per erf/unit per month	69.30	79.00	65.09	74.20	6.48%
SE8C	Basic Monthly Charge Undeveloped sites - can connect to the network per erf/unit per month	122.81	140.00	116.23	132.50	5.66%
SE8D	Basic Monthly Charge Developed sites - with a septic Tank per erf/unit per month	69.30	79.00	65.09	74.20	6.48%
SE8E	Basic Monthly Charge - Low Cost Housing & Single Quarters per erf/unit per month	69.30	79.00	65.09	74.20	6.48%
	<b>Infrastructure</b>					
SE8F	Fixed Infrastructure Basic Charge per erf/unit per month	9.60	10.94	9.60	10.94	0.00%
<b>SE9</b>	<b>OTHER SEWERAGE CHARGES</b>					
SE9A	<b><u>Vacuum Tanker Service for users not paying tariffs SE7 above - PROVIDED ON REQUEST</u></b>					
SE9A1	Vacuum Tanker Service provided on request < 6kl (per 6kl or part thereof)	471.05	537.00	444.46	506.68	5.98%
SE9A2	Vacuum Tanker Service provided on request < 5kl (per 5kl or part thereof)	471.05	537.00	444.46	506.68	5.98%
SE9A4	Vacuum Tanker Service provided on request > 6kl (per 6kl or part thereof)	471.05	537.00	444.46	506.68	5.98%



**OVERSTRAND MUNICIPALITY**

**SEWER TARIFF LIST**

Tariff Code	Detail	2016/2017		2015/2016		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
SE9A5	Call out fee for Tank Service request but no service due to another defect	471.05	537.00	444.46	506.68	5.98%
SE9A6	More than 3 pipes an additional fee per pipe for users not paying tariff SE7 above	69.30	79.00	65.09	74.20	6.48%
SE9BA	<b><u>After Hours Vacuum Tanker Service - PROVIDED ON REQUEST</u></b>					
SE9B1	After Hours - per request < 6kl (per 6kl or part thereof)	942.11	1 074.00	888.92	1 013.36	5.98%
SE9B2	After Hours - per request > 6kl (per 6kl or part thereof)	942.11	1 074.00	888.92	1 013.36	5.98%
SE9B3	After Hours - per request < 5kl (per 5kl or part thereof)	942.11	1 074.00	888.92	1 013.36	5.98%
SE9B2	After Hours Businesses with Public Toilets per removal	283.33	323.00	266.85	304.21	6.18%
SE9C	<b><u>Vacuum Tanker Service outside urban areas - PROVIDED ON REQUEST</u></b>					
SE9C1	Normal Applicable Tariff (SE9A1 or SE9A2 or SE9A4) PLUS additional per hour <b>PLUS SE9C2</b>	283.33	323.00	266.85	304.21	6.18%
SE9C2	Normal ApplicableTariff (SE9A2) plus additional per km	13.82	15.75	13.02	14.84	6.14%
	<b><u>After Hours for Vacuum Tanker Service outside urban areas - PROVIDED ON REQUEST</u></b>					
SE9C6	After Hours Applicable Tariff (SE9B1 or SE9B2 or SE9B3) <b>PLUS additional per hour PLUS SE9C7</b>	283.33	323.00	266.85	304.21	6.18%
SE9C7	After Hours Applicable Tariff (SE9B2) plus additional per km	13.82	15.75	13.02	14.84	6.14%
<b>SE10</b>	<b>SUNDRY CHARGES</b>					
SE9D	<b><u>Testing and Connection Fees</u></b>					
SE9D1	Testing of the septic and conservancy tanks per test	1 225.44	1 397.00	1 156.14	1 318.00	5.99%
SE9D2	Smallbore sewerage connection fee + tank test	5 625.44	6 413.00	5 307.02	6 050.00	6.00%
SE9D3	Sewer Connection	4 214.91	4 805.00	3 976.32	4 533.00	6.00%
SE9E	<b><u>Disposal</u></b>					
SE9E1	Charge per kl or part thereof	61.40	70.00	57.90	66.00	6.05%
<b>SE11</b>	<b>ILLEGAL CONNECTION / TAMPERING FEE</b>					
SE11A	1st Offence	5 780.00	no vat	new	new	
SE11B	2 nd Offence (SE11A X 2)	11 560.00	no vat	new	new	
<b>The cut off time for service delivery on the same day will be at 15:00. Any requests for tanker services after 15:00 will be charged at the after hour rate or will stand over untill the next working day.</b>						
<b>DC3</b>	<b>BULK SERVICES DEVELOPMENT FEES</b>					
	Development Contributions will be determined as set out in the Annexure in respect of Development Contribution Policy					



**OVERSTRAND MUNICIPALITY**

**ELECTRICITY**

Tariff Code	Detail		2016/2017		2015/2016		
			Exclude VAT	Include VAT	Exclude VAT	Include VAT	
ED	CONSUMER DEPOSITS						
ED1	Large Power User Group tariff E5 (excluding Kleinmond)	R	0.00	no vat	0.00	no vat	0.00%
ED2	Large Power User Group tariff E5 Kleinmond 2 weeks highest average consumption	R	calculated	no vat	calculated	no vat	
ED3	Domestic & Commercial Single Phase Credit Meter (Two Part Tariff) Electricity	R	2 000.00	no vat	4 674.25	no vat	-57.21%
ED4	Domestic Three Phase Credit Meter (Two Part Tariff)- Electricity	R	3 500.00	no vat	7 891.03	no vat	-55.65%
ED5	Commercial Three Phase Credit Meter (Two Part Tariff) - Electricity	R	8 000.00	no vat	9 227.33	no vat	-13.30%
ED6	Domestic & Commercial Single Phase Pre-paid (Two Part Tariff) - Electricity	R	460.00	no vat	449.44	no vat	2.35%
ED7	Domestic & Commercial Three Phase Pre-paid (Two Part Tariff) - Electricity	R	920.00	no vat	1 382.24	no vat	-33.44%
ED8	Deposit - Registered Indigent	R	150.00	no vat	146.28	no vat	2.54%
EDD	Deposit Defaulters						
EDD1	Large Power User Group tariff E5 : Two Times average consumption during the preceding 12 months	R	calculated	no vat	calculated	no vat	
EDD2	Domestic & Commercial Single Phase Credit Meter (Two Part Tariff) Electricity : Two Times average consumption during the preceding 12 months	R	calculated	no vat	calculated	no vat	
EDD3	Domestic Three Phase Credit Meter (Two Part Tariff)- Electricity : Two Times average consumption during the preceding 12 months	R	calculated	no vat	calculated	no vat	
EDD4	Commercial Three Phase Credit Meter (Two Part Tariff) - Electricity : Two Times average consumption during the preceding 12 months	R	calculated	no vat	calculated	no vat	
EF	FIXED CHARGES						
EF1	Infrastructure Charge per Meter per month	R	16.65	18.98	16.65	18.98	0.00%
E1	SINGLE PHASE : DOMESTIC						
E1A	Two-Part Tariff: Credit meters up to 60 Amp (13.8 kVA BDMD) (Including Resorts)						
E1A1	Basic Monthly charge per meter	R	254.78	290.45	216.83	247.19	17.50%
	kWh Unit cost						
E1A2	IBT BLOCK 1 0 - 350 kWh	c	108.74	123.97	107.67	122.74	1.00%
E1A3	IBT BLOCK 2 351 - 600 kWh	c	157.02	179.00	145.88	166.30	7.64%
E1A4	IBT BLOCK 3 > 600 kWh	c	189.25	215.74	175.82	200.43	7.64%
E1B	Two-Part Tariff: Pre-paid up to 60 Amp (13.8 kVA BDMD) (Including Resorts)						
E1B1	Basic Monthly charge per meter	R	254.78	290.45	216.83	247.19	17.50%
	kWh Unit cost						
E1B2	IBT BLOCK 1 0 - 350 kWh	c	100.45	114.51	99.45	113.38	1.00%
E1B3	IBT BLOCK 2 351 - 600 kWh	c	147.96	168.68	137.46	156.71	7.64%
E1B4	IBT BLOCK 3 > 600 kWh	c	181.91	207.37	169.00	192.66	7.64%
E1C	SINGLE PHASE : COMMERCIAL						
E1C1	Basic Monthly charge per meter	R	254.78	290.45	216.83	247.19	17.50%
E1C2	kWh Unit cost - Credit Meters	c	158.42	180.60	149.45	170.37	6.00%
E1C3	Kwh Unit cost - Pre-paid meters	c	149.28	170.18	140.83	160.55	6.00%
E1D	Life Line One part tariff (Pre-paid meters only) ≤ 30 Amp with Maximum consumption of 350 kWh with average measured over twelve month period. Only available to Informal dwellings						

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Tariff Code	Detail		2016/2017		2015/2016		
			Exclude VAT	Include VAT	Exclude VAT	Include VAT	
	kWH Unit cost						
E1D1	IBT BLOCK 1 0 - 350 kWh	c	99.61	113.56	98.62	112.43	1.00%
E1E	One part tariff (Pre-paid meters only) Local Economic Development Projects						
	kWH Unit cost						
E1E1	IBT BLOCK 1 0 - 350 kWh	c	172.09	196.18	170.39	194.24	1.00%
E3	THREE PHASE: COMMERCIAL & DOMESTIC						
E3E	Two-Part Tariff: Credit up to 100A (70 kVA BDMD) DOMESTIC						
E3E1	Basic Monthly charge per meter	R	509.56	580.90	433.67	494.38	17.50%
	kWH Unit cost						
E3E2	IBT BLOCK 1 0 - 350 kWh	c	108.74	123.97	107.67	122.74	1.00%
E3E3	IBT BLOCK 2 351 - 600 kWh	c	157.02	179.00	145.88	166.30	7.64%
E3E4	IBT BLOCK 3 > 600 kWh	c	189.25	215.74	175.82	200.43	7.64%
E3E	Two-Part Tariff: Pre-paid up to 100A (70 kVA BDMD) DOMESTIC						
E3E5	Basic Monthly charge per meter	R	509.56	580.90	433.67	494.38	17.50%
	kWH Unit cost						
E3E6	IBT BLOCK 1 0 - 350 kWh	c	100.45	114.51	99.45	113.38	1.00%
E3E7	IBT BLOCK 2 351 - 600 kWh	c	147.96	168.68	137.46	156.71	7.64%
E3E8	IBT BLOCK 3 > 600 kWh	c	181.91	207.37	169.00	192.66	7.64%
E3E	Two-Part Tariff: Credit up to 100A (70 kVA BDMD) COMMERCIAL						
E3E9	Basic Monthly charge per meter	R	509.56	580.90	433.67	494.38	17.50%
E3E10	kWH Unit cost	c	150.09	171.10	141.59	161.41	6.00%
E3E	Two-Part Tariff: Pre-paid up to 100A (70 kVA BDMD) COMMERCIAL						
E3E11	Basic Monthly charge per meter	R	509.56	580.90	433.67	494.38	17.50%
E3E12	kWH Unit cost	c	149.28	170.18	140.83	160.55	6.00%
E3G	One-Part Tariff: Pre-paid only; up to 100A (70 kVA BDMD)						
E3G1	kWH Unit cost	c	190.26	216.90	176.76	201.51	7.64%
E5	TIME OF USE TARIFF						
	Service Charge (per month) for MV and LV consumers						
E5A1	Administrative and Service Charge per month	R	2 513.96	2 865.91	2 335.53	2 662.50	7.64%
E5A2	Network Demand Charge kVA: Utilised capacity	R	23.68	27.00	22.00	25.08	7.64%
E5A3	Network Capacity Charge kVA: Notified Maximum Demand (NMD)	R	18.84	21.48	17.50	19.95	7.66%
	Medium Voltage Metering Points (11000V) > 500kVA						
E5A4	Off Peak kWh Unit Charge	c	43.06	49.08	40.00	45.60	7.64%
E5A5	Standard kWh Unit Charge	c	77.50	88.35	72.00	82.08	7.64%
E5A6	Peak kWh Unit Charge	c	251.88	287.14	234.00	266.76	7.64%
	Low Voltage Metering Points (400V) >70kVA ≤ 500kVA						
E5A7	Off Peak kWh Unit Charge	c	46.29	52.77	43.00	49.02	7.64%
E5A8	Standard kWh Unit Charge	c	80.73	92.03	75.00	85.50	7.64%

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			Exclude VAT	Include VAT	Exclude VAT	Include VAT	
E5A9	Peak kWh Unit Charge	c	255.11	290.82	237.00	270.18	7.64%
	<b>Sundry Charges</b>						
E5A10	Exceed NOTIFIED MAXIMUM DEMAND (NMD) per kVA Per month	R	907.90	1 035.00	860.45	980.91	5.51%
<b>E6</b>	<b>SUBSIDIZED TARIFFS: Grant to be shown separately</b>						
<b>E7</b>	<b>PUBLIC LIGHTING</b>						
E7A1	Streetlights (metered) per kWh	c	68.20	77.75	64.34	73.35	6.00%
E7A2	Streetlights (consumption) (R per 100watt /per month)	R	23.92	27.27	22.57	25.73	6.00%
E7A5	Illuminated street sign boards per month	R	23.92	27.27	22.57	25.73	6.00%
<b>E8</b>	<b>CASUAL SUPPLIES</b>						
E8A1	Per connection includes disconnection excluding hire of kiosk	R	912.28	1 040.00	865.04	986.15	5.46%
E8A2	Consumption per day/CB Ampere size (per amp) if not metered	R	6.68	7.61	6.20	7.07	7.64%
E8A3	Hire of temporary distribution kiosk, per kiosk, per occasion	R	357.02	407.00	337.72	385.00	5.71%
E8A4	Deposit (Usage will be subtracted)	R	1 230.00	no vat	1 166.00	no vat	5.49%
E8A5	One part tariff : Prepaid or Credit Casual Supply	c	187.37	213.60	NEW	NEW	
<b>E9</b>	<b>AVAILABILITY CHARGES</b>						
E9A1	Availability charge per vacant plot per month	R	254.78	290.45	216.83	247.19	17.50%
E9A2	Infrastructure per vacant plot per month	R	16.65	18.98	16.65	18.98	0.00%
<b>E10</b>	<b>SUNDRY CHARGES</b>						
E10A1	Call-out Fee - office hours (Based on 2 hours for electr & assist + 30km)	R	583.56	665.26	541.32	617.10	7.80%
E10A2	Call-out Fee - after hours: Weekdays & Saturdays (Based on 2 hrs (time and a half) for electr & assist + 30km)	R	819.08	933.75	817.28	931.70	0.22%
E10A3	Call-out Fee - after hours: Sundays & Public Holidays (Based on 2 hrs (double time) for electr & assist + 30km)	R	1 054.62	1 202.27	1 082.63	1 234.20	-2.59%
E10A4	MV. Switching on Council's equipment office hours (Based on 3 hours for superintendent & electr + 60km)	R	1 699.65	1 937.60	1 613.33	1 839.20	5.35%
E10A5	MV. Switching on Council's equipment -after hours: Weekdays & Saturdays (Based on 3 hours (time and a half) for a superintendent and an electrician plus 60km)	R	2 436.98	2 778.16	2 420.00	2 758.80	0.70%
E10A6	MV. Switching on Council's equipment -after hours: Sundays & Public holidays (Based on 3 hours (double time) for a superintendent and an electrician plus 60km)	R	3 174.30	3 618.70	3 226.67	3 678.40	-1.62%
E10A7	Contractor Inspection 2nd	R	571.05	651.00	541.32	617.10	5.49%
E10A8	Contractor Inspection 3rd	R	862.28	983.00	817.28	931.70	5.51%
E10A9	Change of Circuit Breaker - S/Phase(1/annum) contact Electricity Department for approval (Based on Circuit Breaker cost + 1 hour for an electrician and assistant + 30km)	R	456.18	520.05	456.40	520.30	-0.05%
E10A10	Change of Circuit Breaker - 3 Phase(1/annum) contact Electricity Department for approval (Based on Circuit Breaker cost + 1 hour for an electrician and assistant + 30km)	R	1 164.03	1 326.99	902.19	1 028.49	29.02%
E10A11	Disconnection	R	279.83	319.00	265.35	302.50	5.45%
E10A12	Reconnection	R	279.83	319.00	265.35	302.50	5.45%
E10A13	Verification of a Meter Reading	R	279.83	319.00	265.35	302.50	5.45%
E10A14	Administration fee - recalculation due to no meter access	R	145.61	166.00	137.98	157.30	5.53%
E10A15	Test of Meter: 1 & 3 Phase (Conditionally Refundable)	R	515.79	588.00	488.25	556.60	5.64%
E10A16	Test of Meter: All other Meters (Conditionally Refundable)	R	1 064.04	1 213.00	1 008.33	1 149.50	5.52%

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			Exclude VAT	Include VAT	Exclude VAT	Include VAT	
E10A17	Tariff change - change between one part and two-part	R	190.35	217.00	180.44	205.70	5.49%
E10A18	Damage elect meter (based on meter cost + call out X 2)	R	1 914.23	2 182.22	1 695.00	1 932.30	12.93%
E10A19	Damage elect meter 3 phase (based on meter cost + call out X 2)	R	2 923.45	3 332.73	1 836.22	2 093.30	59.21%
E10A20	Replacement of CIU (Meter keypad) ( Based on keypad cost and call out fee)		963.61	1 098.52	847.37	966.00	13.72%
E10A21	Damage of Bulk meter (Based on 3 hours for a superintendent and electrician + 60km + bulk meter cost + modern cost)	R	6 707.63	7 646.70	9 393.42	10 708.50	-28.59%
E10A22	Change from Bulk to Time of Use (with existing bulk meter) + Deposit on request of user	R	571.05	651.00	541.32	617.10	5.49%
E10A23	Change from Bulk to Time of Use (without existing bulk meter) + Deposit	R	9 910.53	11 298.00	9 393.42	10 708.50	5.50%
E10A24	Commission of Bulk meter, supplied by customer (call out fee x 3)	R	1 750.68	1 995.78	1 634.56	1 863.40	7.10%
E10A25	Damage of HV Cable	R	cost + R31 914.00	Applicable Vat	cost + R30,250.00	Applicable Vat	5.50%
E10A26	Damage of MV Cable	R	cost + R 8 343.00	Applicable Vat	cost + R7,907.46	Applicable Vat	5.51%
E10A27	Damage of LV Cable	R	cost + R3,360.00	Applicable Vat	cost + R3,184.21	Applicable Vat	5.52%
E10A28	Damage of Service Connection Cable	R	cost + R840.00	Applicable Vat	cost + R796.05	Applicable Vat	5.52%
E10A29	Working without Way leave	R	4 306.14	4 909.00	4 081.00	4 652.34	5.52%
E10A30	Refundable Wayleave <b>deposit</b> for HV cables	R	61 507.00	no vat	58 300.00	no vat	5.50%
E10A31	Refundable Way leave <b>deposit</b> for MV cables	R	15 377.00	no vat	14 575.00	no vat	5.50%
E10A32	Refundable Way leave <b>deposit</b> for LV cables	R	3 322.00	no vat	3 148.20	no vat	5.52%
E10A33	Cancellation Fee of requested service	R	15% of Service Value	no vat	15% of Service Value	no vat	
E10A34	Erection and removal of Banners, signs & lights (per hour) (Vehicle cost + labour)	R	696.49	794.00	660.00	752.40	5.53%
<b>E12</b>	<b>CONVERSION OF METERS</b>						
E12A1	Convert Credit Meter to Pre-paid: SP (no cable work) (based on meter cost + call out)	R	1 330.67	1 516.96	934.03	1 064.80	42.47%
E12A2	Convert Credit Meter to Pre-paid: 3P (no cable work ) (based on meter cost + call out)	R	2 339.89	2 667.47	2 220.00	2 530.80	5.40%
E12A3	Convert Credit Three Phase to Singe Phase Pre-paid meter	R	1 201.75	1 370.00	1 138.60	1 298.00	5.55%
E12A4	Convert Credit Three Phase to Single Phase Credit (Commercial only)	R	907.02	1 034.00	859.74	980.10	5.50%
E12A5	Convert Pre-paid Single Phase to Three Phase Pre-paid (based on tariff E13A8) cost includes cable to boundary	R	R8,724 + ext fee	Applicable Vat	R8,724 + ext fee	Applicable Vat	10.00%
E12A6	Convert pre-paid Three phase to Single phase pre-paid (based on meter cost + call out + CB)	R	1 481.27	1 688.65	1 167.54	1 331.00	26.87%
E12A7	Removal of Meter (based on call out fee)		583.56	665.26	541.32	617.10	7.80%
E12A8	Repositioning of Meter (excl. cable ) (based on call out fee)	R	583.56	665.26	541.32	617.10	7.80%
E12A9	Repositioning of Meter (incl. cable ) (based on call out fee + 30m cable)	R	1 926.96	2 196.73	1 326.75	1 512.50	45.24%
<b>E13</b>	<b>SERVICE CONNECTIONS</b>						
E13A1	Builders connection (plus applicable service connection tariff)	R	739.47	843.00	700.53	798.60	5.56%
E13A4	Single Phase (Credit - 60A) option for Commercial users only (Based on 30m cable + meter cost + average labour cost + 15% admin fee)	R	5 248.69	5 983.51	4 723.25	5 384.50	11.12%
E13A6	Single Phase - (Pre-paid meters - 60A) applicable to Domestic users (Network Permitted) (Based on: 30m cable + meter cost + average labour cost + 15% admin fee)	R	5 248.69	5 983.51	4 723.25	5 384.50	11.12%
E13A7	Three Phase : (Credit - 60A) Plus Extension fee : Extension fee not applicable to Industrial erven up to 60 Amp (Based on 30m (25mm) cable + meter cost + average labour +circuit breaker + 15% admin fee)	R	R9692.66 + ext fee	Applicable Vat	R8,724.74 + ext fee	Applicable Vat	5.50%

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E13A8	Three Phase : (Pre-paid - 60A) Plus Extension fee : Extension fee not applicable to Industrial erven up to 60 Amp (Based on 30m (25mm) cable + meter cost + average labour +circuit breaker + 15% admin fee)	R	R9692.66 + ext fee	Applicable Vat	R8,724.74 + ext fee	Applicable Vat	5.50%
E13A9	Non Standard : Pre-paid 30 Amp Single phase (Sub economic connections) (Based on 30m (10mm) cable + meter cost + average labour cost + 15% admin fee)	R	4 873.68	5 556.00	2 865.79	3 267.00	70.06%
E13A10	Single Phase (Credit 60A- Developer install cable to boundary ) option for Commercial users only (Based on meter cost + call out fee + 15% admin fee)	R	1 530.27	1 744.51	1 326.75	1 512.50	15.34%
E13A11	Single Phase (Pre-paid 60A-Developer install cable to boundary) applicable to Domestic users (Network permitted) (Based on meter cost + call out fee + 15% admin fee)	R	1 530.27	1 744.51	1 231.22	1 403.60	24.29%
E13A12	Three Phase (Credit 60A- Developer install cable to boundary ) : Extension fee not applicable to Industrial erven up to 60 Amp (Based on meter cost + call out fee + 15% admin fee)	R	R2690.87 + ext fee	Applicable Vat	R2,706.57 + ext fee	Applicable Vat	5.52%
E13A13	Three Phase (Pre-paid 60A-Developer install cable to boundary) : Extension fee not applicable to Industrial erven up to 60 Amp (Based on meter cost + call out fee + 15% admin fee)	R	R2690.87 + ext fee	Applicable Vat	R2,706.57 + ext fee	Applicable Vat	5.48%
E13A14	Any other none standard connections		cost + 15% admin	Applicable vat	cost + 15% admin	Applicable vat	
<b>E14</b>	<b>ILLEGAL CONNECTION / TAMPERING FEE (Including damage or bypass of the DSM Hot Water Cylinder Control Unit)</b>						
E14A1	1 st Offence	R	3 409.00	no vat	3 230.70	no vat	5.52%
E14A2	2 nd Offence (E14A1 X 2)	R	6 818.00	no vat	6 461.40	no vat	5.52%
E14A3	3 rd Offence and re-occurrence (Disconnection of service and remedial action fee = double previous offence fee)		Previous offence amount X 2	Applicable Vat	Previous offence amount X 2	Applicable Vat	
E14A4	Unsafe / Illegal leads (per visit ) (reconnection fee included)	R	1 527.19	1 741.00	1 447.37	1 650.00	5.51%
<b>E15</b>	<b>UPGRADING EXTENSION FEES (Network permitted : to be approved by Electricity Department)</b>						
E15A1	Primary Cost p/kVA -include all HV Equipment UP to HV Substation or identified point of supply	R	1 227.19	1 399.00	1 162.98	1 325.80	5.52%
E15A2	Primary Cost p/kVA -include all MV. Equipment UP to Main Substation or identified point of supply excluding Dist. TF	R	3 363.16	3 834.00	3 187.61	3 633.88	5.51%
E15A3	Secondary Cost p/kVA -include all MV. Equipment UP to Main Substation or identified point of supply including Dist. TF	R	4 284.21	4 884.00	4 060.19	4 628.62	5.52%
E15A4	Secondary Cost p/kVA -include all MV. Equipment UP to Main Substation or identified point of supply including Dist. TF and Kiosk	R	5 589.47	6 372.00	5 297.86	6 039.56	5.50%
E15A5	Buying/Refund of spare capacity cost/kVA	R	100% of approved installation cost	Applicable VAT	% of approved installation	Applicable VAT	
E15A6	Investigation Fee	R	3 415.79	3 894.00	3 237.28	3 690.50	5.51%
E15A7	FACTOR OF 0,36 APPLICABLE ON DOMESTIC USERS : TARIFF : applicable on E15A3 AND E15A4 (Commercial /Business no factor apply)	R	Factor 0.36	Applicable VAT	Factor 0.36	Applicable VAT	
<b>DC2</b>	<b>DEVELOPMENT CONTRIBUTIONS (Bulk Service Levies - BICL)</b>						
DC2A	<u>Sub Division of existing erf</u>						

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DC2A1	Single Phase 60 AMP (5 kVA) Domestic X Tariff E15A4 = P/ERF <b>PLUS</b> STANDARD CONNECTION FEES	R	26 489.30	30 197.80	26 489.30	30 197.80	0.00%
DC2B	<b><u>New Developments</u></b>						
DC2B1	Standard fee per Singel Phase Domestic erf - infrastructure provide by developer (13.8 kVA xE15A2 x.36)	R	15 836.05	18 053.10	15 836.05	18 053.10	0.00%
DC2B2	Standard fee per Three Phase Domestic erf - infrastructure provide by developer (42kVA x E15A2x.36)	R	48 196.66	54 944.19	48 196.66	54 944.19	0.00%
DC2C	MV/LV Bulk Supply with metering point cost / kVA= Tariff E15A2	R	3 187.61	3 633.88	3 187.61	3 633.88	0.00%
DC2C1	LV Bulk Supply if capacity is available on existing TF cost / kVA = Tariff E15A3	R	4 060.19	4 628.62	4 060.19	4 628.62	0.00%
<b>E17</b>	<b>WHEELING TARIFF</b>						
E17A1	Firm network situation (network will not be interrupted under normal operations)	c	20.18	23.00	19.11	21.78	5.59%
E17A2	Non-Firm network situation (Municipal networks may not always be available for transport of energy under normal operation per kWh)	c	12.28	14.00	11.67	13.30	5.22%
<b>E18</b>	<b>SMALL SCALE EMBEDDED GENERATION (SSEG)</b>						
	This tariff is available only for approved SSEG connections, where the customers offset their small scale generation (kWh) against purchases from the Municipality, provided that their purchases exceed their generation (kWh). This tariff will only be implemented after NERSA's approved Guidelines have been received. The consumer will stay on his existing tariff and the following will also be applicable:						
E18A2	Feed-in Tariff	c	54.00	61.56	NEW	NEW	

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## WATER TARIFFS

Tariff Code	Detail	2016/2017		2015/2016		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
WD	<b>CONSUMER DEPOSITS</b>					
WD1	Domestic - Water	500.00	no vat	955.00	no vat	-47.64%
WD2	Commercial - Water - Consumption < 40kl	2 000.00	no vat	2 191.00	no vat	-8.72%
WD3	Commercial - Water - Consumption 40 - 100kl	7 000.00	no vat	7 722.00	no vat	-9.35%
WD4	Commercial - Water - Consumption 100 kl +	12 000.00	no vat	12 865.00	no vat	-6.72%
WD5	Domestic - Water RUE's	Applicable Rue's X WD1A	no vat	Applicable Rue's X WD1A	no vat	
WD6	Indigent - registered	160.00	no vat	150.00	no vat	6.67%
WDD	<b>Deposit Defaulters</b>					
WDD1	Domestic - Water - Two Times average consumption during the preceding 12 months (Defaulters)	calculated	no vat	calculated	no vat	
WDD2	Commercial - Water - Consumption < 40kl Two Times average consumption during the preceding 12 months (Defaulters)	calculated	no vat	calculated	no vat	
WDD3	Commercial - Water - Consumption 40 - 100kl Two Times average consumption during the preceding 12 months (Defaulters)	calculated	no vat	calculated	no vat	
WDD4	Commercial - Water - Consumption 100 kl + Two Times average consumption during the preceding 12 months (Defaulters)	calculated	no vat	calculated	no vat	
WDD5	Domestic - Water RUE's Two Times average consumption during the preceding 12 months (Defaulters)	calculated	no vat	calculated	no vat	
W1	<b>BASIC CHARGE</b>					
W1A1	Basic Monthly Charge per erf/unit per month	114.04	130.00	108.42	123.60	5.18%
W1A3	Fixed Infrastructure Basic Charge per erf/unit per month	15.45	17.61	15.45	17.61	0.00%
	<i>See attachment for the amount of RUE's allocated to different household consumers</i>					
W1B	<b>CONSUMPTION - HOUSEHOLDS</b>					
	<b>Normal Tariff</b>					
W1B1	0 - 6 kl per kl	4.04	4.61	3.62	4.13	11.50%
W1B2	7 - 18 kl per kl	9.66	11.02	9.12	10.39	6.00%
W1B3	19 - 30 kl per kl	15.67	17.87	14.79	16.86	6.00%
W1B4	31 - 45 kl per kl	24.13	27.51	22.76	25.95	6.00%
W1B5	46 - 60 kl per kl	31.35	35.74	29.57	33.71	6.00%
W1B6	>60kl per kl	41.79	47.64	39.43	44.95	6.00%
	<b>Restriction Tariff (level 1 restrictions)</b>					
W1B7	0 - 6 kl per kl	4.04	4.61	4.71	5.37	-14.23%
W1B8	7 - 18 kl per kl	12.56	14.32	11.85	13.51	6.00%
W1B9	19 - 30 kl per kl	20.38	23.23	19.22	21.91	6.00%
W1B10	31 - 45 kl per kl	31.37	35.76	29.59	33.74	6.00%
W1B11	46 - 60 kl per kl	40.75	46.46	38.45	43.83	6.00%
W1B12	>60kl per kl	54.33	61.94	51.25	58.43	6.00%
	<b>Restriction Tariff (level 2 restrictions)</b>					
W1B13	0 - 6 kl per kl	4.04	4.61	5.80	6.61	-30.31%
W1B14	7 - 18 kl per kl	15.46	17.63	14.59	16.63	6.00%
W1B15	19 - 30 kl per kl	25.08	28.59	23.66	26.97	6.00%



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## WATER TARIFFS

Tariff Code	Detail	2016/2017		2015/2016		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
W1B16	31 - 45 kl per kl	38.61	44.01	36.42	41.52	6.00%
W1B17	46 - 60 kl per kl	50.16	57.18	47.32	53.94	6.00%
W1B18	>60kl per kl	66.87	76.23	63.08	71.91	6.00%
	<b>Restriction Tariff (level 3 restrictions)</b>					
W1B19	0 - 6 kl per kl	4.04	4.61	7.25	8.26	-44.25%
W1B20	7 - 18 kl per kl	19.33	22.03	18.23	20.78	6.00%
W1B21	>18 kl per kl	83.58	95.29	78.85	89.89	6.00%
<b>W1BI</b>	<b>CONSUMPTION - REGISTERED INDIGENT HOUSEHOLDS</b>					
	<b>Normal Tariff</b>					
W1BI1	0 - 6 kl per kl - subsidised	4.04	4.61	3.62	4.13	11.50%
W1BI2	7 - 18 kl per kl	9.66	11.02	9.12	10.39	6.00%
W1BI3	19 - 30 kl per kl	15.67	17.87	14.79	16.86	6.00%
W1BI4	31 - 45 kl per kl	24.13	27.51	22.76	25.95	6.00%
W1BI5	46 - 60 kl per kl	31.35	35.74	29.57	33.71	6.00%
W1BI6	>60kl per kl	41.79	47.64	39.43	44.95	6.00%
	<b>Restriction Tariff (level 1 restrictions)</b>					
W1BI7	0 - 6 kl per kl - subsidised	4.04	4.61	4.71	5.37	-14.23%
W1BI8	7 - 18 kl per kl	12.56	14.32	11.85	13.51	6.00%
W1BI9	19 - 30 kl per kl	20.38	23.23	19.22	21.91	6.00%
W1BI10	31 - 45 kl per kl	31.37	35.76	29.59	33.74	6.00%
W1BI11	46 - 60 kl per kl	40.75	46.46	38.45	43.83	6.00%
W1BI12	>60kl per kl	54.33	61.94	51.25	58.43	6.00%
	<b>Restriction Tariff (level 2 restrictions)</b>					
W1BI13	0 - 6 kl per kl - subsidised	4.04	4.61	5.80	6.61	-30.31%
W1BI14	7 - 18 kl per kl	15.46	17.63	14.59	16.63	6.00%
W1BI15	19 - 30 kl per kl	25.08	28.59	23.66	26.97	6.00%
W1BI16	31 - 45 kl per kl	38.61	44.01	36.42	41.52	6.00%
W1BI17	46 - 60 kl per kl	50.16	57.18	47.32	53.94	6.00%
W1BI18	>60kl per kl	66.87	76.23	63.08	71.91	6.00%
	<b>Restriction Tariff (level 3 restrictions)</b>					
W1BI19	0 - 6 kl per kl - subsidised	4.04	4.61	7.25	8.26	-44.25%
W1BI20	7 - 18 kl per kl	19.33	22.03	18.23	20.78	6.00%
W1BI21	>18 kl per kl	83.58	95.29	78.85	89.89	6.00%
<b>W1C</b>	<b>CONSUMPTION - ALL OTHER</b>					
	<b>Normal Tariff</b>					
W1C1	0 - 18 kl per kl	10.69	12.19	9.59	10.93	11.50%
W1C2	19 - 30 kl per kl	15.67	17.87	14.79	16.86	6.00%
W1C3	31 - 45 kl per kl	24.13	27.51	22.76	25.95	6.00%
W1C4	46 - 60 kl per kl	31.35	35.74	29.57	33.71	6.00%
W1C5	>60 kl per kl	41.79	47.64	39.43	44.95	6.00%
	<b>Restriction Tariff (level 1 restrictions)</b>					



## OVERSTRAND MUNICIPALITY

## WATER TARIFFS

Tariff Code	Detail	2016/2017		2015/2016		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
W1C6	0 - 18 kl per kl	13.90	15.85	12.47	14.21	11.50%
W1C7	19 - 30 kl per kl	20.38	23.23	19.22	21.91	6.00%
W1C8	31 - 45 kl per kl	31.37	35.76	29.59	33.74	6.00%
W1C9	46 - 60 kl per kl	40.75	46.46	38.45	43.83	6.00%
W1C10	>60 kl per kl	54.33	61.94	51.25	58.43	6.00%
	<b>Restriction Tariff (level 2 restrictions)</b>					
W1C11	0 - 18 kl per kl	17.11	19.50	15.34	17.49	11.50%
W1C12	19 - 30 kl per kl	25.08	28.59	23.66	26.97	6.00%
W1C13	31 - 45 kl per kl	38.61	44.01	36.42	41.52	6.00%
W1C14	46 - 60 kl per kl	50.16	57.18	47.32	53.94	6.00%
W1C15	>60 kl per kl	66.87	76.23	63.08	71.91	6.00%
	<b>Restriction Tariff (level 3 restrictions)</b>					
W1C16	0 - 10 kl per kl	21.38	24.38	19.18	21.86	11.50%
W1C17	>10 kl per kl	83.58	95.29	78.85	89.89	6.00%
<b>W1D</b>	<b>OTHER CONSUMERS</b>					
W1D1	Departmental per Kl	18.42	21.00	13.95	15.90	32.04%
W1D2	Fire Hoses: Basic per Month	145.61	166.00	137.99	157.30	5.53%
W1D3	Bulk usage (Unconnected to networks) per Kl	11.75	13.40	11.16	12.72	5.29%
W1D4	Kid Brooke (Van Cauter 0 - 8000kl per year)	0.08	0.09	0.08	0.09	0.00%
W1D5	Onrus Small Holdings tariff 2 (Van Cauter)	0.08	0.09	0.08	0.09	0.00%
W1D6	Onrus Small Holdings tariff 4 (Per agreement)	1.05	1.20	1.05	1.20	0.00%
S15A5	Contractors water consumption - temporary connection	18.42	21.00	13.95	15.90	32.04%
<b>W1E</b>	<b>WET COMMERCIAL, SPORT, PARKS etc (must apply for this tariff)</b>					
	<b>Normal Tariff</b>					
W1E1	0 - 500kl per kl	15.53	17.70	13.95	15.90	11.33%
W1E2	501 - 1000kl per kl	23.51	26.80	22.18	25.28	6.00%
W1E3	>1000kl per kl	31.35	35.74	29.57	33.71	6.00%
	<b>Restriction Tariff (level 1 restrictions)</b>					
W1E4	0 - 300kl per kl	20.19	23.02	18.14	20.67	11.33%
W1E5	301 - 700kl per kl	30.56	34.84	28.83	32.86	6.00%
W1E6	>700kl per kl	40.75	46.46	38.45	43.83	6.00%
	<b>Restriction Tariff (level 2 restrictions)</b>					
W1E7	0 - 250kl per kl	24.85	28.33	22.32	25.44	11.33%
W1E8	251 - 500kl per kl	37.61	42.87	35.48	40.45	6.00%
W1E9	>500kl per kl	50.16	57.18	47.32	53.94	6.00%
	<b>Restriction Tariff (level 3 restrictions)</b>					
W1E10	0 - 100kl per kl	31.06	35.41	27.90	31.81	11.33%
W1E11	>100 kl per kl	62.70	71.47	59.15	67.43	6.00%
<b>W1F</b>	<b>WET INDUSTRY (Marine etc. must apply for this tariff) (Average of 100kl per day over previous 365 days)</b>					
	<b>Normal Tariff</b>					
W1F1	0 - 5800kl per kl	16.20	18.47	14.53	16.56	11.50%

## OVERSTRAND MUNICIPALITY

## WATER TARIFFS

Tariff Code	Detail	2016/2017		2015/2016		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
W1F2	> 5800kl per kl	31.35	35.74	29.57	33.71	6.00%
	<b>Restriction Tariff (level 1 restrictions)</b>					
W1F3	0 - 5800kl per kl	21.06	24.01	18.89	21.53	11.50%
W1F4	> 5800kl per kl	40.75	46.46	38.45	43.83	6.00%
	<b>Restriction Tariff (level 2 restrictions)</b>					
W1F5	0 - 5800kl per kl	25.92	29.55	23.25	26.50	11.50%
W1F6	> 5800kl per kl	50.16	57.18	47.32	53.94	6.00%
	<b>Restriction Tariff (level 3 restrictions)</b>					
W1F7	0 - 5 800kl per kl	32.40	36.93	29.06	33.12	11.50%
W1F8	>5 800 kl per kl	62.70	71.47	59.15	67.43	6.00%
<b>W2A</b>	<b>AVAILABILITY CHARGES</b>					
W2A1	Overstrand per month	114.04	130.00	108.42	123.60	5.18%
W2A2	Farms connected to water pipe line	114.04	130.00	108.42	123.60	5.18%
<b>W2J</b>	<b>REBATES (This can be granted by the Municipal Manager after application) refer to Policy # 6.8.1</b>					
W2J1	Kl above average - per kl	18.42	21.00	13.95	15.90	32.04%
<b>W3A</b>	<b>IRRIGATION WATER ("LEI WATER") &amp; RAW WATER</b>					
W3A1	Use and pump water (80-90 min) per MONTH Stanford	35.09	40.00	225.72	257.32	-84.45%
W3A2	Pearly Beach Small Holdings: Basic	42.98	49.00	40.40	46.05	6.40%
W3A3	Pearly Beach Small Holdings: Consumption 0- 70 kl per kl	3.35	3.82	3.16	3.60	6.00%
W3A4	Pearly Beach Small Holdings: Consumption >70 kl per kl	7.81	8.90	7.39	8.42	5.71%
W3A5	Others	3.35	3.82	3.16	3.60	6.00%
W3A6	Farm 1/722 Stanford as per agreement 1.75% of raw water abstraction from municipal boreholes, maximum 8760 kl/a	0.00	0.00	0.00	0.00	0.00%
W3A7	Farm 586 Volmoed raw water from De Bos pipeline consumption 0 - 300 kl/month per kl	0.00	0.00	new tariff	new tariff	
W3A8	Farm 586 Volmoed raw water from De Bos pipeline consumption >300 kl/month per kl	3.33	3.80	new tariff	new tariff	
<b>W3B</b>	<b>IRRIGATION WATER - (TREATED EFFLUENT)</b>					
W3B2	Hermanus Golf Club per month	37 954.39	43 268.00	35 975.44	41 012.00	5.50%
W3B3	All other per kl	2.19	2.50	2.02	2.30	8.42%
W3B4	Schools, municipal sports grounds & project sport grounds as per agreement	no charge	no charge	no charge	no charge	
W3B5	Curro Holdings - 250kl free per day as per deed of sale	2.19	2.50	2.02	2.30	8.42%
<b>W4</b>	<b>SUNDRY CHARGES</b>					
W4A1	Testing of a Meter (Call-out Fee incl)(Conditionally refundable)	767.54	875.00	723.68	825.00	6.06%
W4A2	Testing of a Meter (Ind/Bulk Meter)(Conditionally refundable) <b>*Minimum charge of R500</b>	Cost plus 15%	Applicable vat	new tariff	new tariff	
W4A3	Disconnection	348.25	397.00	328.07	374.00	6.15%
W4A4	Reconnection	348.25	397.00	328.07	374.00	6.15%
W4A5	Reconnection After Normal Working Hours	695.61	793.00	656.14	748.00	6.02%
W4A6	Administration fee - recalculation due to no meter access	135.97	155.00	128.07	146.00	6.16%
W4A7	Verification of a Meter Reading	190.35	217.00	179.83	205.00	5.85%
W4A8	Final and Special Readings	173.68	198.00	164.04	187.00	5.88%
W4A9	Call-out Fee - Normal Working Hours	347.37	396.00	328.07	374.00	5.88%
W4A10	Call-out Fee - After Hours	695.61	793.00	656.14	748.00	6.02%

**OVERSTRAND MUNICIPALITY**

**WATER TARIFFS**

Tariff Code	Detail	2016/2017		2015/2016		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
W4A11	Registration of Borehole (Including inspection fee)	260.53	297.00	245.61	280.00	6.07%
W4A12	Repositioning of Meter (excl. pipe )	764.04	871.00	721.05	822.00	5.96%
W4A13	Convert to Water Flow Restrictor Meter	2 489.47	2 838.00	2 348.25	2 677.00	6.01%
W4A14	Temporary Connections - Deposit	6 551.00	no vat	6 180.00	no vat	6.00%
W4A15	Temporary Connection - Usage per kl	12.28	14.00	11.58	13.20	6.02%
W4A16	Damage of Water Meter	Actual cost plus 15%	Applicable vat	Actual cost plus 15%	Applicable vat	
W4A17	Damage of Watermain	Actual cost plus R2,633.00	Applicable vat	Actual cost plus R2,495.24	Applicable vat	5.52%
W4A18	Damage of Service Connection (including water meter)	Actual cost plus R658.00	Applicable vat	Actual cost plus R623.81	Applicable vat	5.48%
<b>W5</b>	<b>ILLEGAL CONNECTION / TAMPERING FEE</b>					
W5A1	1st Offence	5 810.00	no vat	5 480.00	no vat	6.02%
W5A2	2nd Offence	Restricted access		Restricted access		
<b>W6</b>	<b>CONNECTION FEE</b>					
W6A1	20 mm Connection Conventional Meter	4 256.14	4 852.00	4 014.91	4 577.00	6.01%
W6A2	20 mm Connection Water Flow Restrictor Meter	5 054.39	5 762.00	4 768.42	5 436.00	6.00%
W6A3	Other Connections	Actual cost plus 15%	Applicable vat	Actual cost plus 15%	Applicable vat	
W6A4	Connections (Erf Boundary - by Developer)	1 106.14	1 261.00	1 043.86	1 190.00	5.97%
<b>W7</b>	<b>BULK SERVICES DEVELOPMENT FEES</b>					
	Development Contributions will be determined as set out in the Annexure in respect of Development Contribution Policy					

## OVERSTRAND MUNICIPALITY

## DEVELOPMENT CONTRIBUTION TARIFFS

Tariff Code	Detail	2015/2016		2014/15		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
		R	R	R	R	
<b>DC1</b>	<b>WATER</b>					
DC1A	Standard Fee per Equivalent Unit	18 859.65	21 500.00	21 799.12	24 851.00	-13.48%
<b>DC2</b>	<b>ELECTRICITY</b>					
DC2A	<b>Sub Division of Existing Erf</b>					
DC2A1	Single Phase 60 AMP (5 kVA) Domestic X Tariff E15A4 = P/ERF <b>PLUS</b> STANDARD CONNECTION FEES	26 489.30	30 197.80	26 489.30	30 197.80	0.00%
DC2B	<b>New Developments</b>					
DC2B1	Standard fee per Singel Phase Domestic erf - infrastructure provide by developer (13.8 kVA x E15A2 x.36)	15 836.05	18 053.10	15 836.05	18 053.10	0.00%
DC2B2	Standard fee per Three Phase Domestic erf - infrastructure provide by developer (42kVA x E15A2x.36)	48 196.66	54 944.19	48 196.66	54 944.19	0.00%
DC2C	MV/LV Bulk Supply with metering point cost / kVA= Tariff E15A2	3 187.61	3 633.88	3 187.61	3 633.88	0.00%
DC2C1	LV Bulk Supply if capacity is available on existing TF cost / kVA = Tariff E15A3	4 060.19	4 628.62	4 060.19	4 628.62	0.00%
<b>DC3</b>	<b>SEWERAGE</b>					
DC3A	Standard Fee per Equivalent Unit	12 715.79	14 496.00	17 495.61	19 945.00	-27.32%
<b>DC4</b>	<b>ROADS</b>					
DC4A	Standard Fee per Equivalent Unit	5 701.75	6 500.00	5 701.75	6 500.00	0.00%
<b>DC5</b>	<b>STORMWATER</b>					
DC5A	Standard Fee per Equivalent Unit	6 578.95	7 500.00	NEW	NEW	NEW
<b>DC6</b>	<b>SOLID WASTE</b>					
DC6A	Standard Fee per Equivalent Unit	1 140.35	1 300.00	NEW	NEW	NEW
<b>DC7</b>	<b>OFF-GRID DEVELOPMENT/UNITS</b>					
DC7A	As per signed agreement as recommended by the Director: Infrastructure and Planning and approval by the Municipal Manager	as per agreement	applicable VAT	as per agreement	applicable VAT	
<b>DC8</b>	<b>EVALUATION/INVESTIGATION LEVIES are payable OVER and ABOVE the Bulk Service Levies</b>					
DC8A	<b>Water</b>					
	No. of Equivalent units					
DC8A1	1 - 4	No Charge	No Charge	No Charge	No Charge	
DC8A2	5 - 10	6 250.00	7 125.00	6 250.00	7 125.00	0.00%
DC8A3	11 – 25	10 468.42	11 934.00	10 468.42	11 934.00	0.00%
DC8A4	26 - 50	14 685.97	16 742.00	14 685.97	16 742.00	0.00%
DC8A5	51 - 100	16 716.67	19 057.00	16 716.67	19 057.00	0.00%
DC8A6	101 – 250	18 735.09	21 358.00	18 735.09	21 358.00	0.00%
DC8A7	251 – 500	21 944.74	25 017.00	21 944.74	25 017.00	0.00%
DC8A8	501 – 2000	24 647.37	28 098.00	24 647.37	28 098.00	0.00%
DC8A9	2000 – 5000	29 537.72	33 673.00	29 537.72	33 673.00	0.00%
DC8A10	> 5001	33 756.14	38 482.00	33 756.14	38 482.00	0.00%

## OVERSTRAND MUNICIPALITY

## DEVELOPMENT CONTRIBUTION TARIFFS

Tariff Code	Detail	2015/2016		2014/15	
		Exclude VAT	Include VAT	Exclude VAT	Include VAT
DC8E	<b>Sanitation</b>				
	No. of Equivalent units				
DC8E1	1 - 4	No Charge	No Charge	No Charge	No Charge
DC8E2	5 - 10	6 624.56	7 552.00	6 624.56	7 552.00
DC8E3	11 – 25	11 096.49	12 650.00	11 096.49	12 650.00
DC8E4	26 - 50	15 568.42	17 748.00	15 568.42	17 748.00
DC8E5	51 - 100	17 719.30	20 200.00	17 719.30	20 200.00
DC8E6	101 – 250	19 859.65	22 640.00	19 859.65	22 640.00
DC8E7	251 – 500	23 261.40	26 518.00	23 261.40	26 518.00
DC8E8	501 – 2000	26 126.32	29 784.00	26 126.32	29 784.00
DC8E9	2000 – 5000	31 310.53	35 694.00	31 310.53	35 694.00
DC8E10	> 5001	35 781.58	40 791.00	35 781.58	40 791.00

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## OVERSTRAND MUNICIPALITY

### ANNEXURE TO WATER TARIFFS

#### ALLOCATION OF RUE's TO CATEGORIES OF CONSUMERS – 2016/17

<b>Clinics – Out patients</b>	<ul style="list-style-type: none"><li>□ 1 RUE</li></ul>
<b>Flats</b>	<ul style="list-style-type: none"><li>□ 1 RUE per unit</li></ul>
<b>Guest houses and B &amp; B's</b>	<ul style="list-style-type: none"><li>□ 1 RUE</li></ul>
<b>Household related consumers that do not fall in one of the above household consumer categories</b>	<ul style="list-style-type: none"><li>□ Upon application the Engineering &amp; Financial Departments will assess the validity within the tariff's structural framework.</li></ul>
<b>Old Age Homes, Hostels &amp; Boarding School</b>	<ul style="list-style-type: none"><li>□ 1 RUE per 7 Beds</li></ul>
<b>Retirement Villages, Hospital &amp; Hospice</b>	<ul style="list-style-type: none"><li>□ 1 RUE per 1 residential unit</li><li>□ 1 RUE per 7 Beds</li></ul>
<b>Single Residential erven</b>	<ul style="list-style-type: none"><li>□ 1 RUE</li></ul>
<b>Townhouse and group developments</b>	<ul style="list-style-type: none"><li>□ 1 RUE per unit</li></ul>

RUE = Residential Unit Equivalent

**OVERSTRAND MUNICIPALITY**  
**TARIFFS FOR RESORTS FOR THE 2016/2017 FINANCIAL YEAR**

*All tariffs include Value Added Tax (VAT) – Where applicable*

A deposit of 50% of the total amount payable is applicable to secure the booking. On cancellation of the booking, an admin fee of 15% will deducted from the deposit. On cancellation of the booking less than 14 days prior to the commencement of the booking period, the deposit **will not** be paid back.

**NOTE:**

*All tariffs include Value Added Tax (VAT) – Where applicable*

PALMIET & KLEINMOND CARAVAN PARKS							
SEASON	PERIOD	A Stands	B Stands	C Stands	A Stands	B Stands	C Stands
		2016/17			2015/2016		
		Per Day	Per Day	Per Day	Per Day	Per Day	Per Day
<b>High Season</b>	1 December – 31 January & Easter Weekend	R380.00	R305.00	R270.00	R363.00	R279.00	R255.00
<b>Low Season</b>	1 February – 30 November (Excluding Easter Weekend)	R210.00	R180.00	R165.00	R200.00	R170.00	R158.00
<ul style="list-style-type: none"> <li>• Plus: All stands with the availability of electricity = R38.00 per stand per day.</li> <li>• The above tariffs include for up to four (4) persons and one vehicle with one trailer or caravan or small boat per day.</li> <li>• Additional persons up to a maximum of two (2)* = R55.00 per person per day.</li> <li>• Additional vehicle or small trailer or small boat to maximum of 2 units = R30.00 per unit per day.</li> <li>• Day visitors for campers up to a maximum of four (4)* = R55.00 per person per day and R42.00 for a vehicle.</li> <li>• (*) <b>Special arrangements must be made with the Camp Manager to allow day visitors</b></li> <li>• Children under two (2) years are free and children under twelve (12) years at half price.</li> <li>• Low Season: Pensioners, Caravan Clubs more than 10 caravans, Mobile Camper Vehicles &amp; RV groups (not caravans) more than 20 campers (Pensioners to be defined as persons sixty (60) years and older) <ul style="list-style-type: none"> <li>❖ may get a discount of 50% on the stands;</li> <li>❖ Qualify for a reduced tariff of R2,565.00 for a period of 30 days.</li> </ul> </li> <li>• Gate Card / Key Deposit R140.00 per set (refundable).</li> <li>• Long Term rental R810.00 per month plus R185.00 per month for Electricity.</li> </ul>							

KLEINMOND : FRANK ROBB HUT		
	2016/2017	2015/2016
Camping per person (max 10 persons) per day	R90.00	R85.00

**OVERSTRAND MUNICIPALITY  
TARIFFS FOR RESORTS FOR THE 2016/2017 FINANCIAL YEAR**

ONRUS CARAVAN PARK : PLETT HOUSE			
		2016/2017	2015/2016
High Season	1 December – 31 January & Easter Weekend	R420.00	R400.00
Low Season	1 February – 30 November (Excluding Easter Weekend)	R260.00	R250.00

ONRUS CARAVAN PARK							
SEASON	PERIOD	A Stands	B Stands	C Stands	A Stands	B Stands	C Stands
		2016/2017			2015/2016		
		Per Day	Per Day	Per Day	Per Day	Per Day	Per Day
High Season	1 December – 31 January & Easter Weekend	R415.00	R320.00	R290.00	R396.00	R304.00	R278.00
Low Season	1 February – 30 November (Excluding Easter Weekend)	230.00	R195.00	R180.00	R219.00	R185.00	R172.00

- Plus: All stands with the availability of electricity = R38.00 per stand per day.
- The above tariffs include for up to four (4) persons and 1 vehicle with one trailer or caravan or small boat per day.
- Additional persons up to a maximum of two (2)\* = R60.00 per person per day.
- Additional vehicle or small trailer or small boat to maximum of two (2) units = R32.00 per unit per day.
- Children under two (2) years are free and children under twelve (12) years at half price.
- Daily Functions (pre-arrangement) = R150.00 per day
- Long Term Rental = R 14,220.00 pa **plus the following:**
  - Pergola with covering = R 120.00 pm (R1,440.00 pa)
  - Water tap = R 25.00 pm (R300.00 pa)
  - Structure for storing purposes = R 25.00 pm (R300.00 pa)
  - Permanent fireplace structure = R 25.00 pm (R300.00 pa)
  - Electricity per stand = R 80.00 pm (R960.00 pa)
- Low Season: Pensioners, Caravan Clubs more than 10 caravans, Mobile Camper Vehicles & RV groups (not caravans) more than 20 campers (Pensioners to be defined as persons sixty (60) years and older)
  - ❖ may get a discount of 50% on the stands;
  - ❖ qualify for a reduced tariff of R2,800.00 for a period of 30 days
- Full 30 day Rental = R4,100.00
- Gate Card / Key Deposit R140.00 per set (refundable).



**OVERSTRAND MUNICIPALITY  
TARIFFS FOR RESORTS FOR THE 2016/2017 FINANCIAL YEAR**

GANSBAAI CARAVAN PARK									
SEASON	PERIOD	A+ Stands	A Stands	B Stands	C Stands	A+ Stands	A Stands	B Stands	C Stands
		2016/2017				2015/2016			
		Per Day	Per Day	Per Day	Per Day	Per Day	Per Day	Per Day	Per Day
<b>High Season</b>	1 December – 31 January & Easter Weekend	R300.00	R255.00	R210.00	R180.00	new	R242.00	R200.00	R170.00
<b>Low Season</b>	1 February – 30 November (Excluding Easter Weekend)	R230.00	R190.00	R180.00	R165.00	new	R182.00	R170.00	R158.00
<ul style="list-style-type: none"> <li>The above tariffs include for up to four (4) persons and one vehicle with one trailer or caravan or small boat.</li> <li>Additional persons up to a maximum of two (2)* = R55.00 per person per day.</li> <li>Additional vehicle or small trailer or small boat = R40.00 per unit per day.</li> <li>Day visitors for campers up to a maximum of four (4) = R40.00 per person per day.</li> <li>Children under two (2) years are free and children under twelve (12) years at half price.</li> <li>Long Term Rental = R 7,530.00 pa.</li> <li>Low Season: Pensioners, Caravan Clubs more than 10 caravans, Mobile Camper Vehicles &amp; RV groups (not caravans) more than 20 campers may get a discount of 50% on the stands. (Pensioners to be defined as persons sixty (60) years and older.</li> <li>Gate Card / Key Deposit R140.00 per set (refundable).</li> </ul>									

HAWSTON DAY CAMPING SITE				
ITEM	Low Season 01 February – 30 November (Excluding Easter Weekend)	High Season 01 December – 31 January & Easter Weekend	Low Season 01 February – 30 November (Excluding Easter Weekend)	High Season 01 December – 31 January & Easter Weekend
	2016/2017		2015/2016	
	Per Day	Per Day	Per Day	Per Day
<b>Camping Sites</b>	R98.00	R180.00	R92.00	R170.00
<b>Parking Fees : Per Vehicle (excluding buses &gt; 20 seats)</b>	R13.00	R13.00	R12.00	R12.00
<b>: Per Bus &gt; 20 seats</b>	R155.00	R155.00	R146.00	R146.00
<b>Entrance Fee: Adults (per person)</b>	R13.00	R13.00	R12.00	R12.00
<b>: Children (per child &lt; 12)</b>	R4.00	R4.00	R3.50	R4.50
<ul style="list-style-type: none"> <li>The above tariffs include for up to six 6 persons and 1 vehicle with one trailer or caravan or small boat.</li> <li>Additional vehicle or small trailer or small boat = R40.00 per unit per day.</li> <li>Events – partial or whole day camp site, per day or portion of the day = R512.00 per day.</li> <li>Events – community based – partial or whole day camp site, per day or portion of the day = R128.00.</li> <li>Low Season: Pensioners, Caravan Clubs more than 10 caravans Mobile Camper Vehicles &amp; RV groups (not caravans) more than 20 campers may get a discount of 50% on the stands. (Pensioners to be defined as persons sixty (60) years and older).</li> </ul>				

## **ANNEXURE D**

### **TARIFF BASKETS**

## MONTHLY BASKET OF TARIFFS - SINGLE RESIDENTIAL 2016/17

Residential		Year	Year	Increase/Decrease	
<u>High Consumption with credit elect meter</u>		2015/2016	2016/2017	Amount	%
Valuation	R3 500 000				
Rates		1 016.60	1 089.80	73.20	7.20
Sewer	<b>SE7A1+SE8A</b>	477.41	506.53	29.12	6.10
Infrastructure Basic Charge Water, Electricity & Sewer		41.70	41.70	0.00	0.00
Refuse	<b>1X Per Week</b>	137.99	146.49	8.50	6.16
Water	50 kl	906.31	960.94	54.63	6.03
VAT		218.88	231.79	12.92	5.90
<b>SUB TOTAL</b>		<b>2 798.89</b>	<b>2 977.25</b>	<b>178.36</b>	<b>6.37</b>
Electricity Credit Meter	1500 kWh	2 540.70	2 731.16	190.46	7.50
VAT		355.70	382.36	26.66	7.50
<b>TOTAL</b>		<b>5 695.28</b>	<b>6 090.77</b>	<b>395.48</b>	<b>6.94</b>
<i>HPP if applicable</i>		101.66	108.98	7.32	7.20

<u>High Consumption with prepaid elect meter</u>		2015/2016	2016/2017	Amount	%
Valuation	R3 500 000				
Rates		1 016.60	1 089.80	73.20	7.20
Sewer	<b>SE7A1+SE8A</b>	477.41	506.53	29.12	6.10
Infrastructure Basic Charge Water, Electricity & Sewer		41.70	41.70	0.00	0.00
Refuse	<b>1X Per Week</b>	137.99	146.49	8.50	6.16
Water	50 kl	906.31	960.94	54.63	6.03
VAT		218.88	231.79	12.92	5.90
<b>SUB TOTAL</b>		<b>2 798.89</b>	<b>2 977.25</b>	<b>178.36</b>	<b>6.37</b>
Electricity Prepaid Meter	1500 kWh	2 429.52	2 613.41	183.89	7.57
VAT		340.13	365.88	25.74	7.57
<b>TOTAL</b>		<b>5 568.54</b>	<b>5 956.53</b>	<b>387.99</b>	<b>6.97</b>
<i>HPP if applicable</i>		101.66	108.98	7.32	7.20

<u>Medium Consumption with credit elect meter</u>		2015/2016	2016/2017	Amount	%
Valuation	R2 500 000				
Rates		721.93	773.91	51.98	7.20
Sewer	<b>SE7A1+SE8A</b>	287.01	304.58	17.57	6.12
Infrastructure Basic Charge Water, Electricity & Sewer		41.70	41.70	0.00	0.00
Refuse	<b>1X Per Week</b>	137.99	146.49	8.50	6.16
Water	25 kl	343.11	363.89	20.78	6.06
VAT		113.37	119.93	6.56	5.79
<b>SUB TOTAL</b>		<b>1 645.12</b>	<b>1 750.50</b>	<b>105.39</b>	<b>6.41</b>
Electricity Credit Meter	800 kWh	1 309.98	1 406.41	96.43	7.36
VAT		183.40	196.90	13.50	7.36
<b>TOTAL</b>		<b>3 138.49</b>	<b>3 353.81</b>	<b>215.32</b>	<b>6.86</b>
<i>HPP if applicable</i>		72.19	77.39	5.20	7.20

<u>Medium Consumption with prepaid elect meter</u>		2015/2016	2016/2017	Amount	%
Valuation	R2 500 000				
Rates		721.93	773.91	51.98	7.20
Sewer	<b>SE7A1+SE8A</b>	287.01	304.58	17.57	6.12
Infrastructure Basic Charge Water, Electricity & Sewer		41.70	41.70	0.00	0.00
Refuse	<b>1X Per Week</b>	137.99	146.49	8.50	6.16
Water	25 kl	343.11	363.89	20.78	6.06
VAT		113.37	119.93	6.56	5.79
<b>SUB TOTAL</b>		<b>1 645.12</b>	<b>1 750.50</b>	<b>105.39</b>	<b>6.41</b>
Electricity Prepaid Meter	800 kWh	1 246.55	1 340.06	93.51	7.50
VAT		174.52	187.61	13.09	7.50
<b>TOTAL</b>		<b>3 066.18</b>	<b>3 278.17</b>	<b>211.99</b>	<b>6.91</b>
<i>HPP if applicable</i>		72.19	77.39	5.20	7.20

**Low Consumption with credit meter**

Valuation R1 000 000

	2015/2016	2016/2017	Amount	%
Rates	279.93	300.09	20.16	7.20
Sewer <b>SE7A1+SE8A</b>	210.85	223.80	12.95	6.14
Infrastructure Basic Charge Water, Electricity & Sewer	41.70	41.70	0.00	0.00
Refuse <b>1X Per Week</b>	137.99	146.49	8.50	6.16
Water 15 kl	212.22	225.22	13.00	6.13
VAT	84.39	89.21	4.82	5.72
<b>SUB TOTAL</b>	<b>967.08</b>	<b>1 026.51</b>	<b>59.43</b>	<b>6.15</b>
Electricity Credit Meter 600 kWh	958.34	1 027.91	69.57	7.26
VAT	134.17	143.91	9.74	7.26
<b>TOTAL</b>	<b>2 059.59</b>	<b>2 198.32</b>	<b>138.73</b>	<b>6.74</b>
<i>HPP if applicable</i>	27.99	30.01	2.02	7.20

**Low Consumption with prepaid elect meter**

Valuation R1 000 000

	2015/2016	2016/2017	Amount	%
Rates	279.93	300.09	20.16	7.20
Sewer <b>SE7A1+SE8A</b>	210.85	223.80	12.95	6.14
Infrastructure Basic Charge Water, Electricity & Sewer	41.70	41.70	0.00	0.00
Refuse <b>1X Per Week</b>	137.99	146.49	8.50	6.16
Water 15 kl	212.22	225.22	13.00	6.13
VAT	84.39	89.21	4.82	5.72
<b>TOTAL</b>	<b>967.08</b>	<b>1 026.51</b>	<b>59.43</b>	<b>6.15</b>
Electricity Prepaid Meter 600 kWh	908.56	976.24	67.69	7.45
VAT	127.20	136.67	9.48	7.45
	<b>2 002.84</b>	<b>2 139.43</b>	<b>136.59</b>	<b>6.82</b>
<i>HPP if applicable</i>	27.99	30.01	2.02	7.20

**Life-Line Consumption (ONE PART) (Indigent)**

Valuation R50 000

	2015/2016	2016/2017	Amount	%
Rates	0.00	0.00	0.00	0.00
Sewer <b>SE7A1</b>	15.23	16.16	0.92	6.07
Infrastructure Basic Charge Water, Electricity & Sewer	41.70	41.70	0.00	0.00
Refuse <b>1X Per Week</b>	0.00	0.00	0.00	0.00
Water 8 kl	18.24	19.32	1.08	5.92
VAT	10.52	10.80	0.28	2.67
<b>SUB TOTAL</b>	<b>85.70</b>	<b>87.98</b>	<b>2.28</b>	<b>2.67</b>
Electricity Pre-paid 300 kWh	295.86	298.82	2.96	1.00
VAT	41.42	41.83	0.41	1.00
<b>TOTAL</b>	<b>422.98</b>	<b>428.63</b>	<b>5.66</b>	<b>1.34</b>

**Conservancy Tanks****If tariff SE7 is not applicable**

	2015/2016	2016/2017	Amount	%
Smaller than 6kl	444.46	471.05	26.59	5.98
Greater than 6kl	444.46	471.05	26.59	5.98
Outside urban area Plus per km	13.02	13.82	0.80	6.14
<b>Plus</b> Per hour	266.86	283.33	16.47	6.17
<b>After hours</b>				
Smaller than 6kl	888.92	942.11	53.19	5.98
Greater than 6kl	888.92	942.11	53.19	5.98

**Sub-Economic Consumption (Indigent)**

Valuation R50 000

	2015/2016	2016/2017	Amount	%
Rates	0.00	0.00	0.00	0.00
Sewer <b>SE7A1</b>	0.00	0.00	0.00	0.00
Infrastructure Basic Charge Water, Electricity & Sewer	41.70	41.70	0.00	0.00
Refuse <b>1X Per Week</b>	0.00	0.00	0.00	0.00
Water 6 kl	0.00	0.00	0.00	0.00
VAT	5.84	5.84	0.00	0.00
<b>SUB TOTAL</b>	<b>47.54</b>	<b>47.54</b>	<b>0.00</b>	<b>0.00</b>
Electricity Prepaid Meter 150 kWh	149.18	150.67	1.49	1.00
VAT	20.89	21.09	0.21	1.00
<b>TOTAL</b>	<b>217.60</b>	<b>219.31</b>	<b>1.70</b>	<b>0.78</b>

## MONTHLY BASKET OF TARIFFS - BUSINESS 2016/2017

Bussiness - Large (Time of Use)		2015/2016	2016/2017	Amount	%
Valuation	R35 000 000				
Rates		19 541.67	20 948.67	1 407.00	7.20
Sewer	SE7D1+SE8A 30	7 402.62	7 856.46	453.84	6.13
Infrastructure Basic Charge Water, Electricity & Sewer		41.70	41.70	0.00	0.00
Refuse	Bins 2X Per Week 30	8 279.40	8 789.40	510.00	6.16
Water	460 kl	17 015.47	18 042.70	1 027.23	6.04
VAT		4 583.49	4 862.24	278.75	6.08
SUB TOTAL		56 864.34	60 541.16	3 676.82	6.47
Electricity Credit Meter	108751 + 436kVA	154 412.26	166 209.35	11 797.09	7.64
VAT		21 617.72	23 269.31	1 651.59	7.64
TOTAL		232 894.32	250 019.82	17 125.50	7.35
HPP if applicable		1 954.17	2 094.87	140.70	7.20

<b>Bussiness - Medium (Three Phase)</b>			2015/2016	2016/2017	Amount	%
Valuation		R3 200 000				
Rates			1 786.67	1 915.31	128.64	7.20
Sewer	SE7D1+SE8A	1	488.29	518.07	29.78	6.10
Infrastructure Basic Charge Water, Electricity & Sewer			41.70	41.70	0.00	0.00
Refuse	1X Per Week	3	413.97	439.47	25.50	6.16
Water	40 kl		686.12	735.80	49.68	7.24
VAT			228.21	242.91	14.69	6.44
<b>SUB TOTAL</b>			<b>3 644.96</b>	<b>3 893.25</b>	<b>248.29</b>	<b>6.81</b>
Electricity Credit Meter	7000 kWh		10 344.97	11 015.54	670.57	6.48
VAT			1 448.30	1 542.18	93.88	6.48
<b>TOTAL</b>			<b>15 438.22</b>	<b>16 450.97</b>	<b>1 012.74</b>	<b>6.56</b>
<b>HPP if applicable</b>			178.67	191.53	12.86	7.20

Bussiness - Small (Three Phase)		2015/2016	2016/2017	Amount	%
Valuation		R3 200 000			
Rates		1 786.67	1 915.31	128.64	7.20
Sewer	SE7D1+SE8A 1	488.29	518.07	29.78	6.10
Infrastructure Basic Charge Water, Electricity & Sewer		41.70	41.70	0.00	0.00
Refuse	1X Per Week 2	275.98	292.98	17.00	6.16
Water	40 kl	686.12	735.80	49.68	7.24
VAT		208.89	222.40	13.50	6.46
SUB TOTAL		3 487.65	3 726.25	238.60	6.84
Electricity Credit Meter	4000 kWh	6 097.27	6 512.98	415.71	6.82
VAT		853.62	911.82	58.20	6.82
TOTAL		10 438.54	11 151.05	712.51	6.83
HPP if applicable		178.67	191.53	12.86	7.20

Bussiness - Small (Three Phase)			2015/2016	2016/2017	Amount	%
Valuation		R3 200 000				
Rates			1 786.67	1 915.31	128.64	7.20
Sewer	SE7D1+SE8A	1	488.29	518.07	29.78	6.10
Infrastructure Basic Charge Water, Electricity & Sewer			41.70	41.70	0.00	0.00
Refuse	1X Per Week	2	275.98	292.98	17.00	6.16
Water	40 kl		686.12	735.80	49.68	7.24
VAT			208.89	222.40	13.50	6.46
SUB TOTAL			3 487.65	3 726.25	238.60	6.84
Electricity Credit Meter	1000 kWh		1 849.57	2 010.42	160.85	8.70
VAT			258.94	281.46	22.52	8.70
TOTAL			5 596.16	6 018.13	421.97	7.54
HPP if applicable			178.67	191.53	12.86	7.20

## OVERSTRAND MUNICIPALITY

**Bussiness - Small (Three Phase)**

		2015/2016	2016/2017	Amount	%
Valuation	R3 200 000				
Rates		1 786.67	1 915.31	128.64	7.20
Sewer	SE7D1+SE8A 1	488.29	518.07	29.78	6.10
Infrastructure Basic Charge Water, Electricity & Sewer		41.70	41.70	0.00	0.00
Refuse	1X Per Week 2	29.58	31.34	1.76	5.95
Water	40 kl	686.12	735.80	49.68	7.24
VAT		174.40	185.77	11.37	6.52
<b>SUB TOTAL</b>		<b>3 206.75</b>	<b>3 427.98</b>	<b>221.23</b>	<b>6.90</b>
Electricity Credit Meter	1000 kWh	1 841.97	2 002.36	160.39	8.71
VAT		257.88	280.33	22.45	8.71
<b>TOTAL</b>		<b>5 306.60</b>	<b>5 710.67</b>	<b>404.08</b>	<b>7.61</b>
<i>HPP if applicable</i>		178.67	191.53	12.86	7.20

## MONTHLY BASKET OF TARIFFS - VACANT ERVEN 2016/2017

**Valuation High**

			2015/2016	2016/2017	Amount	%
	Valuation	R780 000				
Rates			393.25	421.56	28.31	7.20
Sewer can connect	Availability		116.23	122.81	6.58	5.66
Refuse	Availability		68.98	73.25	4.27	6.19
Electricity	Availability		216.83	254.78	37.95	17.50
Water	Availability		108.42	114.04	5.62	5.18
Infrastructure Basic Charge Water, Electricity & Sewer			41.70	41.70	0.00	0.00
VAT			77.30	84.92	7.62	9.86
<b>TOTAL</b>			1 022.71	1 113.07	90.35	<b>8.83</b>
<b>HPP if applicable</b>			39.33	42.16	2.83	7.20

**Valuation Average**

			2015/2016	2016/2017	Amount	%
	Valuation	R250 000				
Rates			126.04	135.12	9.08	7.20
Sewer can connect	Availability		116.23	122.81	6.58	5.66
Refuse	Availability		68.98	73.25	4.27	6.19
Electricity	Availability		216.83	254.78	37.95	17.50
Water	Availability		108.42	114.04	5.62	5.18
Infrastructure Basic Charge Water, Electricity & Sewer			41.70	41.70	0.00	0.00
VAT			77.30	84.92	7.62	9.86
<b>TOTAL</b>			755.50	826.62	71.11	<b>9.41</b>
<b>HPP if applicable</b>			12.60	13.51	0.91	7.20

**Valuation Lower**

			2015/2016	2016/2017	Amount	%
	Valuation	R110 000				
Rates			55.46	59.45	3.99	7.20
Sewer can connect	Availability		116.23	122.81	6.58	5.66
Refuse	Availability		68.98	73.25	4.27	6.19
Electricity	Availability		216.83	254.78	37.95	17.50
Water	Availability		108.42	114.04	5.62	5.18
Infrastructure Basic Charge Water, Electricity & Sewer			41.70	41.70	0.00	0.00
VAT			77.30	84.92	7.62	9.86
<b>TOTAL</b>			684.92	750.95	66.03	<b>9.64</b>

**Valuation Low**

			2015/2016	2016/2017	Amount	%
	Valuation	R15 000				
Rates			7.56	8.11	0.54	7.20
Sewer can connect	Availability		116.23	122.81	6.58	5.66
Refuse	Availability		68.98	73.25	4.27	6.19
Electricity	Availability		216.83	254.78	37.95	17.50
Water	Availability		108.42	114.04	5.62	5.18
Infrastructure Basic Charge Water, Electricity & Sewer			41.70	41.70	0.00	0.00
VAT			77.30	84.92	7.62	9.86
<b>TOTAL</b>			637.02	699.61	62.58	<b>9.82</b>

## **ANNEXURE E**

### **CAPITAL BUDGET AND WARD PROJECTS**



# DRAFT CAPITAL BUDGET 2016/17 - 2018/19 MTREF

					2016/17 BUDGET			2017/18 BUDGET			2018/19 BUDGET			
Area	Local Area	Ward	Project Description	Project Manager	Funding Source	COUNCIL FUNDED	EXTERNAL (GRANTS)	TOTAL	COUNCIL FUNDED	EXTERNAL (GRANTS)	TOTAL	COUNCIL FUNDED	EXTERNAL (GRANTS)	TOTAL
			EXECUTIVE & COUNCIL			46 000		46 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :MAYOR'S OFFICE	D Arrison	Surplus	5 000		5 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :MUNICIPAL MANAGER,TOWN SECRETARY & CHIEF EXEC	F Myburgh	Surplus	16 000		16 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :MUNICIPAL MANAGER,TOWN SECRETARY & CHIEF EXEC	D Van Rhodie	Surplus	25 000		25 000						
			FINANCE AND ADMINISTRATION			1 994 000		1 994 000						
Overstrand	Overstrand	Overstrand	VEHICLES	F Frans	Surplus	1 185 000		1 185 000						
Overstrand	Overstrand	Overstrand	VEHICLES -REFURBISHMENT/REBUILD ENGINES	F Frans	Surplus	300 000		300 000						
Overstrand	Overstrand	Overstrand	FLEET MANAGEMENT SOFTWARE	J van Asperen	Surplus	85 000		85 000						
Overstrand	Overstrand	Overstrand	CARAVAN PARK LICENSES FEES	J van Asperen	Surplus	20 000		20 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS -ICT OVERSTRAND WIDE	C Johnson	Surplus	200 000		200 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :COUNCIL SUPPORT SERVICES	D Kearney	Surplus	120 000		120 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :FINANCE	S Reyneke	Surplus	30 000		30 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :FLEET MANAGEMENT	F Frans	Surplus	50 000		50 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS -PROPERTY SERVICES	A Kotze	Surplus	4 000		4 000						
			PLANNING AND DEVELOPMENT			133 100		133 100						
Overstrand	Overstrand	Overstrand	MINOR ASSETS:BUILDING REGULATIONS AND ENFORCEMENT	J Simson	Surplus	23 000		23 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :TOWN PLANNING; BUILDING REGULATIONS AND ENFORCEMENT	R Kuchar	Surplus	4 600		4 600						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :NATURE CONSERVATION	L Bezuidenhout	Surplus	8 000		8 000						
Gansbaai	Masakhane	Ward 01	DEVELOPMENT OF OPEN SPACES/PLAY PARKS	F Myburgh	Surplus-WSP	30 000		30 000						
Gansbaai	Gansbaai	Ward 02	UPGRADE OF MARKET SQUARE (CNR DIRKIE UYS/MARKET STREET)	F Myburgh	Surplus-WSP	50 000		50 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS:ECONOMIC DEVELOPMENT/PLANNING	S Madikane	Surplus	15 000		15 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :GIS	G Stravidis	Surplus	2 500		2 500						
			PUBLIC SAFETY			310 000		310 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS:FIRE FIGHTING AND PROTECTION	L Smith	Surplus	60 000		60 000						
Gansbaai	Masakhane	Ward 01	FIRE HYDRANTS (PHASE I)	F Myburgh	Surplus-WSP	100 000		100 000						
Kleinmond	Pringle Bay	Ward 10	COMPLETION OF FIRE STATION	D La Key	Surplus-WSP	50 000		50 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS:POLICE FORCES, TRAFFIC AND STREET PARKING CONTROL	R Fraser	Surplus	100 000		100 000						
			COMMUNITY AND SOCIAL SERVICES			945 000	1 000 000	1 945 000	4 500 000	4 500 000		1 500 000	1 500 000	
Hermanus	Hawston	Ward 08	EXTENSION OF THUSONG CENTRE	D Hendriks	MIG		1 000 000	1 000 000		4 500 000	4 500 000		1 500 000	1 500 000
Hermanus	Mount Pleasant	Ward 04	BUILDING OF DISABLED TOILET AT MOUNT PLEASANT SPORTS GROUND	B Plaatjies	Surplus-WSP	50 000		50 000						
Hermanus	Westcliff	Ward 04	COMMONAGE IN WEST CLIFF	B Plaatjies	Surplus-WSP	100 000		100 000						
Hermanus	Mount Pleasant	Ward 04	UPGRADING OF MOFFAT HALL	B Plaatjies	Surplus-WSP	150 000		150 000						
Hermanus	Zwelihle	Ward 05	ZWELIHLE TAXI RANK-FENCING AND MAINTENANCE	B Plaatjies	Surplus-WSP	100 000		100 000						
Hermanus	Zwelihle	Ward 05	UPGRADING OF MASIZAKHE CRÈCHE(FENCING,PURHASING AND FIXING PLAY	B Plaatjies	Surplus-WSP	140 000		140 000						
Hermanus	Zwelihle	Ward 06	PARK EQUIPMENT,EARTH WORKS,PAVING)	B Plaatjies	Surplus-WSP	85 000		85 000						
Kleinmond	Kleinmond	Ward 09	PA SYSTEM - ZWELIHLE COMMUNITY HALL	D La Key	Surplus-WSP	40 000		40 000						
Kleinmond	Proteadorp	Ward 10	CONSTRUCTION OF WOODEN RAILINGS AND STEPS IN 4TH STREET	D La Key	Surplus-WSP	30 000		30 000						
Mooiuisig	Mooiuisig	Ward 10	EXTENSION AND BEAUTIFICATION OF BUS SHELTER OPPOSITE SIYABULELA CRÈCH	D La Key	Surplus-WSP	250 000		250 000						
			LIBRARIES				1 050 000	1 050 000						
Hermanus	Hawston	Ward 08	HAWSTON LIBRARY UPGRADE	D Kearney	Prov-Library Gr		1 000 000	1 000 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS -LIBRARIES AND ARCHIVES	D Kearney	Prov-Library Gr		50 000	50 000						
			SPORT & RECREATION			465 000	2 065 000	2 530 000	5 435 000	5 435 000		3 100 000	3 100 000	
Hermanus	Zwelihle	Ward 12	ARTIFICIAL TURF SOCCERFIELD	D Hendriks	MIG				4 435 000	4 435 000		3 000 000	3 000 000	
Gansbaai	Blompark	Ward 02	PLAYPARK EQUIPMENT (REPLACEMENTS)	F Myburgh	Surplus-WSP	20 000		20 000						
Hermanus	Zwelihle	Ward 05	PURCHASING OF PAVILLION (SITTING) & 2 SOCCER POLES	B Plaatjies	Surplus-WSP	100 000		100 000						
Hermanus	Zwelihle	Ward 12	PLAY PARK- BETWEEN QHAYIYA & BAMBANANI STREET	B Plaatjies	Surplus-WSP	75 000		75 000						
Hermanus	Zwelihle	Ward 12	PLAY PARK- SOPHUMELELE CORRIDOR	B Plaatjies	Surplus-WSP	85 000		85 000						
Hermanus	Zwelihle	Ward 12	BOXING GYM AT JIKELEZA STREET ( EARTH WORKS )	B Plaatjies	Surplus-WSP	150 000		150 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :COMMUNITY PARK(INCL. NURSERIES)	F Myburgh	Surplus	11 000		11 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :COMMUNITY PARK(INCL. NURSERIES)	P Burger	Surplus	24 000		24 000						
Kleinmond	Kleinmond	Ward 09	OVERHILLS : KLEINMOND SOCCERFIELD	D Hendriks	MIG		1 265 000	1 265 000						
Overstrand	Overstrand	Overstrand	SPORT FACILITIES	D Hendriks	MIG		800 000	800 000	1 000 000	1 000 000		100 000	100 000	

					2016/17 BUDGET			2017/18 BUDGET			2018/19 BUDGET			
Area	Local Area	Ward	Project Description	Project Manager	Funding Source	COUNCIL FUNDED	EXTERNAL (GRANTS)	TOTAL	COUNCIL FUNDED	EXTERNAL (GRANTS)	TOTAL	COUNCIL FUNDED	EXTERNAL (GRANTS)	TOTAL
			HOUSING				13 023 352	13 023 352		37 154 281	37 154 281		37 740 119	37 740 119
Gansbaai	Masakhane	Ward 01	MASAKHANE	B Louw	PROV-H		1 000 000	1 000 000		7 568 176	7 568 176		13 040 863	13 040 863
Gansbaai	Beverly Hills	Ward 02	BEVERLY HILLS PROJECT	B Louw	PROV-H		2 561 250	2 561 250		5 727 690	5 727 690			
Hermanus	Zwelihle	Ward 06	ZWELIHLE PROJECT -TRANSIT CAMP	B Louw	PROV-H		1 000 000	1 000 000		6 241 916	6 241 916			
Hermanus	Zwelihle	Ward 06	MANDELA SQUARE	B Louw	PROV-H		4 308 419	4 308 419						
Gansbaai	Buffeljagsbaai	Ward 11	BUFFELJAGSBAAI	B Louw	PROV-H								72 119	72 119
Hermanus	Hawston	Ward 08	HAWSTON PROJECT - IRDP	B Louw	PROV-H		2 540 799	2 540 799		9 172 600	9 172 600		9 140 923	9 140 923
Hermanus	Zwelihle	Ward 05	ZWELIHLE - TAMBO SQUARE PROJECT	B Louw	PROV-H					1 000 000	1 000 000		3 973 364	3 973 364
Stanford	Stanford	Ward 11	STANFORD IRDP	B Louw	PROV-H		1 612 884	1 612 884		6 543 900	6 543 900		6 093 900	6 093 900
Gansbaai	Blompark	Ward 02	BLOMPARK PROJECT	B Louw	PROV-H					900 000	900 000		5 418 950	5 418 950
Kleinmond	Overhills	Ward 10	KLEINMOND OVERHILLS	B Louw	PROV-H									
			ROADS			1 610 000	10 354 500	11 964 500		6 858 784	6 858 784		13 605 000	13 605 000
Hermanus	Zwelihle	Ward 06	REHABILITATION OF EXISTING PAVE ROAD (LIC)	D Hendriks	MIG		2 000 000	2 000 000						
Hermanus	Zwelihle	Ward 06	REHABILITATION OF EXISTING PAVE ROAD (LIC) PH2	D Hendriks	MIG		7 000 000	7 000 000		4 395 784	4 395 784		3 000 000	3 000 000
Hermanus	Mount Pleasant	Ward 04	REHABILITATE ROADS AND UPGRADE STORMWATER	D Hendriks	MIG								2 500 000	2 500 000
Hermanus	Mount Pleasant	Ward 04	REHABILITATE ROADS - ANGELIER STREET	D Hendriks	MIG									
Gansbaai	Blompark	Ward 02	REHABILITATE ROADS - BLOMPARK	D Hendriks	MIG									
Gansbaai	Masakhane	Ward 01	TRAFFIC CALMING	F Myburgh	Surplus-WSP	50 000	404 500	50 000		1 263 000	1 263 000		1 105 000	1 105 000
Hermanus	Zwelihle	Ward 05	SPEED HUMPS-LANDA, JIKELEZA, NTLABATHI	B Plaatjies	Surplus-WSP	60 000		60 000						
Hermanus	Zwelihle	Ward 06	SPEED HUMPS -TSHANDU STREET	B Plaatjies	Surplus-WSP	30 000		30 000						
Hermanus	Zwelihle	Ward 06	SIDEWALKS -NAMA/KROZANI STREET	B Plaatjies	Surplus-WSP	135 000		135 000						
Gansbaai	Blompark	Ward 02	NEW SIDEWALK - DAHLIA STREET	F Myburgh	Surplus-WSP	80 000		80 000						
Gansbaai	Blompark	Ward 02	TARRING OF SIDEWALKS - MADELIEFIE STREET	F Myburgh	Surplus-WSP	50 000		50 000						
Hermanus	Sandbaai	Ward 07	TARRING OF EAST END STREET	D Kearney	Surplus-WSP	400 000		400 000						
Hermanus	Hawston	Ward 08	HAWSTON -PAVING OF CIRCLES	D Kearney	Surplus-WSP	100 000		100 000						
Hermanus	Hawston	Ward 08	HAWSTON - SIDEWALKS	D Kearney	Surplus-WSP	100 000		100 000						
Kleinmond	Kleinmond	Ward 09	PAVING OF PARKING AREA - COR. 4TH STREET AND 15TH AVENUE	D La Key	Surplus-WSP	30 000		30 000						
Kleinmond	Kleinmond	Ward 09	EXTENSION OF HEUNINGKLOOF FOOTPATH	D La Key	Surplus-WSP	100 000		100 000						
Kleinmond	Proteadorp	Ward 09	EXTENSION OF PAVING OF SIDEWALK - SCHOOL STREET PROTEADORP	D La Key	Surplus-WSP	70 000		70 000						
Gansbaai	B'bos	Ward 11	TARRING OF STRANDVELD STREET	F Myburgh	Surplus-WSP	100 000		100 000						
Stanford	Stanford	Ward 11	DREYER STREET SIDEWALKS (FINAL PHASE)	F Myburgh	Surplus-WSP	100 000		100 000						
Stanford	Stanford	Ward 11	REHABILITATE ROADS - STANFORD	D Hendriks	MIG		450 000	450 000		200 000	200 000		3 000 000	3 000 000
Hermanus	Onrus	Ward 13	ATLANTIC DRIVE WALKWAY	D Kearney	Surplus-WSP	200 000		200 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :ROADS	P Burger	Surplus	5 000		5 000						
Gansbaai	Masakhane	Ward 01	REHABILITATE ROADS - MASAKHANE	D Hendriks	MIG		500 000	500 000		1 000 000	1 000 000		4 000 000	4 000 000
			ELECTRICITY			10 107 900	5 000 000	15 107 900	10 000 000	4 000 000	14 000 000	14 500 000	6 000 000	20 500 000
Gansbaai	Franskraal	Ward 01	FRANSKRAAL,KLEINBAAI & BIRKENHEAD: MV/LV AND MINISUB UPGRADE	D Maree	EL9							1 500 000		1 500 000
Gansbaai	Gansbaai	Ward 02	GANSBAAI: CCTV,SCADA,MINISUB AND MV/LV UPGRADE	D Maree	EL7/8/9	3 000 000		3 000 000	3 000 000		3 000 000		1 000 000	1 000 000
Stanford	Stanford	Ward 11	STANFORD: MV UPGRADE	D Maree	EL9							1 000 000		1 000 000
Hermanus	Zwelihle	Ward 05	ELECTRIFICATION OF LOW COST HOUSING AREAS (INEP)	K d Plessis	INEP		5 000 000	5 000 000		4 000 000	4 000 000		6 000 000	6 000 000
Hermanus	Hermanus	Ward 03	HERMANUS: MV & LV UPGRADE/REPLACEMENT	K d Plessis	EL7/8/9	4 000 000		4 000 000	4 000 000		4 000 000	7 000 000		7 000 000
Kleinmond	Kleinmond	Ward 09	KLEINMOND: MV & LV NETWORK UPGRADE	K d Plessis	EL7/8/9	1 500 000		1 500 000	1 500 000		1 500 000	2 000 000		2 000 000
Hermanus	Hawston	Ward 08	HAWSTON: MV & LV UPGRADE/REPLACEMENT	K d Plessis	EL7/8/9	1 500 000		1 500 000	1 500 000		1 500 000	2 000 000		2 000 000
Overstrand	Overstrand	Overstrand	MINOR ASSETS :ELECTRICITY	K d Plessis	Surplus	15 000		15 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :ELECTRICITY	K d Plessis	Surplus	10 000		10 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :ELECTRICITY	K d Plessis	Surplus	6 000		6 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :ELECTRICITY	D Maree	Surplus	15 400		15 400						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :ELECTRICITY	D Maree	Surplus	11 500		11 500						
Gansbaai	Masakhane	Ward 01	STREETLIGHTS (MILKWOOD)	F Myburgh	Surplus-WSP	20 000		20 000						
Kleinmond	Palmiet	Ward 10	STREET LIGHTS	D La Key	Surplus-WSP	30 000		30 000						
Overstrand	Overstrand	Overstrand	ELECTRICITY TRANSFORMERS(CAPITAL REPLACEMENT CONTINGENCY)	S Muller	EL7									
			WATER			9 519 000	2 910 500	12 429 500	10 000 000	2 800 000	12 800 000	13 500 000	3 326 000	16 826 000
Overstrand	Overstrand	Overstrand	REPLACEMENT OF OVERSTRAND WATER PIPES	H Blignaut	EL8/9				3 800 000		3 800 000	3 800 000		3 800 000
Hermanus	Sandbaai	Ward 07	NEW BULK WATER RESERVOIR -SANDBAAI	H Blignaut	EL8/9				6 000 000		6 000 000	3 500 000		3 500 000
Gansbaai	Kleinbaai	Ward 01	UPGRADING OF FRANSKRAAL-KLEINBAAI -GANSBAAI PIPELINES	H Blignaut	EL7	8 800 000		8 800 000						
Kleinmond	Kleinmond	Ward 09	REFURBISH BUFFELS RIVER DAM BRIDGE AND TOWER & PALMIET RIVER WEIR	H Blignaut	EL9							1 200 000		1 200 000
Overstrand	Overstrand	Overstrand	WATER PUMPS (CONTINGENCY )	H Blignaut	EL7/8/9	200 000		200 000	200 000		200 000	200 000		200 000
Hermanus	Mount Pleasant	Ward 04	NEW 1 ML/S RESERVOIR OHW.B31	D Hendriks	EL7/MIG	500 000	2 410 500	2 910 500						
Hermanus	Hawston	Ward 08	HAWSTON: BULK WATER UPGRADE FOR HOUSING PROJECT	D Hendriks	MIG		500 000	500 000		2 800 000	2 800 000		3 326 000	3 326 000
Hermanus	Hermanus	Hermanus	UPGRADE HERMANUS WELL FIELDS PHASE 1	H Blignaut	EL9							4 000 000		4 000 000
Overstrand	Overstrand	Overstrand	MINOR ASSETS :WATER DISTRIBUTION	P Burger	Surplus	8 000		8 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :WATER DISTRIBUTION	P Burger	Surplus	11 000		11 000						
Kleinmond	Bettiesbaai	Ward 10	NEW VOORBERG BOOSTER PUMP STATION	H Blignaut	EL9							800 000		800 000

					2016/17 BUDGET			2017/18 BUDGET			2018/19 BUDGET			
Area	Local Area	Ward	Project Description	Project Manager	Funding Source	COUNCIL FUNDED	EXTERNAL (GRANTS)	TOTAL	COUNCIL FUNDED	EXTERNAL (GRANTS)	TOTAL	COUNCIL FUNDED	EXTERNAL (GRANTS)	TOTAL
			SEWERAGE			10 500 000	3 200 000	13 700 000	10 000 000	1 441 216	11 441 216	12 000 000	1 000 000	13 000 000
Overstrand	Overstrand	Overstrand	UPGRADING OF PUMPSTATIONS	H Blignaut	EL7/9	4 500 000		4 500 000				4 000 000		4 000 000
Stanford	Stanford	Ward 11	STANFORD - SEWER NETWORK EXTENSION	H Blignaut	EL7	5 500 000		5 500 000						
Overstrand	Overstrand	Overstrand	SEWERAGE PUMPS (CONTINGENCY)	H Blignaut	EL7/8/9	500 000		500 000	500 000		500 000	500 000		500 000
Kleinmond	Kleinmond	Ward 09	KLEINMOND - SEWER NETWORK EXTENSION	H Blignaut	EL8/9				3 600 000		3 600 000	1 500 000		1 500 000
Gansbaai	Gansbaai	Ward 02	GANSBAAI - CBD SEWER NETWORK EXTENSION	H Blignaut	EL8				3 560 000		3 560 000			
Hermanus	Onrus	Ward 13	UPGRADING OF KIDBROOKE PIPELINE	H Blignaut	EL9							1 800 000		1 800 000
Stanford	Stanford	Ward 11	WWTW UPGRADE - STANFORD	H Blignaut	MIG				2 000 000	1 000 000	3 000 000		1 000 000	1 000 000
Hermanus	Zwelihle	Ward 12	BULK SEWERAGE OUTFALL LINE 525 MM Ø OHS13.2	D Hendriks	MIG		3 200 000	3 200 000	340 000	441 216	781 216			
Hermanus	Zwelihle	Ward 12	PEACH HOUSE & WHALE ROCK P/S LINK WITH GENERATORS	H Blignaut	EL9							430 000		430 000
Kleinmond	Kleinmond	Ward 09	REHABILITATE MAIN BULK SEWER TO WWTW PH1	H Blignaut	EL9							3 770 000		3 770 000
			STORMWATER			230 000	1 500 000	1 730 000		1 415 000	1 415 000		1 000 000	1 000 000
Gansbaai	Masakhane	Ward 01	UPGRADE STORMWATER DRAINAGE	D Hendriks	MIG		1 500 000	1 500 000		1 415 000	1 415 000		1 000 000	1 000 000
Hermanus	Fisherhaven	Ward 08	FISHERHAVEN -STORMWATER	D Kearney	Surplus-WSP	200 000		200 000						
Rooi Els	Rooi Els	Ward 10	CONSTRUCTION OF DRAINAGE DITCHES	D La Key	Surplus-WSP	30 000		30 000						
Hermanus	Zwelihle	Ward 05	UPGRADE STORMWATER - INTERNAL & EXTERNAL	D Hendriks	MIG									
			WASTE MANAGEMENT			30 000		30 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS:SOLID WASTE DISPOSAL	P Burger	Surplus	30 000		30 000						
GRAND TOTAL						35 890 000	40 103 352	75 993 352	30 000 000	63 604 281	93 604 281	40 000 000	67 271 119	107 271 119
FUNDING:														
EXTERNAL LOAN 7/8/9 (GENERAL CAPITAL)						30 000 000		30 000 000	30 000 000		30 000 000	40 000 000		40 000 000
SURPLUS CASH						2 400 000		2 400 000						
OPERATING -CASH-WSP						3 490 000		3 490 000						
INEP							5 000 000	5 000 000		4 000 000	4 000 000		6 000 000	6 000 000
MIG							21 030 000	21 030 000		22 450 000	22 450 000		23 531 000	23 531 000
PROV-HOUSING							13 023 352	13 023 352		37 154 281	37 154 281		37 740 119	37 740 119
PROV-LIBRARIES							1 050 000	1 050 000						
GRAND TOTAL						35 890 000	40 103 352	75 993 352	30 000 000	63 604 281	93 604 281	40 000 000	67 271 119	107 271 119

# DRAFT BUDGET 2016/2017 - WARD SPECIFIC PROJECTS

Town	Local Area	Ward	Project Description	TOTAL	PROJECT MANAGER	
Gansbaai	Masakhane	01	Streetlights (Milkwood)	20 000	F Myburgh	Capital
Gansbaai	Masakhane	01	Fire Hydrants (Phase I)	100 000	F Myburgh	Capital
Gansbaai	Masakhane	01	Traffic Calming	50 000	F Myburgh	Capital
Gansbaai	Masakhane	01	Development of Open Spaces/Play Parks	30 000	F Myburgh	Capital
Gansbaai	Franskraal	01	EIA - Alternative Stormwater Outlet (Uilenkraalsmond)	200 000	F Myburgh	Operational
				<b>400 000</b>		
Gansbaai	Gansbaai	02	Upgrade of Market Square (Cnr Dirkie Uys/Market Street)	50 000	F Myburgh	Capital
Gansbaai	De Kelders	02	Dust Control (gravel roads)	200 000	F Myburgh	Operational
Gansbaai	Blompark/Gb	02	Playpark equipment (Replacements)	20 000	F Myburgh	Capital
Gansbaai	Blompark	02	New Sidewalk - Dahlia Street	80 000	F Myburgh	Capital
Gansbaai	Blompark	02	Tarring of sidewalks - Madeliefie Street	50 000	F Myburgh	Capital
				<b>400 000</b>		
Hermanus	Hermanus	03	Public toilets (Fernkloof, CBD, cliff path)	120 000	D Kearney	Operational
Hermanus	Hermanus	03	Sidewalks	220 000	D Kearney	Operational
Hermanus	Hermanus	03	Cliff Path	60 000	D Kearney	Operational
				<b>400 000</b>		
Hermanus	Mount Pleasant	04	Building of disabled toilet at Mount Pleasant Sports Ground	50 000	B Plaatjies	Capital
Hermanus	Mount Pleasant	04	Rotary Park	100 000	B Plaatjies	Operational
Hermanus	Westcliff	04	Commonage in West Cliff	100 000	B Plaatjies	Capital
Hermanus	Mount Pleasant	04	Upgrading of Moffat Hall	150 000	B Plaatjies	Capital
				<b>400 000</b>		
Hermanus	Zwelihle	05	Speed humps-Landa, Jikeleza, Ntlabathi	60 000	B Plaatjies	Capital
Hermanus	Zwelihle	05	Zwelihle Taxi rank-Fencing and maintenance	100 000	B Plaatjies	Capital
Hermanus	Zwelihle	05	Upgrading of Masizakhe Crèche(Fencing,Purhasing and fixing Play Park Equipment,Earth works,Paving)	140 000	B Plaatjies	Capital
Hermanus	Zwelihle	05	Purchasing of Pavillion (Sitting) & 2 Soccer Poles	100 000	B Plaatjies	Capital
				<b>400 000</b>		
Hermanus	Zwelihle	06	Speed Humps -Tshandu street	30 000	B Plaatjies	Capital
Hermanus	Zwelihle	06	PA System - Zwelihle Community Hall	85 000	B Plaatjies	Capital
Hermanus	Zwelihle	06	Sidewalks -Nama/Krozani street	135 000	B Plaatjies	Capital
Hermanus	Zwelihle	06	Masibulele Creche Roof	150 000	B Plaatjies	Operational
				<b>400 000</b>		
Hermanus	Sandbaai	07	Tarring of East End Street	400 000	D Kearney	Capital
				<b>400 000</b>		

Town	Local Area	Ward	Project Description	TOTAL	PROJECT MANAGER	
Hermanus	Fisherhaven	08	Fisherhaven -Stormwater	200 000	D Kearney	Capital
Hermanus	Hawston	08	Hawston -Paving of Circles	100 000	D Kearney	Capital
Hermanus	Hawston	08	Hawston - Sidewalks	100 000	D Kearney	Capital
				<b>400 000</b>		
Kleinmond	Kleinmond	09	Construction of wooden railings and steps in 4th Street	40 000	D Lakey	Capital
Kleinmond	Kleinmond	09	Repairing / replacement of all wooden bridges (coastal path)	50 000	D Lakey	Operational
Kleinmond	Kleinmond	09	Replacement of refuse bins (coastal path)	10 000	D Lakey	Operational
Kleinmond	Kleinmond	09	Pruning of vegetation (coastal path)	20 000	D Lakey	Operational
Kleinmond	Kleinmond	09	Replacement of broken benches	20 000	D Lakey	Operational
Kleinmond	Kleinmond	09	Extension of foot bridge at Kleinmond Lagoon - (geo-technical study only)	60 000	D Lakey	Operational
Kleinmond	Kleinmond	09	Paving of parking area - cor. 4th Street and 15th Avenue	30 000	D Lakey	Capital
Kleinmond	Kleinmond	09	Extension of Heuningkloof footpath	100 000	D Lakey	Capital
Kleinmond	Proteadorp	09	Extension of paving of sidewalk - School Street Proteadorp	70 000	D Lakey	Capital
				<b>400 000</b>		
Pringle Bay	Pringle Bay	10	Completion of Fire Station	50 000	D Lakey	Capital
Kleinmond	Proteadorp	10	Extension and beautification of bus shelter opposite Siyabulela Crèche	30 000	D Lakey	Capital
Kleinmond	Overhills	10	Construction of kitchen - Overhills Community Hall (Plan only)	10 000	D Lakey	Operational
Kleinmond	Palmiet	10	Street lights	30 000	D Lakey	Capital
Rooi Els	Rooi Els	10	Construction of drainage ditches	30 000	D Lakey	Capital
Mooiuitsig	Mooiuitsig	10	Extension/alterations to Mooiuitsig Community Hall	250 000	D Lakey	Capital
				<b>400 000</b>		
Gansbaai	Eluxolweni	11	Wheelie Bins (140L)	100 000	F Myburgh	Operational
Bskeerdersbos	Bskeerdersbos	11	Tarring of Strandveld Street	100 000	F Myburgh	Capital
Stanford	Stanford	11	Dreyer Street Sidewalks (Final Phase)	100 000	F Myburgh	Capital
Stanford	Stanford	11	Rehabilitation of the wetland around the Willem Appel Dam	100 000	F Myburgh	Operational
				<b>400 000</b>		
Hermanus	Zwelihle	12	Play Park- Between Qhayiya & Bambanani Street	75 000	B Plaatjies	Capital
Hermanus	Zwelihle	12	Play Park- Sophumelele Corridor	85 000	B Plaatjies	Capital
Hermanus	Zwelihle	12	Installation of burglar Bars -Siyakha Educare	20 000	B Plaatjies	Operational
Hermanus	Zwelihle	12	Earth works and installation of rubber Matting -Siyakha Educare	70 000	B Plaatjies	Operational
Hermanus	Zwelihle	12	Boxing Gym at Jikeleza Street ( Earth Works )	150 000	B Plaatjies	Capital
				<b>400 000</b>		
Hermanus	Onrus/Vermont	13	Atlantic Drive walkway	200 000	D Kearney	Capital
Hermanus	Onrus/Vermont	13	VOS Coastal path	50 000	D Kearney	Operational
Hermanus	Onrus	13	Cycle lane in Onrus Main Road	70 000	D Kearney	Operational
Hermanus	Onrus	13	Pull off area and Vermont map - Vermont Drive	80 000	D Kearney	Operational
				<b>400 000</b>		
<b>GRAND TOTAL</b>				<b>5 200 000</b>		

## **ANNEXURE F**

### **SERVICE LEVEL STANDARDS**

Province: Municipality(WC032) - Schedule of Service Delivery Standards	
Description	
Standard	Service Level 2016/2017
<b>Solid Waste Removal</b>	
Premise based removal (Residential Frequency)	WEEKLY
Premise based removal (Business Frequency)	UP TO 5 TIMES PER WEEK (AS PER REQUEST)
Bulk Removal (Frequency)	NO
Removal Bags provided(Yes/No)	NO
Garden refuse removal Included (Yes/No)	NO
Street Cleaning Frequency in CBD	DAILY
Street Cleaning Frequency in areas excluding CBD	AS AND WHEN NEEDED
How soon are public areas cleaned after events (24hours/48hours/longer)	WITHIN 24 HRS
Clearing of illegal dumping (24hours/48hours/longer)	48 HOURS
Recycling or environmentally friendly practices(Yes/No)	Yes
Licenced landfill site(Yes/No)	Yes
<b>Water Service</b>	
Water Quality rating (Blue/Green/Brown/NO drop)	1 Blue Drop 90.79% (2013); 4 Green Drops 89.14% (2012); No Drop 100%
Is free water available to all? (All/only to the indigent consumers)	Indigent Consumers
Frequency of meter reading? (per month, per year)	Monthly
Are estimated consumption calculated on actual consumption over (two month's/three month's/longer period)	N/A
On average for how long does the municipality use estimates before reverting back to actual readings? (months)	N/A
<b>Duration (hours) before availability of water is restored in cases of service interruption (complete the sub questions)</b>	
One service connection affected (number of hours)	2.00
Up to 5 service connection affected (number of hours)	4.00
Up to 20 service connection affected (number of hours)	4.00
Feeder pipe larger than 800mm (number of hours)	N/A
What is the average minimum water flow in your municipality?	Min 2.4Bar pressure
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	Yes. Groundwater Monitoring Programs
How long does it take to replace faulty water meters? (days)	2 days
Do you have a cathodic protection system in place that is operational at this stage? (Yes/No)	No
<b>Electricity Service</b>	
What is your electricity availability percentage on average per month?	98,78% (Eskom Loadshedding included) 99.7% (Eskom Loadshedding excluded)
Do your municipality have a ripple control in place that is operational? (Yes/No)	YES
How much do you estimate is the cost saving in utilizing the ripple control system?	R 14777.32.00 p/a
What is the frequency of meters being read? (per month, per year)	PER MONTH
Are estimated consumption calculated at consumption over (two month's/three month's/longer period)	N/A
On average for how long does the municipality use estimates before reverting back to actual readings? (months)	N/A
Duration before availability of electricity is restored in cases of breakages (immediately/one day/two days/longer)	IMMEDIATE
Are accounts normally calculated on actual readings? (Yes/no)	YES
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	NO
How long does it take to replace faulty meters? (days)	1
Do you have a plan to prevent illegal connections and prevention of electricity theft? (Yes/No)	YES
How effective is the action plan in curbing line losses? (Good/Bad)	GOOD

Description	
<b>Standard</b>	<b>Service Level 2016/2017</b>
How soon does the municipality provide a quotation to a customer upon a written request? (days)	7
How long does the municipality takes to provide electricity service where existing infrastructure can be used? (working days)	5
How long does the municipality takes to provide electricity service for low voltage users where network extension is not required? (working days)	5
How long does the municipality takes to provide electricity service for high voltage users where network extension is not required? (working days)	5
<b>Sewerage Service</b>	
Are your purification system effective enough to put water back in to the system after purification?	YES, effective to put water back into water resources in accordance with license conditions.
To what extend do you subsidize your indigent consumers?	Basic charge plus one after hour tanker service
<b>How long does it take to restore sewerage breakages on average</b>	
Severe overflow? (hours)	4.00
Sewer blocked pipes: Large pipes? (Hours)	4.00
Sewer blocked pipes: Small pipes? (Hours)	4.00
Spillage clean-up? (hours)	6.00
Replacement of manhole covers? (Hours)	4.00
<b>Road Infrastructure Services</b>	
Time taken to repair a single pothole on a major road? (Hours)	24.00
Time taken to repair a single pothole on a minor road? (Hours)	48.00
Time taken to repair a road following an open trench service crossing? (Hours)	48.00
Time taken to repair walkways? (Hours)	48.00
<b>Property valuations</b>	
How long does it take on average from completion to the first account being issued? (one month/three months or longer)	3 months
Do you have any special rating properties? (Yes/No)	yes
<b>Financial Management</b>	
Is there any change in the situation of unauthorised and wasteful expenditure over time? (Decrease/Increase)	Decrease
Are the financial statement outsources? (Yes/No)	No
Are there Council adopted business process tsructuing the flow and managemet of documentation feeding to Trial Balalnce?	Standard Operating Procedures
How long does it take for an Tax/Invoice to be paid from the date it has been received?	24.83 days
Is there advance planning from SCM unit linking all departmental plans quaterly and annually including for the next two to three years procurement plans?	Partially (currently being developed)
<b>Administration</b>	
Reaction time on enquiries and requests?	1 to 10
Time to respond to a verbal customer enquiry or request? (working days)	1 to 10
Time to respond to a written customer enquiry or request? (working days)	10
Time to resolve a customer enquiry or request? (working days)	10
What percentage of calls are not answered? (5%,10% or more)	1
How long does it take to respond to voice mails? (hours)	N/A
Does the municipality have control over locked enquiries? (Yes/No)	yes



Description	
<b>Standard</b>	<b>Service Level 2016/2017</b>
Is there a reduction in the number of complaints or not? (Yes/No)	no
How long does it take to open an account to a new customer? (1 day/ 2 days/ a week or longer)	1 day
How many times does SCM Unit, CFO's Unit and Technical unit sit to review and resolve SCM process delays other than normal monthly management meetings?	Weekly
<b>Community safety and licensing services</b>	
How long does it take to register a vehicle? (minutes)	30min
How long does it take to renew a vehicle license? (minutes)	10min
How long does it take to issue a duplicate registration certificate vehicle? (minutes)	72hours
How long does it take to de-register a vehicle? (minutes)	10min
How long does it take to renew a drivers license? (minutes)	30min
What is the average reaction time of the fire service to an incident? (minutes)	4.25 min
What is the average reaction time of the ambulance service to an incident in the urban area? (minutes)	15 min urban
What is the average reaction time of the ambulance service to an incident in the rural area? (minutes)	40 min urban
<b>Economic development</b>	
How many economic development projects does the municipality drive?	7
How many economic development programme are deemed to be catalytic in creating an enabling environment to unlock key economic growth projects?	4
What percentage of the projects have created sustainable job security?	50
Does the municipality have any incentive plans in place to create an conducive environment for economic development? (Yes/No)	No
<b>Other Service delivery and communication</b>	
Is a information package handed to the new customer? (Yes/No)	Yes - available on <a href="http://www.overstrand.gov.za">www.overstrand.gov.za</a>
Does the municipality have training or information sessions to inform the community? (Yes/No)	Yes
Are customers treated in a professional and humanly manner? (Yes/No)	Yes

## **ANNEXURE G**

### **WATER & WASTE WATER QUALITY**

# 2014

## Blue Drop Report



028\_2012



**water & sanitation**

Department:  
Water and Sanitation  
REPUBLIC OF SOUTH AFRICA



**blue drop**  
CERTIFICATION

drinking water quality  
REGULATION

## Blue Drop Requirements for 2014

2014 BLUE DROP REQUIREMENTS		
<b>(1)</b> <b>WATER SAFETY PLANNING</b> <b>35%</b>	<b>(1.1)</b> <b>WATER SAFETY PLANNING PROCESS (10%)</b>	<b>a)</b> The Water Safety Planning Process is steered by a group of people which includes the technical, financial and management staff of the municipality. Where a Water Services Provider arrangement exist the WSA and Water Services Provider should partake in this process <b>b)</b> There should be clear indication that the Water Services Institution conducted a water safety planning process and not only drafted a document <b>c)</b> There should be clear reference to the specific water supply system at hand and not only global risk management measurements put in place
	<b>(1.2)</b> <b>RISK ASSESSMENT (35%)</b>	<b>a)</b> The Risk Assessment must cover catchment, treatment and reticulation <b>b)</b> The Water Services Institution (WSI) must provide information on findings of the Risk Assessment (and detail Risk Prioritisation method followed) for the specific water supply system including water resource quality. Format not important but it should be proven not to be a desktop study <b>c)</b> The Water Safety Planning process must include (adequate) Control Measures for each significant hazard or hazardous event identified <b>d)</b> A Water Quality Analyses conducted for at least 95% of the SANS 241 list of determinands (min 80%) (SANS 241). This is to verify whether treatment technology is adequate to treat the raw water to comply with national standard limits <b>e)</b> The WSI to proof implementation of mitigation measures from previous Water Safety Plans
	<b>(1.3)</b> <b>MONITORING PROGRAMME (30%)</b>	<b>a)</b> Prove <b>Operational Monitoring</b> is: i) Informed by the Risk Assessment ii) Required sites to monitor: Raw water, after filtration (per process unit) and final water iii) Determinands (minimum): pH, turbidity and disinfectant residual iv) Frequency of analyses: at least every 8 hours v) Equipment used + calibration records
		<b>b)</b> Prove <b>Compliance Monitoring</b> is: i) Informed by the Risk Assessment and SANS 241 compliant ii) Monitoring programme is registered on BDS iii) Actual monitoring occur according to registered BDS monitoring programme (>80%) iv) Required sites to monitor: Water works final & distribution network + Frequency of analyses: Water works final according SANS 241; distribution network according SANS 241 v) Coverage of population served must at least be 80%
	<b>(1.4)</b> <b>CREDIBILITY of DWQ DATA (15%)</b>	<b>a)</b> Certificate of Accreditation for applicable methods OR Z-scores results ( z-scores must be $\geq -2$ & $\leq 2$ are acceptable) in a recognised Proficiency Testing Scheme <b>b)</b> DWQ Data credibility on the BDS (Blue Drop Certified Data)
	<b>(1.5)</b> <b>INCIDENT MANAGEMENT (10%)</b>	<b>a) Protocol to specify:</b> 1) Alert levels 2) Response times 3) Required actions 4) Roles & responsibilities 5) Communication vehicles/methods and 6) Must include response on possible risks identified in the Risk Assessment of the Water Safety Planning process <b>b) Incident Register to include:</b> 7) Date, location and description of incident 8) Action taken and date of resolution 9) Outcome of cause investigation
	<b>BONUS (1):</b> <b>Sampler's Training</b>	<b>To be eligible for this bonus, WSI's must provide proof of training of samplers or Sampling Quality Control measures (Name the Sampling Training Course, Duration, Service Provider, and detail of Attendees)</b>

		1) Evidence of relevant sampling training that will ensure credibility of the sampling process; or 2) Evidence of control measures to ensure sampling credibility
	<b>BONUS (2): Incident Management Protocol Communication</b>	Communication on the Incident Management Protocol process with all relevant staff within the Municipality
<b>(2)</b>  <b>DWQ PROCESS MANAGE- MENT &amp; CONTROL  8%</b>	<b>(2.1) WORKS CLASSIFICATION COMPLIANCE (15%)</b>	Treatment works classified according the requirements of Regulation 2834- <u>ONLY</u> the classification as it appears on BDS will be used. Supporting evidence to allow the correct classification to be loaded on BDS, Water Services Institutions remains accountable for correctness of information / classification Certificate to be displayed at treatment works ( <i>confirmed during on-site assessments</i> )
	<b>(2.2) PROCESS CONTROL REGISTRATION COMPLIANCE (50%)</b>	<b>a)</b> Process Control Staff must be Registered according to Regulation 2834 with the Department of Water Affairs. Water Services Institutions to prove per treatment works that Process Control Staff complies with the legislative requirements of: i) Number of Process Controllers' ii) Complying with the required Classification levels <b>b)</b> The Supervisor must comply with legislative requirements Information as it appears on BDS will be used <u>ONLY</u> , WSI's to ensure correct classification of all staff per treatment plant
	<b>(2.3) WATER TREATMENT WORKS' LOGBOOK (35%)</b>	<b>a)</b> A logbook is in place to record all incidents and observations at the water treatment works <b>b)</b> Evidence is presented that the logbook process is (i.e. communication medium between process controllers and shifts) being implemented (It is NOT required to be implemented for the entire assessment period)
	<b>BONUS (1): Process Control Training</b>	Proof of Process Control staff being subjected to relevant training the past 12 months to allow Process Controllers to meet the education requirements towards higher level draft Regulation 813 Registration (Year 2013)
	<b>BONUS (2): Process Control Excellence</b>	<b>a)</b> Process Control Staff classified according the requirements of draft Regulation 813 on the Blue Drop System <b>b)</b> Process Control Staff and Supervisor compliance confirmed against draft Regulation 813 (must comply at least <u>75%</u> in each of the shifts)- WSI must indicate shift patterns and Supervisor on BDS. WSI to explain measures in place when a shift does not comply with regulatory process control requirements <b>c)</b> WSI must indicate process controllers and/or supervisors that are 'shared' across different plants/sites
	<b>Water Quality Data Period – 1 January 2013 – 31 December 2013</b>	
<b>(3)</b>  <b>DRINKING WATER QUALITY VERIFICATION  30%</b>	<b>(3.1.1) MICROBIOLOGICAL DWQ COMPLIANCE (50%)</b>	The Microbiological Quality of the water supply must comply with the South African National Standard (specifically, the 2014 Blue Drop Limits which have been derived from SANS241: 2006 and 2011) as per the Excellent Requirements set by the Blue Drop Programme ( <i>E coli</i> ) - Excellent Compliance (97% for <100 000 population) & (99% for >100 000 population)
	<b>(3.1.2) CHEMICAL DWQ COMPLIANCE (45%)</b>	The Chemical Quality of the water supply must comply with the Excellent Requirements set by the Blue Drop Programme for all chemical-health determinands listed in the South African National Standard (the 2014 Blue Drop Limits, derived from SANS241: 2006 and 2011) Chemical – Health (Acute and Chronic): - Excellent Compliance (95% for <100 000 population) & (97% for >100 000 population) - Good Compliance (93% for <100 000 population) & (95% for >100 000 population)
	<b>(3.1.3) OPERATIONAL</b>	The compliance of operational determinands must comply with the 2014 Blue Drop Excellent Limits set by the Blue Drop Programme

	<b>COMPLIANCE (5%)</b>	<ul style="list-style-type: none"> <li>- Excellent Compliance (93% for &lt;100 000 population &amp; 95% for &gt;100 000 population)</li> <li>- Good Compliance (90% for &lt;100 000 population &amp; 93% for &gt;100 000 population)</li> </ul>
	<b>BONUS (1): Aesthetic DWQ Compliance</b>	<p>The Aesthetic Quality of the water supply must comply with the Excellent Requirements set by the Blue Drop Programme for all aesthetic determinands listed in the 2014 Blue Drop Limits</p> <ul style="list-style-type: none"> <li>- Excellent Compliance (93% for &lt;100 000 population &amp; 95% for &gt;100 000 population)</li> <li>- Good Compliance (90% for &lt;100 000 population &amp; 93% for &gt;100 000 population)</li> </ul>
	<b>PENALTY (1): Data Difference</b>	<b>Should there be a difference between data available on BDS and that which is presented in hardcopy for verification the penalty will apply</b>
	<b>PENALTY (2): &lt;11 Months' Data</b>	<b>Less than 11 months data available to assess Microbiological and Chemical compliance</b>
	<b>PENALTY (3): Notification of Failure</b>	<b>If there is any significant (sustained) failure with no evidence of a Water Quality Alert Notice (Boil Water Notice) being issued, this penalty will apply. NB! This may have an implication on qualification for certification</b>
<b>(4)</b> <b>MANAGEMENT, ACCOUNTABILITY, &amp; LOCAL REGULATION</b> <b>10%</b>	<b>(4.1)</b> <b>MANAGEMENT COMMITMENT</b> (30%)	<p>Management's commitment to effective Drinking Water Quality Operations &amp; Management should be portrayed by Proof of signature approval of the:</p> <ul style="list-style-type: none"> <li>a) Water Safety Plan</li> <li>b) DWQ Monitoring Programme</li> <li>c) Water Treatment Plant Logbook</li> <li>d) Operations and Maintenance Budget</li> <li>e) Water Services Development Plan</li> </ul>
	<b>(4.2)</b> <b>PUBLICATION OF PERFORMANCE</b> (25%)	<p>Evidence should be provided on the various means of drinking water quality information made public to the constituencies supplied with drinking water from this specific water supply system</p> <p>Forms of Publication:</p> <ul style="list-style-type: none"> <li>&gt;Newspaper publication</li> <li>&gt;Municipal Billing</li> <li>&gt;Community Radio</li> <li>&gt;Annual Report</li> <li>&gt;Posters &amp; Pamphlets</li> <li>&gt;Population and Promotion of "My Water"</li> <li>&gt;Electronic Webpage</li> </ul> <p>Water Services Institutions must provide evidence of adequate marketing of Existing Blue Drop Certified water supply systems</p>
	<b>(4.3)</b> <b>SERVICE LEVEL AGREEMENT/ PERFORMANCE AGREEMENT</b> (15%)	<p>Should there be an institutional arrangement between the Water Services Authority and the Water Services Provider, then it is essential that the legislatively required contract (Section 19 of the Water Services Act) stipulate the Service Level Agreements between the two entities. A copy of this document is required,</p> <p><b>OR</b></p> <p>Should the Water Services Authority fulfil the function of Water Services Provider as per Section 78 arrangements, then it is required that the responsible manager (official) have a Performance Agreement (Workplan) in place which stipulates Drinking Water Quality Management Responsibilities</p>
	<b>(4.4)</b> <b>SUBMISSION OF DWQ DATA</b> (30%)	<ul style="list-style-type: none"> <li>a) 12 months of data had been submitted on the Blue Drop System (BDS) (DWA will only consider data available on the BDS)</li> <li>b) All compliance monitoring test results are required to be submitted</li> <li>c) As per a requirement of the Water Services Act, compliance data submission occurred monthly (Section 62 of the Water Services Act, Section 9 Regulations) (measured as BDS submission compliance)</li> </ul>
	<b>BONUS (1): Publication of Performance</b>	Availing information on Drinking Water to relevant public in 3 or more forms listed
	<b>BONUS (2):</b>	Workplans of Process Controllers aligned to Operations and



	<b>Performance Agreement</b>	Maintenance Manual
	<b>BONUS (3): Procurement processes</b>	Proof that systems are in place to not run short of Chemicals & Consumables required for treatment
	<b>PENALTY: Submission of DWQ Data</b>	Penalty will apply should the Department find proof during / post assessment that the WSI are guilty of an offence as per Section 82 of the Water Services Act, by only submitting partial information in order to present a false impression of DWQ Performance and/or compliance
<b>(5)</b> <b>ASSET MANAGE- MENT</b> <b>14%</b>	<b>(5.1) ANNUAL PROCESS AUDIT (20%)</b>	Process Audit Report on technical inspection/assessment of treatment facility and evidence of implementation of findings This process assessment should've been done within the 12-month assessment period
	<b>(5.2) ASSET REGISTER (15%)</b>	The Institution must present a complete Asset Register. The asset register must: <b>a)</b> Detail relevant equipment and infrastructure <b>b)</b> Indicate asset description <b>c)</b> Location <b>d)</b> Condition (remaining life) <b>e)</b> Replacement value
	<b>(5.3) AVAILABILITY &amp; COMPETENCE of MAINTENANCE TEAM (15%)</b>	<b>a)</b> The Institution must present evidence of a competent Maintenance Team (in form of Organogram; Contract or Invoice). Logbook with maintenance entries will serve as adequate evidence (for Mechanical, Electrical, Instrumentation and Civil work) <b>b)</b> Additional prove required on team competency (e.g. Qualification & Experience & Trade-test)
	<b>(5.4) OPERATIONS &amp; MAINTENANCE MANUAL (15%)</b>	O&M manual to contain: <b>a)</b> Civil, mechanical, electrical detail / drawings of plant <b>b)</b> Design capacity of plant <b>c)</b> Operational schedules, maintenance schedules <b>d)</b> Process detail and control <b>e)</b> Mechanical and electrical equipment specification <b>f)</b> Fault finding <b>g)</b> Monitoring
	<b>(5.5) OPERATIONS &amp; MAINTENANCE BUDGET and EXPENDITURE (20%)</b>	The Institution must present credible evidence of: <b>a)</b> Maintenance Budget (as part of Operations Budget) <b>b)</b> Maintenance Expenditure (as part of the Operations Expenditure) <b>c)</b> Maintenance Expenditure should be more than 5% of the Operations Expenditure in Total for the preceding Financial Year <u>Financial</u> expenditure to apply as per Municipal Budget Year: <u>Jul 2012 to Jun 2013</u>
	<b>(5.6) DESIGN CAPACITY vs. OPERATIONAL CAPACITY (15%)</b>	Proof to be submitted of the documented design capacity and documented daily operating capacity over the past 12 months Groundwater dependant systems must have an acceptable plan which stipulates abstraction patterns that will prevent aquifer damage Flow meters must be calibrated at least annually
<b>Blue Drop Requirements= TOTAL 97%</b>		







## 2014 NO DROP REQUIREMENTS (Water use efficiency)

<div>(6)</div> <div>WATER USE EFFICIENCY &amp; WATER LOSS MANAGEMENT</div> <div>3%</div>	<div>(6.1)</div> <div>WATER BALANCE</div> <div>(30%)</div>	<div>Provide MONTHLY and ANNUAL composite IWA water balance diagrams and supporting documents for the complete system as part of the water audit (as a component in the WSDP) as per Regulation 509 of 2001 Clause 10 of the Water Supply Regulations. Balance diagram to specify as a minimum the main components of the IWA balance including Water Losses broken down into:</div> <div>a) System input volumes</div> <div>b) Billed metered and unmetered usage</div> <div>c) Unbilled Authorised Consumption</div> <div>d) Water losses broken down into Real and Apparent Losses</div> <div>e) Free Basic Water, and</div> <div>f) Non Revenue Water</div> <div>and to be supported by a schematic showing bulk meters, zones and main infrastructure components</div> <div>Note: WSI's to ensure that units are clearly indicated against numeric values in water balance (e.g. 100 kl/annum, 50 m<sup>3</sup>/day, etc)</div>																																							
	<div>(6.2)</div> <div>WDM STRATEGY and BUSINESS PLAN and IMPLEMENTATION</div> <div>(30%)</div>	<div>a) Evidence must be provided of a Council approved WDM strategy and business plan consisting of at least the following:</div> <div>- Background and Context</div> <div>- Situation Assessment including a Needs Statement</div> <div>- Key Issues and Challenges</div> <div>- Focus Areas of Intervention</div> <div>- List of Proposed Interventions</div> <div>- Set targets for demand, NRW, commercial and real losses</div> <div>- Budget and Multi-year Implementation Timeline</div> <div>b) Provide evidence of implementation against the above Plan in terms of:</div> <div>- List of Interventions (Projects)</div> <div>- Movement against targets for demand, NRW, commercial and real losses</div> <div>- Budget and Multi-year Implementation Timeline</div> <div>(Reg 509 of 2001 Clause 10)</div>																																							
	<div>(6.3)</div> <div>COMPLIANCE and PERFORMANCE</div> <div>(40%)</div>	<div>a) Provide historic data in order to calculate the following:</div> <div>- Physical (real) water loss trend</div> <div>- Commercial water loss trend</div> <div>- Water use efficiency trend</div> <div>b) Provide the following data (grey cells only) with supporting documentation, in order to calculate the WSI baseline profile for:</div> <div>- Physical (real) water loss status</div> <div>- Commercial water loss status</div> <div>- Water use efficiency status</div> <table><tr><td>Population number served:</td><td></td><td>SIV (System Input Volume) (kl/annum):</td><td></td><td>Average system pressure (m):</td><td></td></tr><tr><td>Households served:</td><td></td><td>Authorised, Billed and Metered (kl/annum):</td><td></td><td>Usage (l/cap/day):</td><td></td></tr><tr><td>Total connections:</td><td></td><td>Authorised, Billed and Unmetered (kl/annum):</td><td></td><td>Non-revenue (l/cap/day):</td><td></td></tr><tr><td>Metered connections:</td><td></td><td>Authorised and Unbilled (kl/annum):</td><td></td><td>Real losses (l/cap/day):</td><td></td></tr><tr><td>Unmetered connections:</td><td></td><td>Authorised Consumption (kl/annum):</td><td></td><td>% Metering</td><td></td></tr><tr><td>Households with deemed of flat rate billing:</td><td></td><td>Revenue water (kl/annum):</td><td></td><td rowspan="2">Efficiency =</td><td rowspan="2"></td></tr><tr><td>Number of metered</td><td></td><td>Non-revenue water</td><td></td></tr></table>	Population number served:		SIV (System Input Volume) (kl/annum):		Average system pressure (m):		Households served:		Authorised, Billed and Metered (kl/annum):		Usage (l/cap/day):		Total connections:		Authorised, Billed and Unmetered (kl/annum):		Non-revenue (l/cap/day):		Metered connections:		Authorised and Unbilled (kl/annum):		Real losses (l/cap/day):		Unmetered connections:		Authorised Consumption (kl/annum):		% Metering		Households with deemed of flat rate billing:		Revenue water (kl/annum):		Efficiency =		Number of metered		Non-revenue water
Population number served:		SIV (System Input Volume) (kl/annum):		Average system pressure (m):																																					
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Number of metered		Non-revenue water																																							











		connections billed:		(kl/annum):			
		Proven Industrial use (kl/annum):		Water losses (kl/annum):			
		Length of mains installed :		Apparent or Commercial losses (kl/annum):		Water loss =	
		Assumed commercial losses :		Real or Physical water losses (kl/annum):			
	<b>PENALTY: Inclusion in the IDP</b>	Components listed under Criteria 1.2 were not included in the IDP					
	<b>BONUS (1): Training in WDM</b>	a) The Institution must present evidence of a competent Water Loss Management Team (in form of an Organogram) with <20% vacancy ratio in accordance with Clause 66 (Staff matters) of the Municipal Systems Act 32 of 2000 b) Proof required on team manager competency (Qualification & Experience) with the following additional requirement: Manager to have suitable tertiary qualification with suitable experience c) The Institution must present evidence of a competent structured Maintenance Team (in form of Organogram with well-defined positions and job descriptions; Contract or Invoice). Logbook with maintenance entries will serve as adequate evidence d) Additional proof required on team competency for the team presented under (c) above (e.g. Qualification & Experience & Trade-test) e) Indicate number of suitably qualified plumbers per 1000 connections					
No Drop Requirements= TOTAL 3%							

#### Quality of Drinking Water

Quality of Drinking Water	
Colour Drop	Indication of Drop
	Blue Drop Certified, water is safe to drink
	Micro > 97% Chemical > 95%
	Micro > 97% Chemical < 95% (or no Information)
	Micro < 97% Chemical > 95%
	Micro > 90% < 95% Chemical > 90% < 95%
	Micro < 90% Chemical < 90%



Water Services Authority		Overstrand Local Municipality		
Water Services Provider(s)		Overstrand LM, Overstrand LM		
2014 Municipal Blue Drop Score	90.79%			
2012 Municipal Blue Drop Score	96.82%			
2011 Municipal Blue Drop Score	90.56%			
Performance Area	Baardskeerdersbos	Buffeljags Bay	Buffels River	Greater Gansbaai
				
Water Services Provider(s)	Overstrand LM	Overstrand LM	Overstrand LM	Overstrand LM
Water Safety Planning (35%)	29.75	23.54	33.43	31.50
Treatment Process Management (8%)	4.28	5.60	4.00	6.80
DWQ Compliance (30%)	0.00	15.75	23.25	23.25
Management Accountability (10%)	8.95	8.20	9.25	9.25
Asset Management (14%)	8.72	9.24	11.03	10.50
Use Efficiency, Loss Management (3%)	3.00	3.00	3.00	3.00
Bonus Scores	9.17	6.50	3.25	4.00
Penalties	0.00	0.00	0.00	0.00
<b>2014 BLUE DROP Score</b>	<b>63.87%</b>	<b>71.83%</b>	<b>87.20%</b>	<b>88.30%</b>
2012 Blue Drop Score	91.6%	93.8%	95.0%	97.1%
2011 Blue Drop Score	93.7%	75.4%	95.1%	95.1%
System Design Capacity (Ml/d)	0.15	0.1	5.5	7.1
Operational Capacity (% to Design)	100%	105%	44%	100%
Average daily Consumption (l/p/d)	655.0	310.3	803.4	445.9
Microbiological Compliance (%)	90.0%	95.5%	99.9%	99.9%
Chemical Compliance (%)	92.0%	99.9%	96.4%	96.1%
Blue Drop Risk Rating (2012)	75.5%	52.7%	72.1%	76.7%
Blue Drop Risk Rating (2013)	20.6%	12.2%	12.5%	12.7%
Blue Drop Risk Rating (2014)	47.2%	60.1%	57.3%	57.6%
Performance Area	Greater Hermanus	Kleinmond	Pearly Beach	Stanford
				
Water Services Provider(s)	Overstrand LM	Overstrand LM	Overstrand LM	Overstrand LM
Water Safety Planning (35%)	33.43	31.15	24.59	29.75
Treatment Process Management (8%)	8.00	6.40	6.80	4.70
DWQ Compliance (30%)	29.60	23.25	29.60	30.00
Management Accountability (10%)	9.25	9.25	9.25	9.25
Asset Management (14%)	11.90	10.29	10.29	11.38
Use Efficiency, Loss Management (3%)	3.00	3.00	3.00	3.00
Bonus Scores	1.27	3.25	3.83	2.86
Penalties	0.00	0.00	0.00	0.00
<b>2014 BLUE DROP Score</b>	<b>96.44%</b>	<b>86.59%</b>	<b>87.35%</b>	<b>90.94%</b>
2012 Blue Drop Score	97.9%	95.0%	95.2%	92.7%
2011 Blue Drop Score	87.2%	93.1%	94.3%	95.2%
System Design Capacity (Ml/d)	28.0	5.8	1.4	1.5
Operational Capacity (% to Design)	29%	39%	100%	57%
Average daily Consumption (l/p/d)	192.4	230.1	1605.4	159.9
Microbiological Compliance (%)	98.9%	99.9%	99.9%	99.9%
Chemical Compliance (%)	96.4%	96.4%	99.9%	96.4%
Blue Drop Risk Rating (2012)	78.1%	72.1%	83.5%	64.9%
Blue Drop Risk Rating (2013)	13.5%	12.5%	12.7%	15.6%
Blue Drop Risk Rating (2014)	17.2%	57.3%	56.1%	27.1%

## Regulatory Impression

The Overstrand Local Municipality team was well prepared and demonstrated their commitment to the Blue Drop assessment and water quality excellence. The Municipality is to be congratulated for obtaining Blue Drop status for the Greater Hermanus system. A decreased municipal score was however achieved during this assessment. The reason for the observed decrease in compliance includes:

- ◆ Full compliance with the requirements of SANS 241 with regard to monitoring and analysis could not be demonstrated. No chemical determinants have been analysed in the reticulation network to monitor the chemical quality of water provided to the consumer and identify any potential health impacts. In addition, the frequency of analysis does not comply with the requirements for the final water produced at treatment facilities receiving surface water or within the reticulation network. The Municipality however confirmed that subsequent to the assessment that a service provider has been appointed to implement a risk based monitoring programme that fully complies with the requirements of SANS 241, sampler training and uploading of analytical data to the BDS.
- ◆ Detailed annual process audits could not be demonstrated that assessed the performance of the treatment systems and each process unit with the design capacity of the plant. Recommendations should be incorporated into the review process of water safety plan.
- ◆ Poor microbiological compliance was observed in the Baardskeerdersbos system. This should be mitigated when the new plant to treat borehole water is commissioned in August 2014.

Significant progress has been made by the municipality with regard to WC/WDM and projects have been ongoing for the last three years. Good baseline information and a formal strategy are available that enables the municipality to make informed decisions regarding ongoing planning to minimise non-revenue water.

It is anticipated that the identified gaps will be addressed by the Overstrand Local Municipality and that an upward trend towards Blue Drop compliance will once again be achieved in the next assessment.

Based on the Audit results, the DWS has serious concerns on the poor microbiological drinking water quality and the resultant risk to consumers of the Baardskeerdersbos water supply system. These concerns have to be addressed as a matter of urgency and drinking water quality results and appropriate actions must be communicated to consumers should the water be found to be unfit for human consumption.

The overall **2014 Risk Rating** for Overstrand LM is 41% which translates into the 10<sup>th</sup> best performance in the Western Cape. Note that this value is based on the 3 specific areas indicated below and shows concerns (medium to critical risks) for

Process Control (which risks reflect compliance in terms of draft Regulation 813) in 6 of the 8 systems; Drinking Water Quality in 2 out of the 8 systems; and Risk Management in none of 8 systems.

Additional information regarding the Blue Drop Risk Rating			
Water Supply System	Baardskeerdersbos		
	2012	2013	2014
A: Process Control RR	77.8%	22.2%	55.6%
B: Drinking Water Quality RR	11.1%	55.6%	70.4%
C: Risk Management RR	13.0%	13.0%	17.4%

Additional information regarding the Blue Drop Risk Rating			
Water Supply System	Buffeljags Bay		
	2012	2013	2014
A: Process Control RR	76.5%	17.6%	71.1%
B: Drinking Water Quality RR	11.1%	11.1%	55.6%
C: Risk Management RR	13.0%	13.0%	26.1%

Additional information regarding the Blue Drop Risk Rating			
Water Supply System	Buffels River		
	2012	2013	2014
A: Process Control RR	79.5%	28.2%	64.1%
B: Drinking Water Quality RR	11.1%	11.1%	40.7%
C: Risk Management RR	13.0%	13.0%	13.0%

Additional information regarding the Blue Drop Risk Rating			
Water Supply System	Greater Gansbaai		
	2012	2013	2014
A: Process Control RR	79.5%	34.9%	74.4%
B: Drinking Water Quality RR	40.7%	11.1%	40.7%
C: Risk Management RR	13.0%	13.0%	26.1%

Additional information regarding the Blue Drop Risk Rating			
Water Supply System	Greater Hermanus		
	2012	2013	2014
A: Process Control RR	80.5%	31.7%	34.1%
B: Drinking Water Quality RR	11.1%	14.8%	25.9%
C: Risk Management RR	13.0%	17.4%	17.4%

Additional information regarding the Blue Drop Risk Rating			
Water Supply System	Kleinmond		
	2012	2013	2014
A: Process Control RR	79.5%	28.2%	64.1%
B: Drinking Water Quality RR	11.1%	11.1%	40.7%
C: Risk Management RR	13.0%	13.0%	13.0%

Additional information regarding the Blue Drop Risk Rating			
Water Supply System	Pearly Beach		
	2012	2013	2014
A: Process Control RR	78.9%	26.3%	71.1%
B: Drinking Water Quality RR	11.1%	11.1%	11.1%
C: Risk Management RR	13.0%	13.0%	26.1%

Additional information regarding the Blue Drop Risk Rating			
Water Supply System	Stanford		
	2012	2013	2014
A: Process Control RR	83.8%	29.7%	40.5%
B: Drinking Water Quality RR	11.1%	11.1%	11.1%
C: Risk Management RR	13.0%	13.0%	13.0%

## Site Inspection Scores

The **Preekstoel and Buffels River Base WTWs** were inspected to verify the Overstrand Local Municipality Blue Drop findings.

**Preekstoel WTW:** 88%  
**Buffels River WTW:** 90%

The site inspection impression at the **Preekstoel WTW** was considered to be good. A number of drinking water quality management practices still require attention, including:

- ◆ A flow chart was displayed of the incident management protocol that indicates roles and responsibilities but alert levels were not included.
- ◆ Records of the results of the jar tests that are routinely undertaken could not be provided.
- ◆ Emergency shower and eye wash facilities were not located at the chemical dosing room.
- ◆ Manual post dosing of lime was being undertaken at the time of the assessment due to equipment failure. This was to be repaired as part of the maintenance contract with an external service provider. Standby equipment was not installed.
- ◆ Standby chlorine dosing equipment is not installed.



Flocculent dosing at point of high turbulence tanks



Bunded area for chemical storage tanks

The site inspection impression at the **Buffels River WTW** was considered to be good. A number of drinking water quality management practices still require attention, including:

- ◆ A flow chart was displayed of the incident management protocol that indicates roles and responsibilities but alert levels were not included.
- ◆ The original O&M manual for the WTW is not available. Standard operating procedures have been compiled.
- ◆ Records of jar tests undertaken by the service provider could not be provided.
- ◆ Chemical tanks are not contained within a bunded area.
- ◆ Standby chlorine dosing equipment is not installed.
- ◆ Standby air compressor is not installed.



Gravity flow dosing system of flocculent



Chemical tanks not banded







2013

# GREEN DROP

## REPORT

VOLUME 1:

MUNICIPAL AND PRIVATE  
WASTEWATER SYSTEMS

FINAL DRAFT



**water affairs**

Department:  
Water Affairs  
REPUBLIC OF SOUTH AFRICA



**green drop**  
CERTIFICATION  
waste water service  
REGULATION

Together committed to excellent Water Quality for the future

## ACRONYMS

ACRONYMS	DESCRIPTION
ADWF	Average Dry Weather Flow
CFO	Chief Financial Officer
COD	Chemical Oxygen Demand
CRR	Cumulative Risk Rating
DPW	Department of Public Works
DWA	Department of Water Affairs
GA	General Authorisation
GDC	Green Drop Certification
GDS	Green Drop System ( <a href="http://www.dwa.gov.za/greendrop">www.dwa.gov.za/greendrop</a> )
GWSA	Green Water Services Audit
IMP	Incident Management Protocol
KPA / KPI	Key Performance Area / Indicator
LM	Local Municipality
NA	[Not assessed]
NI	[No information]
O&M	Operation and Maintenance
RPMS	Service Level Agreement
SLA	Regulatory Performance Measurement System
SS	Suspended Solids
W <sub>2</sub> RAP	Wastewater Risk Abatement Plan
WIN-SA	Water Information Network of South Arica
WRC	Water Research Commission
WSA	Water Services Authority
WSP	Water Services Provider
WSI	Water Services Institutions
WWTP/W	Wastewater Treatment Plant / Works
<b>PROVINCES</b>	
EC	Eastern Cape Province
FS	Free State Province
GP	Gauteng Province
LP	Limpopo Province
MP	Mpumalanga Province
NW	North West Province
NC	Northern Cape Province
KZN	Kwa-Zulu Natal Province
WC	Western Cape Province

## How to Read the Report Card

The following is an example of a typical municipal report card that appears in the Green Drop Report 2013. Results are provided in colour coded format – each colour has a specific meaning and performance reference.

Water Services Authority		ABC Local Municipality	
Water Services Provider(s)		ABC WSP	

<b>2013 Municipal Green Drop Score</b>	<b>81.63%</b>	<p>The Municipal Green Drop score is a <b>Performance Indicator</b> of the overall municipal wastewater business (function of the available design capacity and the individual Green Drop scores).</p> <p>Arrows: Depict the current Green Drop status of the plant. A <b>↑</b> arrow shows improvement upon the 2009 situation, <b>↓</b> shows digress, <b>→</b> shows unchanged situation</p>
<b>2011 Municipal Green Drop Score</b>	<b>63.80%</b>	
<b>2009 Municipal Green Drop Score</b>	<b>75.00%</b>	

Key Performance Area	Weight	System X
Process Control & Maintenance Skills	10%	<b>67</b>
Monitoring Programme	15%	<b>95</b>
Submission of Results	5%	<b>100</b>
Effluent Quality Compliance	30%	<b>16</b>
Risk Management	15%	<b>90</b>
Local Regulation	5%	<b>100</b>
Treatment Capacity	5%	<b>100</b>
Asset Management	15%	<b>94</b>
Bonus Scores		8.48
Penalties		1.90
<b>Green Drop Score (2013)</b>		<b>74.88%</b>
2011 Green Drop Score		<b>47.00%</b>
2009 Green Drop Score		<b>66.00%</b>
System Design Capacity	ML/d	2.3
Capacity Utilisation (% ADWF ito Design Capacity)		112.0%
Resource Discharged into		Pienaars River (sensitive, special standard apply)
Microbiological Compliance	%	12.95%
Chemical Compliance	%	24.35%
Physical Compliance	%	20.69%
Overall Compliance	%	20.90%
<b>Wastewater Risk Rating (2012)</b>		<b>76.50%</b>
<b>Wastewater Risk Rating (2013)</b>		<b>76.47%</b>

Colour codes	Appropriate action by institution
90-100%	Excellent situation, need to maintain via continued improvement
80-<90%	Good status, improve where gaps identified to shift to 'excellent'
50-<80%	Fair performance, ample room for improvement
31-<50%	Very poor performance, need targeted intervention towards gradual sustainable improvement
0-<31%	Critical state, need urgent intervention for all aspects of the wastewater services business

<b>Green Drop Score (2013)</b>	<b>74.88%</b>	<p>≥90% = Green Drop Certification</p> <p>&lt;30% = Purple Drop Status</p>
2011 Green Drop Score	<b>47.00%</b>	
2009 Green Drop Score	<b>66.00%</b>	
System Design Capacity	ML/d	2.3
Capacity Utilisation (% ADWF ito Design Capacity)		112.0%
Resource Discharged into		Pienaars River (sensitive, special standard apply)
Microbiological Compliance	%	12.95%
Chemical Compliance	%	24.35%
Physical Compliance	%	20.69%
Overall Compliance	%	20.90%
<b>Wastewater Risk Rating (2012)</b>	<b>76.50%</b>	
<b>Wastewater Risk Rating (2013)</b>	<b>76.47%</b>	

Note: volumetric capacity refers to Average Dry Weather Flow

<b>CRR% Deviation</b>	90 – 100% Critical risk WWTP	
	70 - <90% High Risk WWTP	
	50-<70% Medium risk WWTP	
	<50% Low Risk WWTP	

<p>Plant is receiving 12% more wastewater compared to its original design capacity (ADWF)</p>	
<p>Effluent quality compliance to legislative standards carries a high (30%) weight in the GDC score</p>	
<p>The CRR% Deviation (CRR/ CRRmax) score is specific to the wastewater "treatment" function of the service. This score indicates the actual risk as a % of the maximum risk that the plant potentially can reach. An <b>orange</b> and <b>red</b> block indicate that the plant is in high- or critical risk that warrants urgent attention. A higher value reflects a high risk state (undesirable). A lower value reflects a lower risk state.</p>	

## 1. GREEN DROPScoreCARD 2012/13

*The Stockdale paradox:  
Confront the brutal truth of the situation, yet at the  
same time, never give up hope.*

Green Water Services Audits are conducted by a panel consisting of a qualified wastewater professional as Lead Assessor, supported by 2 Assessors. The team selection is done based on the outcomes of a Green Drop Examination which tests the assessor's knowledge and competence in the subject field.

The following scorecard outlines the key requirements of the Green Drop assessment and indicates the Portfolio of Evidence that was required by each Water Services Institution to calculate a Green Drop score per wastewater system.

**Green Water Services Audit Period : 1 July 2011 – 30 June 2012**

Green Drop Key Performance Area	Requirements	Sub-Requirements
(1) Process Control and Maintenance  [10%]	(1.1)  WORKS REGISTRATION	a) The wastewater treatment facility is registered as per the Requirements of Regulation 2834/17.
	(1.2)  PROCESS CONTROLLER & SUPERVISOR REGISTRATION	a) Copies of Registration Certificates of Process Controllers and Supervisor(s) b) Copies of the classification certificates of all process controllers/operators and supervisors/superintendents must be uploaded on the GDS; c) Compliance with Regulation 2834 (must comply at least 50% in each of the shifts); WSI must indicate shift patterns or measures in place when a shift does not comply with Regulatory Process Control Requirements. d) WSI must indicate process controllers and/or supervisors that are 'shared' across different plants/sites.
	1.3)  MAINTENANCE TEAM	a) Evidence of Maintenance Team used for general maintenance work at the plant & pump-stations(both mechanical and electrical) b) Information on in-house staff (or organogram) or external contractor/s c) Provide additional proof of competency of team (e.g. Qualification & Experience & Trade-test) d) Provide a site specific operation and maintenance schedule (routine / scheduled) e) Contract or Logbook with maintenance entries to serve as evidence of the above aspects
	1.4)  OPERATIONS & MAINTENANCE MANUAL	a) Proof of a 'site-specific' Operation & Maintenance Manual O&M manual to contain: 1. structural, 2. mechanical, 3. electrical detail of plant, 4. design specifications of plant, 5. reference to drawings, 6. operational schedules, 7. maintenance schedules, 8. process detail and control, 9. instrumentation specification/type, 10. fault finding, 11. monitoring, 12. pump curves, 13. supportive appendices
	(1.5)  OPERATIONAL LOGBOOK	a) A logbook is in place to record all incidents at the wastewater treatment works. b) Evidence is presented that the logbook process is being implemented.

	<b>BONUS</b> <b>(Process Control)</b>	<b>BONUS:</b> Proof of Process Controller staff being subjected to relevant training the past 24 months 1. Names of trainees and signature of attendance / Certificate 2. Date and training subject field 3. Training provider and content of training
<b>(2)</b> <b>Wastewater Monitoring Programme</b>  <b>[15%]</b>	<b>(2.1)</b> <b>OPERATIONAL MONITORING</b>	Details of Operational Monitoring: <b>a)</b> Proof of Operational Monitoring sites, determinands and frequency; <b>b)</b> Samples must include: i) <i>inflow</i> ii) <i>outflow</i> iii) <i>process flows</i> iv) <i>industrial</i> v) <i>sludge</i> <b>c)</b> Determinands monitored; <b>d)</b> as per Authorisation / as per best practice per technology type; <b>e)</b> Frequency: as per Authorisation /as per best practice (1/month for micro & small plants, 1 /week for medium plants, and 1/day for large & macro plants)
	<b>(2.2)</b> <b>COMPLIANCE MONITORING</b>	Details of Compliance Monitoring (For ALL Effluent Discharges). <b>a)</b> Sampling Sites as per Authorisation; <b>b)</b> Determinands as per Authorisation (This would include determinands not categorised as Microbiological, Chemical or Physical, e.g. SAR) ; <b>c)</b> Sampling frequency occurs as Authorisation Requirements Note 1: For zero-effluent treatment systems - still need to monitor for impact on catchment / environment (for both lined and unlined systems). Where oxidation ponds are producing effluent for irrigational purposes then General Limits apply. Note 2: A monitoring programme alone will not be sufficient to obtain full score; Analyses results should proof implementation of the monitoring programme.
	<b>(2.3)</b> <b>LABORATORY USED</b>	<b>a)</b> Name lab(s) for operational analysis (in-house or on-site) and lab for compliance analysis/checks (in-house or external) <b>b)</b> Provide the turnaround in laboratory analysis (in hours: from time of submission to time of results dissemination)
	<b>(2.3)</b> <b>LABORATORY CREDIBILITY</b>	<b>a)</b> Certificate of Accreditation for applicable methods, <b>b)</b> Or Z-scores results following participation a recognised Proficiency Testing Scheme ( $-2 \geq z$ -score $\geq 2$ are unacceptable) <b>c)</b> Or Proof of Intra- and Inter-laboratory proficiency (quality assurance as prescribed in Standard Methods)
	<b>(2.4)</b> <b>PROCESS CONTROL / MONITORING RESULTS</b>	<b>a)</b> Explain how monitoring results are used to amend/improve process controlling  <i>[The assessor will select at random analytical parameter/s from the presented analytical results to present an audit question. This might be checked during on-site assessment.]</i>
<b>(3)</b> <b>Submission of Wastewater Quality Results</b>  <b>[5%]</b>	<b>(3.1)</b> <b>DATA SUBMISSION</b>	1. 12 months of data submitted to DWA on the GDS 2. WSA must ensure that 12 months' sets of results are submitted and recorded on the GDS prior to the assessment. Note: All compliance results' data required
	<b>PENALTY (1):</b> Data Not Captured  <b>OR</b>	Penalty will apply should Wastewater results be available but not captured on GDS.
	<b>PENALTY (2):</b> Section 82	Penalty will apply should the Department find proof during / post assessment that the WSI is guilty of an offence as per Section 82 of the Water Services Act, by only submitting partial information (on GDS) in order to present a false impression of WWQ Performance and/or compliance.

<b>(4) Wastewater Effluent Quality Compliance</b>  <b>[30%]</b>	<b>(4.1) WATER USE AUTHORISATION</b>	<b>a)</b> Copy of authorisation, detailing Effluent Quality Standards. <b>NOTE:</b> List Standards to comply with.
	<b>(4.2) EFFLUENT QUALITY COMPLIANCE</b>	<b>a) 90% Microbiological Compliance</b> (e.g. E Coli; Faecal Coliforms) <b>b) 90% Chemical Compliance</b> (e.g. COD, Ammonia, Nitrogen, Nitrate, Nitrite, Residual Chlorine, Ortho-Phosphates, Fluoride, Arsenic, Cadmium, Copper, Manganese, Iron, Selenium, Zinc, Boron, etc.) <b>c) 90% Physical Compliance</b> (e.g. pH, Suspended Solids, Electrical Conductivity, Soap, Oil or Grease, etc)
	<b>BONUS (GDIP)</b>	<b>a)</b> A practical Green Drop Improvement Plan (GDIP) in place – with baseline (current) score, tasks, responsible person, completion date, budget, target GDC score; <b>b)</b> Implementation evidence and proof of management of process
	<b>PENALTY: (Sludge Management)</b>	<b>a)</b> Sludge treatment not managed / monitored. (Monitoring records must be produced); <b>b)</b> In case of ponds systems, provide schedule for desludging of system.
<b>(5) Wastewater Quality Risk Management</b>  <b>[15%]</b>	<b>(5.1) WASTEWATER RISK ABATEMENT PLAN (W<sub>2</sub>RAP)</b>	<b>a)</b> A practical and site specific Wastewater Risk Abatement Plan (W <sub>2</sub> RAP) is in place which identify and prioritise risks, with measures to mitigate inefficiencies/inadequacies that result in non-compliance <b>b)</b> Implementation evidence and proof of management commitment
	<b>(5.2) INCIDENT REGISTER</b>	<b>a)</b> Provide evidence of implementation of Protocol <b>b)</b> Wastewater Quality Failure Incident and Sewer Spillage Incident register.
	<b>(5.3) WASTEWATER INCIDENT MANAGEMENT PROTOCOL</b>	<b>a)</b> Evidence of a documented Wastewater Incident Management Protocol <b>b)</b> Protocol to specify alert levels, response times, required actions, roles & responsibilities and communication measures/vehicles. <b>c)</b> NB. Include Pumpstation failure (sewer collector system spillages)
	<b>BONUS (Energy)</b>	WSI is able to provide DWA with: <b>a)</b> Electricity consumption over last financial year (in KWh/day) and Rand value (R/year) of treatment plant; <b>b)</b> Energy demand projections over next >3 years (in KWh/day) and in Rand value (R/year); and <b>c)</b> Calculate cost of energy (KWh/kl wastewater treated)
<b>(6) Local Regulation</b>  <b>[5%]</b>	<b>(6.1) BYLAWS</b>	Proof of the Bylaws providing for the regulation of: 1. <i>industrial (trade) influent (volumes &amp; quality) discharged into municipal system,</i> 2. <i>package plants,</i> 3. <i>decentralized systems,</i> 4. <i>vacuum tank discharges and</i> 5. <i>Spillages into the environment.</i> 6. <i>Storm-water connections to sewer system.</i>
	<b>(6.2) ENFORCEMENT</b>	1. Proof of application of Bylaw clause in practice, supported by written notice/s to offender <b>OR</b> 2. Proof of adequate enforcement (informing relevant sectors and means of monitoring industrial or other sewer influent.) 3. Records of Package Plants in area of jurisdiction (where development was approved by the Authority (Local Government).



	<b>PENALTY:</b> <b>(Industrial Monitoring)</b>	No evidence of any Industrial influent monitoring. 1. There must be proof in form of results to indicate WSA is performing its local regulation function as per Wastewater Services.
	<b>BONUS</b> <b>(Publication)</b>	1. Annual Publication of wastewater management performance against the requirements of the site-specific License conditions or General Authorisations 2. Name and date of publication, copy of information pertaining to audit question. 3. Note: Communication must include compliance summary
<b>(7)</b>  <b>Wastewater Treatment Capacity</b>  <b>[5%]</b>	<b>(7.1)</b>  <b>DESIGN CAPACITY</b>	<p><b>a)</b> Documented design capacity (hydraulic and organic) of the wastewater treatment facility</p> <p>1. Design capacity as Average Dry Weather Flow (ADWF) and COD load to the plant and</p> <p><b>b)</b> Documented daily receiving flows over the 12 months of assessed period (ideally <math>\leq</math> than design capacity)</p> <p>1. Evidence of daily flows and subsequent calculated averages. Measurement method to be explained</p> <p>2. Evidence of peak wet weather flow to plant during rain events (record rain event and flow to plant)</p> <p>3. Evidence of minimum night flow (minimum monitoring: monthly)</p> <p>4. Water services institution is required to provide motivation/proof of accuracy of meter readings.</p> <p><b>c)</b> Monitoring of outflow volumes (available records) - provide proof of verification system and/or calibration of meters)</p>
	<b>(7.2)</b>  <b>WWTW CAPACITY PLANNING</b>	<p>Medium to long term planning to ensure sufficient capacity for treatment system and to ensure effluent quality compliance;</p> <p>1. Detailed Work-plan which stipulates:</p> <p>i) <i>type of work,</i></p> <p>ii) <i>associated budget,</i></p> <p>iii) <i>projected timeframe</i></p> <p>iv) <i>planned output of this work.</i></p>
	<b>(7.3)</b>  <b>COLLECTOR CAPACITY PLANNING</b>	<p>Medium to long term planning to ensure sufficient capacity for collecting system</p> <p>1. Detailed Work-plan which stipulates:</p> <p>i) <i>type of work,</i></p> <p>ii) <i>associated budget</i></p> <p>iii) <i>projected timeframe</i></p> <p>iv) <i>the planned output of this work</i></p> <p>Note for 7.2 and 7.3: When the WSI is motivating that 'no work' is needed, then provide basis for such standpoint (i.e. quantified design versus operational capacity, usage of system, expected housing developments, condition of treatment system)</p>
	<b>PENALTY</b>	<b>Capacity Utilisation &lt;40%, &gt;90%, &gt;100%</b>
<b>(8)</b>  <b>Wastewater Asset Management</b>  <b>[15%]</b>	<b>(8.1)</b>  <b>PROCESS AUDIT</b>	<p><b>a)</b> Process Audit reporting (evidence required of audit findings and recommendations) on treatment facility efficacy. The audit to include the (design) capability of the plant to meet compliance standards, as well as actual performance of plant. Should've been done between July 2010 and June 2012.</p> <p><b>b)</b> Evidence/plan of implementation of findings during year following Audit Report required.</p>
	<b>(8.2)</b>  <b>SEWER MAIN INSPECTION</b>	<p><b>c)</b> Site inspection of sewer reticulation network and pump-station/s. Provide evidence in form of capacity and condition assessment and recommendations of system. Report to include flow balance that provides evidence which % of total sewage is received at treatment plant.</p> <p>Note: both the process audit and sewer network report could serve as baseline to the W<sub>2</sub>RAP (may run concurrently with "system description and risk identification/rating)</p>

	(8.3) <b>WASTEWATER ASSET REGISTER</b>	<p><b>d)</b> Updated sanitation / wastewater Infrastructure Asset Register</p> <p>1. Proof of Asset Register, evidence to be submitted. Asset register to include movable equipment and immovable infrastructure / assets with matching detail.</p> <p>The asset register must detail :</p> <p>a) relevant equipment and infrastructure</p> <p>b) indicate asset description</p> <p>c) location</p> <p>d) condition (remaining life)</p> <p>e) replacement value</p>
	(8.4) <b>O&amp;M BUDGET &amp; EXPENDITURE</b>	<p><b>e)</b> Operation and maintenance budget and comparative expenditure detail for:</p> <p>1. <i>wastewater treatment (in cents/m<sup>3</sup>), and</i></p> <p>2. <i>collection system (R/m<sup>3</sup>)</i></p> <p>The assessor will require the WSI to explain how these figures compare or are benchmarked to determine whether budget is (in)sufficient</p> <p>NOTE: Indicate whether WSI could only provide global figures or system specific figures.</p>
	(8.5) <b>PUMPSTATION MAINTENANCE</b>	Proof of maintenance work done on mechanical, electrical, civil per pumpstation
<b>Additional Bonuses</b>	(AB 1) <b>CROSS-POLLINATION</b>	WSI is able to provide evidence of improvement partnership initiatives with smaller municipalities (Cross-pollination). Green Drop scores will serve as good evidence to measure the outcomes of such initiative/s.
	(AB 2) <b>STORMWATER MANAGEMENT</b>	Proof of a Storm-water management plan detailing how storm-water entry is quantified, managed and monitored to prevent entry to sewer systems. Plan should also include measures to prevent sewage from entering stormwater systems. Evidence of implementation required
	(AB 3) <b>WATER DEMAND MANAGEMENT</b>	Water Demand Management Plan which provides a strategy and/or work plan that identify, quantify, monitor and manage leakages and water losses of any kind that (may) create an artificial water demand due to higher hydraulic loading of wastewater collection and treatment infrastructure. The bonus will be maximised should a wastewater flow balance be provided.

**Green Drop Certification status = ≥90% score against the above criteria.**



**Purple Drop status = <30% against the above criteria.**



***“If you are going to achieve excellence in big things, you develop the habit in little matters. Excellence is not an exception, it is a prevailing attitude.”***

*Colin Powell*



## 1. Overstrand Local Municipality





Water Services Authority

Overstrand Local Municipality

Water Services Provider(s)

Overstrand Local Municipality

<b>2013 Municipal Green Drop Score</b>	<b>89.14% ↑</b>
<b>2011 Municipal Green Drop Score</b>	<b>88.80%</b>
<b>2009 Municipal Green Drop Score</b>	<b>63.00%</b>

Key Performance Area	Weight	Hermanus 	Hawston 	Stanford 	Gansbaai 
Process Control & Maintenance Skills	10%	84	100	100	100
Monitoring Programme	15%	93	95	95	100
Submission of Results	5%	100	100	100	100
Effluent Quality Compliance	30%	68	69	85	77
Risk Management	15%	96	73	73	73
Local Regulation	5%	100	100	100	100
Treatment Capacity	5%	100	100	100	96
Asset Management	15%	96	93	96	93
Bonus Scores		4.86	5.48	3.55	4.43
Penalties		0.20	0.23	0.30	0.37
<b>Green Drop Score (2013)</b>		<b>91.17%</b>	<b>90.03%</b>	<b>93.39%</b>	<b>91.76%</b>
2011 Green Drop Score		92.10%	87.90%	83.00%	75.80%
2009 Green Drop Score		66.00%	57.00%	61.00%	66.00%
System Design Capacity	ML/d	7.3	1	0.5	2
Capacity Utilisation (% ADWF to Design Capacity)		56.89%	30.00%	79.20%	55.00%
Resource Discharged into		Sea outfall (shallow)	Natural Wetland to Dunes	Kleinrivier	Lined wetlands, sportsfield irrigate
Microbiological Compliance	%	91.67%	91.67%	91.67%	100.00%
Chemical Compliance	%	87.50%	81.25%	90.00%	93.75%
Physical Compliance	%	66.67%	91.67%	94.44%	80.56%
Overall Compliance	%	80.21%	86.46%	91.67%	89.58%
<b>Wastewater Risk Rating (2012)</b>		<b>34.70%</b>	<b>33.30%</b>	<b>44.40%</b>	<b>38.90%</b>
<b>Wastewater Risk Rating (2013)</b>		<b>45.45%</b>	<b>29.41%</b>	<b>29.41%</b>	<b>35.29%</b>

Key Performance Area	Weight	Kleinmond
Process Control & Maintenance Skills	10%	80
Monitoring Programme	15%	95
Submission of Results	5%	100
Effluent Quality Compliance	30%	29
Risk Management	15%	73
Local Regulation	5%	100
Treatment Capacity	5%	56
Asset Management	15%	100
Bonus Scores		8.84
Penalties		0.91
<b>Green Drop Score (2013)</b>		<b>77.61%</b>
2011 Green Drop Score		82.50%

2009 Green Drop Score		<b>66.00%</b>
System Design Capacity	ML/d	2
Capacity Utilisation (% ADWF to Design Capacity)		44.90%
Resource Discharged into		Sea (shallow outfall)
Microbiological Compliance	%	83.33%
Chemical Compliance	%	77.08%
Physical Compliance	%	100.00%
Overall Compliance	%	86.46%
<b>Wastewater Risk Rating (2012)</b>		<b>44.40%</b>
<b>Wastewater Risk Rating (2013)</b>		<b>47.06%</b>

## Regulatory Impression

The Overstrand Local Municipality is to be congratulated with an outstanding performance and able presentation of their Portfolio of Evidence. The Inspection team were impressed with “... *the team’s enthusiasm, expertise and knowledge of the wastewater business.*” As result, Overstrand is awarded **with four Green Drop Certificates**. The overall management of all five systems is consistent and indicative of the personnel's dedication and discipline to wastewater management. Regrettable, the Kleinmond system did not perform on par with the other 3 systems, which weakened the **municipal Green Drop score to 89.14%**, just short of overall Green Drop award.



The points of strength include the high overall compliance of effluent quality, prominent risk abatement, and technical skilled staff with strong management support and involvement. The presence of the Finance department contributed to the positive score received for asset management and ringfenced costing. The Hermanus WWTW is currently in the process of upgrading the works to 12ML/d. Monitoring programs should be revised to include sludge monitoring at all systems and to ensure sufficient sampling frequency where process upgrades have occurred.

Overall, Overstrand has managed to produce a polished Green Drop Performance. Overstrand is also one of very few municipalities that were using the opportunity to score against all the bonus criteria. **Well done.** The absolute consistency displayed in keeping all systems in **low risk zones** using the W<sub>2</sub>RAP process, is commendable. Overstrand is an accomplished service provider in wastewater management, and deserves to be mentioned amongst the top performers in the Province.

### Green Drop findings:

1. Regulation 17 compliance need to receive attention
2. Sea outfall monitoring frequency need to be revised for Hermanus
3. Sludge monitoring and handling could improve going forward
4. Some shortcomings are evident on process assessment which might possibly resolve some of the lower compliance to ammonia, EC, O-PO<sub>4</sub>, SS/COD at some plants, given that ample capacity exist at all plants.



## Site Inspection Report

**Kleinmond**

**75%**

The Kleinmond plant was inspected to verify the Green Drop findings:

- The plant is beautifully set, with notices, PFD, manuals and signage in place
- Process control logbooks can be improved, as well as instrumentation
- Flows recorded, except nightflow, 60% tankered, daily pumpstations checks
- Aeration of wastewater well maintained, goo process control, lime slightly slug dosed, MLSS used along temperature
- Disinfection via ultraviolet radiation, clear overflows to reed beds (Phragmites) for polishing. UV performance questioned.





## **ANNEXURE H**

### **NT & PT BUDGET CIRCULARS & FINANCIAL RATIOS AND NORMS**



## Municipal Budget Circular for the 2016/17 MTREF

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## Introduction

The budget circular is compiled annually to guide municipalities on how to prepare their budget inputs. This circular focuses on the preparation of the 2016/17 Medium Term Revenue and Expenditure Framework (MTREF), reference should also be made to the previous circulars. This guidance includes national policy imperatives that should be accommodated and other relevant information. The circular provides a summary of South Africa's economic outlook, inflationary targets, financial management issues and specific reference on how to give effect to National Treasury's Municipal Budget and Reporting Regulations (MBRR). The key focus of this circular is the 2016 Local Government Elections, the demarcation process and the changes to the local government grant allocations.

### 1. 2016 Local Government Elections and the budget process

Local government elections are likely to be scheduled between May and August 2016; the proposed date is yet to be determined. Elections are important events – when we reaffirm our commitment to democratic and accountable government by choosing representatives of the people who will guide the work of local government for the next five years.

The following four risks need to be explicitly managed:

1. In terms of section 13 of the Municipal Property Rates Act, 2004 (Act No 6 of 2004)(MPRA) and sections 24 and 42 of the Municipal Finance Management Act, 2003 (Act No 56 of 2003)(MFMA), new tariffs for property rates, electricity, water and any other taxes and similar tariffs may only be implemented from the start of the municipal financial year (1 July). This means that the municipal council must approve the relevant tariffs before the commencement of 1 July; and, should this not happen, the municipality will not be able to increase its taxes and tariffs. Failure to obtain Council approval for the annual tariff increases would most likely cause an immediate financial crisis that may lead to the provincial executive intervening in the municipality in terms of section 139 of the Constitution;
2. In terms of section 16 of the MFMA, a municipal council must approve the annual budget for the municipality before the start of the financial year, and should a municipal council fail to do so, section 26 of the MFMA prescribes that the provincial executive **must** intervene. This provincial intervention may include dissolving the municipal council and appointing an administrator to run the municipality;
3. The outgoing council may be tempted to prepare an 'election friendly budget' – with unrealistically low tariff increases and an over-ambitious capital expenditure programme. The outcome of this approach will undoubtedly be unfunded municipal budgets that threaten their respective municipalities' financial sustainability and service delivery; and
4. Given that the timing of election campaigning coincides with the municipal public budget consultations; and there is a risk that these consultations may be neglected or used to serve the narrow interests of political parties.

In the build-up to the 2016 local government elections, municipalities are encouraged to act towards ensuring financial sustainability. Now, more than ever before, it is paramount for sound municipal decision-making so that long-term sustainability of municipal finances and service delivery is achieved beyond the election period.

Municipal finances are presently volatile and there is severe pressure to maintain healthy cash flows and maintain effective cost containment measures. It is therefore imperative that municipalities refrain from suspending credit control and debt collection efforts in a bid to win votes.

Furthermore, as the current composition and leadership of municipal councils will, for the most part, be responsible for the compilation of the 2016/17 medium-term revenue and expenditure (MTREF) budgets, councils are advised to prioritise expenditure appropriations aligned to the policy intent as described in the integrated development plans (IDPs). Infrastructure provisioning for water, sanitation, roads and electricity remain key priorities.

In addition the outgoing council is advised to critically consider the financial implications before entering into new long-term contracts that are not of priority to the municipality and avoid if possible, committing the incoming council. In addition, refrain from purchasing cars and from incurring expenditure at this stage that will financially burden the incoming council.

During this time of transition, all stakeholders should work together to ensure that municipalities continue to perform their functions efficiently and effectively. The Mayor and municipal manager should now be engaging in the process of the annual review of the fifth and last year of the IDP in terms of section 34 of the Municipal Systems Act (MSA) and the 2016/17 budget preparation process in terms of section 21 of the MFMA. It is particularly important to ensure that arrangements for the review of IDPs and preparation of budgets continue seamlessly as these processes cannot be delayed in anticipation of the announcement of an election date.

The uncertainty of the date of Election Day means that the newly elected councils may not be duly constituted by 31 May 2016 and therefore they will be unable to consider the annual budget before the start of the new municipal financial year. If the election date falls within the latter part of May 2016 and if there is any delay in declaring the election results or if the results are legally contested then it is unlikely that the new councils will be able to consider and pass the annual budget before the start of the new municipal financial year. In fact, in the case of district municipalities, there is a high probability that they will not be constituted in time to consider the annual budgets since they depend on the finalisation of the local municipality election results relevant to their respective districts. The same will apply if the election is held in June, July or August. It is for this reason that it is recommended that the outgoing council should adopt the 2016/17 MTREF budget before the start of the new financial year.

In deciding on the schedule for the 2016/17 budget process, the Mayor and municipal manager must also note that the MFMA read together with the Municipal Budget and Reporting Regulations only allows for a 'main adjustments budget' to be tabled after the mid-year budget and performance assessment has been tabled in council, i.e. after 1 January 2017. In addition, the permitted scope of an adjustments budget is quite limited in that taxes and tariffs may not be increased or decreased (refer to section 28(6) of the MFMA), and any additional revenues may only be appropriated to programmes and projects already budgeted for (refer to section 28 of the MFMA). Therefore the idea of the current council passing a 'holding budget' which the new council will change substantially through an adjustments budget soon after the start of the municipal financial year is not legally permitted.

Though an IDP is a five year strategic document of council, municipalities should note that when a new council takes office after each local government election, the norm has been that the first year of such a new council is primarily confined to implementing the last adopted IDP. Subsequent to this, it is normally in the second year of the new council where the newly



elected council will adopt its new and thoroughly interrogated and consulted IDP. This process mostly leads to an overlap of the last year of outgoing council into the new council.

It is each municipal council's prerogative to decide when to approve its annual budget. However, to assist municipalities, National Treasury proposes that councils consider adopting the following approach for their 2016/17 budget process:

<b>Outgoing council approves 2016/17 budget</b>	
1.	Current Mayor prepares a budget schedule that brings the review of the IDP and the tabling of the budget forward to late February or the beginning of March 2016;
2.	Community consultations on the annual budget conducted in the remainder of March and early April 2016;
3.	Officials complete technical work on annual budget by mid-April 2016;
4.	Current council approves annual budget and reviewed IDP before the end of April 2016; and
5.	Council implements annual budget from 1 July 2016.
<b>Benefits</b>	
•	Minimises the risk of being without an approved budget at the start of the financial year;
•	Ensures continuity of operations; and
•	Safeguards the financial sustainability of the municipality by ensuring tariff increases are locked in before the start of the financial year.
<b>Risks</b>	
•	New council may not concur with the priorities set out in the annual budget approved by the outgoing council, and therefore they may be reluctant to be held accountable for the implementation thereof.
<b>Mitigating factors</b>	
•	New council should note the overlapping year of the last year of the IDP into the first year of new council; and
•	Note that MFMA section 28(6) does not allow for tariff increases during the financial year of implementation of the adopted budget.

## 2. Financial Implications of the demarcation process

According to section 21 of the Municipal Demarcation Act, 1998 (Act No 27 of 1998), the Municipal Demarcation Board (MDB) must determine municipal boundaries and may re-determine any municipal boundaries. In June 2011, the MDB began an intensive three year consultative process of reviewing municipal boundaries. This process was concluded in 2013, and resulted in 17 local municipalities being affected by major boundary redeterminations. As a result of these changes the total number of municipalities is reduced by 8 municipalities.

Following the 2013 cycle of municipal boundary redeterminations, the Minister of Cooperative Governance and Traditional Affairs (CoGTA) submitted additional proposals requesting the MDB to consider the re-configuration of boundaries of certain municipalities. These proposals were submitted to the MBD in January, February and April 2015 in terms of section 22(2) of the Act, which gives the Minister of CoGTA the right to request the MDB to consider specific boundary changes. The process of considering these applications was finalised in 2015, resulting in 32 local municipalities being affected. As a result of these changes the total number of municipalities is reduced by a further 13 municipalities.



In total there will be a net reduction of 21 municipalities resulting in a total number of 257 municipalities in the country. A list of affected municipalities is attached as Annexure B.

Implications for municipalities that are merging (if the election is held before 1 July 2015):

- The demarcation changes are only effective from the date of the local government elections, therefore each existing municipality must compile an individual budget for the 2016/17 MTREF;
- The individual budgets will be consolidated for the newly demarcated municipality after the local government elections, regardless of the new allocations that will be published in the 2016 Division of Revenue Bill;
- In order to ensure seamless consolidation of budgets after the elections, the merging municipalities are urged to start working as a team on the planning and technical processes; and
- During the period between the date of the election and the start of the new municipal financial year on 1 July 2016 the current arrangements for the payment of staff and creditors are required to be maintained.

In addition, municipalities should be aware of the role of the Change Management Committee (CMC) of overseeing joint planning between the municipalities in preparation for the consolidated budget after the local government elections.

National Treasury will provide further information on the implications of the mergers if the elections are after the start of the 2016/17 municipal financial year. This will be done in the second budget circular to be issued in March 2016. In this scenario the currently existing municipalities would continue to exist for the beginning of the 2016/17 financial year before the mergers come into effect on the date of the election. Existing councils will have to adopt budgets and municipalities will be eligible to receive a pro-rata portion of their equitable share and some grant allocations for the period prior to the new municipal boundaries coming into effect.

## **2.1 Support provided to municipalities**

To support the newly amalgamated municipalities to undertake a smooth transition, the Municipal Demarcation Transition Grant (MDTG) was established with a time span of three years (2015/16 to 2017/18). The purpose of the grant is to subsidise the additional institutional and administrative costs arising from major boundary changes due to come into effect after the 2016 local government elections. The grant only subsidises additional administrative costs related to the mergers (such as merging and changing administrative systems and costs related to transferring staff). It does not provide for any infrastructure funding.

All affected municipalities are also being supported by provincial departments of cooperative governance. A Change Management Committee has been established for each re-demarcation, with representation from all of the affected municipalities and their respective district municipalities and the provinces. The Department of Cooperative Governance has also established a national Municipal Demarcation Transitional Committee with the aim of coordinating the various transitional measures that need to be put in place for the affected municipalities.

The 2016 DORA will set out the funding that will be provided to the affected municipalities, and these municipalities, CMCs and affected provinces must ensure that they adhere to the conditions attached to the MDTG. In particular, business plans must be timeously submitted to the Department of Cooperative Governance so as to ensure that transfers are done in accordance with the payment schedules.

## 2.2 Impact of demarcation changes on financial transfers to municipalities

### *Implications for Local Government Equitable Share (LGES) allocations*

The LGES is allocated through a formula that takes account of several factors including the number of poor households and households in a municipality, their incomes and the ability of the municipality to raise its own revenue. In calculating municipalities' equitable share allocations for 2016/17 all of these indicators will be updated in line with the new municipal boundaries. The resultant changes in the affected municipalities' equitable share allocations will be implemented by National Treasury and details of the new allocations will be published in the 2016 Division of Revenue Bill.

### *Implications for Municipal Infrastructure Grant (MIG) allocations*

The MIG is allocated through a formula in a similar manner to the LGES (the MIG formula is based on infrastructure backlogs). The MIG formula will also be updated with data reflecting the changed municipal boundaries. The resultant changes in the affected municipalities' MIG allocations will be implemented by National Treasury and details of the new allocations will be published in the 2016 Division of Revenue Bill.

### *Implications for other conditional grant allocations*

Allocations of other conditional grants are made to municipalities by the responsible national departments, often on a project basis. Allocations for conditional grants are only made for one year and the amounts published for the outer years in the schedules of the Division of Revenue Act are published for indicative purposes only and are not guaranteed. Departments will make their allocations for the 2016/17 financial year based on the new boundaries of municipalities. For municipalities that have been merged this means that previous indicative allocations are likely to be made to the new municipality that incorporates the municipal area where a project was planned and indicative amounts were published, however there is no guarantee of this.

Preparations for each major boundary re-determination are being overseen by a Change Management Committee (CMC). These CMCs are expected to play a coordinating role and exercise oversight over the preparation of a joint budget as well as any business plans required for conditional grants. The business plans can then be approved by the new council as soon as it has been constituted.

Transfers to municipalities will be gazetted in terms of the new municipal boundaries for the 2016/17 financial year.

## 2.3 Implications for assets and liabilities of municipalities

The changes to municipal boundaries are published by the MECs for local government in provincial gazettes in terms of section 12 of the Municipal Structures Act, 1998 (Act No 117 of 1998)(LGMSA). Section 14 of this Act regulates the effects that changes to municipal boundaries will have on existing municipalities. It also stipulates that the section 12 notice issued by the MEC for local government must provide for:

- The disestablishment of a municipality (or part of a municipality);
- The vacation of office by councilors of the existing municipality;
- The transfer of staff from the existing municipality to the superseding municipality (this must be done in accordance with labour legislation);
- The transfer of assets, liabilities and administrative and other records from the existing municipality to the superseding municipality (creditors of the existing municipality must be paid by the new municipality); and
- The extent to which existing by-laws will still apply.

The 2016/17 municipal budget preparation must make provision for any changes contained in these section 12 notices. The outgoing Council will as a result still be responsible for the preparation and conclusion of the Annual Financial Statements and the audit process.

### 3. The South African economy and inflation targets

The 2015 Medium Term Budget Policy Statement notes that the global economic outlook has been weaker than anticipated. Growth in developing economies has moderated in response to lower commodity prices, subdued domestic demand and reduced capital inflows. Growth in some developed economies has offset this slowdown. The South African economy is expected to grow by 1.5 per cent in 2015, 1.7 per cent in 2016 and 2.6 per cent in 2017. Domestic inflation is lower, largely as a result of declining oil prices. However, the depreciation of the Rand and the current drought gripping many parts of the country, however, pose some risk to the inflation outlook. Furthermore the electricity supply shortages pose the largest domestic risk to growth.

Persistent high unemployment remains one of South Africa's most pressing challenges. Difficult trading conditions and low business confidence levels have limited hiring during 2015. The formal sector lost 76 000 jobs, with sharp declines in manufacturing and construction, as well as community, social and personal services.

These economic challenges will continue to pressurise municipal revenue generation and collection hence a conservative approach is advised for projecting revenue. These circumstances make it essential for municipalities to reprioritise expenditure and implement stringent cost-containment measures.

Municipalities must take the following macro-economic forecasts into consideration when preparing their 2016/17 budgets and MTREF.

**Table 1: Macroeconomic performance and projections, 2014 - 2018**

Fiscal year	2014/15	2015/16	2016/17	2017/18	2018/19
	Actual	Estimate	Forecast		
CPI Inflation	5.6%	5.5%	6.0%	5.8%	5.8%

Source: Medium Term Budget Policy Statement 2015

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

### 4. Key focus areas for the 2016/17 budget process

#### 4.1 Local government conditional grants and additional allocations

The purpose of the conditional grants is to deliver on national government priorities relating to service delivery. Additional funding is allocated in the form of unconditional allocations such as the equitable share and the sharing of the general fuel levy. The main purpose of the equitable share is to fund the provision of free basic services to the poor.

The 2015 Medium Term Budget Policy Statement indicates that over the 2016 MTEF period, transfers to local government total R350.6 billion, with 59.5 per cent transferred as unconditional allocations and the rest as conditional grants. The division of available funds to local government have increased to R106.9 billion or 9.2 per cent of the national revenue for 2016/17. These funds are expected to increase to R128.4 billion by 2018/19.

Municipalities are advised to use the indicative numbers as set out in the 2015 Division of Revenue Act to compile their 2016/17 MTREF. In terms of the outer year (2018/19 financial year), it is proposed that municipalities conservatively limit funding allocations to the indicative numbers as proposed in the 2015 Division of Revenue Act for 2017/18. The DoRA is available at <http://www.treasury.gov.za/legislation/acts/2015/Default.aspx>

It is imperative that municipalities reflect the conditional grant allocations as per the 2016 Division of Revenue Bill once available, and plan effectively to utilise these allocations appropriately so as to avoid requesting roll-overs.

### **Changes to local government allocations**

- The *local government equitable share* is being increased by R6 billion over the MTEF to provide some relief for the impact of increasing costs of bulk water and electricity and rapid growth in households.
- The *municipal demarcation transition grant* allocation is being increased to subsidise the additional administrative costs in respect of the re-demarcations. This includes increased allocations for demarcations approved in 2013 and allocations for demarcations approved in 2015.
- The *municipal systems improvement grant* will become an indirect grant so that it can support more strategic capacity building interventions at municipalities. The initiatives funded from this grant will be aligned to the Back-to-Basics strategy and the Department of Cooperative Governance and the National Treasury will jointly decide on the details of how this programme will work.
- The *municipal human settlements capacity grant* was introduced in 2014/15 to facilitate the development of capacity to manage human settlements programmes in anticipation of the assignment of the housing function to cities. However, there is no longer a need for this standalone grant as the assignment process was subsequently suspended indefinitely. The grant will be terminated in 2016/17. Cities will be allowed to use 3 per cent of the *urban settlements development grant* to improve their capacity with regard to the built-environment functions.
- The indirect *bucket eradication programme grant* was due to end in 2015/16 but will be extended to 2016/17 to complete the eradication of bucket sanitation systems in formal residential areas. Sanitation upgrading and bucket system eradication in informal areas will continue to be funded through the *urban settlements development grant*, *human settlements development grant* and *municipal infrastructure grant*.

### **Reforms to local government fiscal framework**

The second phase of the collaborative review of the local government infrastructure grant system led by the National Treasury has been concluded. Several changes will be introduced over the 2016 MTEF period to streamline these grants and improve the value and sustainability of associated investments. Proposed reforms to be introduced from 2016 include:

- Enabling the use of funds for the renewal, refurbishment and rehabilitation of existing infrastructure, alongside asset management systems to plan and prioritise maintenance;

- Reforming the public transport network grant to support financially sustainable transit networks in large cities by using a formula to allocate the grant, thereby giving cities a clear financial envelope within which to plan;
- Consolidating urban grants over the MTEF to tackle challenges in the built environment;
- Rationalising grants to reduce complexity and administrative burdens. Several water and sanitation grants are being merged;
  - The *municipal water infrastructure grant*, the *water services operating subsidy grant* and the *rural households infrastructure grant* will be merged into a single grant that will be targeted at reticulation and on-site-solutions in low capacity municipalities.
- Introducing greater differentiation between urban and rural areas. Secondary cities in particular will see changes to their planning requirements.

National Treasury has initiated a process of reviewing development charges. A national draft policy framework on development charges has been developed and processes are underway to consult on the policy. The consultations will convene early next year. More detailed information on these consultation processes will be provided in due course. For more information in this regard, you can contact Ms Judy Mboweni at [Judy.Mboweni@treasury.gov.za](mailto:Judy.Mboweni@treasury.gov.za) or Ms Mmachuene Mpyana at [Mmachuene.Mpyana@treasury.gov.za](mailto:Mmachuene.Mpyana@treasury.gov.za).

## 4.2 Reporting indicators

The National Treasury has engaged in a process of rationalising the reporting regime for the eight metropolitan municipalities with an aim to reduce the reporting burden whilst also creating a pool of indicators that will enable government to monitor progress on the outcomes and impact of municipal spending. This process has progressed significantly with regards to the outcomes and impact indicators whilst the rationalisation of the inputs, activities and output indicators is still undergoing rigorous consultations. The metropolitan outcomes and impact indicators are linked to the Built Environment Performance Plans (BEPPs) and therefore the Integrated City Development Grant (ICDG); whereas the inputs, outputs and activities indicators are linked directly to the Service Delivery Budget Implementation Plan (SDBIP) only as it relates to the built environment. When finalised, these indicators will assist the process of standardising the SDBIP.

The functional outcomes indicators are due to be finalised for the next budget cycle whilst the work on the input and output indicators is ongoing. Over time these reforms will also be extended to non-metropolitan municipalities.

## 4.3 Municipal Standard Chart of Accounts (*mSCOA*)<sup>1</sup>

The *mSCOA* Regulations apply to all municipalities and municipal entities with effect from 1 July 2017 and only eleven months remain for preparation and implementation readiness as the 2017/18 MTREF budgets will all have to be aligned to *mSCOA*.

The implementation of *mSCOA* must be considered a business reform and it requires a significant change in municipal business processes; and it involves systems conversion and/

<sup>1</sup> The Minister of Finance promulgated the Municipal Regulations on a Standard Chart of Accounts in government gazette Notice No. 37577 on 22 April 2014.



or re-implementation. Further, *mSCOA* requires organisational change as it is not only a financial reform that is being introduced.

The 2016/17 tabled budget or consolidated budget must include an annexure containing the municipality's *mSCOA* project plan and progress to date.

National Treasury has a dedicated website to support municipalities with their *mSCOA* readiness efforts. The following information is available:

- The current *mSCOA* classification framework;
- The *mSCOA* Project Summary Document;
- All Municipal *SCOA* Circulars, providing hands-on support on how to undertake preparation and implementation;
- Integrated Consultative Forum (ICF) – documentation and presentations of the *mSCOA* piloting process; and
- The Frequently Asked Questions Database (FAQ Database) – where previously asked questions and responses can be accessed and new questions may be logged.

For more information on *mSCOA* and other benefits of the reform, visit: <http://mfma.treasury.gov.za/RegulationsandGazettes/MunicipalRegulationsOnAStandardChartOfAccountsFinal/Pages/default.aspx>

## 5. The revenue budget

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges at levels that reflect an appropriate balance between the interests of poor households, other customers and ensuring the financial sustainability of the municipality. For this reason municipalities ***must justify in their budget documentation all increases in excess of the 6.0 per cent*** projected inflation target in the budget narratives.

Municipalities are not maximising the revenue generation potential of their revenue base and this, together with the increasing unemployment and the decline in economic growth means that there is just not sufficient municipal own revenue to supplement the national funding sources to local government.

It is therefore necessary for municipalities to ensure that their tariffs are adequate to, at the minimum, cover the costs of bulk services and also to ensure that all properties are correctly billed for property rates and all services rendered.

### 5.1 Eskom bulk tariff increases

In terms of the Multi Year Price Determination (MYPD) for Eskom's tariffs approved by the National Energy Regulator of South Africa (NERSA), a tariff increase of 8 per cent has been approved for the 2016/17 financial year. However, Eskom has applied to NERSA to use tariff increases in 2016/17 to compensate for an under-recovery of R22.8 billion in 2013/14. Such an application is allowed in terms of the NERSA's methodology for calculating the MYPD. A similar Eskom application was approved by NERSA for 2015/16.

NERSA is now in the process of reviewing this application. Until a decision on Eskom's application is announced by NERSA, municipalities are advised to base their planning on the 8 per cent increase already approved by NERSA. However, municipalities should be aware that it is possible that a higher tariff increase could be approved and take this possibility into account in their planning for the 2016/17 MTREF. NERSA expects to make a decision on Eskom's application by February 2016.

Municipalities are urged to examine the cost structure of providing electricity services and to apply to NERSA for electricity tariff increases that reflect the total cost of providing the service so that they work towards achieving financial sustainability.

## 5.2 Water and sanitation tariff increases

Municipalities should consider the full cost of rendering the water and sanitation services when determining tariffs related to these two services. If the tariffs are low and result in the municipality not recovering their full costs, the municipality should develop a pricing strategy to phase-in the necessary tariff increases in a manner that spreads the impact on consumers over a period of time. Should this not be the case, municipalities will be required to clearly articulate the reasons and remedial actions to rectify this position in their budget document. It is expected that the tariffs will differ per municipality depending on the bulk water tariff increases charged by their respective water boards.

Municipalities are urged to design an Inclining Block Tariff (IBT) structure that is appropriate to its specific circumstances, and ensures an appropriate balance between 'low income customers' and other domestic, commercial and business customers, and the financial interests of the municipality. While considering this structure, municipalities are advised to evaluate if the IBT system will be beneficial to them depending on consumption patterns in their areas.

In light of the current drought being experienced across large parts of the country, and to mitigate the need for water tariff increases, municipalities must put in place appropriate strategies to limit water losses to acceptable levels. In this regard municipalities must ensure that water used by its own operations is charged to the relevant service, and not simply attributed to water losses.

## 6. Funding choices and management issues

Municipalities should carefully consider the costs associated with service delivery while keeping in mind affordability and inflation when setting revenue raising measures. Once again, approving tariffs that are far below levels representing cost of providing the services would negatively impact on the financial sustainability of municipalities.

Furthermore municipalities must consider the following when compiling their 2016/17 MTREF budgets:

- improving the effectiveness of revenue management processes and procedures; and
- pay special attention to cost containment measures by, amongst other things, controlling unnecessary spending on nice-to-have items and non-essential activities.

### 6.1 Employee related costs

The South African Local Government Bargaining Council recently entered into a three-year *Salary and Wage Collective Agreement* for the period 01 July 2015 to 30 June 2018. The agreement reached is as follows:

- 2015/16 Financial Year – 7 per cent
- 2016/17 Financial Year – average CPI (Feb 2015 – Jan 2016) + 1 per cent
- 2017/18 Financial Year – average CPI (Feb 2016 – Jan 2017) + 1 per cent

Municipalities are advised to use this Salary and Wage Agreement preparing their 2016/17 MTREF budgets.

## 6.2 Remuneration of councilors

Municipalities are advised to budget for the actual costs approved in accordance with the gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually by the Department of Cooperative Governance.

## 6.3 Service level standards

In spite of a broad guideline on the minimum service standards having been issued with MFMA Circular No. 75, many municipalities did not incorporate the service level standards in their respective budget documentation nor submit these to National Treasury. All municipalities are again advised to formulate service level standards which must form part of their 2016/17 MTREF tabled budget documentation. The said service level standards must, together with the budgets, tabled before their respective municipal councils by no later than 31 March 2016.

It is noted that the same service level standards do not apply across all municipalities. Therefore, the hereon provided outline is intended to guide municipalities with the development of their respective service level standards. The outline can be amended to suit the requirements of individual municipalities. Municipalities are advised to also consider other guideline documents issued by other institutions available on the link indicated below.

A framework was developed as an outline to assist municipalities in finalising their service level standards. The outline can be accessed on the link below:

<http://mfma.treasury.gov.za/Circulars/Documents/Forms/AllItems.aspx?RootFolder=/Circulars/Documents/Circular 75 - 2015 MTREF&FolderCTID=&View={06AB24E7-1C64-4A80-A0FA-273E6A829094}>

## 6.4 Outcomes of the Financial Management Capability Maturity Model (FMCMM)

In prioritising the upcoming MTREF decisions, municipalities should review the detailed analysis of the results of the FMCMM assessments with the results of the 32 financial ratios that provide a holistic picture of the financial capability and sustainability of the municipality. These reports have been communicated to all municipalities and should be read in conjunction with the most recent budget reviews and feedback provided by National Treasury and Provincial Treasuries. Key aspects requiring attention should be discussed with the municipal council and management so that they can be prioritised for resource allocation and implementation.

Comments on these assessments and any other related legislative advice on the MFMA can be submitted to the MFMA helpdesk facility at: [MFMA@treasury.gov.za](mailto:MFMA@treasury.gov.za)

## 6.5 Hand-over reports for the newly elected council

Each municipal manager, working together with the Chief Financial Officer (CFO) and senior managers, is encouraged to prepare a hand-over report that can be tabled at the first meeting of the newly elected council. The aim of this hand-over report is to provide the new councils important orientation information regarding the municipality, the state of its finances, service delivery and capital programme, as well as key issues that need to be addressed.

It is proposed that the hand-over report should include:

- An overview of the demographic and socio-economic characteristics of the municipality;



- An overview of the organisational structure of the municipality, with the names and numbers of senior managers;
- An overview of key municipal policies that councillors need to be aware of, and where they can obtain the full text of such policies;
- An overview of issues that still need to be addressed in relation to the municipality's turnaround strategy;
- An overview of the municipality's financial health, with specific reference to:
  - Its cash and investments, and its funding of commitments (Table A8);
  - Cash coverage of normal operations (see Supporting Table SA10);
  - Creditors outstanding for more than 30 days, along with reasons for delayed settlement;
  - Current collection levels and debtors outstanding for more than 30 days; and
  - Extent of existing loans, and associated finance and redemption payments.
- The municipality's 2014/15 audit outcome, and its strategy to address audit issues;
- An overview of the provision of basic services, including plans to address backlogs;
- An overview of the state of the municipality's assets, with particular reference to the asset management plan, and repairs and maintenance requirements;
- A list of the main infrastructure projects planned for the 2016/17 budget and MTREF;
- A list of key processes requiring council input over the next six months, e.g. revision of the IDP, approval of specific policies etc. and
- Any other information deemed to be important.

In addition to the hand-over report, each new councillor should be given the municipalities' revised IDP, the adopted 2016/17 budget (if already passed), the mid-year budget and performance assessment report for 2015/16, and the latest monthly financial statement, and the annual report for 2014/15.

Municipal managers should submit their municipality's hand-over report to the relevant provincial department responsible for local government, provincial treasuries, the Department of Co-operative Governance (DCoG) and to National Treasury.

## 7. Conditional Grant Transfers to Municipalities

### 7.1 Pledging of conditional grants

Read together with paragraph 4.5 of MFMA Circular No. 51, all conditions for the considerations of the conditional grant pledge should be aligned with the provisions of section 46 of the MFMA regarding long-term borrowing.

While pledging of conditional grants assists in accelerating capital projects, municipalities are cautioned that pledging will only be approved for projects that have gone through a proper planning process as well as meeting the criteria for pledging as per MFMA Circular No. 51.

## 8. The Municipal Budget and Reporting Regulations

National Treasury has released Version 2.8 of Schedule A1 (the Excel Formats). This version incorporates minor changes (see Annexure A). Therefore **ALL** municipalities **MUST** use this version for the preparation of their 2016/17 Budget and MTREF.

Download Version 2.8 of Schedule A1 by clicking [HERE](http://mfma.treasury.gov.za/RegulationsandGazettes/Pages/default.aspx)

The Municipal Budget and Reporting Regulations, formats and associated guides are available on National Treasury's website at:

<http://mfma.treasury.gov.za/RegulationsandGazettes/Pages/default.aspx>

## 8.1 Assistance with the compilation of budgets

If municipalities require advice with the compilation of their respective budgets, specifically the budget documents or Schedule A1, they should direct their enquiries to their respective provincial treasuries or to the following National Treasury official as follows:

	Responsible NT officials	Tel. No.	Email
Eastern Cape	Templeton Phogole Matjatji Mashoeshoe	012-315 5044 012-315 6567	<a href="mailto:Templeton.Phogole@treasury.gov.za">Templeton.Phogole@treasury.gov.za</a> <a href="mailto:Matjatji.Mashoeshoe@treasury.gov.za">Matjatji.Mashoeshoe@treasury.gov.za</a>
Free State	Vincent Malepa Cethekile Moshane Katlego Mabiletsa	012-315 5539 012-315 5079 012-395 6742	<a href="mailto:Vincent.Malepa@treasury.gov.za">Vincent.Malepa@treasury.gov.za</a> <a href="mailto:Cethekile.moshane@treasury.gov.za">Cethekile.moshane@treasury.gov.za</a> <a href="mailto:Katlego.Mabiletsa@treasury.gov.za">Katlego.Mabiletsa@treasury.gov.za</a>
Gauteng	Kgomotso Baloyi Nomxolisi Mawulana	012-315 5866 012-315 5460	<a href="mailto:Kgomotso.Baloyi@treasury.gov.za">Kgomotso.Baloyi@treasury.gov.za</a> <a href="mailto:Nomxolisi.Mawulana@treasury.gov.za">Nomxolisi.Mawulana@treasury.gov.za</a>
KwaZulu-Natal	Bernard Mokgabodi Johan Botha	012-315 5936 012-315 5171	<a href="mailto:Bernard.Mokgabodi@treasury.gov.za">Bernard.Mokgabodi@treasury.gov.za</a> <a href="mailto:Johan.Botha@treasury.gov.za">Johan.Botha@treasury.gov.za</a>
Limpopo	Una Rautenbach Sifiso Mabaso	012-315 5700 012-315 5952	<a href="mailto:Una.Rautenbach@treasury.gov.za">Una.Rautenbach@treasury.gov.za</a> <a href="mailto:Sifiso.Mabaso@treasury.gov.za">Sifiso.Mabaso@treasury.gov.za</a>
Mpumalanga	Jordan Maja Anthony Moseki	012-315 5663 012-315 5174	<a href="mailto:Jordan.Maja@treasury.gov.za">Jordan.Maja@treasury.gov.za</a> <a href="mailto:Anthony.Moseki@treasury.gov.za">Anthony.Moseki@treasury.gov.za</a>
Northern Cape	Willem Voigt Mandla Gilimani	012-315 5830 012-315 5807	<a href="mailto:Willem.Voigt@treasury.gov.za">Willem.Voigt@treasury.gov.za</a> <a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a>
North West	Sadesh Ramjathan Makgabo Mabotja	012-315 5101 012-315 5156	<a href="mailto:Sadesh.Ramjathan@treasury.gov.za">Sadesh.Ramjathan@treasury.gov.za</a> <a href="mailto:Makgabo.Mabotja@treasury.gov.za">Makgabo.Mabotja@treasury.gov.za</a>
Western Cape	Vuyo Mbunge Kevin Bell	012-315 5661 012-315 5725	<a href="mailto:Vuyo.Mbunge@treasury.gov.za">Vuyo.Mbunge@treasury.gov.za</a> <a href="mailto:Kevin.Bell@treasury.gov.za">Kevin.Bell@treasury.gov.za</a>
Technical issues with Excel formats	Elsabe Rossouw	012-315 5534	<a href="mailto:lqdataqueries@treasury.gov.za">lqdataqueries@treasury.gov.za</a>

National Treasury, together with the provincial treasuries, will undertake a compliance check and, where municipalities have not provided complete budget information, the municipal budgets will be returned to the mayors and municipal managers of the affected municipalities for the necessary corrections. Municipal managers are reminded that the annual budget must be accompanied by a 'quality certificate' in accordance with the format as set out in item 31 of Schedule A in the Municipal Budget and Reporting Regulations.

The National Treasury would like to emphasise that where municipalities have not adhered to the Municipal Budget and Reporting Regulations, ***those municipalities will be required to go back to the municipal council and table a complete budget document aligned to the requirement of the Municipal Budget and Reporting Regulations.***

Municipalities with municipal entities are once again reminded to prepare consolidated budgets and in-year reports for both the parent municipality and its entity or entities in that they to produce:

- An annual budget, adjustments budget and monthly financial reports for the parent municipality in the relevant formats; and
- A consolidated annual budget, adjustments budget and monthly financial reports for the parent municipality and all its municipal entities in the relevant formats.

The A Schedule that the municipality submits to National Treasury must be a consolidated budget for the municipality (plus entities) and not the budget of the parent municipality only.

## 9. Budget process and submissions for the 2016/17 MTREF

### 9.1 Submitting budget documentation and schedules for 2016/17 MTREF

To facilitate oversight of compliance with the Municipal Budget and Reporting Regulations, accounting officers are reminded that:

- Section 22(b)(i) of the MFMA requires that **immediately** after an annual budget is tabled in a municipal council, it must be submitted to the National Treasury and the relevant provincial treasury in both printed and electronic formats. If the annual budget is tabled to council on 31 March 2016, the final date of submission of the electronic budget documents and corresponding electronic returns is **Friday, 01 April 2016**. The deadline for submission of hard copies including council resolution is **Friday, 8 April 2016**.
- Section 24(3) of the MFMA, read together with regulation 20(1), requires that the approved annual budget must be submitted to both National Treasury and the relevant provincial treasury **within ten working days** after the council has approved the annual budget. If the council only approves the annual budget on 30 June 2016, the final date for such a submission is **Thursday, 14 July 2016**, otherwise an earlier date applies.

The municipal manager must submit:

- the budget documentation as set out in Schedule A (version 2.8) of the Municipal Budget and Reporting Regulations, including the main Tables (A1 - A10) and ALL the supporting tables (SA1 – SA37) in both printed and electronic formats;
- the draft service delivery and budget implementation plan in both printed and electronic format;
- the draft integrated development plan;
- the council resolution;
- signed Quality Certificate as prescribed in the Municipal Budget and Reporting Regulations; and
- schedules D, E and F specific for the entities.

Municipalities are required to send electronic versions of documents and the A1 schedule to [lqdocuments@treasury.gov.za](mailto:lqdocuments@treasury.gov.za).

If the budget documents are too large to be sent via email (exceeds 4MB) please submit to [lqbigfiles@gmail.com](mailto:lqbigfiles@gmail.com). Any problems experienced in this regard can be addressed with Elsabe Rossouw at [Elsabe.Rossouw@treasury.gov.za](mailto:Elsabe.Rossouw@treasury.gov.za).

Municipalities are required to send printed submissions of their budget documents and council resolution to:

#### **For couriered documents**

Ms Linda Kruger  
National Treasury  
40 Church Square  
Pretoria, 0002

#### **For posted documents**

Ms Linda Kruger  
National Treasury  
Private Bag X115  
Pretoria, 0001

In addition to the above mentioned budget documentation, metropolitan municipalities must submit the Built Environment Performance Plan (BEPP) tabled in council on 31 March 2016 to [Yasmin.coovadia@treasury.gov.za](mailto:Yasmin.coovadia@treasury.gov.za). If the BEPP documents are too large to be sent via email (exceeds 4MB) please submit to [yasmin.coovadia@gmail.com](mailto:yasmin.coovadia@gmail.com) or send to Yasmin Coovadia via Dropbox; any problems experienced in this regard can be addressed with

[Yasmin.Coovadia@treasury.gov.za](mailto:Yasmin.Coovadia@treasury.gov.za). Hard copies of the BEPP may be sent to Yasmin Coovadia, National Treasury, 3<sup>rd</sup> floor 40 Church Square, Pretoria, 0002 or Private Bag X115, Pretoria, 0001.

## 9.2 Budget reform returns to the Local Government Database for publication

For publication purposes, municipalities are still required to use the Budget Reform Returns to upload budget and monthly expenditure to the National Treasury Local Government Database. All returns are to be sent to [lgdatabase@treasury.gov.za](mailto:lgdatabase@treasury.gov.za). Municipalities are requested to submit returns for both the draft budget and the final adopted budget. This will assist the National and provincial treasuries with the annual benchmark process.

The aligned electronic returns may be downloaded from National Treasury's website at the following link: [http://mfma.treasury.gov.za/Return\\_Forms/Pages/default.aspx](http://mfma.treasury.gov.za/Return_Forms/Pages/default.aspx).

## 9.3 Publication of budgets on municipal websites

In terms of section 75 of the MFMA, all municipalities are required to publish their tabled budgets, adopted budgets, annual reports (containing audited annual financial statements) and other relevant information on the municipality's website. This will aid in promoting public accountability and good governance.

All relevant documents mentioned in this circular are available on the National Treasury website, <http://mfma.treasury.gov.za/Pages/Default.aspx>. Municipalities are encouraged to visit it regularly as documents are regularly added / updated on the website.

## Contact



**Post** Private Bag X115, Pretoria 0001  
**Phone** 012 315 5009  
**Fax** 012 395 6553  
**Website** <http://www.treasury.gov.za/default.aspx>

**JH Hattingh**  
**Chief Director: Local Government Budget Analysis**  
**07 December 2015**

## Annexure A – Changes to Schedule A1 – the ‘Excel formats’

As noted above, National Treasury has released Version 2.8 of Schedule A1 (the Excel Formats). It incorporates the following changes:

No.	Sheet	Amendment	Reason
1	A10	Cost of free basic services	Improve reporting of cost of free basic services provided including in informal settlements.
2	SA1	Revenue foregone	Improve reporting on revenue foregone and cost of free basic services.
3	SA9	Provision of free basic services	To provide detailed breakdown of free basic services which links to A10.

## Annexure B – Municipalities affected by redeterminations

### Redeterminations Finalised by the MDB in 2013 and 2015

Province	Affected Local Municipalities	Impact
<b>Redeterminations finalised in 2013</b>		
<b>Gauteng</b>	Randfontein and Westonaria	Reduction of 1 Municipality
<b>KwaZulu - Natal</b>	Vulamehlo and Umdoni	Reduction of 1 Municipality
	Hlabisa and The Big 5 False Bay	Reduction of 1 Municipality
	Umtshezi and Imbabazane	Reduction of 1 Municipality
	Ezingoleni and Hibiscus Coast	Reduction of 1 Municipality
	Emnambithi/Ladysmith and Indaka	Reduction of 1 Municipality
	Kwa Sani and Ingwe	Reduction of 1 Municipality
	Ntambanana, Mthonjaneni and uMhlathuze	Reduction of 1 Municipality . (Ntambanana disestablished with 8 wards. Ward s1-4 incorporated into Mthonjaneni; wards 5-8 incorporated into uMhlathuze)
<b>Redeterminations finalised in 2015</b>		
<b>KwaZulu - Natal</b>	Mooi Mpofana and Umvoti	No reduction in number of Municipalities. Portion of Mooi Mpofana (Cadham voting district) incorporated into Umvoti.
<b>Mpumalanga</b>	Mbombela and Umjindi	Reduction of 1 Municipality
<b>Free State</b>	Mangaung and Naledi	Reduction of 1 Municipality
<b>North West</b>	Ventersdorp and Tlokwe	Reduction of 1 Municipality
<b>Northern Cape</b>	Mier and //Khara Hais	Reduction of 1 Municipality
<b>Limpopo</b>	Mutale, Thulamela, Makhado and Musina	Reduction of 1 Municipality (Mutale disestablished. Parts of Mutale are incorporated into Thulamela and Musina. Parts of Makhado and Thulamela are incorporated to form a new municipality .)
	New Municipality	Parts of Makhado and Thulamela are incorporated to form a new municipality .
	Aganang, Blouberg, Molemole and Polokwane	Reduction of 1 Municipality . (Aganang disestablished; parts of Aganang incorporated into Blouberg, Molemole and Polokwane).
	Fetakgomo and Greater Tubatse	Reduction of 1 Municipality
	Modimolle and Mookgopong	Reduction of 1 Municipality
<b>Eastern Cape</b>	Gariep and Maletswai	Reduction of 1 Municipality
	Nxuba and Nonkobe	Reduction of 1 Municipality
	Inkwanca, Tsolwana and Lukanji	Reduction of 2 Municipalities (all 3 amalgamated into 1)
	Camdeboo, Baviaans and Ikwezi	Reduction of 2 Municipalities (all 3 amalgamated into 1)



## Annexure C – Previous MFMA Circulars

### Budget management issues dealt with in previous MFMA Circulars

Municipalities are reminded to refer to MFMA Circulars 48, 51, 54, 55, 66, 67 and 70 with regards to the following issues:

1. Mayor's discretionary funds and similar discretionary budget allocation – National Treasury regards allocations that are not designated for a specific purpose to be bad practice and discourage them (refer to MFMA Circular 51).
2. Unallocated ward allocations – National Treasury does not regard this to be a good practice, because it means that the tabled budget does not reflect which ward projects are planned for purposes of public consultation and council approval (refer to MFMA Circular 51).
3. New office buildings – Municipalities are required to send detailed information to National Treasury if they are contemplating building new main office buildings (refer to MFMA Circular 51).
4. Virement policies of municipalities – Municipalities are reminded of the principles that must be incorporated into municipal virements policies (refer to MFMA Circular 51).
5. Providing clean water and managing waste water – Municipalities were reminded to include a section on 'Drinking water quality and waste water management' in their budget document (refer to MFMA Circular 54).
6. Renewal and repairs and maintenance of existing assets – Allocations to repairs and maintenance, and the renewal of existing infrastructure must be prioritised. Municipalities must provide detailed motivations in their budget documentation if allocations do not meet the required benchmarks set out in MFMA Circular 55 and 66.
7. Credit cards and debit cards linked to municipal bank accounts are not permitted – On 02 August 2011 National Treasury issued a directive to all banks informing them that as from 01 September 2011 they are not allowed to issue credit cards or debit cards linked to municipal bank accounts (refer to MFMA Circular 55).
8. Water and sanitation tariffs must be cost reflective - refer to MFMA Circular 66.
9. Solid waste tariffs – refer to MFMA Circular 70.
10. Variances between 4<sup>th</sup> Quarter section 71 results and annual financial statements – refer to Circular 67.
11. Additional In-Year reporting requirements – refer to MFMA Circular 67.
12. Appropriation statement (reconciliation: budget and in-year performance)- reference is made to circular 67. It came to the attention of National Treasury that a number of municipalities did not include the appropriation statement as part of their 2012/13 or 2013/14 annual financial statement. In terms of the Standards of GRAP 24 on the Presentation of Budget Information in Financial Statements, municipalities are required to present their original and adjusted budgets against actual outcome in the annual financial statements. This is considered an appropriation statement and the comparison between the budget and actual performance should be a mirror image of each other as it relates to the classification and grouping of revenue and expenditure as has been the case in a national and provincial context. This statement is subject to auditing and accordingly supporting documentation would be required to substantiate the compilation of this statement.
13. Eliminating non-priority spending – The 2013 MTBPS emphasised the need for government to step-up its efforts to combat waste, inefficiency and corruption (refer to MFMA circular 70).
14. Council oversight over the budget process – refer to MFMA Circular 70.

## Conditional grant issues dealt with in previous MFMA Circulars

Municipalities are reminded to refer to MFMA Circulars 48, 51, 54, 55 and 67 with regards to the following issues:

1. Accounting treatment of conditional grants: Municipalities are reminded that in accordance with accrual accounting principles, conditional grants should only be treated as 'transfers recognized' revenue when the grant revenue has been 'earned' by incurring expenditure in accordance with the conditions of the grant.
2. VAT on conditional grants: SARS has issued a specific guide to assist municipalities meeting their VAT obligations – **VAT 419 Guide for Municipalities**. To assist municipalities accessing this guide it has been placed on the National Treasury website at: <http://mfma.treasury.gov.za/Guidelines/Pages/default.aspx>
3. Interest received and reclaimed VAT in respect of conditional grants: Municipalities are reminded that in MFMA Circular 48, National Treasury determined that:
  - Interest received on conditional grant funds must be treated as 'own revenue' and its use by the municipality is not subject to any special conditions; and
  - 'Reclaimed VAT' in respect of conditional grant expenditures must be treated as 'own revenue' and its use by the municipality is not subject to any special conditions.
4. Appropriation of conditional grants that are rolled over – As soon as a municipality receives written approval from National Treasury that its unspent conditional grants have been rolled-over it may proceed to spend such funds (refer to MFMA Circular 51 for other arrangements in this regard).
5. Pledging of conditional grant transfers – the 2015 Division of Revenue Bill contained a provision that allows municipalities to pledge their conditional grants. The end date for the pledges is extended to 2017/18. The process of application as set out in MFMA Circular 51 remains unchanged.
6. Separate reporting for conditional grant roll-overs – National Treasury has put in place a separate template for municipalities to report on the spending of conditional grant roll-overs. Municipalities are reminded that conditional grant funds can only be rolled-over once, so if they remain unspent in the year in which they were rolled-over they MUST revert to the National Revenue Fund.
7. Payment schedule – National Treasury has instituted an automated payment system of transfers to municipalities in order to ensure appropriate safety checks are put in place. Only the primary banking details verified by National Treasury will be used for effecting transfers.
8. Conditional grant transfers/payments, the responsibilities of transferring and receiving authorities and the criteria for the rollover of conditional grants – It is important that the transfers made to municipalities' are transparent, and properly captured in the municipalities' budgets. MFMA Circular no: 67 in this regard refers. The criterion for the rollover of conditional grants is stipulated in MFMA Circular no: 51.

## MBRR issues dealt with in previous MFMA Circulars

Municipalities are reminded to refer to MFMA Circulars 48, 51, 54, 55 with regards to the following issues:

1. Budgeting for revenue and 'revenue foregone' – The 'realistically anticipated revenues to be collected' that must be reflected on the Budgeted Statement of Financial Performance (Tables A2, A3 and A4) must exclude 'revenue foregone'. The definition



of 'revenue foregone' and how it is distinguished from 'transfers and grants' is explained in MFMA Circular 51.

2. Preparing and amending budget related policies – Information on all budget related policies and any amendments to such policies must be included in the municipality's annual budget document (refer to MFMA Circular 54).
3. 2013/14 MTREF Funding Compliance Assessment – All municipalities were required to perform the funding compliance assessment outlined in *MFMA Funding Compliance Guideline* and to include the relevant information outlined in MFMA Circular 55 in their 2015/16 budgets (refer to MFMA Circular 55).
4. Tabling a funded budget - It is critical that municipalities adopt and implement funded budgets as per Section 18 of the MFMA. Tables A7 and A8 which if completed correctly by the municipality, it will provide most of the information required to evaluate whether a municipality's operating and capital budgets are **funded** or not.



## Municipal Budget Circular for the 2016/17 MTREF

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## Introduction

The budget circular is compiled annually to guide municipalities on how to prepare their budget inputs. This circular is a follow-up to the MFMA Budget Circular No.78 that focused on the preparation of the 2016/17 Medium Term Revenue and Expenditure Framework (MTREF). This guidance includes national policy imperatives that should be accommodated and other relevant information. The circular provides a summary of South Africa's economic outlook, inflationary targets, financial management issues and specific reference on how to give effect to National Treasury's Municipal Budget and Reporting Regulations (MBRR). The key focus of this circular is the impact of the date of the 2016 Local Government Elections on municipalities affected by re-demarcations and the changes to the local government grant allocations.

## 1. 2016 Local Government Elections and the budget process

### 1.1 Impact of Local Government Elections on demarcation changes

The date of the 2016 local government elections has not yet been declared, which means that it is also not yet known when the new demarcations will come into effect. The re-demarcation could take place before or after the start of the 2016/17 municipal financial year, which begins on 01 July 2016.

Allocations published in the 2016 Division of Revenue Bill are based on the new municipal boundaries because these new demarcations will be in effect for the majority of the 2016/17 municipal financial year. The following guidance was provided in the MFMA Budget Circular No. 78:

If the elections are held before 01 July 2016, merging municipalities will be expected to:

- Compile individual budgets for the 2016/17 MTREF and work as a team with other affected municipalities on the planning and technical processes in compiling the consolidated budget for the newly demarcated municipality; and
- Complete the remaining weeks of the financial year on their existing budget structures (and existing demarcations). The allocations published in the 2016 Division of Revenue Bill will then be transferred to the re-demarcated municipalities from 01 July 2016.

However, additional clauses have been added to section 38 of the 2016 Division of Revenue Bill to enable the National Treasury to gazette revised allocations if the elections take place after 01 July 2016.

If elections are held after 01 July 2016, the following is expected:

- Revised allocations to be transferred to the current 278 municipalities for the period between 01 July 2016 and the date of the elections (when the re-demarcated municipal boundaries will come into effect);
- The remaining allocations will be transferred to the re-demarcated municipalities after the elections;
- Merging municipalities to compile individual budgets for the 2016/17 MTREF and work as a team with other affected municipalities on the planning and technical processes in compiling the consolidated budget for the newly demarcated municipality; and
- Municipalities to implement the individual budgets until the new re-demarcations come into effect.

In areas affected by major re-demarcations the focus of the budget process for the 2016/17 MTREF should be on preparing the budget of the new municipalities that will come into effect

on the date of the 2016 local government elections. Public consultations and decisions regarding tariffs and spending priorities should be focused on how these new institutions will be funded and deliver services. As elections must be held by mid-August (in terms of the requirements of section 24 of the Municipal Structures Act) these new municipalities will be responsible for delivering services for the majority of the 2016/17 financial year and over the rest of the medium term period. Preparation of these budget documents should be led by the Change Management Committee established to manage the implications of re-demarcations in each area.

The councils of the pre-election municipalities affected by the boundary change must jointly consider the budget for the new municipality to be established to ensure that all the issues are addressed e.g. budget related policies. The draft budget prepared by the Change Management Committee and agreed to by the pre-election councils should then be adopted by the newly elected council as soon as possible after it is constituted. If there are changes to be made, they must be considered during the 2016/17 adjustments budget or the 2017/18 MTREF.

Municipalities that will be merged or disestablished on the date of the local government elections must also prepare 2016/17 MTREF budgets for their existing municipality. If the election is held after 01 July then expenditure and the collection of revenue will be done in terms of this budget until the budget of the new council is adopted. The budgets that these municipalities prepare must be aligned to the budget for the new municipality described above.

If two municipalities are merging then the total of the transfers they budget to receive should be equal to the total allocated to the new municipality in the 2016 Division of Revenue Bill. Municipalities can use the proportion of funds allocated to each municipality in terms of the 2015 Division of Revenue Act as a guide to how to apportion 2016/17 MTEF allocations between the existing municipalities. For example, if municipality 1 and municipality 2 are merging to form municipality 3 and municipality 1 received an equitable share twice as large as municipality 2 in 2015/16, then municipality 1 should prepare a 2016/17 MTREF budget based on receiving 66.6 per cent of the equitable share allocation published for municipality 3 in the 2016 Division of Revenue Bill.

If the local government election date is after 01 July 2016, National Treasury will gazette how much will be transferred to each pre-election municipality for the period between 01 July 2016 and Election Day. In terms of the requirements and process set out in section 38 of the 2016 Division of Revenue Bill, this gazette will be issued within 2 weeks after the election date is announced or the Bill is enacted (whichever date is later).

The changes to municipal boundaries result in some significant changes to municipal allocations in 2016/17. To cushion the impact of these changes, all municipalities will receive at least 95 per cent of the equitable share formula allocation indicatively allocated to them in 2016/17 in the 2015 Division of Revenue Act. For merged municipalities, this guarantee will be based on the sum of the equitable share allocations to the previously separate municipalities. In cases where a municipality has been split, the guarantee is applied to an area's share of the former municipality's equitable share, based on its portion of the population in the former municipality.

The role of the Change Management Committee is critical in ensuring that budget policies for the newly demarcated municipalities are developed. The MECs for local government have issued provincial gazettes in terms of section 14 of the Municipal Structures Act, 1998 (Act No 117 of 1998)(LGMSA) detailing the transitional process for municipalities affected by re-demarcations.

## 2. The South African economy and inflation targets

The 2016 Budget Review notes that since the tabling of the Medium Term Budget Policy Statement (MTBPS) in October 2015 the global economic crisis has deepened, exposing the depth of South Africa's external vulnerabilities and the internal constraints that limit its potential for growth. Global conditions have exposed South Africa's own economic weaknesses, with projected GDP growth revised down to 0.9 per cent for 2016 improving gradually to 1.7 per cent in 2017 and 2.4 per cent in 2018.

The weaker outlook is as a result of lower commodity prices, higher borrowing costs, drought and diminished business and consumer confidence. Constrained electricity supply continues to limit growth and deter fixed investment. Exchange rate depreciation is contributing to a higher inflation outlook during 2016.

These factors are expected to ease over the medium term. An upturn in global trade and investment, improved policy certainty, recovering consumer and business confidence, and greater availability and reliability of electricity in the outer years should support stronger growth.

Job creation remains one of the most pressing concerns for the economy. Headline employment grew by 3.7 per cent in the first three quarters of 2015. According to Statistics South Africa, 19 000 jobs were created in the formal sector and 273 000 in the informal sector in the first three quarters of 2015. The unemployment rate stood at 25.5 per cent in the third quarter of 2015, with the number of South Africans categorised as long-term unemployed 5.7 per cent higher than in 2014.

Higher inflation and weaker employment growth will impact on the ability of all municipalities to generate and collect revenue on services, to keep expenditures within budgeted allocations, and to borrow to fund capital expenditure programmes at affordable rates. Therefore it is critical for municipalities to review how they conduct their business to ensure value for money is obtained in all their expenditures, that revenue administration systems are operating effectively, that borrowing programmes are realistic, and that creditors (including bulk service providers) continue to be paid timeously and in full.

Municipalities must take the following macro-economic forecasts into consideration when preparing their 2016/17 budgets and MTREF.

**Table 1: Macroeconomic performance and projections, 2014/15 – 2018/19**

Fiscal year	2014/15	2015/16	2016/17	2017/18	2018/19
	Actual	Estimate	Forecast		
CPI Inflation	5.6%	5.4%	6.6%	6.2%	5.9%
Real GDP growth	1.6%	0.9%	1.2%	1.9%	2.5%

Source: 2016 Budget Review

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

## 3. Key focus areas for the 2016/17 budget process

### 3.1 Local government conditional grants and additional allocations

The purpose of the conditional grants is to deliver on national government priorities relating to service delivery. Additional funding is allocated in the form of unconditional allocations such as the equitable share and the sharing of the general fuel levy. The main purpose of the equitable share is to fund the provision of free basic services to the poor.

Over the 2016 MTEF period, R339.6 billion will be transferred directly to local government and a further R22.9 billion has been allocated to indirect grants. Direct transfers to local government over the 2016 MTEF period account for 9.1 per cent of national government's non-interest expenditure. The total spending on local government increases to 9.8 per cent of national non-interest expenditure when indirect transfers are added.

Direct transfers to local government grow at an annual average rate of 6.8 per cent over the 2016 MTEF period. Transfers to local government tabled in the 2016 MTEF have been reduced to make funding available for other government priorities. Over the MTEF period, local government allocations decrease by R967 million. Despite these reductions, total allocations to local government still grow at an annual average rate of 6.7 per cent over the MTEF period.

Municipalities are reminded that all allocations included in the budgets must correspond to the allocations listed in the Division of Revenue Bill. All the budget documentation can be located on the National Treasury website by clicking on the link below:  
<http://www.treasury.gov.za/documents/national%20budget/2016/>

### **Changes to local government allocations**

- The *local government equitable share* - the 2016 budget reduces the baseline allocation by R300 million, or 0.6 per cent, in 2016/17. In 2017/18 and 2018/19, R1.5 billion and R3 billion are added respectively to offset the rising costs of basic services. These amounts revise downwards the 2015 MTBPS medium-term projection of an additional R6 billion. This change is as a result of government's reprioritisation of expenditure.
- The *municipal demarcation transition grant* allocation – a total of R409.3 million has been allocated in 2016/17 and 2017/18 to fund the changes in municipal boundaries in affected municipalities.
- The *municipal systems improvement grant* has been reconfigured as an indirect grant from 2016/17 to help poorly performing municipalities with revenue collection, performance management and record keeping. Regional management support will also be provided to groups of municipalities facing common institutional weaknesses.
- A total of R350 million is added to the *bucket eradication programme grant* in 2016/17 to complete the eradication of bucket sanitation systems in formal residential areas. The *urban settlements development grant*, the *human settlements development grant* and the *municipal infrastructure grant* will continue to fund the upgrade of sanitation in informal settlements through various projects focused on improving these areas. An amount of R155 million is also reprioritised into the *regional bulk infrastructure grant*.
- There is also a small shift of funds from the *municipal infrastructure grant* to the *urban settlements development grant* to account for the absorption of Naledi Local Municipality (which receives the *municipal infrastructure grant*) into Mangaung Metropolitan Municipality (which receives the *urban settlements development grant*).

### **Reforms to local government infrastructure grants**

The National Treasury, in collaboration with the Department of Cooperative Governance, the Department of Planning, Monitoring and Evaluation, SALGA and the FFC, has reviewed the system of local government infrastructure grants. Following an intergovernmental review of the local government infrastructure grant system, significant changes are being made to the way these grants are structured. The changes include:



- Allowing municipalities to use conditional grant funds to repair and refurbish existing infrastructure. Spending of grant funds on refurbishment should be focused on infrastructure serving the poor and does not remove the responsibility of municipalities to fund routine maintenance from the equitable share and own revenues. This will improve services and secure future revenue streams.
- Reducing the number of water and sanitation grants from four to two by merging of the previous *municipal water infrastructure grant*, the *water services operating subsidy grant* and the *rural household infrastructure grant* to create a new *water services infrastructure grant*. The regional bulk infrastructure grant is to fund large bulk-water and sanitation projects, and the water services infrastructure grant is to fund construction and refurbishment of reticulation schemes and on-site services in rural municipalities.
- A new formula to allocate the R6 billion per year set aside to upgrade public transport in 13 cities. The previous system incentivised cities to plan overly expensive systems in the hope of receiving more funding. The new formula provides greater certainty about the long-term support government will provide, and allows cities to plan affordable and sustainable infrastructure upgrades.

## 4. Revenue management

National Treasury continues to encourage municipalities to keep increases in property rates, tariffs for trading services and charges for other municipal own revenue sources within the parameters of the country's inflation rate. Furthermore, municipalities must adopt a tariff setting methodology that achieves an appropriate balance between the interests of poor households and other customers while ensuring financial sustainability of the municipality. Demand management is becoming increasingly necessary as the country faces water shortages and an unstable electricity supply. The approach to tariff setting should consider all these factors and strive to achieve an equitable balance.

It is anticipated that the cost of providing municipal services will grow at a faster rate than the transfers from national government. Resource scarcity will most likely increase the cost of bulk purchases in respect of water and electricity beyond the country's inflationary targets.

Furthermore, providing for free basic services in the case of poorer households must be carefully considered and, where some municipalities have opted to provide this benefit to ALL households, this may not be financially sustainable in the long-term. Where appropriate, a municipality should re-evaluate the costs and benefits of universal or targeted provision of free basic services subsidies, in order to protect their delivery to poor households in particular. At no point should the provision of these subsidies remove resources from programmes that will expand access to infrastructure services for presently un-served households.

Where municipalities do not have an adequate revenue base and where municipalities face a combination of challenges such as resource scarcity, high unemployment and slower than average economic growth, an aggressive approach to curbing non-core spending and improving operational efficiencies is strongly advised.

### 4.1 Tariff setting

There are several tools available and methodologies employed to determine the appropriate tariffs for water and electricity services. Municipalities may favour different approaches but the principles of tariff setting should be consistently applied.

Municipalities should consider the following practicalities when setting tariffs:

- Costs of bulk purchases and the fluctuation in the seasonal cost thereof;
- Consumption patterns to enable better demand planning and management; and
- In the event that municipalities have been under recovering costs, embark on a process to correct their tariff structures over a reasonable time period so that cost reflective tariffs are achieved.

The tariff setting process is reliant on sound baseline information such as the number of properties within the municipal area of jurisdiction, the values of these properties, the number of households identified as indigent or poor, the consumption patterns in respect of basic services and the growth patterns within the various geographic areas.

#### **4.2 Eskom bulk tariff increases**

In terms of the Multi Year Price Determination (MYPD) for Eskom's tariffs approved by the National Energy Regulator of South Africa (NERSA), a tariff increase of 9.4 per cent has been approved for the 2016/17 financial year. However NERSA has not yet approved and published guidelines on municipal electricity price increase for the 2016/17 financial year.

Municipalities are urged to examine the cost structure of providing electricity services and to apply to NERSA for electricity tariff increases that reflect the total cost of providing the service so that they work towards achieving financial sustainability.

### **5. Funding choices and management issues**

Municipalities should carefully consider the costs associated with service delivery while keeping in mind affordability and inflation when setting revenue raising measures. Once again, approving tariffs that are far below levels representing the cost of providing the services would negatively impact on the financial sustainability of municipalities.

#### **5.1 Employee related costs**

The South African Local Government Bargaining Council recently entered into a three-year *Salary and Wage Collective Agreement* for the period 01 July 2015 to 30 June 2018. The agreement reached is as follows:

- 2015/16 Financial Year – 7 per cent
- 2016/17 Financial Year – average CPI (Feb 2015 – Jan 2016) + 1 per cent
- 2017/18 Financial Year – average CPI (Feb 2016 – Jan 2017) + 1 per cent

Municipalities are advised to use this Salary and Wage Agreement preparing their 2016/17 MTREF budgets.

#### **5.2 Remuneration of councilors**

Municipalities are advised to budget for the actual costs approved in accordance with the gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published on 21 December 2015 by the Department of Cooperative Governance.

#### **5.3 Cost containment measures**

In the 2016 State of the Nation Address by the President, the cost containment measures announced by the Minister of Finance in 2013 were re-emphasised. It was highlighted that excessive and wasteful expenditure has been reduced, but there is still more to be done to cut



wastage. In addition the President announced some new measures which include, amongst others:

- Curtailment of overseas trips and the submission of strong motivations by those requesting permission to travel i.e. the benefit to the country needs to be proved; and
- Institution of further restrictions on conferences, catering, entertainment and social functions.

The Minister of Finance announced further measures in his budget speech on 24 February 2016. The Mayors of municipalities were urged to join in eliminating wasteful expenditure in government.

The advice provided in MFMA Budget Circular (No. 58, 66, 70, 72, 74 and 75) on cost containment measures and elimination of non-priority spending is still applicable to municipalities. A separate MFMA Circular will be issued on cost containment measures. In addition National Treasury is firstly in a process of reviewing the National Treasury instruction on cost containment measures which was issued to accounting officers of departments and secondly, determining its applicability to local government. Once the process has been concluded, a Regulation on cost containment measures applicable to local government will be issued.

Municipalities were advised in MFMA Circular No. 70 to align their budgeting policies to the cost containment measures to the extent possible as approved by Cabinet in 2013. Municipalities are requested to table the cost containment measures in council and to submit evidence thereof to the National and Provincial Treasuries together with the budget documentation in terms of the MFMA.

#### **5.4 2016/17 MTREF budget assessment**

The National Treasury has continuously advised municipalities in previous budget circulars on financial management issues to be considered when compiling budgets. The 2016/17 MTREF budget assessment will critically consider the following:

- Cost reflective tariffs;
- Appropriateness of budget assumptions;
- Provision for asset renewal and maintenance;
- Credibility and level of funding of the budget (funded or not funded); and
- Alignment of the budgets to municipality's plans.

Therefore municipalities must ensure that their 2016/17 MTREF addresses the items listed above and further submit the methodology applied in setting tariffs when submitting budget documentation to the National Treasury in terms of the MFMA.

## **6. Conditional Grant Transfers to Municipalities**

### **6.1 Overspending of conditional grants**

Expenses incurred against conditional grants should be made in line with the allocations stated in the Division of Revenue Act (DoRA) as required by the Municipal Budget and Reporting Regulations (MBRR) in supporting tables SA 18 and 19. Municipalities must therefore adopt their annual budget in line with the allocations made in the DoRA.

In instances where municipalities overspent against their budgeted programmes, own revenue source should be used against such expenditure items. This implies that a debtor cannot be raised against the transferring national officer's future allocations.

## 6.2 Criteria for the rollover of conditional grant funds

The criteria published in MFMA Budget Circular No. 75 are still applicable when considering rollover requests. Municipalities must submit the required information or application to National Treasury by 31 August 2016, if not, the application will not be considered.

When considering rollover requests from municipalities, all unspent cash backed grants should be classified only as "Cash and cash equivalents". This number must also reconcile with the cash flow statements. All conditional grants must be spent in line with the conditions for which they are set for. They must not be invested.

## 6.3 Payment procedure on conditional grants

Conditional grants are paid in line with the approved payment schedule and are captured and authorised three days in advance. These payments include revised payment schedules, amended payment schedules, and withheld payments and rollovers credit payments.

# 7. The Municipal Budget and Reporting Regulations

National Treasury has released Version 2.8 of Schedule A1 (the Excel Formats). This version incorporates minor changes (see Annexure A). Therefore **ALL** municipalities **MUST** use this version for the preparation of their 2016/17 Budget and MTREF.

Download Version 2.8 of Schedule A1 by clicking [HERE](http://mfma.treasury.gov.za/RegulationsandGazettes/Pages/default.aspx)

The Municipal Budget and Reporting Regulations, formats and associated guides are available on National Treasury's website at:

<http://mfma.treasury.gov.za/RegulationsandGazettes/Pages/default.aspx>

## 7.1 Assistance with the compilation of budgets

If municipalities require advice with the compilation of their respective budgets, specifically the budget documents or Schedule A1, they should direct their enquiries to their respective provincial treasuries or to the following National Treasury official as follows:

	Responsible NT officials	Tel. No.	Email
Eastern Cape	Templeton Phogole	012-315 5044	<a href="mailto:Templeton.Phogole@treasury.gov.za">Templeton.Phogole@treasury.gov.za</a>
	Matjatji Mashoeshoe	012-315 6567	<a href="mailto:Matjatji.Mashoeshoe@treasury.gov.za">Matjatji.Mashoeshoe@treasury.gov.za</a>
Free State	Vincent Malepa	012-315 5539	<a href="mailto:Vincent.Malepa@treasury.gov.za">Vincent.Malepa@treasury.gov.za</a>
	Cethekile Moshane	012-315 5079	<a href="mailto:Cethekile.moshane@treasury.gov.za">Cethekile.moshane@treasury.gov.za</a>
	Katlego Mabiletsa	012-395 6742	<a href="mailto:Katlego.Mabiletsa@treasury.gov.za">Katlego.Mabiletsa@treasury.gov.za</a>
Gauteng	Kgomotso Baloyi	012-315 5866	<a href="mailto:Kgomotso.Baloyi@treasury.gov.za">Kgomotso.Baloyi@treasury.gov.za</a>
	Nomxolisi Mawulana	012-315 5460	<a href="mailto:Nomxolisi.Mawulana@treasury.gov.za">Nomxolisi.Mawulana@treasury.gov.za</a>
KwaZulu-Natal	Bernard Mokgabodi	012-315 5936	<a href="mailto:Bernard.Mokgabodi@treasury.gov.za">Bernard.Mokgabodi@treasury.gov.za</a>
	Johan Botha	012-315 5171	<a href="mailto:Johan.Botha@treasury.gov.za">Johan.Botha@treasury.gov.za</a>
Limpopo	Una Rautenbach	012-315 5700	<a href="mailto:Una.Rautenbach@treasury.gov.za">Una.Rautenbach@treasury.gov.za</a>
	Sifiso Mabaso	012-315 5952	<a href="mailto:Sifiso.Mabaso@treasury.gov.za">Sifiso.Mabaso@treasury.gov.za</a>
Mpumalanga	Jordan Maja	012-315 5663	<a href="mailto:Jordan.Maja@treasury.gov.za">Jordan.Maja@treasury.gov.za</a>
	Anthony Moseki	012-315 5174	<a href="mailto:Anthony.Moseki@treasury.gov.za">Anthony.Moseki@treasury.gov.za</a>
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	Mandla Gilimani	012-315 5807	<a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a>
North West	Sadesh Ramjathan	012-315 5101	<a href="mailto:Sadesh.Ramjathan@treasury.gov.za">Sadesh.Ramjathan@treasury.gov.za</a>

	Makgabo Mabotja	012-315 5156	<a href="mailto:Makgabo.Mabotja@treasury.gov.za">Makgabo.Mabotja@treasury.gov.za</a>
Western Cape	Vuyo Mbunge	012-315 5661	<a href="mailto:Vuyo.Mbunge@treasury.gov.za">Vuyo.Mbunge@treasury.gov.za</a>
	Kevin Bell	012-315 5725	<a href="mailto:Kevin.Bell@treasury.gov.za">Kevin.Bell@treasury.gov.za</a>
Technical issues with Excel formats	Elsabe Rossouw	012-315 5534	<a href="mailto:Iqdataqueries@treasury.gov.za">Iqdataqueries@treasury.gov.za</a>

National Treasury, together with the provincial treasuries, will undertake a compliance check and, where municipalities have not provided complete budget information, the municipal budgets will be returned to the mayors and municipal managers of the affected municipalities for the necessary corrections. Municipal managers are reminded that the annual budget must be accompanied by a 'quality certificate' in accordance with the format as set out in item 31 of Schedule A in the Municipal Budget and Reporting Regulations.

The National Treasury needs to emphasise that where municipalities have not adhered to the Municipal Budget and Reporting Regulations, ***those municipalities will be required to go back to the municipal council and table a complete budget document aligned to the requirement of the Municipal Budget and Reporting Regulations.***

Municipalities with municipal entities are once again reminded to prepare consolidated budgets and in-year reports for both the parent municipality and its entity or entities in that they are to produce:

- An annual budget, adjustment budget and monthly financial statements for the parent municipality in the relevant formats; and
- A consolidated annual budget, adjustments budget and monthly financial statements for the parent municipality and all its municipal entities in the relevant formats.

The A Schedule that the municipality submits to National Treasury must be a consolidated budget for the municipality (plus entities) and not the budget of the parent municipality only.

## 8. Budget process and submissions for the 2016/17 MTREF

### 8.1 Submitting budget documentation and schedules for 2016/17 MTREF

To facilitate oversight of compliance with the Municipal Budget and Reporting Regulations, accounting officers are reminded that:

- Section 22(b)(i) of the MFMA requires that ***immediately*** after an annual budget is tabled in a municipal council, it must be submitted to the National Treasury and the relevant provincial treasury in both printed and electronic formats. If the annual budget is tabled to council on 31 March 2016, the final date of submission of the electronic budget documents and corresponding electronic returns is **Friday, 01 April 2016**. The deadline for submission of hard copies including council resolution is **Friday, 8 April 2016**.
- Section 24(3) of the MFMA, read together with regulation 20(1), requires that the approved annual budget must be submitted to both National Treasury and the relevant provincial treasury ***within ten working days*** after the council has approved the annual budget. If the council only approves the annual budget on 30 June 2016, the final date for such a submission is **Thursday, 14 July 2016**, otherwise an earlier date applies.

The municipal manager must submit:

- the budget documentation as set out in Schedule A (version 2.8) of the Municipal Budget and Reporting Regulations, including the main Tables (A1 - A10) and ALL the supporting tables (SA1 – SA37) in both printed and electronic formats;
- the draft service delivery and budget implementation plan in both printed and electronic format;
- the draft integrated development plan;
- the council resolution;
- signed Quality Certificate as prescribed in the Municipal Budget and Reporting Regulations;
- **schedules D, E and F specific for the entities;**
- signed budget locking certificate as found on the website;
- service level standards; and
- mSCOA implementation plan and progress to date.

Municipalities are required to send electronic versions of documents and the A1 schedule to [lgdocuments@treasury.gov.za](mailto:lgdocuments@treasury.gov.za).

If the budget documents are too large to be sent via email (exceeds 4MB) please submit to [lgbigfiles@gmail.com](mailto:lgbigfiles@gmail.com). Any problems experienced in this regard can be addressed with Elsabe Rossouw at [Elsabe.Rossouw@treasury.gov.za](mailto:Elsabe.Rossouw@treasury.gov.za).

All new municipalities must submit the 2016/17 MTREF as soon as it is adopted by the newly elected council.

Municipalities are required to send printed submissions of their budget documents and council resolution to:

***For couriered documents***

Ms Linda Kruger  
National Treasury  
40 Church Square  
Pretoria, 0002

***For posted documents***

Ms Linda Kruger  
National Treasury  
Private Bag X115  
Pretoria, 0001

In addition to the above mentioned budget documentation, metropolitan municipalities must submit the Built Environment Performance Plan (BEPP) tabled in council on 31 May 2016 to [Yasmin.coovadia@treasury.gov.za](mailto:Yasmin.coovadia@treasury.gov.za). If the BEPP documents are too large to be sent via email (exceeds 4MB) please submit to [yasmin.coovadia@gmail.com](mailto:yasmin.coovadia@gmail.com) or send to Yasmin Coovadia via Dropbox; any problems experienced in this regard can be addressed with [Yasmin.Coovadia@treasury.gov.za](mailto:Yasmin.Coovadia@treasury.gov.za). Hard copies of the BEPP may be sent to Yasmin Coovadia, National Treasury, 3<sup>rd</sup> floor 40 Church Square, Pretoria, 0002 or Private Bag X115, Pretoria, 0001.

## **8.2 Budget reform returns to the Local Government Database for publication**

For publication purposes, municipalities are still required to use the Budget Reform Returns to upload budget and monthly expenditure to the National Treasury Local Government Database. All returns are to be sent to [lgdatabase@treasury.gov.za](mailto:lgdatabase@treasury.gov.za).

Municipalities are requested to submit returns for both the draft budget and the final adopted budget.

This will assist the National and provincial treasuries with the annual benchmark process. The aligned electronic returns may be downloaded from National Treasury's website at the following link: [http://mfma.treasury.gov.za/Return\\_Forms/Pages/default.aspx](http://mfma.treasury.gov.za/Return_Forms/Pages/default.aspx).

### 8.3 Municipal Standard Chart of Accounts (*mSCOA*)<sup>1</sup>

The *mSCOA* Regulations apply to all municipalities and municipal entities with effect from 1 July 2017 and only seven months remain for preparation and implementation readiness as the 2017/18 MTREF budgets will all have to be aligned to *mSCOA*. It is critical for municipalities to start budgeting on *mSCOA* by September 2016 to go live on 01 July 2017.

Municipalities are reminded that the current reporting requirements will remain in place until the National Treasury considers the implementation of the *mSCOA* and the new reporting reforms are no longer a risk. Those who do not adhere to the prescribed reporting according to the MBRR and the submission of the Budget reform returns to the National Treasury Local Government database will be regarded as non-compliant for publication purposes (refer to paragraph 8.2).

Municipalities that are implementing the *mSCOA* must use the latest version of the *mSCOA* classification framework at the link below when compiling the 2016/17 MTREF.

<http://mfma.treasury.gov.za/RegulationsandGazettes/MunicipalRegulationsOnAStandardChartOfAccountsFinal/Pages/default.aspx>

The MBRR Schedules will remain as is until further notice.

### 8.4 General

Municipalities use external service providers' e-mails as a result of weak or poor Information and Communication Technology (ICT). The affected municipalities are urged to use official e-mail addresses linked to the institution; therefore they must address the ICT challenges experienced.

## Contact



**Post** Private Bag X115, Pretoria 0001  
**Phone** 012 315 5009  
**Fax** 012 395 6553  
**Website** <http://www.treasury.gov.za/default.aspx>

**JH Hattingh**  
**Chief Director: Local Government Budget Analysis**  
**07 March 2016**

<sup>1</sup> The Minister of Finance promulgated the Municipal Regulations on a Standard Chart of Accounts in government gazette Notice No. 37577 on 22 April 2014.

## Annexure A – Changes to Schedule A1 – the ‘Excel formats’

As noted above, National Treasury has released Version 2.8 of Schedule A1 (the Excel Formats). It incorporates the following changes:

No.	Sheet/ Table	Amendment	Reason
1	A10	Cost of free basic services	Improve reporting of services provided including informal settlements.
2	SA1	Revenue foregone	Improve reporting on revenue foregone and cost of free basic services.
3	SA9	Provision of free basic services	To provide detailed breakdown of free basic services which links to A10.



## Annexure B – Previous MFMA Circulars

### Budget management issues dealt with in previous MFMA Circulars

Municipalities are reminded to refer to MFMA Circulars 48, 51, 54, 55, 66, 67 and 70 with regards to the following issues:

1. Mayor's discretionary funds and similar discretionary budget allocation – National Treasury regards allocations that are not designated for a specific purpose to be bad practice and discourage them (refer to MFMA Circular 51).
2. Unallocated ward allocations – National Treasury does not regard this to be a good practice, because it means that the tabled budget does not reflect which ward projects are planned for purposes of public consultation and council approval (refer to MFMA Circular 51).
3. New office buildings – Municipalities are required to send detailed information to National Treasury if they are contemplating building new main office buildings (refer to MFMA Circular 51).
4. Virement policies of municipalities – Municipalities are reminded of the principles that must be incorporated into municipal virements policies (refer to MFMA Circular 51).
5. Providing clean water and managing waste water – Municipalities were reminded to include a section on 'Drinking water quality and waste water management' in their budget document (refer to MFMA Circular 54).
6. Renewal and repairs and maintenance of existing assets – Allocations to repairs and maintenance, and the renewal of existing infrastructure must be prioritised. Municipalities must provide detailed motivations in their budget documentation if allocations do not meet the required benchmarks set out in MFMA Circular 55 and 66.
7. Credit cards and debit cards linked to municipal bank accounts are not permitted – On 02 August 2011 National Treasury issued a directive to all banks informing them that as from 01 September 2011 they are not allowed to issue credit cards or debit cards linked to municipal bank accounts (refer to MFMA Circular 55).
8. Water and sanitation tariffs must be cost reflective - refer to MFMA Circular 66.
9. Solid waste tariffs – refer to MFMA Circular 70.
10. Variances between 4<sup>th</sup> Quarter section 71 results and annual financial statements – refer to Circular 67.
11. Additional In-Year reporting requirements – refer to MFMA Circular 67.
12. Appropriation statement (reconciliation: budget and in-year performance)- reference is made to circular 67. It came to the attention of National Treasury that a number of municipalities did not include the appropriation statement as part of their 2012/13 or 2013/14 annual financial statement. In terms of the Standards of GRAP 24 on the Presentation of Budget Information in Financial Statements, municipalities are required to present their original and adjusted budgets against actual outcome in the annual financial statements. This is considered an appropriation statement and the comparison between the budget and actual performance should be a mirror image of each other as it relates to the classification and grouping of revenue and expenditure as has been the case in a national and provincial context. This statement is subject to auditing and accordingly supporting documentation would be required to substantiate the compilation of this statement.
13. Eliminating non-priority spending – The 2013 MTBPS emphasised the need for government to step-up its efforts to combat waste, inefficiency and corruption (refer to MFMA circular 70).
14. Council oversight over the budget process – refer to MFMA Circular 70.

## Conditional grant issues dealt with in previous MFMA Circulars

Municipalities are reminded to refer to MFMA Circulars 48, 51, 54, 55 and 67 with regards to the following issues:

1. Accounting treatment of conditional grants: Municipalities are reminded that in accordance with accrual accounting principles, conditional grants should only be treated as 'transfers recognized' revenue when the grant revenue has been 'earned' by incurring expenditure in accordance with the conditions of the grant.
2. VAT on conditional grants: SARS has issued a specific guide to assist municipalities meeting their VAT obligations – **VAT 419 Guide for Municipalities**. To assist municipalities accessing this guide it has been placed on the National Treasury website at: <http://mfma.treasury.gov.za/Guidelines/Pages/default.aspx>
3. Interest received and reclaimed VAT in respect of conditional grants: Municipalities are reminded that in MFMA Circular 48, National Treasury determined that:
  - Interest received on conditional grant funds must be treated as 'own revenue' and its use by the municipality is not subject to any special conditions; and
  - 'Reclaimed VAT' in respect of conditional grant expenditures must be treated as 'own revenue' and its use by the municipality is not subject to any special conditions.
4. Appropriation of conditional grants that are rolled over – As soon as a municipality receives written approval from National Treasury that its unspent conditional grants have been rolled-over it may proceed to spend such funds (refer to MFMA Circular 51 for other arrangements in this regard).
5. Pledging of conditional grant transfers – the 2015 Division of Revenue Bill contained a provision that allows municipalities to pledge their conditional grants. The end date for the pledges is extended to 2017/18. The process of application as set out in MFMA Circular 51 remains unchanged.
6. Separate reporting for conditional grant roll-overs – National Treasury has put in place a separate template for municipalities to report on the spending of conditional grant roll-overs. Municipalities are reminded that conditional grant funds can only be rolled-over once, so if they remain unspent in the year in which they were rolled-over they MUST revert to the National Revenue Fund.
7. Payment schedule – National Treasury has instituted an automated payment system of transfers to municipalities in order to ensure appropriate safety checks are put in place. Only the primary banking details verified by National Treasury will be used for effecting transfers.
8. Conditional grant transfers/payments, the responsibilities of transferring and receiving authorities and the criteria for the rollover of conditional grants – It is important that the transfers made to municipalities' are transparent, and properly captured in the municipalities' budgets. MFMA Circular no: 67 in this regard refers. The criterion for the rollover of conditional grants is stipulated in MFMA Circular no: 51.

## MBRR issues dealt with in previous MFMA Circulars

Municipalities are reminded to refer to MFMA Circulars 48, 51, 54, 55 with regards to the following issues:

1. Budgeting for revenue and 'revenue foregone' – The 'realistically anticipated revenues to be collected' that must be reflected on the Budgeted Statement of Financial Performance (Tables A2, A3 and A4) must exclude 'revenue foregone'. The definition



of 'revenue foregone' and how it is distinguished from 'transfers and grants' is explained in MFMA Circular 51.

2. Preparing and amending budget related policies – Information on all budget related policies and any amendments to such policies must be included in the municipality's annual budget document (refer to MFMA Circular 54).
3. 2013/14 MTREF Funding Compliance Assessment – All municipalities were required to perform the funding compliance assessment outlined in *MFMA Funding Compliance Guideline* and to include the relevant information outlined in MFMA Circular 55 in their 2015/16 budgets (refer to MFMA Circular 55).
4. Tabling a funded budget - It is critical that municipalities adopt and implement funded budgets as per Section 18 of the MFMA. Tables A7 and A8 which if completed correctly by the municipality, it will provide most of the information required to evaluate whether a municipality's operating and capital budgets are **funded** or not.



**Western Cape  
Government**

Provincial Treasury

Kim Engel

Local Government Budget Office

Email: [Kim.Engel@westerncape.gov.za](mailto:Kim.Engel@westerncape.gov.za)

tel: +27 021 483-8459 fax: +27 021 483-4680

Reference: RCS/5.C

## **TREASURY CIRCULAR MUN NO. 8/2016**

THE MAYOR, CITY OF CAPE TOWN: MS P DE LILLE  
THE MAYOR, WEST COAST DISTRICT MUNICIPALITY: MR JH CLEOPHAS  
THE MAYOR, MATZIKAMA MUNICIPALITY: MR P BOK  
THE MAYOR, CEDERBERG MUNICIPALITY: MR J MULLER  
THE MAYOR, BERGRIVIER MUNICIPALITY: MR EB MANUEL  
THE MAYOR, SALDANHA BAY MUNICIPALITY: MR F SCHIPPERS  
THE MAYOR, SWARTLAND MUNICIPALITY: MR T VAN ESSEN  
THE MAYOR, CAPE WINELANDS DISTRICT MUNICIPALITY: MR N DE BRUYN  
THE MAYOR, WITZENBERG MUNICIPALITY: MR B KLAASEN  
THE MAYOR, DRAKENSTEIN MUNICIPALITY: MS G VAN DEVENTER  
THE MAYOR, STELLENBOSCH MUNICIPALITY: MR CJ SIDEGO  
THE MAYOR, BREEDE VALLEY MUNICIPALITY: MS A STEYN  
THE MAYOR, LANGEBERG MUNICIPALITY: MS D GAGIANO  
THE MAYOR, OVERBERG DISTRICT MUNICIPALITY: MR L DE BRUYN  
THE MAYOR, THEEWATERSKLOOF MUNICIPALITY: MR CB PUNT  
THE MAYOR, OVERSTRAND MUNICIPALITY: MS N BOTHA-GUTHRIE  
THE MAYOR, CAPE AGULHAS MUNICIPALITY: MR R MITCHELL  
THE MAYOR, SWELLENDAAM MUNICIPALITY: MR N MYBURGH  
THE MAYOR, EDEN DISTRICT MUNICIPALITY: MR L ESAU (ACTING)  
THE MAYOR, KANNALAND MUNICIPALITY: MR J DONSON  
THE MAYOR, HESSEQUA MUNICIPALITY: MS E NEL  
THE MAYOR, MOSSEL BAY MUNICIPALITY: MS M FERREIRA  
THE MAYOR, GEORGE MUNICIPALITY: MR C STANDERS  
THE MAYOR, OUDTSHOORN MUNICIPALITY: MR IV VAN DER WESTHUIZEN  
THE MAYOR, BITOU MUNICIPALITY: MR M BOOYSEN  
THE MAYOR, KNYSNA MUNICIPALITY: MS J WOLMARANS  
THE MAYOR, CENTRAL KAROO DISTRICT MUNICIPALITY: MR E NJADU  
THE MAYOR, LAINGSBURG MUNICIPALITY: MR W THERON  
THE MAYOR, PRINCE ALBERT MUNICIPALITY: MR G LOTTERING  
THE MAYOR, BEAUFORT WEST MUNICIPALITY: MR HT PRINCE

THE MUNICIPAL MANAGER, CITY OF CAPE TOWN: MR A EBRAHIM  
THE MUNICIPAL MANAGER, WEST COAST DISTRICT MUNICIPALITY: MR H PRINS  
THE MUNICIPAL MANAGER, MATZIKAMA MUNICIPALITY: MR M BOLTON (ACTING)  
THE MUNICIPAL MANAGER, CEDERBERG MUNICIPALITY: MR G MATTHYSE  
THE MUNICIPAL MANAGER, BERGRIVIER MUNICIPALITY: ADV H LINDE  
THE MUNICIPAL MANAGER, SALDANHA BAY MUNICIPALITY: MR L SCHEEPERS  
THE MUNICIPAL MANAGER, SWARTLAND MUNICIPALITY: MR J SCHOLTZ  
THE MUNICIPAL MANAGER, CAPE WINELANDS DISTRICT MUNICIPALITY: MR M MGAJO  
THE MUNICIPAL MANAGER, WITZENBERG MUNICIPALITY: MR D NASSON  
THE MUNICIPAL MANAGER, DRAKENSTEIN MUNICIPALITY: MR J CARSTENS (ACTING)  
THE MUNICIPAL MANAGER, STELLENBOSCH MUNICIPALITY: MR R BOSMAN (ACTING)  
THE MUNICIPAL MANAGER, BREEDE VALLEY MUNICIPALITY: MR D McTHOMAS (ACTING)  
THE MUNICIPAL MANAGER, LANGEBERG MUNICIPALITY: MR SA MOKWENI  
THE MUNICIPAL MANAGER, OVERBERG DISTRICT MUNICIPALITY: MR D BERETTI  
THE MUNICIPAL MANAGER, THEEWATERSKLOOF MUNICIPALITY: MR HSD WALLACE  
THE MUNICIPAL MANAGER, OVERSTRAND MUNICIPALITY: MR C GROENEWALD  
THE MUNICIPAL MANAGER, CAPE AGULHAS MUNICIPALITY: MR D O'NEILL  
THE MUNICIPAL MANAGER, SWELLENDAAM MUNICIPALITY: MR CM AFRICA  
THE MUNICIPAL MANAGER, EDEN DISTRICT MUNICIPALITY: MR GW LOUW  
THE MUNICIPAL MANAGER, KANNALAND MUNICIPALITY: MR M HOOGBAARD  
THE MUNICIPAL MANAGER, HESSEQUA MUNICIPALITY: MR J JACOBS  
THE MUNICIPAL MANAGER, MOSSEL BAY MUNICIPALITY: DR M GRATZ

THE MUNICIPAL MANAGER, GEORGE MUNICIPALITY: MR T BOTHA  
THE MUNICIPAL MANAGER, OUDTSHOORN MUNICIPALITY: MR A PAULSE (ACTING)  
THE MUNICIPAL MANAGER, BITOU MUNICIPALITY: MR A PAULSE  
THE MUNICIPAL MANAGER, KNYSNA MUNICIPALITY: MR G EASTON  
THE MUNICIPAL MANAGER, CENTRAL KAROO DISTRICT MUNICIPALITY: MR S JOOSTE  
THE MUNICIPAL MANAGER, LAINGSBURG MUNICIPALITY: MR P WILLIAMS  
THE MUNICIPAL MANAGER, PRINCE ALBERT MUNICIPALITY: MR H METTLER  
THE MUNICIPAL MANAGER, BEAUFORT WEST MUNICIPALITY: MR J BOOYSEN

THE CHIEF FINANCIAL OFFICER, CITY OF CAPE TOWN: MR K JACOBY  
THE CHIEF FINANCIAL OFFICER, WEST COAST DISTRICT MUNICIPALITY: MR J KOEKEMOER  
THE CHIEF FINANCIAL OFFICER, MATZIKAMA MUNICIPALITY: MR M BOLTON  
THE CHIEF FINANCIAL OFFICER, CEDERBERG MUNICIPALITY: MR E ALFRED  
THE CHIEF FINANCIAL OFFICER, BERGRIVIER MUNICIPALITY: MR JA VAN NIEKERK  
THE CHIEF FINANCIAL OFFICER, SALDANHA BAY MUNICIPALITY: MR S VORSTER  
THE CHIEF FINANCIAL OFFICER, SWARTLAND MUNICIPALITY: MR K COOPER  
THE CHIEF FINANCIAL OFFICER, CAPE WINELANDS DISTRICT MUNICIPALITY: MS FA DU RAAN-GROENEWALD  
THE CHIEF FINANCIAL OFFICER, WITZENBERG MUNICIPALITY: MR C KRITZINGER  
THE CHIEF FINANCIAL OFFICER, DRAKENSTEIN MUNICIPALITY: MR J CARSTENS  
THE CHIEF FINANCIAL OFFICER, STELLENBOSCH MUNICIPALITY: MR M WÜST  
THE CHIEF FINANCIAL OFFICER, BREED VALLEY MUNICIPALITY: MR R ONTONG (ACTING)  
THE CHIEF FINANCIAL OFFICER, LANGEBERG MUNICIPALITY: MR CF HOFFMANN  
THE CHIEF FINANCIAL OFFICER, OVERBERG DISTRICT MUNICIPALITY: MR J TESSELAAR  
THE CHIEF FINANCIAL OFFICER, THEEWATERSKLOOF MUNICIPALITY: MR D LOUW  
THE CHIEF FINANCIAL OFFICER, OVERSTRAND MUNICIPALITY: MS S REYNEKE-NAUDE  
THE CHIEF FINANCIAL OFFICER, CAPE AGULHAS MUNICIPALITY: MR H VAN BILJON  
THE CHIEF FINANCIAL OFFICER, SWELLENDAM MUNICIPALITY: MR H SCHLEBUSCH  
THE CHIEF FINANCIAL OFFICER, EDEN DISTRICT MUNICIPALITY: MS L HOEK  
THE CHIEF FINANCIAL OFFICER, KANNALAND MUNICIPALITY: MR N DELO  
THE CHIEF FINANCIAL OFFICER, HESSEQUA MUNICIPALITY: MS HJ VILJOEN  
THE CHIEF FINANCIAL OFFICER, MOSSEL BAY MUNICIPALITY: MR MK BOTHA  
THE CHIEF FINANCIAL OFFICER, GEORGE MUNICIPALITY: MR K JORDAAN  
THE CHIEF FINANCIAL OFFICER, OUDTSHOORN MUNICIPALITY: MR R ESAU (ACTING)  
THE CHIEF FINANCIAL OFFICER, BITOU MUNICIPALITY: MR F LÖTTER  
THE CHIEF FINANCIAL OFFICER, KNYSNA MUNICIPALITY: MS P GOBRIE  
THE CHIEF FINANCIAL OFFICER, CENTRAL KAROO DISTRICT MUNICIPALITY: MR N NORTJE  
THE CHIEF FINANCIAL OFFICER, LAINGSBURG MUNICIPALITY: MS A GROENEWALD  
THE CHIEF FINANCIAL OFFICER, PRINCE ALBERT MUNICIPALITY: MR J NEETHLING  
THE CHIEF FINANCIAL OFFICER, BEAUFORT WEST MUNICIPALITY: MR F SABBAT

THE HEAD OFFICIAL: PROVINCIAL TREASURY (MR Z HOOSAIN)  
THE DEPUTY DIRECTOR GENERAL: FISCAL AND ECONOMIC SERVICES (MR H MALILA)  
THE DEPUTY DIRECTOR GENERAL: GOVERNANCE AND ASSET MANAGEMENT (MR A HARDIEN)  
THE CHIEF DIRECTOR: PUBLIC POLICY SERVICES (MS M KORSTEN)  
THE CHIEF DIRECTOR: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MS JD GANTANA)  
THE CHIEF DIRECTOR: LOCAL GOVERNMENT PUBLIC FINANCE (MR M SIGABI) (ACTING)  
THE CHIEF DIRECTOR: ASSET MANAGEMENT (MR IG SMITH)  
THE CHIEF DIRECTOR: FINANCIAL GOVERNANCE AND ACCOUNTING (MR A HARDIEN) (PRO TEM)  
THE CHIEF FINANCIAL OFFICER (MR A GILDENHUYS)  
THE HEAD: OFFICE OF THE FINANCE MINISTRY (ADV E PRETORIUS)  
THE DIRECTOR: BUSINESS INFORMATION AND DATA MANAGEMENT (MR PP PIENAAR)  
THE DIRECTOR: FINANCIAL GOVERNANCE (MR B VINK)  
THE DIRECTOR: FISCAL POLICY (MS T VAN DE RHEEDE (ACTING)  
THE DIRECTOR: INFRASTRUCTURE (MR P CHANDAKA)  
THE DIRECTOR: LOCAL GOVERNMENT ACCOUNTING (MS MG FORTUIN) (ACTING)  
THE DIRECTOR: LOCAL GOVERNMENT BUDGET OFFICE (MR ML BOOYSEN)  
THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP ONE) (MR H MALILA) (PRO TEM)  
THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP TWO) (MR Z ZONYANE) (ACTING)  
THE DIRECTOR: PROVINCIAL GOVERNMENT BUDGET OFFICE (MS R SLINGER)

THE PROVINCIAL AUDITOR

MASTER RECORDS OFFICIAL: BUSINESS INFORMATION AND DATA MANAGEMENT

THE HEAD OF DEPARTMENT: LOCAL GOVERNMENT

THE CHIEF DIRECTOR: LOCAL GOVERNMENT BUDGET ANALYSIS – NATIONAL TREASURY (MR J HATTINGH)

THE CHIEF DIRECTOR: MFMA IMPLEMENTATION – NATIONAL TREASURY (MR TV PILLAY)

## **MUNICIPAL BUDGET CIRCULAR FOR THE 2016/17 MTREF**

### **1. PURPOSE**

- 1.1 The purpose of this Circular is to brief municipalities on the 2016 Local Government Medium Term Expenditure Committee Process (i.e. LG MTEC) and related matters.

### **2. BACKGROUND**

- 2.1 The Western Cape Provincial Government has institutionalised the 'LG MTEC' process in fulfilment of its obligations under:
  - 2.1.1 Section 22 and 23 of the Local Government: Municipal Finance Management Act (MFMA), Act No. 56 of 2003; and
  - 2.1.2 Chapter 5 of the Local Government: Municipal Systems Act (Act No. 32 of 2000) [MSA].
- 2.2 The 2016 process will build on the 2015 process in order to strengthen alignment between municipal and provincial planning and budgeting.

### **3. TOWARD AN INTEGRATED APPROACH**

- 3.1 Against the backdrop of a constrained economic and fiscal environment, work has begun to adopt a more coordinated, integrated and strategic approach to planning, budgeting and implementation in the Western Cape Government. This process has been institutionalised under the auspices of the Provincial Strategic Goal (PSG) 5: Integrated Management Work Group (Work Group 4), which seeks to improve service delivery through improved coordination while creating maximum socio-economic impact.
- 3.2 Work Group 4 under the umbrella of PSG 5 leads the process of co-creating Integrated Management across key processes of the Western Cape Government. The responsibilities of the participants can be summarised as follows:
  - Department of the Premier is to ensure strategic policy alignment; and Province-wide Monitoring & Evaluation and Intergovernmental Reporting;
  - Provincial Treasury is to ensure integrated financial governance, planning and budgeting;
  - The Department of Local Government is to facilitate integrated joint planning between the Provincial and Municipal spheres of Government;

- The Department of Environmental Affairs and Development Planning, is responsible for driving spatial governance, alignment and performance management; and
- The Economic Development Partnership (EDP) will facilitate partnerships and partnering for development.

3.3 Coordination efforts between these Departments will take place between spheres of government and within the provincial sphere (vertical and horizontal integration) and include an iterative process of alignment of policy-making, planning and budgeting systems and processes. The principles which will drive Integrated Management include policy consistency; accountability and responsibility; continuous learning, improvement and capacity building all with the objective of broad ownership and coordinated action.

#### 4. **KEY DATES/ PROCESSES**

4.1 Municipalities are advised to take note of the following key dates/processes:

##### 4.1.1 Municipal Budget Day

According to sections 16(2) and 17(3)(d) of the MFMA, the Mayor of a municipality must table the annual budget accompanied by any proposed amendments to the municipality's Integrated Development Plan (IDP) following the annual review of the IDP in terms of section 34 of the Municipal Systems Act, at a council meeting at least 90 days (i.e. by 31 March each year) before the start of the budget year.

Municipalities are kindly requested to indicate any changes to the confirmed tabling dates as per **Appendix A** with the Provincial Treasury as it is crucial for the collection of the budget documentation and the assessment process leading up to the LG MTEC engagements. Municipalities are requested to indicate any changes to the confirmed tabling dates to [Tania.Bosser@westerncape.gov.za](mailto:Tania.Bosser@westerncape.gov.za) by **04 March 2016**.

##### 4.1.2 Adoption of Municipal Budgets

According to section 24(1) of the MFMA, the municipal council must at least 30 days before the start of the budget year consider approval of the annual budget and any changes to the municipality's IDP. Furthermore, an annual budget must be approved by the municipal council before the start of the budget year in line with section 24(2) of the MFMA.

##### 4.1.3 The 2016 Local Government Elections

The 2016 Local Government Elections are likely to be scheduled between May and August 2016, the exact date is yet to be determined. Although it is each municipal council's prerogative to decide when to approve its annual budget, municipalities are advised to align its budget tabling, consultation and adoption stages so that the annual budget, budget policies and tariffs are approved within the timeframes as set out in section 16, 22, 23 and 24 of the MFMA. Failure to approve the annual budget before the start of the budget year may result in a section 139 intervention in terms of the Constitution.

Municipalities are also cautioned against the tabling of election friendly budgets which may not be credible, affordable or sustainable.

## 5. **TABLING OF BUDGET DOCUMENTS**

- 5.1 When an annual budget is tabled in council by the Mayor it must be accompanied by the documents and information as set out in terms of section 17(3)(a-m) of the MFMA:
  - 5.1.1 The draft Budget Documentation as set out in Schedule A of the Municipal Budget and Reporting Regulations **[Version 2.8]**, including:
    - The main Tables (A1 - A10); and
    - The supporting tables (SA1 - SA37).
  - 5.1.2 Draft Budget Resolution.
  - 5.1.3 Any proposed changes to the municipality's draft Integrated Development Plan.
  - 5.1.4 Draft Service Delivery and Budget Implementation Plan (SDBIP).
  - 5.1.5 Draft Service Level Standards.
  - 5.1.6 Signed Quality Certificate as prescribed in the Municipal Budget and Reporting Regulations.
- 5.2 Municipalities with one or more municipal entity(ies) are also required to produce a **consolidated annual budget** for the parent municipality and all its municipal entities in the prescribed formats.
- 5.3 The Provincial Treasury has previously requested municipalities to submit a draft SDBIP with the tabling of the annual budgets in order to aid the "responsiveness" assessment of the tabled budget and IDP. In this regard, municipalities are reminded of regulation 14(2) of the MBRR which reads, "When complying with section 68 of the Act (MFMA), the municipal manager must submit the draft municipal service delivery and budget implementation plan to the mayor together

with the annual budget to be considered by the mayor for tabling in terms of section 16(2) of the Act". Furthermore, regulation 14(4) of the MBRR reads, "For effective planning and implementation of the annual budget, the draft service delivery and budget implementation plan may form part of the budget documentation and be tabled in the municipal council if so recommended by the budget steering committee".

## 6. SUBMISSION OF BUDGET DOCUMENTS

- 6.1 Section 22(b)(i) of the MFMA requires that immediately after an annual budget is tabled in a municipal council it must be submitted to the National Treasury and the relevant provincial treasury in both printed and electronic formats.
- 6.2 The Western Cape Provincial Treasury requires the budget documents on the tabling date in order to start with the assessment process. In order to facilitate this, the Provincial Treasury will again deploy officials to attend the budget tabling proceedings and collect the tabled budget documentation.
- 6.3 The Chief Financial Officers (or representative) must ensure that a set of these documents is prepared in both hard and electronic copy, except for the budget policies which is only required in electronic copy. The Chief Financial Officer (or representative) needs to co-sign the accompanying checklist (see **Appendix B**) as confirmation that the set of budget documents have been submitted.
- 6.4 **Please ensure that** (as per MFMA Circular 72) **each page of the hard copy of the budget documentation** as set out in Schedule A of the Municipal Budget and Reporting Regulations, including the main Tables (A1 - A10) and all the supporting Tables (SA1 – SA37) and prescribed minimum narrative information that is submitted to Provincial Treasury (and National Treasury) **has been stamped and signed** by the secretariat responsible for ensuring accurate records of council decisions.

## 7. LG MTEC ENGAGEMENTS

- 7.1 The LG MTEC engagements are proposed to take place from 14 April 2016 to 11 May 2016. The proposed schedule of the LG MTEC engagements is attached as **Appendix C**.

Municipalities are kindly requested to confirm if the proposed LG MTEC engagement dates are suitable. In setting up the engagement dates we have had to take into account the National Treasury engagement with the City as well as the public holidays over this period. It will be appreciated if you can confirm suitability of the proposed LG MTEC engagement date (together with the tabling date) in writing to [Tania.Bosser@westerncape.gov.za](mailto:Tania.Bosser@westerncape.gov.za) by **04 March 2016**. Your



timeous feedback in this regard will greatly assist in finalising logistical arrangements and will be appreciated.

7.2 The assessment of the tabled budget and IDP will be submitted to the municipality 5 working days prior to the engagements.

7.3 The structure of the assessment will be as follows:

SECTION 1: EXECUTIVE SUMMARY

SECTION 2: PREVIOUS UNRESOLVED LG MTEC FINDINGS

SECTION 3: COMPLIANCE REVIEW

SECTION 4: INTEGRATED PLANNING

SECTION 5: ENVIRONMENTAL AND SPATIAL ANALYSIS

SECTION 6: ASSESSMENT OF BUDGET RESPONSIVENESS

SECTION 7: CREDIBILITY AND SUSTAINABILITY

SECTION 8: MAIN POINTS AND RISKS/ RECOMMENDATIONS

7.4 Technical engagements may be set up with the Provincial Government prior to the LG MTEC engagement, depending on the need and where it is logistically possible. It will however be the prerogative of the municipality to make contact with the Provincial Treasury to request such an engagement. Municipalities should note that if such an engagement is requested, it may need to take place at the Provincial offices in Cape Town.

7.5 The discussions at the engagements will be pitched at a strategic level. Hence, the representation at the LG MTEC engagements between the province and municipalities will be as follows:

- The Provincial Government - senior officials from the Provincial Treasury, Department of Local Government, Department of Environmental Affairs and Development Planning and the Department of the Premier. An invitation will also be extended to the Economic Development Partnership to attend the engagements.
- Municipalities - Municipal Manager, section 56 Managers, Budget and Treasury officials, IDP Manager/officials and Planning officials.

7.6 There will be a joint presentation by Provincial Government on key issues for discussion.



7.7 Municipalities will be required to make presentations at the LG MTEC engagements in response to the Provincial Government's budget and IDP assessment. An agenda and guiding template for this presentation will be sent to municipalities prior to the engagements.

## 8. NATIONAL AND PROVINCIAL TREASURY GUIDELINES

8.1 Municipalities are advised to include the National and Provincial Treasury Budget Circulars as part of the source documents consulted in the preparation of the 2016/17 MTREF Budget documents and to table it as part of the budget documentation in the Municipal Council.

8.2 Municipalities are advised to consult MFMA Circular 78 and incorporate those guidelines and any other guidelines issued by National and Provincial Treasury in preparing budget documentation for tabling. The following are highlights and explanatory notes from MFMA Circular 78:

8.2.1 The three key focus areas of Circular 78 are the following:

- *The 2016 local government elections;*
- *The financial implications of the demarcation process; and*
- *Changes to the local government grant allocations.*

Highlights and explanatory notes to MFMA Circular 78	Circular section
<b>NOT APPLICABLE TO WESTERN CAPE MUNICIPALITIES</b>	
<b><i>Financial implications of the demarcation process</i></b> <ul style="list-style-type: none"> <li>There are minimal implications due to small changes in household numbers for a few of the Western Cape municipalities.</li> </ul>	Section 2
<b>NEW ISSUES</b>	
<b><i>2016 Local government elections and the budget process</i></b> <ul style="list-style-type: none"> <li><i>The 2016 local government elections</i> - Local government elections are likely to be scheduled between May and August 2016, the exact date is yet to be determined. Although it is each municipal council's prerogative to decide when to approve its annual budget, National Treasury proposes that councils consider adopting the approach for their 2016/17 budget process:</li> </ul>	Section 1

Highlights and explanatory notes to MFMA Circular 78	Circular section
<div data-bbox="225 271 1206 1339"> <p><b>Outgoing council approves 2016/17 budget</b></p> <ol style="list-style-type: none"> <li>1. Current Mayor prepares a budget schedule that brings the review of the IDP and the tabling of the budget forward to late February or the beginning of March 2016;</li> <li>2. Community consultations on the annual budget conducted in the remainder of March and early April 2016;</li> <li>3. Officials complete technical work on annual budget by mid-April 2016;</li> <li>4. Current council approves annual budget and reviewed IDP before the end of April 2016; and</li> <li>5. Council implements annual budget from 1 July 2016.</li> </ol> <p><b>Benefits</b></p> <ul style="list-style-type: none"> <li>• Minimises the risk of being without an approved budget at the start of the financial year;</li> <li>• Ensures continuity of operations; and</li> <li>• Safeguards the financial sustainability of the municipality by ensuring tariff increases are locked in before the start of the financial year.</li> </ul> <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>• New council may not concur with the priorities set out in the annual budget approved by the outgoing council, and therefore they may be reluctant to be held accountable for the implementation thereof.</li> </ul> <p><b>Mitigating factors</b></p> <ul style="list-style-type: none"> <li>• New council should note the overlapping year of the last year of the IDP into the first year of new council; and</li> <li>• Note that MFMA section 28(6) does not allow for tariff increases during the financial year of implementation of the adopted budget.</li> </ul> </div> <ul style="list-style-type: none"> <li>• Municipalities are advised to align its budget tabling, consultation and adoption stages so that the annual budget, budget policies and tariffs are approved within the timeframes as set out in section 16, 22, 23 and 24 of the MFMA. Failure to approve the annual budget before the start of the budget year may result in a section 139 intervention in terms of the Constitution.</li> <li>• Municipalities are also cautioned against the tabling of election friendly budgets which may not be credible, affordable or sustainable.</li> </ul>	
<p><b>Municipal Standard Chart of Accounts (mSCOA)</b></p> <ul style="list-style-type: none"> <li>• The 2016/17 tabled budget must include an annexure containing the municipality's mSCOA project plan and progress to date.</li> </ul>	Section 4.3
<p><b>Outcomes of the Financial Management Capability Maturity Model (FMCMM)</b></p> <ul style="list-style-type: none"> <li>• Municipalities are advised to consult the FMCMM reports for the results of the 32 financial ratios contained in the reports.</li> <li>• Any comments on these assessment can submitted to:  <a href="mailto:MFMA@treasury.gov.za">MFMA@treasury.gov.za</a></li> </ul>	Section 6.4

Highlights and explanatory notes to MFMA Circular 78	Circular section
<p><b>Hand-over reports for the newly elected council</b></p> <ul style="list-style-type: none"> <li>This is an important requirement to ensure a smooth transition from outgoing councils to the new elected councils.</li> <li>The reports should also be submitted to the relevant provincial department, provincial treasuries, the Department of Co-operative Governance (DCOG) and National Treasury.</li> </ul>	Section 6.5
<b>RECURRING ISSUES</b>	
<p><b>The South African economy and inflation targets</b></p> <ul style="list-style-type: none"> <li>Given the weaker than anticipated global economic outlook, a conservation approach is advised for projecting revenue.</li> <li>In the 2016 budget, National Treasury has revised its growth forecast downwards to 0.9 per cent for 2016, 1.7 per cent for 2017 and 2.4 per cent for 2018.</li> <li>Inflationary forecasts that should be incorporated for the 2016/17 MTREF budget have been provided.</li> <li>This has also been revised with the national budget with the CPI inflation rate revised to an estimated 4.6 per cent for 2015, and forecasted at 6.8, 6.3 and 5.9 per cent for 2016, 2017 and 2018 respectively.</li> </ul>	Section 3
<p><b>Local Government conditional grants and additional allocations</b></p> <ul style="list-style-type: none"> <li>The 2016/17 MTREF allocations became available on national budget day on 24 February.</li> <li>Municipalities are advised to consult the 2016 Division of Revenue Bill to compile the budgets, available from: <a href="http://www.treasury.gov.za/legislation/bills/2016/bills2016_bill02-2016.pdf">http://www.treasury.gov.za/legislation/bills/2016/bills2016_bill02-2016.pdf</a></li> <li>The main changes to the local government allocations include increases in the LGES demarcation transition grant, reclassification of the municipal systems improvement grant, and the extension of the indirect bucket eradication programme.</li> </ul>	Section 4.1
<p><b>Reporting indicators</b></p> <ul style="list-style-type: none"> <li>This section is currently only relevant to metropolitan municipalities.</li> <li>In future, these reforms will also be extended to non-metropolitan municipalities to aid in standardising SDBIPs</li> </ul>	Section 4.2
<p><b>Eskom bulk tariff increases</b></p> <ul style="list-style-type: none"> <li>A tariff increase of 8 per cent has been approved by NERSA for 2016/17.</li> <li>Eskom has applied to NERSA to compensate for under-recovery of R22.8 billion in 2013/14. The application is under review and a decision is expected by February 2016. Until then, municipalities are advised to base planning on the 8 per cent already approved by NERSA.</li> </ul>	Section 5.1
<p><b>Water and sanitation increases</b></p> <ul style="list-style-type: none"> <li>Municipalities should consider the full cost of rendering water and sanitation services when determining tariffs related to these services.</li> <li>To mitigate the need for water tariff increases as a result of the current</li> </ul>	Section 5.2

Highlights and explanatory notes to MFMA Circular 78	Circular section
drought across a large part of the country, municipalities must put in place appropriate strategies to limit water losses to acceptable levels.	
<p><b>Employee related costs</b></p> <ul style="list-style-type: none"> <li>The South African Local Government Bargaining Council entered into a three-year salary and wage collective agreement for period 01 July 2015 to 30 June 2018 where the following agreement was reached: <ul style="list-style-type: none"> <li>2015/16 Financial Year – 7 per cent;</li> <li>2016/17 Financial Year – average CPI (Feb 2015 – Jan 2016) + 1 per cent; and</li> <li>2017/18 Financial Year – average CPI (Feb 2016 – Jan 2017) + 1 per cent.</li> </ul> </li> </ul>	Section 6.1
<p><b>Remuneration of councillors</b></p> <ul style="list-style-type: none"> <li>Municipalities are advised to budget for actual costs approved in accordance with the gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually by the Department of Cooperative Governance.</li> </ul>	Section 6.2
<p><b>Service level standards</b></p> <ul style="list-style-type: none"> <li>Although this is a recurring issue, very few of the Western Cape municipalities have for the 2015/16 budget, tabled service level standards.</li> <li>All municipalities are required to submit the service level standards as part of the 2016/17 tabled budget documentation.</li> <li>A framework was developed as an outline to assist municipalities in finalising their standards.</li> <li>A link to this framework is available on the NT website, at:  <a href="http://mfma.treasury.gov.za/Circulars/Documents/Forms/AllItems.aspx?RootFolder=/Circulars/Documents/Circular%2075%20-%202015%20MTREF&amp;Folder CTID=&amp;View={06AB24E7-1C64-4A80-A0FA-273E6A829094}">http://mfma.treasury.gov.za/Circulars/Documents/Forms/AllItems.aspx?RootFolder=/Circulars/Documents/Circular%2075%20-%202015%20MTREF&amp;Folder CTID=&amp;View={06AB24E7-1C64-4A80-A0FA-273E6A829094}</a> </li> </ul>	Section 6.3
<p><b>Pledging of conditional grants</b></p> <ul style="list-style-type: none"> <li>All conditions for considerations of the conditional grant pledge should be aligned with the provisions of section 46 of the MFMA regarding long term borrowing.</li> <li>Municipalities are cautioned that pledging will only be approved for projects that have gone through a proper planning process as well as meeting the criteria for pledging as per MFMA Circular 51.</li> </ul>	Section 7.1
<p><b>Assistance with the compilation of budgets</b></p> <ul style="list-style-type: none"> <li>All municipalities should note that <b>version 2.8</b> of the A schedules should be used when compiling the budget. Version 2.8 contains changes to main schedule A10 and supporting schedules SA1 and SA9 when compared with the previous version (2.7.1).</li> </ul>	Section 8.1

Highlights and explanatory notes to MFMA Circular 78	Circular section
<p><b>Submitting budget documentation and schedules for 2016/17 MTREF</b></p> <ul style="list-style-type: none"> <li>Budget documentation must be submitted to NT and PT immediately after tabling, in both hard and electronic formats.</li> <li>NT electronic documents should be submitted to:  <a href="mailto:lgdocuments@treasury.gov.za">lgdocuments@treasury.gov.za</a> or if too large (exceeds 4 MB) via  <a href="mailto:lgbigfiles@gmail.com">lgbigfiles@gmail.com</a>.</li> <li>PT electronic documents should be submitted to:  <a href="mailto:MFMA.MFMA@westerncape.gov.za">MFMA.MFMA@westerncape.gov.za</a> or if too large (exceeds 3 MB) must be submitted via the lift server function (<a href="http://lift.pgwc.gov.za/">http://lift.pgwc.gov.za/</a>).</li> </ul>	Section 9.1
<p><b>Budget reform returns to the local government database for publication</b></p> <ul style="list-style-type: none"> <li>Budget reform returns to be submitted to:  <a href="mailto:lgdatabase@treasury.gov.za">lgdatabase@treasury.gov.za</a>.  Metropolitan municipalities should submit BEPP to:  <a href="mailto:Yasmin.coovadia@treasury.gov.za">Yasmin.coovadia@treasury.gov.za</a>.</li> </ul>	Section 9.2
<p><b>Publication of budgets on municipal websites</b></p> <ul style="list-style-type: none"> <li>In terms of MFMA section 75, the budget documentation must be placed on the municipal website not later than 5 days after its tabling date in council.</li> </ul>	Section 9.3

## 9. CONCLUSION

The Provincial Government wishes you well with the preparation of your Annual Budget, IDP, SDBIP and related documents and look forward to the LG MTEC engagement with your Municipality.

Please direct any queries regarding this circular to [Kim.Engel@westerncape.gov.za](mailto:Kim.Engel@westerncape.gov.za).



**MR ML BOOYSEN**  
**pp CHIEF DIRECTOR: PUBLIC POLICY SERVICES**  
**DATE:** 01 March 2016

**CONFIRMED 2016 BUDGET TABLING DATES**

<b>Municipality</b>	<b>Confirmed date</b>
City of Cape Town	31 March 2016, Thursday
Matzikama	29 March 2016, Tuesday
Cederberg	29 March 2016, Tuesday
Bergrivier	29 March 2016, Tuesday
Saldanha Bay	23 March 2016, Wednesday
Swartland	31 March 2016, Thursday
West Coast DM	30 March 2016, Wednesday
Witzenberg	30 March 2016, Wednesday
Drakenstein	31 March 2016, Thursday
Stellenbosch	24 March 2016, Thursday
Breede Valley	30 March 2016, Wednesday
Langeberg	29 March 2016, Tuesday
Cape Winelands DM	25 February 2016, Thursday
Theewaterskloof	30 March 2016, Wednesday
Overstrand	30 March 2016, Wednesday
Cape Agulhas	09 March 2016, Wednesday
Swellendam	23 March 2016, Wednesday
Overberg DM	22 February 2016, Monday
Kannaland	23 March 2016, Wednesday
Hessequa	31 March 2016, Thursday
Mossel Bay	17 March 2016, Thursday
George	30 March 2016, Wednesday
Oudtshoorn	31 March 2016, Thursday
Bitou	31 March 2016, Thursday
Knysna	24 March 2016, Thursday
Eden DM	29 March 2016, Tuesday
Laingsburg	31 March 2016, Thursday
Prince Albert	29 March 2016, Tuesday
Beaufort West	31 March 2016, Thursday
Central Karoo DM	31 March 2016, Thursday

## LG MTEC: 2016/17 CHECKLIST SUBMISSION OF TABLED BUDGET DOCUMENTATION

MUNICIPALITY: \_\_\_\_\_

The Budget Document as set out in Schedule A1 of the Municipal Budget and Reporting Regulations, including the main Tables (A1 - A10), version 2.8 of Schedule A1 (the Excel Formats) and the supporting Tables (SA1 - SA37).

- **Please ensure that** (as per MFMA Circular 72) **each page of the hard copy of the budget documentation** as set out in Schedule A of the Municipal Budget and Reporting Regulations, including the main Tables (A1 - A10) and all the supporting Tables (SA1 – SA37) and prescribed minimum narrative information that is submitted to Provincial Treasury (and National Treasury) **has been stamped and signed** by the secretariat responsible for ensuring accurate records of council decisions.

The IDP Document as set out in section 26, 32 and 34 of the Local Government: Municipal Systems Act, No 32 of 2000 and Regulations (MSA) and section 21 of the Local Government Municipal Finance Management Act 56 of 2003 (MFMA).

The Spatial Development Framework, Disaster Management Framework and additional documents that must be submitted as required in terms of budget circulars.

Budget Documentation	Hard Copy			Soft Copy (correlates with hard copy)		
	Yes	No	N/A	Yes	No	N/A
Council Resolution in terms of the Budget						
Draft Service Delivery and Budget Implementation Plan						
Draft Service Level Standards						
Signed Quality Certificate as prescribed in the MBRR						
<b>Prescribed Minimum Budget Narrative Information</b>	<b>Stamped and Signed Hard Copy Budget Narrative</b>					
Budget Narrative						
<b>Municipal Budget Tables: Tables A1 to A10</b>	<b>Stamped and Signed Hard Copy A1 – A10</b>					
Table A1: Budget Summary						
Table A2: Budgeted Financial Performance (revenue and expenditure by standard classification)						
Table A2A: Budgeted Financial Performance (revenue and expenditure by standard classification)						
Table A3: Budgeted Financial Performance (revenue and expenditure by municipal vote)						
Table A3A: Budgeted Financial Performance (revenue and expenditure by municipal vote)						
Table A4: Budgeted Financial Performance (revenue and expenditure)						
Table A5: Budgeted Capital Expenditure by vote, standard classification & funding source)						
Table A5A: Budgeted Capital Expenditure by vote, standard classification & funding source)						
Table A6: Budgeted Financial Position						
Table A7: Budgeted Cash Flow						
Table A8: Cask backed reserves/accumulated surplus reconciliation						
Table A9: Asset Management						
Table A10: Basic service delivery measurement						



Budget Documentation	Hard Copy			Soft Copy (correlates with hard copy)		
	Yes	No	N/A	Yes	No	N/A
<b>Municipal Budget Supporting Tables: Supporting Tables SA1 to SA37</b>	<b>Stamped and Signed Hard Copy SA1 – SA37</b>					
SA1: Supporting Detail to Budgeted Financial Performance						
SA2: Matrix Financial Performance Budget (revenue source/expenditure type and dept.)						
SA3: Supporting detail to Budgeted Financial Position						
SA4: Reconciliation of IDP strategic objectives and budget (revenue)						
SA5: Reconciliation of IDP strategic objectives and budget (operating expenditure)						
SA6: Reconciliation of IDP strategic objectives and budget (capital expenditure)						
SA7: Measurable performance objectives						
SA8: Performance Indicators and benchmarks						
SA9: Social, economic and demographic statistics and assumptions						
SA10: Funding measurement						
SA11: Property rates summary						
SA12a: Property rates by category (current year)						
SA12b: Property rates by category (budget year)						
SA13a: Service Tariffs by category						
SA13b: Service Tariffs by category (explanatory)						
SA 14: Household bills						
SA15: Investment particulars by type						
SA16: Investment particulars by type						
SA17: Borrowing						
SA18: Transfers and grant receipts						
SA19: Expenditure on transfers and grant programme						
SA20: Reconciliation of transfers, grant receipts and Unspent funds						
SA21: Transfers and grants made by the municipality						

Budget Documentation	Hard Copy			Soft Copy (correlates with hard copy)		
	Yes	No	N/A	Yes	No	N/A
SA22: Summary councillor and staff benefits						
SA23: Salaries, allowances and benefits (political office bearers/councillors/senior managers)						
SA24: Summary of personnel numbers						
SA25: Budgeted monthly revenue and expenditure						
SA26: Budgeted monthly revenue and expenditure (municipal vote)						
SA27: Budgeted monthly revenue and expenditure (standard classification)						
SA28: Budgeted monthly capital expenditure (municipal vote)						
SA29: Budgeted monthly capital expenditure (standard classification)						
SA30: Budgeted monthly cash flow						
SA31: Aggregated entity budget (where applicable)						
SA32: List of external mechanisms						
SA33: Contracts having future budgetary Implications						
SA34a: Capital expenditure on new assets by asset class						
SA34b: Capital expenditure on the renewal of existing assets by asset class						
SA34c: Repairs and maintenance expenditure by asset class						
SA34d: Depreciation by assets class						
SA35: Future Financial implications of the capital budget						
SA36: Detail capital budget						
SA37: Projects delayed from previous financial years						
<b>Budget Related Policies</b>						
Information on any amendments to budget related policies						
Suite of budget related policies	(Only soft copies)					

Budget Documentation	Hard Copy			Soft Copy (correlates with hard copy)		
	Yes	No	N/A	Yes	No	N/A
<b>IDP Documentation</b>						
Council Resolution in terms of the IDP (optional for tabling of IDP but compulsory for approval of IDP)						
Draft Integrated Development Plan						
Document outlining amendments to the Integrated Development Plan						
Process Plan according to section 32(1)(b) of the MSA read in conjunction with section 21(b) of the MFMA						
<b>Spatial Development Framework</b>						
Status of the SDF and the applicable council resolution number						
Draft or adopted Spatial Development Framework (where applicable)						
<b>Applicable Disaster Management Framework</b>						
Council Resolution in terms of the adoption of the Disaster Management Framework						
<b>Financial Plan</b>						
A financial Plan – including a budget projection of at least the next three years as a core component of the IDP as per section 26 of the MSA						
A statement clarifying compliance with section 34 of the MSA						
Key performance indicators and performance targets determined in terms of section 41 of the MSA						
<b>mSCOA</b>						
mSCOA project plan and progress to date						

#### MUNICIPAL REPRESENTATIVE

Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

#### PROVINCIAL REPRESENTATIVE

Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

**2016 PROPOSED LG MTEC BUDGET & IDP VISITATION SCHEDULE**

GROUP 1				GROUP 2			
REGION	MUNICIPALITY	DAY OF VISIT	TIME	REGION	MUNICIPALITY	DAY OF VISIT	TIME
OD	OVERBERG DISTRICT	14 April 2016, Thursday	09H00 - 12H00		NO SCHEDULED ENGAGEMENTS	14 April 2016, Thursday	
OD	CAPE AGULHAS	14 April 2016, Thursday	13H00 - 16H00		NO SCHEDULED ENGAGEMENTS	14 April 2016, Thursday	
	NO SCHEDULED ENGAGEMENTS	15 April 2016, Friday		CWD	CAPE WINELANDS DISTRICT	15 April 2016, Friday	09H00 - 12H00
		16 April 2016, Saturday				16 April 2016, Saturday	
		17 April 2016, Sunday				17 April 2016, Sunday	
CoCT	CITY OF CAPE TOWN	18 April 2016, Monday	08H30 - 11H30		NO SCHEDULED ENGAGEMENTS	18 April 2016, Monday	
	NO SCHEDULED ENGAGEMENTS	18 April 2016, Monday			NO SCHEDULED ENGAGEMENTS	18 April 2016, Monday	
	NO SCHEDULED ENGAGEMENTS	19 April 2016, Tuesday			NO SCHEDULED ENGAGEMENTS	19 April 2016, Tuesday	
	NO SCHEDULED ENGAGEMENTS	19 April 2016, Tuesday			NO SCHEDULED ENGAGEMENTS	19 April 2016, Tuesday	
	CITY - NT ENGAGEMENT	20 April 2016, Wednesday			CITY - NT ENGAGEMENT	20 April 2016, Wednesday	
	CITY - NT ENGAGEMENT	21 April 2016, Thursday			CITY - NT ENGAGEMENT	21 April 2016, Thursday	
	NO SCHEDULED ENGAGEMENTS	22 April 2016, Friday			NO SCHEDULED ENGAGEMENTS	22 April 2016, Friday	
	NO SCHEDULED ENGAGEMENTS	22 April 2016, Friday			NO SCHEDULED ENGAGEMENTS	22 April 2016, Friday	
		23 April 2016, Saturday				23 April 2016, Saturday	
		24 April 2016, Sunday				24 April 2016, Sunday	
CWD	DRAKENSTEIN	25 April 2016, Monday	08H30 - 11H30	CWD	BREEDE VALLEY	25 April 2016, Monday	09H00 - 12H00
CWD	STELLENBOSCH	25 April 2016, Monday	14H00 - 17H00	CWD	LANGEBOEG	25 April 2016, Monday	14H00 - 17H00
	NO SCHEDULED ENGAGEMENTS	26 April 2016, Tuesday		CWD	WITZENBERG	26 April 2016, Tuesday	09H30 - 12H30
	NO SCHEDULED ENGAGEMENTS	26 April 2016, Tuesday			NO SCHEDULED ENGAGEMENTS	26 April 2016, Tuesday	
	FREEDOM DAY	27 April 2016, Wednesday			FREEDOM DAY	27 April 2016, Wednesday	
	NO SCHEDULED ENGAGEMENTS	28 April 2016, Thursday			NO SCHEDULED ENGAGEMENTS	28 April 2016, Thursday	
	NO SCHEDULED ENGAGEMENTS	29 April 2016, Friday			NO SCHEDULED ENGAGEMENTS	29 April 2016, Friday	
		30 April 2016, Saturday				30 April 2016, Saturday	
	WORKERS DAY	01 May 2016, Sunday			WORKERS DAY	01 May 2016, Sunday	
	WORKERS DAY OBSERVED	02 May 2016, Monday			WORKERS DAY OBSERVED	02 May 2016, Monday	
ED	HESSEQUA	03 May 2016, Tuesday	11H00 - 14H00	ED	KANNALAND	03 May 2016, Tuesday	11H00 - 14H00
	NO SCHEDULED ENGAGEMENTS	03 May 2016, Tuesday			NO SCHEDULED ENGAGEMENTS	03 May 2016, Tuesday	
ED	BITOU	04 May 2016, Wednesday	08H30 - 11H30	ED	OUTSHOORN	04 May 2016, Wednesday	08H30 - 11H30
ED	KNYSNA	04 May 2016, Wednesday	13H00 - 16H00	CKD	PRINCE ALBERT	04 May 2016, Wednesday	14H00 - 17H00
ED	GEORGE	05 May 2016, Thursday	08H30 - 11H30	CKD	BEAUFORT WEST	05 May 2016, Thursday	10H00 - 13H00
ED	EDEN	05 May 2016, Thursday	13H00 - 16H00	CKD	CENTRAL KAROO DISTRICT	05 May 2016, Thursday	14H00 - 17H00
ED	MOSSEL BAY	06 May 2016, Friday	08H30 - 11H30	CKD	LAINGSBURG	06 May 2016, Friday	10H30 - 13H30
		06 May 2016, Friday				06 May 2016, Friday	
		07 May 2016, Saturday				07 May 2016, Saturday	
		08 May 2016, Sunday				08 May 2016, Sunday	
WCD	SALDANHA BAY	09 May 2016, Monday	09H00 - 12H00	WCD	WEST COAST DISTRICT	09 May 2016, Monday	09h00 - 12h00
WCD	SWARTLAND	09 May 2016, Monday	14H00 - 17H00	WCD	BERGRIVIER	09 May 2016, Monday	14h00 - 17h00
OD	OVERSTRAND	10 May 2016, Tuesday	09H00 - 12H00	WCD	MATZKAMA	10 May 2016, Tuesday	08h30 - 11h30
OD	THEEWATERSKLOOF	10 May 2016, Tuesday	14H00 - 17H00	WCD	CEDERBERG	10 May 2016, Tuesday	13h00 - 16h00
	NO SCHEDULED ENGAGEMENTS	11 May 2016, Wednesday		OD	SWELLENDAAM	11 May 2016, Wednesday	10h30 - 13h30
	NO SCHEDULED ENGAGEMENTS				NO SCHEDULED ENGAGEMENTS		



## **Uniform Financial Ratios and Norms**

The purpose of this Circular is to provide a set of uniform key financial ratios and norms suitable and applicable to municipalities and municipal entities. Section 216 (1)(c) of the Constitution and section 2 of the Municipal Finance Management Act (MFMA) enable National Treasury to introduce uniform treasury norms and standards to ensure sound and sustainable management of fiscal and financial affairs of municipalities and municipal entities.

A number of institutions currently use a variety of financial ratios and norms to assess and compare the financial health and performance of municipalities. Municipalities also use different financial ratios and norms to assess their own performance and set benchmarks for improvement to be measured over time. Results of our research show that there are in excess of two hundred different sets of financial ratios, with different derivatives used to assess municipality's financial status. This results in conflicting interpretation, inconsistent application and misunderstanding of the financial status of a municipality, often with incorrect diagnosis of the challenges and therefore inappropriate responses.

This Circular aims to bring consistency in interpretation and application of certain financial information using standardised financial ratios. It is important that any one of these ratios should not be read in isolation of one another, as this could lead to distortions in interpretation. Ideally, a number of interrelated ratios should be analysed together in order to get a broader picture of a municipality's or municipal entity's financial performance. When used in a combined manner analysis of different ratios will provide policy makers and the public with a very good sense of the financial status of the municipality and its entity. This Circular will also assist in municipalities being able to identify areas of financial management that need constant monitoring and improvement.

The Circular addresses different categories of ratios norms, interpretation and covers various aspects of a municipality's finances, such as financial position, financial performance and budget implementation, so that these can be used as part of in-year and end of year analysis. This will also aid in long-term financial planning and can be used to track progress over a number of years. Each ratio is explained to remove ambiguity and misinterpretation. The source of such information is also explained in the annexures to this Circular. Norms or standards have been assigned to each financial ratio, which are explained later in this Circular.

## **Categorisation Financial Ratios, Formulas, Norms and Interpretation**

### **Categorisation**

In order to perform a holistic financial analysis of a municipality or municipal entity all financial aspects of the institution should be considered. Ratios are divided into various

categories to address the different financial aspects and operations of a municipality or municipal entity.

- 1) **Financial Position**
- 2) **Financial Performance**
- 3) **Budget Implementation**

## **Financial Ratios, Formulas, Norms and Interpretation**

The ratios presented in this Circular are categorised in accordance with the previous section, and are presented in further detail to include the following:

- Purpose/ description of the Financial Ratio;
- Formula to be Used;
- Norms per Ratio; and
- Interpretation of Ratio Analysis Results.

Tables that provide a summary of the financial ratios, formulas, data source and norms are presented in Annexure 1.

### **1. FINANCIAL POSITION**

#### **A. Asset Management**

##### **1. Capital Expenditure to Total Expenditure**

###### ***Purpose/Description of the Ratio***

This Ratio is used to assess the level of Capital Expenditure to Total Expenditure, which indicates the prioritisation of expenditure towards current operations *versus* future capacity in terms of Municipal Services.

###### ***Formula***

Total Capital Expenditure / Total Expenditure (Total Operating Expenditure + Capital Expenditure) × 100

###### ***Norm***

The norm range between **10% and 20%**

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### ***Interpretation of Results***

When assessing the level of Investment in Assets, a ratio less than 10% reflects lower spending by the municipality in infrastructure and holds potential risks to service delivery. A ratio of more than 20% reflects higher spending on infrastructure and acceleration in service delivery, but could also hold financial sustainability risks if the infrastructure do not include both economic (revenue generating) and social type infrastructure.

The environment of the municipality should be considered when assessing the level of Investment in Assets. A municipality that has already invested in assets to address service delivery backlogs, would be required to maintain and improve such service levels, and therefore the percentage of spending allocated to new assets may not be significant higher.

On the other hand a municipality where the infrastructure and level of services provided is low and the associated expenditure is also low, the percentage of investment in new assets to total expenditure would be significantly higher.

The results from this ratio should be read together with the results from the analysis of the funding mix for capital expenditure.

It is critical that capital expenditure is largely directed toward service delivery infrastructure and not administrative assets.

## ***2. Impairment of Property, Plant and Equipment and Investment Property and Intangible Assets (Carrying Value)***

### ***Purpose/ Description of the Ratio***

Asset impairment refers to the loss in future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation.

This implies that the utilisation of assets did not deliver the value or service levels envisaged when approval was originally obtained for procuring the assets. When the approval is obtained to invest in Property, Plant and Equipment or Intangible Assets by the Municipality or Municipal Entity, the value should be realised through utilisation and reflected as Depreciation and not through unexpected losses due the Impairment of Property, Plant and Equipment or Intangible Assets. Impairment is therefore unexpected and only detected when the assessment for Impairment is performed as per the requirements of the applicable GRAP standards. It is therefore not planned for or expected and will not be budgeted.

**Formula**

Property, Plant and Equipment + Investment Property + Intangible Assets  
 Impairment/ (Total Property, Plant and Equipment + Investment Property + Intangible  
 Assets) x 100

**Norm**

The norm is **0%**

**Interpretation of Results**

The purpose of the Ratio is to indicate the percentage of Impairments compared to the Carrying Value of the Assets; a ratio above 0% reflects a risk in service delivery and therefore corrective measures should be implemented.

**3. Repairs and Maintenance as a % of Property, Plants and Equipment and Investment Property (Carrying Value)**

**Purpose/ Use of the Ratio**

The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to prevent breakdowns and interruptions to service delivery. Repairs and maintenance of municipal assets is required to ensure the continued provision of services.

**Formula**

Total Repairs and Maintenance Expenditure / Property, Plant and Equipment and Investment Property (Carrying Value) x 100

**Norm**

The norm is **8%**

**Interpretation of Results**

A ratio below the norm is a reflection that insufficient monies are being spent on repairs and maintenance to the extent that it could increase impairment of useful assets.

An increasing expenditure trend may be indicative of high asset-usage levels, which can prematurely require advanced levels of Repairs and Maintenance or a need for Asset Renewal / Replacements. Also, should an increasing expenditure trend suddenly drop to lower levels without an increase in the fixed asset value, this may be indicative of challenges in spending patterns. This may also indicate that the Municipality is experiencing cash flow problems and therefore unable to spend at



appropriate levels on its repairs to existing assets or purchase of new assets thus impacting negatively on service delivery.

## **B. Debtors Management**

### **1. Collection Rate**

#### ***Purpose/ Use of the Ratio***

The Ratio indicates the collection rate; *i.e.* level of payments. It measures increases or decreases in Debtors relative to annual billed revenue. In addition, in order to determine the real collection rate bad debts written-off is taken into consideration.

#### ***Formula***

Gross Debtors Opening Balance + Billed Revenue – Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100

#### ***Norm***

The norm is **95%**

#### ***Interpretation of Results***

Assessing the Collection Ratio will provide an indication of the performance against a number of areas, for example:

- Quality of Credit Control - ensuring that what is billed is collected; and
- Quality of Revenue Management - the ability to set affordable tariffs and bill correctly.

If the ratio is below the norm this is an indication that revenue collection of the municipality requires urgent attention and corrective measures should be implemented. A municipality with outstanding debtors should aim at achieving a collection rate of more than 100%. The results from this ratio should be viewed along with results from the age analysis and net debtor's day's ratio.

### **2. Bad Debts Written-off as % of the Bad Debt Provision**

#### ***Purpose/ Use of the Ratio***

The Ratio compares the value of Bad Debts Written-off on Consumer Debtors to Bad Debts Provided for Consumer Debtors to ensure that the Provision for Bad Debts is sufficient.

**Formula**

Bad Debts Written-off (Period under review)/ Provision for Bad Debt (Period under review x 100

**Norm**

The norm is **100%**

**Interpretation of Results**

Municipality should only write-off Bad Debts already provided for and, if the results are less than 100%, it should be ideally due to the recoverability of debtors. When 100% is exceeded, it indicates that the Municipality had not previously identified the Debtor/s as having the potential for defaults, which could indicate weakness in calculation of the Provision for Bad Debt, the methodology used and/or poor credit control processes.

**3. Net Debtors Days****Purpose/ Use of the Ratio**

This ratio reflects the collection period. Net Debtor Days refers to the average number of days required for a Municipality or Municipal Entity to receive payment from its Consumers for bills/invoices issued to them for services.

The Ratio exclude balances for Debtors, which the Municipality or Municipal Entity has assessed as potentially irrecoverable, and is also a good indication of the effectiveness of credit control procedures within the Municipality or Municipal Entity as well as the extent to which the Municipality or Municipal Entity has provided for Doubtful Debts.

**Formula**

$((\text{Gross Debtors} - \text{Bad Debt Provision}) / \text{Billed Revenue}) \times 365$

**Norm**

The norm is **30 Days**

**Interpretation of Results**

This Ratio adjusts for Municipality's who have had significant write-offs of Irrecoverable Debtor balances in the Gross Debtors Days analysis as it only assesses the performance of collectable Debtors. In addition, it provides an indication of the quality of credit control policy, effectiveness of the implementation thereof and quality of revenue management. If the ratio is above the norm, this indicates that the Municipality is exposed to significant Cash Flow risk. This is also an indication that the municipality is experiencing challenges in the collection of outstanding amounts due to it. In addition,

this indicates that a significant amount of potential cash is tied up in consumer debtors and the municipality must improve its revenue and cash flow management.

### **C. Liquidity Management**

#### **1. Cash/ Cost Coverage Ratio (Excluding Unspent Conditional Grants)**

##### ***Purpose/ Use of the Ratio***

The Ratio indicates the Municipality's or Municipal Entity's ability to meet at least its monthly fixed operating commitments from cash and short-term investment without collecting any additional revenue, during that month.

The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal Municipal day-to-day operational expenditure but rather reserved for Grant related expenditure.

##### ***Formula***

$$\frac{((\text{Cash and Cash Equivalents} - \text{Unspent Conditional Grants} - \text{Overdraft}) + \text{Short Term Investment})}{\text{Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)}}$$

##### ***Norm***

The norm range between **1 month to 3 months**.

##### ***Interpretation of Results***

If a municipality has a ratio below the norm it would be vulnerable and at a higher risk in the event of financial "shocks/set-backs" and its ability to meet its obligations to provide basic services or its financial commitment is compromised. The results from this ratio should be viewed along with results from analysis on Debtor Management to fully assess Cash Flow Risk. The more cash reserves a municipality or municipal entity has available the lower the risk of it being unable to fund monthly fixed operational expenditure and to continue rendering services.

#### **2. Current Ratio**

##### ***Purpose/ Use of the Ratio***

The Ratio is used to assess the Municipality's or Municipal Entity's ability to pay back its Short-term Liabilities (Debt and Payables) with its Short-term Assets (Cash, Inventory, Receivables).

**Formula**

Current Assets / Current Liabilities

**Norm**

The norm range between **1.5 to 2 :1**

**Interpretation of Results**

The higher the current Ratio, the more capable the Municipality or Municipal Entity will be to pay its current or short-term obligations and provide for a risk cover to enable it to continue operations at desired levels. A financial ratio under 1 suggests that the Municipality or Municipal Entity would be unable to pay all its current or short-term obligations if they fall due at any specific point.

If current liabilities exceed current assets, it highlights serious financial challenges and likely liquidity problems *i.e.* insufficient cash to meet short-term financial obligations. Current assets must therefore be increased to appropriately cover current liabilities otherwise there is a risk that non-current assets will need to be liquidated to settle current liabilities.

**D. Liability Management****1. Capital Cost (Interest Paid and Redemption) as a % of Total Operating Expenditure****Purpose/ Use of the Ratio**

The Ratio indicates the cost required to service the borrowing. It assesses the Borrowing or Payment obligation expressed as a percentage of Total Operating Expenditure.

**Formula**

Capital Cost (Interest Paid and Redemption) / Total Operating Expenditure x 100

**Norm**

The norm is between **6% to 8%**

**Interpretation of Results**

Operating below the Norm could indicate that the Municipality has the capacity to take on additional financing from borrowing to invest in infrastructure projects or it could relate to cash flow problems where it is unable to access borrowed funds or the funding decisions of the municipality impacts of these levels. On the other hand, exceeding the Norm could pose a risk to the Municipality should changes or fluctuations in financing costs arise.

When assessing this ratio, the cash flow requirements of the Municipality or Municipal Entity should also be considered.

## **2. Debt (Total Borrowings)/ Total Operating Revenue**

### ***Purpose/ Use of the Ratio***

The Ratio indicates the extent of Total Borrowings in relation to Total Operating Revenue. It indicates short and long term debt financing relative to operating revenue of the municipality.

The purpose of the Ratio is to provide assurance that sufficient Revenue will be generated to repay Liabilities. Alternatively stated, the Ratio indicates the affordability of the Total Borrowings.

### ***Formula***

Debt (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant

### ***Norm***

The norm is **45%**

### ***Interpretation of Results***

If the result of the Ratio analysis indicates less than 45% then the Municipality still has capacity to take increase funding from borrowings, however, this should be considered within the cash flow requirements of the Municipality or Municipal Entity.

## **E. Sustainability**

### **1. Level of Cash Backed Reserves (Net Assets - Accumulated Surplus)**

#### ***Purpose/ Use of the Ratio***

The Ratio measures the extent to which the Other Reserves, which are required to be cash backed are actually backed by Cash Reserves.

#### ***Formula***

(Cash and Cash Equivalents - Bank Overdraft + Short Term Investment + Long Term Investment - Unspent Conditional Grants) / (Net Assets - Accumulated Surplus – Non Controlling Interest – Share Premium – Share Capital – Fair Value Adjustment – Revaluation Reserve)

**Norm**

The norm is **100%**

**Interpretation of Results**

If a Municipality or Municipal Entity has less than 100% Cash Reserves it could negatively impact the Municipality's or Municipal Entity ability to comply with the conditions for creating the Reserves and on its ability to fund current and future operations.

**2. FINANCIAL PERFORMANCE****A. Efficiency****1. Net Operating Surplus Margin****Purpose/ Use of the Ratio**

The Ratio assesses the extent to which the Municipality generates Operating Surpluses.

**Formula**

$$\frac{(\text{Total Operating Revenue} - \text{Total Operating Expenditure})}{\text{Total Operating Revenue}} \times 100\%$$

**Norm**

The norm is equal to or greater than **0%**

**Interpretation of Results**

Municipalities should at least recover operational costs for the services being delivered. In addition, a ratio which is greater than 0% will enable the municipality to generate a surplus which will assist to contribute towards its capital funding requirements. If the result is less than 0% it implies that the municipality is operating at a deficit and measures must be implemented to address this situation to ensure sustainable service delivery. In a case of an operating deficit it is critical to ascertain the extent to which the accounting policy, i.e. revaluation method has impacted on the calculations to avoid any distortions in interpretation of the outcome. Refer to Circular 58 section 4.3 regarding revaluation in terms of GRAP 17 and treatment of depreciation and GRAP 24.

**2. Net Surplus /Deficit Electricity****Purpose/ Use of the Ratio**

This ratio measures the extent to which the municipality generates surplus or deficit in rendering electricity service. The purpose of the Ratio is to determine the contribution

made by the provision of Electricity Services, being one of the major functions of a municipality.

**Formula**

Total Electricity Revenue less Total Electricity Expenditure / Total Electricity Revenue x 100%

**Norm**

The Norm range between **0% and 15%**

It should be noted that this norm will be superseded by sector determinations from time to time, as other regulatory bodies address the appropriate level of tariffs and surpluses.

**Interpretation of Results**

A ratio below 0% depicts that electricity service is rendered at a deficit/loss and will be unsustainable if other revenue is not allocated to fund such services. The results must be between the range to ensure services are sustainable and that all costs associated with the delivery of Electricity Services are at least recovered with a margin for future growth and/ or capital funding for electricity assets.

**3. Net Surplus / Deficit Water****Purpose/ Use of the Ratio**

This ratio measures the extent to which the municipality generates surplus or deficit in rendering water service. The purpose of the Ratio is to determine the contribution made by the provision of water service being one of the major functions of a municipality.

**Formula**

Total Water Revenue less Total Water Expenditure / Total Water Revenue x 100%

**Norm**

The norm is equal to or greater than **0%** and will be superseded by the sector determination from time to time, as other regulatory bodies address the appropriate level of tariffs, surpluses and subsidisation.

**Interpretation of Results**

A ratio below 0% depicts that water service is rendered at a loss and unsustainable. The results must not be below the norm so as to ensure that the Services are sustainable and that all costs associated with the delivery of Water Services are at least recovered with a margin for future growth and/ or capital funding for water assets.

#### **4. Net Surplus /Deficit Refuse**

##### ***Purpose/ Use of the Ratio***

This ratio measures the extent to which the municipality generates surplus or deficit in rendering refuse service. The purpose of the Ratio is to determine the contribution made by the provision of refuse service being one of the major functions of a municipality.

##### ***Formula***

Total Refuse Revenue less Total Refuse Expenditure /Total Refuse Revenue x 100%

##### ***Norm***

The Norm is equal to or greater than **0%** and will be superseded by the Sector determination from time to time, as other regulatory bodies address the appropriate level of tariffs, surpluses and subsidisation.

##### ***Interpretation of Results***

A ratio below 0% depicts that refuse service is rendered at a loss and unsustainable. The results must not be below the norm so as to ensure that the Services are sustainable and that all costs associated with the delivery of Refuse Services are at least recovered with a margin for future growth and/ or capital funding for Refuse assets.

#### **5. Net Surplus / Deficit Sanitation and Waste Water**

##### ***Purpose/ Use of the Ratio***

This ratio measures the extent to which the municipality generates surplus or deficit in rendering sanitation and waste water service. The purpose of the Ratio is to determine the contribution made by the provision of sanitation and waste water services being one of the major functions of a municipality.

##### ***Formula***

Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water Expenditure / Total Sanitation and Waste Water Revenue x 100%

##### ***Norm***

The norm is equal to or greater than **0%** and will be superseded by the sector determination from time to time, as other regulatory bodies address the appropriate level of tariffs, surpluses and subsidisation.



## ***Interpretation of Results***

A ratio below 0% depicts that sanitation and waste water is rendered at a loss and unsustainable. The results must not be below the norm so as to ensure that the Services are sustainable and that all costs associated with the delivery of sanitation and waste water are at least recovered with a margin for future growth and / or capital funding for assets.

### ***B. Distribution Losses***

#### ***1. Electricity Distribution Losses (Percentage)***

##### ***Purpose/ Use of the Ratio***

The purpose is to measure the percentage loss of potential revenue from Electricity Services through electricity units purchased and generated but not sold as a result of losses incurred through theft (illegal connections), non or inaccurate metering or wastage. It is expected that implementation of the free basic service policy is included in the calculation for sale of electricity.

##### ***Formula***

$$(\text{Number of Electricity Units Purchased and / or Generated} - \text{Number of Electricity Units Sold}) / \text{Number of Electricity Units Purchased and / or Generated} \times 100$$

##### ***Norm***

The Norm is between **7% and 10%** and will be superseded by the sector determination.

##### ***Interpretation of Results***

A ratio below the norm depicts that electricity losses are well managed. If the Ratio exceeds the norm it could indicate various challenges, for example, deteriorating electricity infrastructure or poor management of the networks, affecting the Municipality or Municipal Entity, which would require further analysis to determine the reasons for such losses. In addition, the root causes should be addressed.

#### ***2. Water Distribution Losses (Percentage)***

##### ***Purpose/ Use of the Ratio***

The purpose of this ratio is to determine the percentage loss of potential revenue from water service through kilolitres of water purchased but not sold as a result of losses incurred through theft (illegal connections), non- or incorrect metering or wastage as a result of deteriorating water infrastructure. It is expected that implementation of the free basic service policy is included in the calculation for sale of water.

**Formula**

$$\frac{(\text{Number of Kiloliters Water Purchased or Purified} - \text{Number of Kilolitres Water Sold})}{\text{Number of Kiloliters Water Purchased or Purified}} \times 100$$

**Norm**

The Norm is between **15% and 30%**

**Interpretation of Results**

A ratio within the norm depicts that water losses and water infrastructure are well managed. If the Ratio exceeds the norm it could indicate various challenges, for example, ageing water infrastructure or poor management, affecting the Municipality or Municipal Entity, which would require further analysis and explanation to determine the reasons for such losses. In addition, the root causes should be addressed.

**C. Revenue Management****1. Growth in Number of Active Consumer Accounts****Purpose/ Use of the Ratio**

The ratio measures the actual growth in the Revenue base of the Municipality brought about by an increase in the Consumer base rather than tariff increases.

**Formula**

$$\frac{(\text{Period under Review's Number of Active Debtor Accounts} - \text{Previous Period's Number of Active Debtor Accounts})}{\text{Previous Period Number of Active Debtor Accounts}} \times 100$$

**Norm**

No Norm is currently being proposed for this Ratio but will be monitored and a determined in the future. Municipalities are requested to report on this aspect to its Council.

**Interpretation of Results**

The results from this analysis will have to be taken into consideration when assessing the Growth in Revenue to determine the Real Growth in the Customer base vs growth due to tariff and inflationary adjustments. Growth in number of active consumers indicates an increase in revenue base.

Further, the impact of growth on the Indigent Base vs Growth in Paying Consumers should be assessed regularly as this must be used to inform Councils policy.

## **2. Revenue Growth (%)**

### ***Purpose/ Use of the Ratio***

This Ratio measures the overall revenue growth. In addition, this ratio will assist in determining if the increase in Expenditure will be funded by an increase in Revenue base or by some other means.

### ***Formula***

(Period Under Review's Total Revenue - Previous Period's Total Revenue) / Previous Period's Total Revenue) x 100

### ***Norm***

The norm is at the rate of **CPI**

### ***Interpretation of Results***

The Revenue Growth has to be assessed in conjunction with the growth in the Revenue base and number of consumer accounts to determine the real Growth in Revenue.

## **3. Revenue Growth (%) - Excluding Capital Grants**

### ***Purpose/Use of the Ratio***

This Ratio measures the overall Revenue Growth adjusted for Capital Grants. In addition, this ratio will assist in determining if the increase in Expenditure will be funded by the increased Revenue Base or by some other means.

### ***Formula***

((Period Under Review's Total Revenue Excluding Capital Grants - Previous Period's Total Revenue Excluding Capital Grants)/ Previous Period's Total Revenue Excluding Capital Grants) x 100

### ***Norm***

The norm is at the rate of **CPI**

### ***Interpretation of Results***

The Revenue Growth has to be assessed in conjunction with the growth in the Revenue base, number of consumer accounts to determine the real Growth.

**D. Expenditure Management****1. Creditors Payment Period (Trade Creditors)****Purpose/ Use of the Ratio**

This ratio indicates the average number of days taken for Trade Creditors to be paid.

**Formula**

Trade Creditors Outstanding / Credit Purchases (Operating and Capital) × 365

**Norm**

The norm is **30 days**

**Interpretation of Results**

A period of longer than 30 days to settle creditors is normally an indication that the Municipality may be experiencing cash flow problems, however in certain instances this may be as a result of disputes, processing of payments, etc. In addition, a ratio that exceeds the norm indicates that the Municipality may not be adequately managing its Working Capital or that effective controls are not in place to ensure prompt payments. The municipality will be required to provide further explanations in this regard.

**2. Irregular, Fruitless and Wasteful and Unauthorised Expenditure/ Total Operating Expenditure****Purpose/ Use of the Ratio**

The ratio measures the extent to which the Municipality has incurred Irregular, Fruitless and Wasteful and Unauthorised Expenditure.

**Formula**

(Irregular, Fruitless and Wasteful and Unauthorised Expenditure) / Total Operating Expenditure x 100

The net amount after condonement should be used in this calculation.

**Norm**

The norm is **0%**

**Interpretation of Results**

A ratio that exceeds 0% must be investigated and acted upon.

### **3. Remuneration (Employee Related Costs and Councillors Remuneration) as % of Total Operating Expenditure)**

#### **Purpose/ Use of the Ratio**

The ratio measures the extent of Remuneration to Total Operating Expenditure.

#### **Formula**

Remuneration (Employee Related Costs and Councillors' Remuneration) / Total Operating Expenditure x 100

#### **Norm**

The norm range between **25% and 40%**

#### **Interpretation of Results**

If the ratio exceed the norm it could indicate inefficiencies, overstaffing or even the incorrect focus due to misdirected expenditure to non-essentials or non-service delivery related expenditure. Various factors need to be considered when commenting on this ratio, such as the powers and functions performed by the municipality or entity, as this can create distortions in the outcomes, if the analysis ignores such factors.

### **4. Contracted Services % of Total Operating Expenditure**

#### **Purpose/ Use of the Ratio**

This ratio measures the extent to which the municipalities resources are committed towards contracted services to perform Municipal related functions.

#### **Formula**

Contracted Services / Total Operating Expenditure x 100

#### **Norm**

The norm range between **2% and 5%**

#### **Interpretation of Results**

A ratio in excess of the Norm could indicate that many functions are being outsourced to Consultants, or that Contracted Services are not effectively utilised. This also depends on the model of service delivery selected by the municipality. In addition, outsourcing decisions will have to be weighed against the ability to attract skills; however, increases in this ratio can further expose the municipality to other risks, such as its inability to build capacity and ongoing reliance on Contractors.

**E. Grant Dependency****1. Own Funded Capital Expenditure (Internally Generated Funds + Borrowings) to Total Capital Expenditure****Purpose/ Use of the Ratio**

The Ratio measures the extent to which the municipality's Total Capital Expenditure is funded through Internally Generated Funds and Borrowings.

**Formula**

Own Funded Capital Expenditure (Internally Generated Funds + Borrowings) / Total Capital Expenditure x 100

**Norm**

No norm is proposed at this time. It is critical that the funding mix of capital expenditure is undertaken in such a manner that affordable borrowing is directed towards addressing service delivery needs and that there is also opportunity for increased capacity on internally generated funding to attain an improved balance of the funding sources.

**2. Own Funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure****Purpose/ Use of the Ratio**

The Ratio measures the extent to which Total Capital Expenditure of the Municipality is funded through Internally Generated Funds.

**Formula**

Own funded Capital Expenditure (Internally Generated Funds) / Total Capital Expenditure x 100

**Norm**

No norm is proposed at this time. The funding mix for capital expenditure is dependent on the municipal policy and ability to raise revenue from different sources. Increased capacity for internally generated funding is required in some circumstances, which could also improve the balance in funding sources.

**3. Own Source Revenue to Total Operating Revenue (Including Agency Revenue)****Purpose/ Use of the Ratio**

The Ratio assesses the extent of Own Source Revenue to Total Operating Revenue, including Agency Revenue hence self-sufficiency.

**Formula**

Own Source Revenue (Total Revenue - Government Grants and Subsidies – Public Contribution and Donations)/ Total Operating Revenue (Including Agency Services) x 100

**Norm**

No norm is proposed at this time. The municipal specific circumstances, including the powers and functions assigned to it, must be considered when assessing the level of own source revenue or its self-sufficiency. An analysis of the trends and levels of own source of revenue will also inform the municipality and users of measures taken to optimise own revenues. The ratio measuring own source revenue should be increasing over time as it reflects municipal efforts towards self-sufficiency.

**3. BUDGET IMPLEMENTATION****1. Capital Expenditure Budget Implementation Indicator****Purpose/ Use of the Ratio**

This ratio measures the extent to which Budgeted Capital Expenditure has been spent during the financial year, under review. Further, this ratio measures the municipality's ability to implement capital projects and monitor the risks associated with non-implementation. The ratio also assess whether the municipality has effective controls in place to ensure that expenditure is incurred in accordance with an approved budget.

**Formula**

Actual Capital Expenditure / Budget Capital Expenditure x 100

**Norm**

The norm range between **95% and 100%**

**Interpretation of Results**

This can be used in-year to monitor progress. Any variance below 95% indicates discrepancies in planning and budgeting, capacity challenges to implement projects and/or Supply Chain Management process failures, which should be investigated and corrective measures implemented.

Under-spending is also an indicator that the Municipality might be experiencing possible cash flow difficulties to implement projects. Ideally, under-spending should be the result of improved efficiencies and not as a result of non-implementation of programmes and/or projects.

Overspending may also indicate inaccurate budgeting or poor financial management control.

## **2. Operating Expenditure Budget Implementation Indicator**

### ***Purpose/ Use of the Ratio***

This ratio measures the extent to which Budgeted Operating Expenditure has been spent during the financial year, under review. The ratio also assess whether the municipality has effective controls in place to ensure that expenditure is incurred in accordance with an approved budget.

### ***Formula***

Actual Operating Expenditure / Budgeted Operating Expenditure x 100

### ***Norm***

The norm range between **95% and 100%**

### ***Interpretation of Results***

Any variance from 100% indicates either challenge in capacity to implement, issues of financial controls and management and/or poor budgeting.

Under-spending normally is an indicator that the Municipality experiences possible Cash Flow difficulties or capacity challenges to undertake Budgeted/ planned service delivery, and/ or does not prepare accurate and credible Budgets. Ideally, under-spending should be the result of improved efficiencies and not as a result of non-implementation of programmes and/or projects.

Overspending may also indicate inaccurate budgeting or poor financial management control in respect of budget control.

## **3. Operating Revenue Budget Implementation Indicator**

### ***Purpose/ Use of the Ratio***

This ratio measures the extent of Actual Operating Revenue (Excl. Capital Grant Revenue) received in relation to Budgeted Operating Revenue during the financial year, under review.

### ***Formula***

Actual Operating Revenue / Budgeted Operating Revenue x 100



**Norm**

The norm range between **95% and 100%**

**Interpretation of Results**

A ratio below 95% indicates either a challenge in capacity to implement, ineffective billing and credit control, weakness in compilation of budgets or issues of financial controls and management of the Municipality.

**4. Service Charges and Property Rates Revenue Budget Implementation Indicator****Purpose/ Use of the Ratio**

The ratio measures the extent of Actual Service Charges and Property Rates Revenue received in relation to Budgeted Service Charges and Property Rates Revenue during the financial year, under review.

**Formula**

Actual Service Charges and Property Rates Revenue / Budgeted Service Charges and Property Rates Revenue x 100

**Norm**

The norm range between **95% and 100%**

**Interpretation of Results**

A ratio below 95% indicates either a challenge in capacity to implement, ineffective billing and credit control, weakness in compilation of budgets or issues of financial controls and management of the Municipality.

## Monitoring

It is important that these indicators are not seen or used in isolation of one another but used in a combined manner so as to provide a holistic picture of the financial status of the municipality or municipal entity. Poor outcomes with relation to these indicators can also point to weaknesses in Institutional and Governance aspects in a municipality that need attention. Therefore, Councillors, Municipal Managers, Chief Financial Officers, Accounting Offices of Municipal Entities, and all financial officials should derive benefits from a deeper understanding of these Ratios and Norms and their implications. The primary responsibility to avoid, identify and resolve financial problems in a municipality rests with the municipality and proper monitoring and use of these indicators, will support decision-makers overcome such challenges.

The use of these Ratios and Norms should assist Municipalities and Municipal Entities to predict, identify, prevent, avoid, and resolve financial problems/crisis timeously and serve as an early warning mechanism. Moreover, this will ensure that Municipalities and Municipal Entities make strategic decisions based on empirical and factual information and analysis for a sustainable outcome. Monitoring and trend analysis of these ratios is critical to ensure that measures are introduced to address areas needing attention and that there is progressive improvements of municipalities own position against the norms. These indicators and their norms, when viewed holistically, provide an overview of the financial position and performance of the Municipalities and Municipal Entities, while recognising institutional differences. Sound and effective financial management practices form the basis for an effective long term sustainable municipality.

The oversight role played by the Municipal Executive, Audit Committee, and Municipal Public Account Committee will also be enhanced with the use of these financial Ratios and Norms through implementation and reporting of financial information. The financial ratios and norms will strengthen financial management and accountability and be used throughout the cycle - integrated development plans (including long term financial plan), budgets, in-year reports for example section 52, 71 and 72 reports, annual financial statements, annual report and oversight reports. Comparison with other municipalities is now possible.

An Excel template has been developed (Annexure 2 of this Circular) to assist municipalities and Municipal Entities to populate relevant financial information, automate calculations, and assist in interpretation thereof.

These Ratios and Norms will be used to assess financial position and performance, quality of budgeting, management, and other characteristics of Municipalities and Municipal Entities, and should holistically provide an overview of the financial health of the Municipality or Municipal Entity, taking the respective and unique circumstances into account. Benchmarking and comparisons between Municipalities and Municipal Entities can also be undertaken, made simpler in future, and will further assist in targeting assistance and support, where needed.

Different institutions including, financial institutions, research organisations, rating agencies, national and provincial government, legislatures, amongst others, can use these uniform set of financial indicators, ratios and norms to monitor the financial position and performance of municipalities.

## **Implementation**

The ratios and norms provided in this Circular and elaborated in the annexures are to be understood in an aspirational context and utilised as soon as possible to enable municipal councils to commence with the process of introducing measures to address areas needing attention. Municipalities and Municipal Entities should take advantage of the transition period, covering the medium term, to allow for progressive improvements of their own status against the ratios and norms.

## Conclusion

The variety of financial ratios and norms, over 200, used by various institutions to assess and compare the financial health and performance of Municipalities and Municipal Entities has resulted in confusion across the sector, as users formulate assumptions based on different interpretation of the same financial information.

The Circular creates a uniform categorisation of ratios, standardising formulas and inputs, providing guidance on norms and interpretation of the financial ratio analysis, as applicable to Municipalities and Municipal Entities. There may be other ratios and norms used by analysts that are more appropriate to the financial status of private sector institutions, therefore, the use, differentiation and range described in this Circular should be understood within the context of a public sector institution.

This Circular therefore attempts to address the above challenges and also provide a more structured approach for holistic analysis, taking into cognisance the different type of Municipalities and Municipal Entities. The consistent use of these ratios and norms will assist in reporting accurately the status of municipal finances.

Institutions performing financial ratio analysis for Municipalities and Municipal Entities should therefore refer to this Circular and interpretation therein to ensure uniformity and consistency of application.

It is important that the Municipal Manager ensure that this Circular is brought to the attention of the Municipal Council, Board of Directors of Municipal Entities, relevant oversight structures (Municipal Executive, Audit Committee, and Municipal Public Account) and all other relevant stakeholders. Training providers are also requested to bring this Circular to the attention of trainees.

The introduction and application of these uniform norms, coupled with other financial reforms, will allow for comparisons with different type of municipalities and municipal entities and it is expected that they will replace earlier regulations issued that cover financial ratios and norms as these are based on the latest reforms in financial management.



### National Treasury

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**TV PILLAY**

**Chief Director: MFMA Implementation**

**17 January 2014**

Annexure 1: Summary of the financial ratios, norms, formulae and data sources

Annexure 2: Excel template for calculation of the ratios and interpretation of results

## SUMMARY OF UNIFORM FINANCIAL RATIO, FORMULAE, DATA SOURCE AND NORMS

## 1. FINANCIAL POSITION

## A. Asset Management

RATIO		FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) × 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR	10% - 20%
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible Assets (Carrying Value)	Property, Plant and Equipment Impairment + Investment Property Impairment + Intangible Assets Impairment/(Total Property, Plant and Equipment + Investment Property + Intangible Assets) × 100	Statement of Financial Position, Notes to the AFS and AR	0%
3	Repairs and Maintenance as a % of Property, Plant and Equipment, Investment Property (Carrying Value)	Total Repairs and Maintenance Expenditure/ Property, Plant and Equipment and Investment Property(Carrying value) x 100	Statement of Financial Position, Statement of Financial Performance, IDP, Budgets and In-Year Reports	8%

**B. Debtors Management**

RATIO		FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Collection Rate	$\frac{\text{Gross Debtors Closing Balance} + \text{Billed Revenue} - \text{Gross Debtors Opening Balance} + \text{Bad Debts Written Off}}{\text{Billed Revenue}} \times 100$	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget , In-Year Reports, IDP and AR	95%
2	Bad Debts Written-off as % of Provision for Bad Debt	$\frac{\text{Bad Debts Written-off}}{\text{Provision for Bad Debt}} \times 100$	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	100%
3	Net Debtors Days	$\frac{((\text{Gross Debtors} - \text{Bad debt Provision}) / \text{Actual Billed Revenue})}{\times 365}$	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	30 days

**C. Liquidity Management**

RATIO		FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Cash/Cost Coverage Ratio (Excluding Unspent Conditional Grants)	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In year Reports and AR	1 - 3 Months
2	Current Ratio	Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1

**D. Liability Management**

RATIO		FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Capital Cost(Interest Paid and Redemption) as a % of Total Operating Expenditure	Capital Cost(Interest Paid and Redemption) / Total Operating Expenditure x100	Statement of Financial Position, Statement of Cash Flows, Statement of Financial Performance, Budget, IDP, In-Year Reports and AR	6% - 8%
2	Debt (Total Borrowings) / Revenue	(Overdraft + Current Finance Lease Obligation + Non Finance Lease Obligation + Short Term Borrowings + Long Term Borrowings) / Total Operating Revenue	Statement of Financial Position, Statement of Financial Performance, Budget, IDP and AR	45%

## E. Sustainability

RATIO		FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Level of Cash Backed Reserves (Net Assets - Accumulated Surplus)	(Cash and Cash Equivalents - Bank overdraft + Short Term Investment + Long Term Investment - Unspent grants) / (Net Assets - Accumulated Surplus - Non Controlling Interest - Share Premium - Share Capital - Fair Value Adjustment - Revaluation Reserve)	Statement Financial Position, Budget and AR	100%

## 2. FINANCIAL PERFORMANCE

### A. Efficiency

RATIO		FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Net Operating Surplus Margin	$(\text{Total Operating Revenue} - \text{Total Operating Expenditure}) / \text{Total Operating Revenue}$	Statement of Financial Performance, Budget, In-Year reports, AR, Statement of Comparison of Budget and Actual Amounts and Statement of Changes in Net Assets	= or > 0%
2	Net Surplus /Deficit Electricity	$\text{Total Electricity Revenue less Total Electricity Expenditure} / \text{Total Electricity Revenue} \times 100$	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	0% - 15%
3	Net Surplus /Deficit Water	$\text{Total Water Revenue less Total Water Expenditure} / \text{Total Water Revenue} \times 100$	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%
4	Net Surplus /Deficit Refuse	$\text{Total Refuse Revenue less Total Refuse Expenditure} / \text{Total Refuse Revenue} \times 100$	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%
5	Net Surplus /Deficit Sanitation and Waste Water	$\text{Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water Expenditure} / \text{Total Sanitation and Waste Water Revenue} \times 100$	Statement of Financial Performance, Notes to AFS Budget, IDP, In-Year reports and AR	= or > 0%



**B. Distribution Losses**

RATIO		FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Electricity Distribution Losses (Percentage)	$(\text{Number of Electricity Units Purchased and/or Generated} - \text{Number of Electricity Units Sold}) / \text{Number of Electricity Units Purchased and/or Generated} \times 100$	Annual Report, Audit Report and Notes to Annual Financial Statements	7% - 10%
2	Water Distribution Losses (Percentage)	$(\text{Number of Kilolitres Water Purchased or Purified} - \text{Number of Kilolitres Water Sold}) / \text{Number of Kilolitres Water Purchased or Purified} \times 100$	Annual Report, Audit Report and Notes to Annual Financial Statements	15% - 30%

## C. Revenue Management

RATIO		FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Growth in Number of Active Consumer Accounts	$\frac{(\text{Period under review's number of Active Debtor Accounts} - \text{previous period number of Active Debtor Accounts})}{\text{previous period number of Active Debtor Accounts}} \times 100$	Debtors System	None
2	Revenue Growth (%)	$\frac{(\text{Period under review's Total Revenue} - \text{previous period's Total Revenue})}{\text{previous period's Total Revenue}} \times 100$	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= CPI
3	Revenue Growth (%) - Excluding capital grants	$\frac{(\text{Period under review's Total Revenue Excluding capital grants} - \text{previous period's Total Revenue excluding capital grants})}{\text{previous period's Total Revenue excluding capital grants}} \times 100$	Statement of Financial Performance, Notes to AFS , Budget, IDP, In-Year reports and AR	= CPI

## D. Expenditure Management

RATIO		FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Creditors Payment Period (Trade Creditors)	$\text{Trade Creditors Outstanding} / \text{Credit Purchases (Operating and Capital)} \times 365$	Statement of Financial Performance, Notes to AFS, Budget, In-Year reports and AR	30 days
2	Irregular, Fruitless and Wasteful and Unauthorised Expenditure / Total Operating Expenditure	$(\text{Irregular, Fruitless and Wasteful and Unauthorised Expenditure}) / \text{Total Operating Expenditure} \times 100$	Statement Financial Performance, Notes to Annual Financial Statements and AR	0%
3	Remuneration as % of Total Operating Expenditure	$\text{Remuneration (Employee Related Costs and Councillors' Remuneration)} / \text{Total Operating Expenditure} \times 100$	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	25% - 40%
4	Contracted Services % of Total Operating Expenditure	$\text{Contracted Services} / \text{Total Operating Expenditure} \times 100$	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	2% - 5%

## E. Grant Dependency

RATIO		FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	Own funded Capital Expenditure (Internally generated funds + Borrowings) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information), Budget, IDP, In-Year reports and AR	None
2	Own funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure	Own funded Capital Expenditure (Internally Generated Funds) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information) Budget, IDP, In-Year reports and AR	None
3	Own Source Revenue to Total Operating Revenue(Including Agency Revenue)	Own Source Revenue (Total revenue - Government grants and Subsidies - Public Contributions and Donations)/ Total Operating Revenue (including agency services) x 100	Statement Financial Performance, Budget, IDP, In-Year reports and AR	None

### 3. BUDGET IMPLEMENTATION

RATIO		FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Capital Expenditure Budget Implementation Indicator	Actual capital Expenditure / Budget Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, In-Year reports and AR	95% - 100%
2	Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%
3	Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%
4	Service Charges and Property Rates Revenue Budget Implementation Indicator	Actual Service Charges and Property Rates Revenue / Budget Service Charges and Property Rates Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%



**NATIONAL TREASURY**  
**MFMA Circular No 71**  
**Municipal Finance Management Act No. 56 of 2003**

**Annexure 2**

**Interpretation of results**

The green colour indicates that the result is within the norm and is acceptable
The red colour indicates that the result is not acceptable and corrective actions/plans should be put in place to improve the results.
Data should be captured in the blue colour cell to calculate a ratio.
# In situations where the results are not within the acceptable norm, corrective actions/plans should be taken and referenced

**Template for Calculation of Uniform Financial Ratios and Norms**

RATIO		FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION	MUNICIPAL COMMENTS (#)
1. FINANCIAL POSITION								
A. Asset Management/Utilisation								
1	Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR	10% - 20%		6.60%	Please refer to page 2 of MFMA Circular No.71	Maximum capital accommodated according to resources
					Total Operating Expenditure	1 074 984 034		
					Taxation Expense	-		
					Total Capital Expenditure	75 993 352		
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)	Property, Plant and Equipment + Investment Property + Intangible Assets Impairment/(Total Property, Plant and Equipment + Investment Property + Intangible Assets) x 100	Statement of Financial Position, Notes to the AFS and AR	0%		0%	Please refer to page 3 of MFMA Circular No. 71	
					PPE, Investment Property and Intangible Impairment	-		
					PPE at carrying value	3 072 365 548		
					Investment at carrying value	159 760 500		
					Intangible Assets at carrying value	4 178 816		
3	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)	Total Repairs and Maintenance Expenditure/ Property, Plant and Equipment and Investment Property (Carrying value) x 100	Statement of Financial Position, Statement of Financial Performance, IDP, Budgets and In-Year Reports	8%		4%	Please refer to page 4 of MFMA Circular No. 71	Repais & maintenance comprises 11.24% of total expenditure. Asset value was enhanced with the introduction of GRAP i.r.o. Depreciated Replacement Cost.
					Total Repairs and Maintenance Expenditure	120 795 471		
					PPE at carrying value	3 072 365 548		
					Investment Property at Carrying value	159 760 500		
B. Debtors Management								
1	Collection Rate	(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance - Bad Debts Written Off)/Billed Revenue x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget , In-Year Reports, IDP and AR	95%		98%	Please refer to page 5 of MFMA Circular No. 71	
					Gross Debtors closing balance	84 040 215		
					Gross Debtors opening balance	67 774 367		
					Bad debts written Off	500 000		
					Billed Revenue	787 645 176		
2	Bad Debts Written-off as % of Provision for Bad Debt	Bad Debts Written-off/Provision for Bad debts x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	100%		46%	Please refer to page 5 of MFMA Circular No. 71	
					Consumer Debtors Bad debts written off	500 000		
					Consumer Debtors Current bad debt Provision	1 096 302		
3	Net Debtors Days	((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue)) x 365	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	30 days		31 days	Please refer to page 6 of MFMA Circular No. 71	In line with the norm
					Gross debtors	84 040 215		
					Bad debts Provision	17 096 302		
					Billed Revenue	787 645 176		

RATIO		FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION	MUNICIPAL COMMENTS (#)
<b>C. Liquidity Management</b>								
1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In year Reports and AR	1 - 3 Months	<div>1 Month</div> <div>Cash and cash equivalents</div> <div>Unspent Conditional Grants</div> <div>Overdraft</div> <div>Short Term Investments</div> <div>Total Annual Operational Expenditure</div>	<div>109 718 031</div> <div>-</div> <div>-</div> <div>-</div> <div>933 405 579</div>	Please refer to page 7 of MFMA Circular No. 71	
2	Current Ratio	Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1	<div>Current Assets</div> <div>Current Liabilities</div>	<div>234 552 790</div> <div>183 981 195</div>	Please refer to page 7 of MFMA Circular No. 71	The current ratio has floated in the range between 1 and 1,5 for approx. 6 years. Additional cash generation vs affordability by the consumers is being considered. Expected to reach 1.6 by 2018/19
<b>D. Liability Management</b>								
1	Capital Cost(Interest Paid and Redemption) as a % of Total Operating Expenditure	Capital Cost(Interest Paid and Redemption) / Total Operating Expenditure x 00	Statement of Financial Position, Statement of Cash Flows, Statement of Financial Performance, Budget, IDP, In-Year Reports and AR	6% - 8%	<div>Interest Paid</div> <div>Redemption</div> <div>Total Operating Expenditure</div> <div>Taxation Expense</div>	<div>46 421 043</div> <div>26 841 420</div> <div>1 074 984 034</div> <div></div>	Please refer to page 8 of MFMA Circular No. 71	
2	Debt (Total Borrowings) / Revenue	(Overdraft + Current Finance Lease Obligation + Non current Finance Lease Obligation + Short Term Borrowings + Long term borrowing) / (Total Operating Revenue - Operational Conditional Grants) x 100	Statement of Financial Position, Statement of Financial Performance, Budget, IDP and AR	45%	<div>Total Debt</div> <div>Total Operating Revenue</div> <div>Operational Conditional Grants</div>	<div>441 666 534</div> <div>995 113 540</div> <div>55 301 648</div>	Please refer to page 9 of MFMA Circular No. 71	Higher gearing due to much needed infrastructure investment over the past decade. Reduction policy in place. Reduces to 42% over MTRF.
<b>E. Sustainability</b>								
1	Level of Cash Backed Reserves (Net Assets - Accumulated Surplus)	(Cash and Cash Equivalents - Bank overdraft + Short Term Investment + Long Term Investment - Unspent grants) / (Net Assets - Accumulated Surplus - Non Controlling Interest Share Premium - Share Capital - Fair Value Adjustment - Revaluation Reserve) x 100	Statement Financial Position, Budget and AR	100%	<div>Cash and cash Equivalents</div> <div>Bank Overdraft</div> <div>Short Term Investment</div> <div>Long Term Investment</div> <div>Unspent Grants</div> <div>Net Assets</div> <div>Share Premium</div> <div>Share Capital</div> <div>Revaluation Reserve</div> <div>Fair Value Adjustment Reserve</div> <div>Accumulated Surplus</div>	<div>6538%</div> <div>109 718 031</div> <div></div> <div>35 327 750</div> <div></div> <div>2 686 119 190</div> <div></div> <div></div> <div></div> <div></div> <div>2 683 900 768</div>	Please refer to page 9 of MFMA Circular No. 71	
<b>2. FINANCIAL PERFORMANCE</b>								
<b>A. Efficiency</b>								
1	Net Operating Surplus Margin	(Total Operating Revenue - Total Operating Expenditure)/Total Operating Revenue	Statement of Financial Performance, Budget, In-Year reports, AR, Statement of Comparison of Budget and Actual Amounts and Statement of Changes in Net Asset	= or > 0%	<div>Total Operating Revenue</div> <div>Depreciation - Revalued Portion (Only populate if depreciation line item in the Statement of Financial Performance is based on the revalued asset value)</div> <div>Total Operating Expenditure</div> <div>Taxation Expense</div>	<div>995 113 540</div> <div>1 074 984 034</div> <div>-</div>	Please refer to page 10 of MFMA Circular No. 71	With the introduction of GRAP assets were assessed at DRC, which included assets already depreciated but adjusted because of useful remaining life. Due to increased depreciation this indicator is not a true reflection of cash backed revenue surplus to expenditure.
2	Net Surplus /Deficit Electricity	Total Electricity Revenue less Total Electricity Expenditure/Total Electricity Revenue x 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	0% - 15%	<div>Total Electricity Revenue</div> <div>Total Electricity Expenditure</div>	<div>357 878 081</div> <div>323 891 217</div>	Please refer to page 10 of MFMA Circular No. 71	See costing of services in budget report - Table 5

RATIO		FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION	MUNICIPAL COMMENTS (#)
3	Net Surplus /Deficit Water	Total Water Revenue less Total Water Expenditure/Total Water Revenue x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%		10%	Please refer to page 11 of MFMA Circular No. 71	See costing of services in budget report - Table 5
					Total Water Revenue	111 888 684		
					Total Water Expenditure	101 189 970		
4	Net Surplus /Deficit Refuse	Total Refuse Revenue less Total Refuse Expenditure/Total Refuse Revenue x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%		-3%	Please refer to page 12 of MFMA Circular No. 71	See costing of services in budget report - Table 5
					Total Refuse Revenue	65 570 200		
					Total Refuse Expenditure	67 478 126		
5	Net Surplus /Deficit Sanitation and Waste Water	Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water Expenditure/Total Sanitation and Waste Water Revenue x 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	= or > 0%		1%	Please refer to page 12 of MFMA Circular No. 71	See costing of services in budget report - Table 5
					Total Sanitation and Water Waste Revenue	72 530 100		
					Total Sanitation and Water Waste Expenditure	72 071 951		
B. Distribution Losses								
1	Electricity Distribution Losses (Percentage)	(Number of Electricity Units Purchased and/or Generated - Number of units sold) / Number of Electricity Units Purchased and/or generated) x 100	Annual Report, Audit Report and Notes to Annual Financial Statements	7% - 10%		6%	Please refer to page 13 of MFMA Circular No. 71	SA8
					Number of units purchased and/or generated	230 200 000		
					Number of units sold	216 330 000		
2	Water Distribution Losses (Percentage)	(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified x 100	Annual Report, Audit Report and Notes to Annual Financial Statements	15% - 30%		19%	Please refer to page 13 of MFMA Circular No. 71	
					Number of kilolitres purchased and/or purified	7 146 903		
					Number of kilolitres sold	5 807 357		
C. Revenue Management								
1	Growth in Number of Active Consumer Accounts	(Period under review's number of Active Debtor Accounts - previous period's number of Active Debtor Accounts)/ previous number of Active Debtor Accounts x 100	Debtors System	None		1%	Please refer to page 14 of MFMA Circular No. 71	
					Number of Active Debtors Accounts (Previous)	45 128		
					Number of Active Debtors Accounts (Current)	45 426		
2	Revenue Growth (%)	(Period under review's Total Revenue - previous period's Total Revenue)/ previous period's Total Revenue ) x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= CPI		8%	Please refer to page 15 of MFMA Circular No. 71	
					CPI	5%		
					Total Revenue (Previous)	959 388 802		
					Total Revenue (Current)	1 035 216 892		
3	Revenue Growth (%) - Excluding capital grants	(Period under review's Total Revenue Excluding capital grants- previous period's Total Revenue excluding capital grants)/ previous period's Total Revenue excluding capital grants ) x 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	= CPI		11%	Please refer to page 15 of MFMA Circular No. 71	
					CPI	5%		
					Total Revenue Exl.Capital (Previous)	895 035 198		
					Total Revenue Exl.Capital (Current)	995 113 540		
D. Expenditure Management								
1	Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) x 365	Statement of Financial Performance, Notes to AFS, Budget, In-Year reports and AR	30 days		24 days	Please refer to page 16 of MFMA Circular No.71	
					Trade Creditors	34 115 446		
					Contracted Services	122 572 972		
					Repairs and Maintenance	70 534 008		
					General expenses	29 134 134		
					Bulk Purchases	210 763 340		
					Capital Credit Purchases (Capital Credit Purchases refers to additions of Investment Property and Property,Plant and Equipment)	75 993 352		
2	Irregular, Fruitless and Wasteful and Unauthorised Expenditure /	(Irregular, Fruitless and Wasteful and Unauthorised Expenditure) / Total Operating Expenditure x100	Statement Financial Performance, Notes to Annual Financial Statements	0%	Irregular, Fruitless and Wasteful and Unauthorised Expenditure	#DIV/0!	Please refer to page 16 of MFMA Circular No. 71	N/A



RATIO		FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION	MUNICIPAL COMMENTS (#)
	Total Operating Expenditure	Expenditure) / Total Operating Expenditure x100	and AR		Total Operating Expenditure Taxation Expense		MFMA Circular No. 71	
3	Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) / Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	25% - 40%		30%	Please refer to page 17 of MFMA Circular No. 71	
					Employee/personnel related cost	314 203 985		
					Councillors Remuneration	9 110 256		
					Total Operating Expenditure	1 074 984 034		
					Taxation Expense			
4	Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	2% - 5%		15%	Please refer to page 17 of MFMA Circular No. 71	Cost analysis conducted to deliver cost effective services.
					Contracted Services	158 717 671		
					Total Operating Expenditure	1 074 984 034		
					Taxation Expense			
E. Grant Dependency								
1	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	Own funded Capital Expenditure (Internally generated funds + Borrowings) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information), Budget, IDP, In-	None		47%	Please refer to page 18 of MFMA Circular No. 71	
					Internally generated funds	5 890 000		
					Borrowings	30 000 000		
					Total Capital Expenditure	75 993 352		
2	Own funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure	Own funded Capital Expenditure (Internally Generated Funds) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and	None		8%	Please refer to page 18 of MFMA Circular No. 71	
					Internally generated funds	5 890 000		
					Total Capital Expenditure	75 993 352		
3	Own Source Revenue to Total Operating Revenue(Including Agency Revenue)	Own Source Revenue (Total revenue - Government grants and Subsidies - Public Contributions and Donations)/ Total Operating Revenue (including agency services) x 100	Statement Financial Performance, Budget, IDP, In-Year reports and AR	None		91%	Please refer to page 18 of MFMA Circular No. 71	
					Total Revenue	995 113 540		
					Government grant and subsidies	128 251 648		
					Public contributions and Donations	-		
					Capital Grants	40 103 352		

## ***Municipal Budget Circular for the 2014/15 MTREF - 4 December 2013***

### **Cost containment measures**

Cabinet resolved, on 23 October 2013 that cost containment measures must be implemented to eliminate waste, reprioritise spending and ensure savings on six focus areas namely, consultancy fees, no credit cards, travel and related costs, advertising, catering and events costs as well as costs for accommodation. These measures would be applicable to all national and provincial departments, constitutional institutions and all public entities with effect from 1 December 2013.

While local government is autonomous in its strategy formulation (IDP) and budget appropriations, it remains a sphere of government. In pursuing value for money and curtailing unnecessary costs ***municipalities are strongly urged*** to take cognisance of the cost containment measures as approved by Cabinet and align their budgeting policies to these guidelines to the maximum extent possible.

### **Eliminating non-priority spending**

The *2013 Medium-term Budget Policy Statement* (MTBPS) highlighted the need for resource allocation to be prioritised in expanding public-sector investment. The MTBPS further emphasises the need for government to step up its efforts to combat waste, inefficiency and corruption. Municipalities must therefore pay special attention to cost containing measures and controlling unnecessary spending on nice-to-have items and non-essential activities.

The following additional examples of non-priority expenditure have been observed, and municipalities are reminded that they need to be eliminated as well:

NON PRIORITY SPENDING	COMMENTS
i. excessive sponsorship of music festivals, beauty pageants and sporting events, including the purchase of tickets to events for councillors and/or officials;	Only R300 000 allocated for all festivals and events
ii. public relations projects and activities that are not centred on actual service delivery or are not a municipal function (e.g. celebrations; gala dinners; commemorations, advertising and voter education);	None
iii. LED projects that serve the narrow interests of only a small number of beneficiaries or fall within the mandates of other government departments such as the Department of Agriculture;	None
iv. excessive catering for meetings and other events, including the use of public funds to buy alcoholic beverages;	No excessive catering. Budget baseline limited to zero or decrease in % compared to previous budget
v. arranging workshops and events at expensive private venues, especially ones outside the municipality (as opposed to using the municipality's own venues);	Strictly own available venues or procurement of venues via SCM processes. No venues outside the municipal area.
vi. excessive printing costs (instead of maximising the use of the municipality's website, including providing facilities for the public to access the website);	Electronic council agendas & minutes implemented across the organisation where applicable.
vii. excessive luxurious office accommodation and office furnishings;	Standard options for office accommodation and furnishings
viii. foreign travel by mayors, councillors and officials, particularly 'study tours';	Professional work related instances only
ix. excessive councillor and staff perks such as luxurious mayoral cars and houses, notebooks, IPADS and cell-phone allowances; travel and subsistence allowances. Municipalities are reminded that in terms of section 7(1) of the Remuneration of	No excessive councillor and staff perks. No mayoral cars and houses, notebooks, IPADS are provided.

Public Office-bearers Act, 1998 (Act No.20 of 1998) the Minister for Cooperative Governance and Traditional Affairs must determine the limit of salaries and allowances of the different members of municipal councils and any budget provision may not be outside this framework;	
x. excessive staff in the office of the mayor – particularly the appointment of political ‘advisors’ and ‘spokespersons’;	Only one PRO in the office of the executive mayor
xi. all donations to individuals that are not made in terms of the municipality’s indigent policy or a bursary scheme; for instance donations to cover funeral costs (other than pauper burials which is a district municipality function);	None
xii. costs associated with long-standing staff suspensions and the legal costs associated with not following due process when suspending or dismissing staff, as well as payment of severance packages or ‘golden handshakes’;	None
xiii. the use of consultants to perform routine management tasks, and the payment of excessive fees to consultants;	Consultancy services are only procured and utilised for the provision of specialised professional services where this cannot be maintained in-house
xiv. excessive unnecessary spending on personal bodyguards and security to political office bearers; and	None
xv. Excessive overtime.	Shift system instituted in Protection Services directorate.

# **ANNEXURE I**

## **mSCOA IMPLEMENTATION**



## **mSCOA STATUS REPORT**

**DATE / DATUM:**

**18 MARCH / MAART 2016**

In collaboration with Bytes Universal Systems, Overstrand has taken a three-phased approach to the system development and piloting processes. Two further phases have been adopted in order to implement the mSCOA regulations by 01 July 2017.

Phase 1 – Budgeting Module

Phase 2 – Transactional Posting Levels

Phase 3 – Reporting Modules

Phase 4 – mSCOA Piloting Implementation

Phase 5 – Full mSCOA Operational Compliance

### **Phase 1 – Budgeting Module**

All actions listed on the implementation has been completed and signed off by the responsible officials inclusive of the following milestones:

- Development of the budget module was completed, tested and deployed to the user acceptance testing (UAT) environment by Bytes during March 2015;
- User acceptance training and testing took place during April 2015;
- The budget virement module has been finalised June 2015;
- The mSCOA operational and capital budgets are fully operational;
- Various budget reports have been tested and amended;
- 2015/16 Budget is based on the mSCOA Framework (version 5.3);

### **Phase 2 – Transactional Posting Levels**

- Development of the transactional modules was completed, tested and deployed to the user acceptance testing (UAT) environment by Bytes April 2015;
- Transactional training and UAT testing took place during April, May and June 2015;
- Dry run UAT testing as if in the 2015 financial year and in the mSCOA environment took place on 10, 15 and 22 June 2015;
- The expenditure, vehicle and job costing, billing, purchasing, stores, main ledger and bank reconciliation modules have been signed off for implementation by 30 June 2015;
- Seamless integration and cost allocation between PAYDAY and SAMRAS was finalised during August 2015.

### **Phase 3 – Reporting Modules**

- A reporting portal has been developed to facilitate mSCOA reporting to National Treasury.
- Submission of reports to the National Treasury Portal has been tested successfully.
- Further enhancements to the reporting module are due for development.

### **Phase 4 – mSCOA Piloting Implementation**

#### **Change Management and Implementation Plan**

- Overstrand's mSCOA project implementation plan is continuously reviewed, updated and amended in consultation with Bytes;
- mSCOA Information session with approximately 400 users took place on 11 June 2015; and

- A communication newsletter was circulated and an Intranet site has been set up for communication purposes.
- An mSCOA video has been placed on the intranet giving background to the purpose of the mSCOA Regulations.
- mSCOA help desk was operational from 1 to 3 July 2015.
- Further awareness and consultation with budget holders to budget from a project perspective was performed during the 2016/17 budget cycle in the form of workshops.

## **Risk Management**

Overstrand mSCOA RISK register has been developed.

The following high-level risks have been identified and are being managed through the execution of the implementation plan and risk register:

1. System not functioning as intended on 1 July 2015
  - Organisation not understanding the mSCOA requirements and therefore incorrect data capturing
  - Readiness of the solution to actually cope with transactional processing
  - mSCOA project not meeting the needs of internal and external stakeholders
2. Inadequate assurance reviews - Independent assessment that system meets minimum mSCOA requirements and is fully compliant
3. Version changes and related impact on business processes and resources - Ability to influence and interpret new mSCOA versions that will be issued on a regular basis, requiring changes and/or need for clarification
4. ICT Network capacity - Capital budget availability to ensure appropriate hardware infrastructure for mSCOA implementation and to accommodate the "web-based" system required to effectively run the SCOA compliant solution. User licences and Web environment, Disk Space
5. Human resource capacity constraints – human resources available to effectively implement the mSCOA regulations
6. mSCOA budgets prepared and finalised on spreadsheets before importing into the system
7. Projects are considered for capital, maintenance and other limited operational projects.

## **Progress made after implementation on 01 July 2015**

A successful engagement was held with National Treasury on 28 July 2015 relating to progress made thus far by Overstrand with mSCOA piloting. A self-assessment on the level of piloting was performed and indicated that while we are not yet fully compliant, we are well on the way to achieving compliance by 01 July 2017.

The following issues were raised as matters needing attention:

1. Opening balances sign-off;  
All opening balances were transferred to the 2015/16 GL by December 2015.  
Further unbundling of Capital assets, consumer debtors and trade creditors is to be finalised by 31 May 2016.
2. 3<sup>rd</sup> party integration, with specific reference to Syntell pre-paid vending system;  
The issue was raised on the mSCOA FAQ database. Engagements were held with National Treasury and the vendor. There are double VAT invoice implications that need to be addressed. Awaiting feedback from NT before further enhancements can be effected.
3. The 2015/16 budget was prepared from the item and not the project perspective as required by National Treasury;
4. Budgeting in excel and not on the system from budget holder inputs to finalisation of the budget;
5. The integrated development plan must directly inform the formulation of the budget. In an mSCOA perspective, this requires budget formulation from a project level. Consequently the Project Segment is considered the departure point in formulating budgets across all seven segments. An IDP module needs to be developed and implemented to facilitate this and further entrench the accountability cycle.

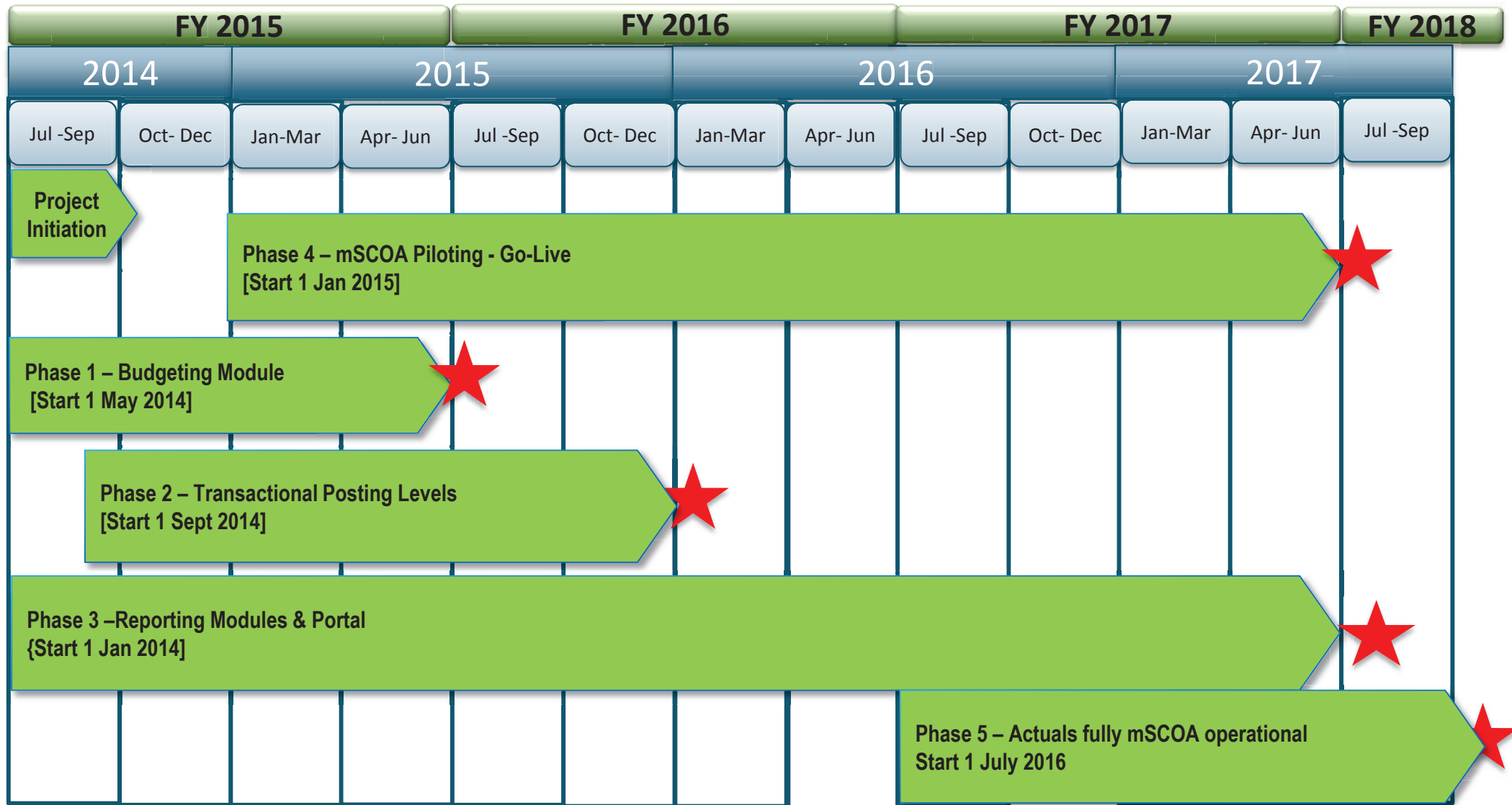
The vendor was instructed to further develop the budget module to address the concerns raised by NT in points 3-5 above. Target date for deployment and testing was agreed to be 25 November 2015. To date no fully functional system has been deployed at Overstrand to facilitate project based budgeting. As a result, the 2016/17 draft budget has been prepared on the same basis as the 2015/16 budget.

Engagements with National Treasury, Provincial Treasury, the Auditor-General, all pilot municipalities and other municipalities in the Western Cape early adopting mSCOA was facilitated during February 2016 to consider the impact of piloting on audit outcomes and the scope of an mSCOA audit.

A request was submitted to Provincial Treasury to facilitate a uniform approach to the reporting of comparative information in the annual financial statements during the first year of mSCOA implementation.



# mSCOA Project Timeline



# High Level Scope - Project Plan

## SCOA Pilot Phase 1 – Budgeting Module & Phase 2 – Transactional Posting Levels

## SCOA Pilot Phase 3 - Reporting Modules & Phase 4 – Go Live

## Full SCOA Operational compliance

Phase 1	Phase 2	Phase 3	Phase 4	Phase 4	Phase 5
Start-May 2014	Start-Sep 2015	Start-Jan 2014	Start-Jan 2015	End-June 2017	Start-July 2016
<ul style="list-style-type: none"> <li>• <b>Phase 1 - Budgeting Module</b></li> <li>• Develop Budget modules</li> <li>• Testing by SAMRAS</li> <li>• <b>SAMRAS key roll-out of programmes</b></li> <li>• User Acceptance Testing</li> <li>• User Training</li> <li>• Start Transacting and handholding – Go-live Phase 1</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Phase 2 – Transactional Posting Levels</b></li> <li>• Development of all posting levels</li> <li>• Testing by SAMRAS</li> <li>• <b>SAMRAS key roll-out of programmes</b></li> <li>• User Acceptance Testing</li> <li>• User Training</li> <li>• Start transacting and handholding</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Phase 3 - Reporting Modules</b></li> <li>• Development of web portal &amp; reporting modules</li> <li>• Testing by SAMRAS</li> <li>• <b>SAMRAS key roll-out of programmes</b></li> <li>• User Acceptance Testing</li> <li>• User Training</li> <li>• Start Transacting and handholding</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Phase 4 - mSCOA Piloting - Go-Live</b></li> <li>• Alignment of Data on Payroll</li> <li>• Cleanup of data on Billing</li> <li>• Aligning tariffs to requirements</li> <li>• Billing Parameters</li> <li>• All parameters &amp; votes/accounts final verification</li> <li>• Initiate piloting phase</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Phase 4 – mSCOA Piloting</b></li> <li>• Change management</li> <li>• Further enhancements to the system and business processes</li> <li>• Compile AFS reporting formats aligned to SCOA</li> <li>• SCOA internal controls</li> <li>• Budgets fully aligned with SCOA classification framework</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Phase 5 – mSCOA Operational Compliance</b></li> <li>• Actuals fully aligned with SCOA classification framework</li> </ul>
End-June 2015	End-Dec 2015	End-June 2017			End-June 2018

Project management & governance

Pilot progress management, evaluation & issue resolution

Continuous business process changes

Change Management & training

Continuous feedback to NT & Overstrand SteerCom

# High level scope - Requirements



## SYSTEM:

- New General Ledger Accounts
- Changes to budgeting & planning system
- Changes and developments to SAMRAS system
- New reports for National Treasury
- System master data updates
- System portal access for National Treasury
- Accommodate for system data growth



## PROCESS:

- Changes to Business Processes
- Changes to Budget Guidelines
- Changes to General Ledger Account definitions



## PEOPLE:

- Change Management
- Training
- Knowledge sharing
- Consistent interpretation of SCOA regulations



## **ANNEXURE J**

### **BUDGET RELATED POLICIES**

# **OVERSTRAND MUNICIPALITY**



## **PROPERTY RATES POLICY**

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## **SECTION A: INTRODUCTION, DEFINITIONS AND PRINCIPLES**

### **1. INTRODUCTION**

Section 3 of the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004) and Section 62(l) (f) (ii) of the Local Government: Municipal Finance Management Act, 2003 (No. 56 of 2003), requires municipalities to develop and adopt rates policies on the levying of rates on rateable property in the Municipality.

The Municipality needs a reliable source of revenue to provide basic services and perform its functions. Property Rates is the most important source of general revenue for the Municipality. Revenue from property rates is used to fund services that benefit the community as a whole.

Municipal property rates are set, collected and used locally. Revenue from property rates is spent within a Municipality, where the citizens and voters have a voice in decisions on how the revenue is spent as part of the Integrated Development Plans (IDPs) and budget processes in respect of which the Municipality invites communities for their inputs before adopting the budget.

This policy document guides the annual setting of property rates. It does not make specific property rates proposals. In imposing a rate in the Rand the Municipality may grant exemptions, rebates and reductions to the categories of properties and categories of owners as allowed for in this policy document.

### **2. DEFINITIONS**

<b>“Act”</b>	means the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004);
<b>“Bona fide farming”</b>	means farming with the intention of making a living from the development, cultivation and utilisation of agricultural land and includes subsistence farming;
<b>“Business”</b>	means the activity of buying, selling or trade in goods or services and includes any office or other accommodation on the same erf, the use of which is incidental to such business, with the exclusion of the business of mining, agriculture, farming, or <i>inter alia</i> , any other business consisting of cultivation of soils, the gathering of crops or the rearing of livestock;
<b>“Exemption”</b>	in relation to the determination of rates, an exemption granted in terms of section 15(1) (a) of the Act;
<b>“Income”</b>	Income is the gross sum of all monthly income from all sources, including wages, salaries, profits, dividends, pensions, rentals, board & lodging, interest received, grants or investment income and other forms of earnings received by every person residing on the property.
<b>“Industrial”</b>	means a branch of trade or manufacturing, production, assembling or processing of finished or partially finished products from raw materials or fabricated parts, on so large a scale that capital and labour are significantly involved;
<b>“Lodge”</b>	means accommodation in a non-urban area provided for paying visiting guests with a focus on aspects of nature and/or places of interest, and may include a restaurant and conference facilities;
<b>“Mining”</b>	means any operation or activity for the purpose of extracting any mineral on, in or under the earth, water or any residue deposit, whether by underground or open working or otherwise and includes any operation or activity incidental thereto;
<b>“Multiple use properties”</b>	means properties that cannot be assigned to a single category due to different uses;
<b>“Municipal properties”</b>	means those properties of which the Municipality is the registered owner;
<b>“Newly rateable property”</b>	means any rateable property on which property rates were not levied by 30 June 2005, excluding a property that was incorrectly omitted from a valuation roll and for that reason was not rated before that date;
<b>“Protected area”</b>	means an area that is or has to be listed in the register referred to in section 10 of the National Environment Management: Protected Areas Act, 2003;

## OVERSTRAND MUNICIPALITY – PROPERTY RATES POLICY

<b>“Public Benefit Organisation”</b>	means an organisation conducting specified public benefit activities as defined and registered in terms of the Income Tax Act for tax reductions because of those activities;
<b>“Public place”</b>	means any square, park, recreation ground, sports ground, sanitary lane or open space which has - <ul style="list-style-type: none"> <li>(a) in connection with any subdivision or layout of land into erven, lots or plots, been provided, reserved or set apart for use by the public or the owners or occupiers of such erven, lots or plots, whether or not it is shown on a general plan, plan of subdivision or diagram;</li> <li>(b) at any time been dedicated to the public;</li> <li>(c) been used without interruption by the public for a period of at least thirty years expiring after the thirty-first day of December, 1959, or</li> <li>(d) at any time been declared or rendered such by the Council or other competent authority.</li> </ul>
<b>“Public Service Infrastructure”</b>	means government or government agency controlled infrastructure of the following kinds- <ul style="list-style-type: none"> <li>(a) national, provincial or other public roads on which goods, services or labour move across a municipal boundary;</li> <li>(b) water or sewer pipes, ducts or other conduits, dams and water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme serving the public;</li> <li>(c) power stations, power substations or power lines forming part of an electricity scheme serving the public;</li> <li>(d) gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels;</li> <li>(e) communication towers, masts, exchanges or lines forming part of a communications system serving the public;</li> <li>(f) breakwater, sea walls, channels, basin, quay walls, jetties, roads, railway or infrastructure used for the provision of water, lights, power, sewerage or similar services of ports, or navigational aids comprising light houses, radio navigational aids, buoys, beacons or any other device or system used to assist the safe and efficient navigation of vessels;</li> <li>(g) rights of way, easement or servitudes in connection with infrastructure mentioned;</li> <li>(h) any other government or government agency controlled infrastructure as may be described from time to time.</li> </ul>
<b>“Public street”</b>	means:- <ul style="list-style-type: none"> <li>(a) any street which has at any time been-               <ul style="list-style-type: none"> <li>i. dedicated to the public;</li> <li>ii. used without interruption by the public for a period of at least thirty years;</li> <li>iii. declared or rendered such by a council or other competent authority, or</li> <li>iv. constructed by local authority, and</li> </ul> </li> <li>(b) any land, with or without buildings or structures thereon, which is shown as a street on-               <ul style="list-style-type: none"> <li>i. any plan of subdivision or diagram approved by a council or other competent authority and acted upon, or</li> <li>ii. any general plan as defined in section 49 of the Land Survey Act, 1927 (Act 9 of 1927), registered or filed in a deeds registry or the Surveyor-Generals’ office,</li> </ul>               unless such land is on such plan or diagram described as a private street.             </li> </ul>
<b>“Rateable property”</b>	means property on which a rate or rates may be levied under section 7 of the Act.
<b>“Rebate”</b>	in relation to a rate payable on a property, a discount on the amount of the rate payable on the property;



## OVERSTRAND MUNICIPALITY – PROPERTY RATES POLICY

<b>“Reduction”</b>	in relation to a rate payable on a property, the lowering of the amount for which the property was valued in terms of section 15(1)(b) of the Act and the rating of the property at that lower amount;
<b>“Residential”</b>	means improved property that is: <ul style="list-style-type: none"> <li>(a) used predominantly (60% or more) for residential purposes, with not more than two dwelling units per property.</li> <li>(b) a unit registered in terms of the Sectional Title Act 95 of 1986, used predominantly (60% or more) for residential purposes, and includes any unit in the same Sectional Title Scheme registered in the name of the same owner which is used together with the residential unit as if it were one property, for example a garage or store room. (Any such grouping shall be regarded as one residential property for rate rebate or valuation purposes.) or</li> <li>(c) owned by a share-block company and used predominantly (60% or more) for residential purposes, or</li> <li>(d) a residence used for residential purposes situated on property used for or related to educational purposes.</li> </ul>
<b>“State-owned properties”</b>	means properties owned by the State, which are not included in the definition of public service infrastructure in the Act. These state-owned properties are classified as follows: <ul style="list-style-type: none"> <li>(a) State properties that provide local services.</li> <li>(b) State properties that provide regional/municipal district-wide/metro-wide service.</li> <li>(c) State properties that provide provincial/national service.</li> <li>(d) Vacant land.</li> </ul>
<b>“Vacant erven”</b>	means all undeveloped land irrespective of its current or future intended zoning. Agricultural properties will not be considered as being vacant erven.

**All other terms** are given the same meaning as that assigned to it in the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004), unless the context indicates otherwise.

### 3. POLICY PRINCIPLES

Rates are levied in accordance with the Act as an amount in the Rand based on the market value of rateable property contained in the Municipality’s valuation roll and supplementary valuation rolls.

As allowed for in the Act, the Municipality may choose to differentiate between various categories of property and categories of owners of property. Some categories of property and categories of owners are granted relief from rates. The Municipality does not, however, grant relief in respect of payments for rates to any category of owners or properties, or to owners of properties, on an individual basis, other than by way of an exemption, rebate or reduction provided for in this policy.

There will be no phasing in of rates based on the new valuation roll, **effective from 01 July 2016**, except as prescribed by legislation.

The rates policy for the Municipality is based on the following principles:-

#### a. Equity

The Municipality will treat all similar ratepayers with similar properties the same.

#### b. Affordability

The ability of a person to pay rates will be taken into account by the Municipality. In dealing with the poor/indigent ratepayers the Municipality will provide relief measures through exemptions and/or reductions and/or rebates.

#### c. Sustainability

Rating of property will be implemented in a way that-

- i. it supports sustainable local government by providing a stable and buoyant revenue source within the discretionary control of the Municipality; and
- ii. supports local social and economic development.

**d. Cost efficiency**

Rates will be based on the value of all rateable property and the amount required by the Municipality to balance the operating budget after taking into account the amounts required to finance exemptions, rebates and reductions as approved by the Municipality from time to time. The implementation of the policy must be as cost-effective as possible.

**4. SCOPE OF POLICY**

The policy document guides the annual setting (or revision) of property rates. It does not make specific property rates proposals. Details pertaining to the various property rates are determined when the budget is considered and approved every year.

**5. APPLICATION OF THE POLICY**

In imposing the rate in the Rand for each annual operating budget component, the Municipality may grant exemptions, rebates and reductions allowed for in this policy document.

**6. CLASSIFICATION OF SERVICES AND EXPENDITURE**

The Chief Financial Officer shall, subject to the guidelines provided by the legislation and the Executive Mayor, provide for the classification of services as outlined in the Municipality's annual budget into trading and economic services.

**7. APPLICATIONS**

- a. All applications referred to in this policy must be received by the Municipality before the start of the financial year to which it refers. The Municipality may allow late receipts of such applications but not after 30 September of the financial year;
- b. It is the duty of all such applicants to bring to the attention of the Municipality any amendments to such applications within 7 days after such occurrence.

**SECTION B: CATEGORIES OF PROPERTY**

**8. CRITERIA FOR CATEGORIES OF PROPERTY FOR THE PURPOSE OF LEVYING DIFFERENT RATES**

The following are the determined categories of properties in terms of section 8(2) of the Act: -

- a. Residential properties.
- b. Business and commercial properties.
- c. Industrial properties.
- d. Mining properties.
- e. Public service infrastructure.
- f. Public benefit organisations.
- g. Agricultural properties used for bona fide farming;
- h. State-owned properties that are used for public service purposes;
- i. Municipal properties.
- j. Protected areas.
- k. Properties used for multiple purposes.
- l. Vacant land.

Rates on properties, including properties used for multiple purposes, will be levied in accordance with the permitted or actual use of the property and not necessarily according to its zoning.

### SECTION C: DIFFERENTIAL RATING

#### 9. DIFFERENTIAL RATING

The following will be taken into consideration for the purposes of differential rating:

- a. the nature of the property including its sensitivity to rating e.g. agricultural properties used for bona fide farming;
- b. promotion of social and economic development by the Municipality;
- c. zoning and/or actual use of property;
- d. geographic rating areas i.e. when an improvement district has been established for that area or special rating areas; and
- e. whether the owner was obliged to erect a building within a set time period and the period has lapsed.

Differential rating among the various property categories will be done by way of setting different Cents in the Rand for each property category.

#### 10. ADDITIONAL RATES

The Municipality may in terms of the bylaw for the establishment of improvement districts and the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004), as amended-

- a. determine an area within its boundaries as a special rating area;
- b. levy an additional rate on property in that area for the purpose of raising funds for improving or upgrading that area; and
- c. differentiate between categories of properties when levying an additional rate.

### SECTION D: RELIEF MEASURES RELATED TO CATEGORIES OF PROPERTIES AND CATEGORIES OF OWNERS OF PROPERTIES

#### 11. CRITERIA FOR EXEMPTIONS, REBATES AND REDUCTIONS

The following will be taken into consideration for the purpose of granting exemptions, rebates and reductions:

- a. indigent status of the owner of a property;
- b. income of the owner and/or household on a property;
- c. market value of residential property below a determined threshold;
- d. owners of property situated within an area affected by –
  - i) a disaster within the meaning of the Disaster Management Act, 2002 (Act No. 57 of 2002); or
  - ii) any other serious adverse social or economic conditions;
- e. zoning and/or actual use of the property; and
- f. availability of services funded by rates for a property.

#### 12. GRANTING OF EXEMPTIONS

In terms of section 15(1) (a) of the Act the owners of the following categories of properties are exempted from paying rates:-

- a. **Residential properties – including residential properties in the urban edge as determined by the Municipality**

The Municipality will not levy a rate on the market value of properties as follows: -

- i) on the first R15 000 on the basis set out in section 17 (1) (h) of the Act; and

- ii) on a further amount in respect of developed residential properties; as an important part of the Municipality's indigent relief measures aimed primarily at alleviating poverty amongst those persons owning low-valued properties, in a cost-effective manner. To qualify for this reduction a property must be exclusively used for residential purposes.
- iii) The Municipality may grant a further residential rebate on rates levied on the balance of the market value of developed residential properties, if any, as determined by Council during the budget process.

### **b. Multiple use properties**

Properties used for multiple purposes which do not fall within the definition of residential properties and, accordingly, do not qualify for the residential rates rebate, may be included in the category of multiple use properties, for which an appointment value for each distinct use of the property will be calculated and used for billing at the appropriate and applicable rate.

Examples of properties used for multiple purposes are the following:

- i) A block of flats with businesses on the ground floor.
- ii) A double storey-building with a shop on the ground floor and the residential quarters on the top floor.
- iii) A farm that consists of the residential portion, a farm portion and unused land, etc.

If the market value of the property cannot be apportioned to its various use purposes, then the entire property will be categorised in terms of the dominant (main or primary) use.

### **c. Public Benefit Organisations**

Public Benefit Organisations may apply for the exemption of property rates subject to producing a tax exemption certificate issued by the South African Revenue Services (SARS) as contemplated in Part 1 of the Ninth Schedule of the Income Tax Act, 1962 (No 58 of 1962):

#### **i) Health care institutions**

Government properties used exclusively as a hospital, clinic and mental hospital, including workshops used by the patients, laundry or cafeteria facilities, provided that any profits from the use of the property are used entirely for the benefit of the institution and/or for charitable purposes within the Municipality.

#### **ii) Welfare institutions**

Properties used exclusively as an orphanage, non-profit retirement villages; old age home or benevolent institution, including workshops used by the inhabitants, laundry or cafeteria facilities, provided that any profits from the use of the property are used entirely for the benefit of the institution and/or for charitable purposes within the Municipality.

#### **iii) Child headed households**

Any child headed household where such oldest child is younger than 18 years. The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, also proof that he/she receives a social pension or, if he/she does not receive a social pension, proof of certification by a district medical officer. The rateable property in question must be categorised as residential, or as farm properties solely used for residential purposes.

#### **iv) Charitable institutions**

Property belonging to not-for-gain institutions or organisations that perform charitable work.

#### **v) Sporting bodies**

Property used by an organisation whose sole purpose is to use the property for amateur sport or any activity connected with such sport.

#### **vi) Cultural institutions**

Properties declared in terms of the Cultural Institutions Act, Act 29 of 1969 or the Cultural Institutions Act, Act 66 of 1989.

- vii) Museums, libraries and art galleries**  
Registered in the name of private persons or organisations, open to the public and not operated for gain.
  - viii) Youth development organisations**  
Property owned and/or used by organisations for the provision of youth leadership or development programmes.
  - ix) Educational institutions**  
Property owned by not-for-gain institutions (declared or registered by law) and used for educational purposes including a residence registered in the name of the educational institution and used by full-time employees of the educational institution.
  - x) Animal welfare**  
Property owned or used by institutions/organisations whose exclusive aim is to protect birds, reptiles and animals on a not-for-gain basis.
- d.** In terms of section 17(1)(i) of the act, the municipality may not levy a rate on property registered in the name of and used primarily as a place of worship by a religious community, including an official residence registered in the name of that community which is occupied by an office bearer of that community who officiates at services at that place of worship.
- e.** Municipal properties that are not leased or rented out by the Municipality.
- f. Public places and streets**  
All defined roads and/or streets and public places.
- g. Exemptions are subject to the following conditions:**
- i) all applications must be addressed in writing to the Municipality;
  - ii) a SARS tax exemption certificate must be attached to all applications where applicable;
  - iii) the municipal manager or his/her nominee must have considered and approved all applications;
  - iv) the Municipality retains the right to refuse exemptions if the details supplied in the application form were incomplete, incorrect or false.
  - v) false declarations will lead to the forfeit of any exemption and may lead to criminal prosecution.
  - vi) a person who provides false information will be held liable for the immediate repayment of any rebates already granted and legal, civil and criminal action may be instituted against the guilty party/ies.

### 13. GRANTING OF REBATES

#### 13.1 Categories of properties:

**a. State owned property**

State owned property no longer qualifies for any rates rebate by virtue of ownership. However, the exemptions, rebates and reductions relating to the usage of the properties as specified in this Rates Policy would apply.

**b. Public Service Infrastructure**

Public service infrastructure (as defined in the Act) may not be rated on the first 30 percent of its market value in terms of section 17 (1) (a) of the Act.

**c. Agricultural**

in terms of section 8 of the Act.

**d. Conservation Land**

Section 17 (1) (e) of the Act precludes Council from levying rates on those parts of a special nature reserve, national park or nature reserve within the meaning of the Protected Areas Act, or of a national botanical garden within the meaning of the National Environmental: Management: Biodiversity Act, 2004, which are not developed or used for commercial, farming or residential purposes. The apportioned value of any portion of such properties utilized for any purpose other than that used for such conservation purposes will be rated accordingly.

**e. Properties in rural areas**

The Municipality may grant a rates rebate to properties in rural areas as a result of, and taking into account, the limited rate-funded services supplied to such properties.

**f. Properties with a market value below a prescribed valuation level**

Instead of a rate determined on the market value, properties with a valuation below an amount as determined by the Municipality may be rated at a fixed amount per property.

**13.2. Categories of owners**

**a. Retired and Disabled Persons Rate Rebate**

- i) Retired and Disabled Persons qualify for special rebates according to monthly household income. To qualify for the rebate a property owner must:
  - be a South African citizen;
  - occupy the property as his/her primary residence, provided that where the owner is unable to occupy the property due to circumstances beyond his/her control, the spouse or minor children may satisfy the occupancy requirement. Absence of up to three months per year from the property will be disregarded for the purposes of this requirement;
  - be at least 60 years of age or in receipt of a disability pension from the State;
  - be in receipt of a total monthly income not exceeding the amount as decided by the Municipality; and
  - not be the owner of more than one property.
- ii) Property owners must apply on a prescribed application form for a rebate as determined by the Municipality.
- iii) Applications must be accompanied by -
  - a certified copy of the identity document or any other proof of the owners age which is acceptable to the Municipality;
  - sufficient proof of total monthly income by submission of the applicant's most recent income tax return and a minimum of the latest three months bank statements from all financial institutions or, if the person does not have a bank account, such proof as the Municipality may require to substantiate the person's level of gross monthly income.
  - an affidavit from the owner;
  - if the owner is a disabled person proof of a disability pension payable by the state must be supplied; and
  - if the owner has retired at an earlier stage for medical reasons proof thereof must be submitted.

- iv) The Municipality retains the right to refuse rebates if the details supplied in the application form were incomplete, incorrect or false.

### 13.3. Other cases

#### a. Municipal property and usage:-

- i) A *pro rata* rebate may be granted where the seller sells land after the financial year has started.
- ii) Where the Municipality register a road reserve or servitude on a privately owned property, a *pro rata* rebate equal to the value of the reserve or servitude will be given to the owner of the property.

## SECTION E: RATES ADJUSTMENTS

### 14. RATE INCREASES/DECREASES

- 14.1 The Municipality will consider increasing/decreasing rates annually during the budget process.
- 14.2 Rate increases will be used to finance the increase in operating costs of rates funded services.
- 14.3 Rates adjustments may be made taking into account all or any of the following factors:
  - a. all salary and wage increases as agreed at the South African Local Government Bargaining Council;
  - b. inflation;
  - c. the cost of capital;
  - d. statutory increases affecting the Municipality; and
  - e. increases or decreases on operating subsidies received.

### 15. RESOLUTIONS LEVYING RATES

The process as set out in the Act will be followed in notifying the public of any decisions by the Municipality regarding rates resolutions.

## SECTION F: LIABILITY FOR RATES

### 16. LIABILITY FOR RATES BY PROPERTY OWNERS

Ratepayers may choose between paying rates annually in one instalment on or before 30 September or monthly on or before the date on which it becomes payable. If the owner of property does not notify the Municipality before the start of the financial year that he/she prefers to pay rates in one payment on or before 30 September of the financial year, such owner must pay the amount due monthly. A notice from an owner regarding the manner of payment of rates will remain applicable for future financial years until withdrawn by the owner. Interest on arrear rates shall be payable.

If a property owner, who is responsible for the payment of property rates in terms of this policy, fails to pay such rates in the prescribed manner and on the date/s due, it will be recovered from him/her.

Arrear rates shall be recovered from tenants, occupiers and agents of the owner, in terms of the Act.

Where the rates levied on a particular property have been incorrectly determined, whether because of an error or omission on the part of the Municipality or false information provided by the



property owner concerned or a contravention of the permitted use to which the property concerned may be put, the rates payable shall be appropriately adjusted for the period extending from the date on which the error or omission is detected back to the date on which rates were first levied in terms of the valuation roll.

In addition, where the error occurred because of false information provided by the property owner or as a result of a contravention of the permitted use of the property concerned, interest on the unpaid portion of the adjusted rates payable shall be levied at the maximum rate permitted by prevailing legislation.

### 17. CLEARANCE CERTIFICATE

- 17.1 On the sale of any property in the municipal jurisdiction, Council will withhold the transfer until all rates, service and sundry charges and any estimated amounts for the duration of the certificate in connection with the property are paid, by withholding a clearance certificate. The municipality will issue such clearance certificate on receipt of an application on the prescribed form from the conveyer.
- 17.2 All payments will be allocated to the registered seller's municipal accounts and all refunds will be made to such seller.
- 17.3 No interest shall be paid in respect of these payments.
- 17.4 The Municipality will only issue a clearance certificate once a completed prescribed application form from the conveyer has been received.
- 17.5 Where any residential or non-residential debtor has entered into an arrangement with the Municipality in respect of the arrears on a property, the prescribed certificate as referred to in Section 118 of the Systems Act, will not be issued until such time as the full outstanding amount have been paid.
- 17.6 The rates clearance certificate validation period is 90 days and the amount due for payment will include 4 (four) months advance collections plus all current outstanding debt on the property.
- 17.7 After receiving the rates clearance application form, the Municipality has 10 (ten) working days to forward the amount due for payment and another 10 (ten) working days to produce the rates clearance certificate, once proof of payment has been established.

### 18. REGULAR REVIEW PROCESSES

The rates policy will be reviewed on an annual basis.

### 19. IDENTIFICATION AND QUANTIFICATION OF COSTS AND BENEFITS

The cost to the Municipality and benefit to the local community of exemptions, rebates, reductions and exclusions referred to in sections 17 (1) (a), (e), (g) (h) and (i) of the Act are reflected in the Municipality's budget.

### 20. ADJUSTMENT OF RATES PRIOR TO SUPPLEMENTARY VALUATION

- 20.1 In circumstances where a valuation has been carried out by the municipal valuer, in pursuance of a Supplementary Valuation (SV) in terms of section 78(1)(d) or 78(1)(f) of the MPRA as a result for example, of a demolition having taken place on a property or a fire having destroyed buildings on a property, but the Municipality has not yet included such valuation of the relevant property in the SV, such valuation shall be submitted to the CFO for approval to levy rates on the property in accordance with such valuation, with effect from the date of the occurrence of the event caused a SV to be required.
- 20.2 If the owner of a property which has been subdivided or consolidated after the last general valuation wishes to sell the consolidated erf, or one or more of the erven which have been subdivided off the parent erf, as the case may be, applies to the Municipality for a clearance certificate in terms of section 118 of the Systems Act and



## OVERSTRAND MUNICIPALITY – PROPERTY RATES POLICY

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if the Municipality has not yet included such valuation of the relevant property/s in the SV, then:-

- a. The municipal valuer shall conduct a valuation of the relevant property/s for purposes of a SV; and
- b. The valuation shall be submitted to the CFO for approval of the levying of rates on such property/s in accordance with such valuation, with effect from the date on which the relevant subdivision or consolidation (as may be the case), was registered in the Deeds Office.

20.3 Any valuations performed in terms of paragraph 20 shall be included in the next SV prepared by the Municipality without any amendments to the valuation and any objections to such valuation may only be lodged once such SV is made public in terms of section 49 of the Act.

### 21. IMPLEMENTATION PROCESS AND REVIEW PROCESS

This policy will come into effect on 1 July 2016 and will be reviewed at least annually or when required by way of a Council resolution.

### 22. SHORT TITLE

This policy will be referred to as the **Rates Policy of the Overstrand Municipality**.

POLICY SECTION:	SENIOR MANAGER: REVENUE
CURRENT UPDATE:	
PREVIOUS REVIEW	28 MAY 2015
PREVIOUS REVIEW	28 MAY 2014
PREVIOUS REVIEW	29 MAY 2013
PREVIOUS REVIEW	30 MAY 2012
PREVIOUS REVIEW:	04 MAY 2011
PREVIOUS REVIEW:	26 MAY 2010
PREVIOUS REVIEW:	27 MAY 2009
APPROVAL BY COUNCIL:	31 MARCH 2008

# **OVERSTRAND MUNICIPALITY**



## **TARIFF POLICY**

## OVERSTRAND MUNICIPALITY

### TARIFF POLICY

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## PREAMBLE

**Whereas** section 74 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) requires a municipal council to adopt a tariff policy on the levying of fees for municipal services;

**And whereas** the tariff policy should at least include the principles contained in section 74(2) of the Act, thus giving effect to the By-Law required in terms of section 75 of the Act;

**And whereas** the tariff policy may differentiate between different categories of users, debtors, service providers, service standards and geographical areas as long as such differentiation does not amount to unfair discrimination;

**Now therefore** the Municipal Council of the Overstrand Municipality adopts the following Tariff Policy:

**OVERSTRAND MUNICIPALITY**  
**TARIFF POLICY**

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# OVERSTRAND MUNICIPALITY

## TARIFF POLICY

### 1. DEFINITIONS

In this tariff policy, unless the context otherwise indicates –

<b>“Availability Charge”</b>	Availability charge means a charge levied on all properties with or without improvements, where a basic fee is not levied.
<b>“basic municipal service”</b>	means the amount or level of any municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, could endanger public health or safety of the environment and for the purposes of this policy are restricted to electricity, refuse, sewage and water services;
<b>“break even”</b>	means the financial situation where the income derived by the Municipality from the supply of a service is equal to the aggregate of the fixed and the variable costs associated with the provision of the service concerned;
<b>“capital contributions”</b>	means the tariffs payable in respect of the water, electricity, sewage, storm water, roads and refuse removal infrastructure of the Municipality and which amounts exclude amounts payable towards the operational and maintenance costs of such infrastructure;
<b>“Commercial Unit/Erff”</b>	means a self-contained or lettable section within a building or a group of buildings on the same plot excluding short term residential accommodation establishments for e.g. hotels, bed & breakfast, guest houses etc. An owner of a commercial property may annually choose between being levied either per erf or per commercial unit for water and sewage basic charges. This choice must be applied on or before 30 September of each financial year.
<b>“community services”</b>	means the services referred to in paragraph 5(1)(c) and in respect of which the tariffs are set at a level that the costs of the services are not recovered fully from public service charges and are of a regulatory nature;
<b>“consumer, customer, owner, occupier, account holder”</b>	means individuals and other legal entities against whom a tariff, fee, charge or other levy specific to identifiable services are levied.
<b>“Council” or “municipal council”</b>	means a municipal council referred to in section 18 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) and for purposes of this policy, the municipal council of the Overstrand Municipality;
<b>“economic services”</b>	means services that the Council has classified as such and the tariffs have been compiled with the intention that the total costs of the services are recovered from customers;
<b>“Electricity Service charge”</b>	Means the monthly charge payable per point of supply to recover administration-related and service-related costs such as meter reading, billing and meter capital. It is based on the monthly utilized capacity of each point of supply linked to an account.
<b>“lifeline”</b>	Available to pre-paid consumers whose connection is ≤30Amp with a maximum average consumption of 350 kWh measured over a period of 12 months. This tariff is only available to Informal dwellings in informal settlements;
<b>“fixed costs”</b>	means costs which do not vary with consumption or volume produced;
<b>“multi-purpose”</b>	In relation to a property, means the use of a property for more than one purpose;
<b>“Municipality”</b>	the institution that is responsible for the collection of funds and the provision of services to the customers of Overstrand;
<b>“Municipal Manager”</b>	means the accounting officer appointed in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) and being the head of administration and accounting officer in terms of section 55 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) and includes any person:- (a) acting in such position; and (b) to whom the Municipal Manager has delegated a power, function or duty in respect of such a delegated power, function or duty;

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### TARIFF POLICY

“resident “	means a person who normally resides in the municipal area;
“residential unit”	Means a single residential erf, flat, townhouse or group development unit, retirement village unit, guest house, bed and breakfast and any household related consumer that do not fall in one of the above household consumer categories;
“RUE”	means Residential Unit Equivalent;
“the Act”	means the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000);
“total cost”	means the sum of all fixed and variable costs associated with a service;
“trading services”	means services that the Council has classified as such and the tariffs have been compiled with the intention that the Council makes a profit from the delivery of the services;
“utilized capacity”	Means the higher of the notified maximum demand (NMD) or maximum demand, per point of supply measured in kVA, and registered each month.
“vacant land”	means all undeveloped land irrespective of its current or future intended zoning. Agricultural properties will not be considered as being vacant erven.
“variable costs”	means costs that vary with consumption or volume produced;
“wet Industry”	Defined as an industry using water as essential and fundamental input in the production process.

## 2. PURPOSE OF POLICY

The Overstrand Municipality wishes to achieve the following objectives by adopting this tariff policy:-

- 2.1. To comply with the provisions of section 74 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000).
- 2.2. To prescribe procedures for calculating tariffs where the Municipality wishes to appoint service providers in terms of section 76(b) of the Act.
- 2.3. To give guidance to the Portfolio Committee for Finance regarding tariff proposals that must be submitted to Council annually during the budgetary process.

## 3. TARIFF PRINCIPLES

The Overstrand Municipality wishes to record that the following tariff principles will apply:-

- 3.1. Service tariffs imposed by the Municipality shall be viewed as user charges and shall not be viewed as taxes, and therefore the financial ability of the relevant user of the services to which such tariffs relate, shall not be considered as a criterion.
- 3.2. Tariffs for the basic municipal services rendered by the Municipality, namely:
  - (a) electricity;
  - (b) water;
  - (c) sewage (waste water); and
  - (d) refuse removal (solid waste),shall be calculated at a level which will recover all expenses associated with the rendering of these services.
- 3.3. To prevent existing consumers from subsidising the capital costs associated with new developments and subdivisions the Municipality will plan and manage the extension of services in such a manner that it will not impact negatively on the fixed costs and availability charges of existing tariffs.
- 3.4. Capital contributions to finance new developments and subdivisions will be required from all developers.
- 3.5. All users of municipal services, within a category of users, will be treated equitably.
- 3.6. The amount payable by consumers and/or owners will generally be in proportion to usage of the service.

## OVERSTRAND MUNICIPALITY

### TARIFF POLICY

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- 3.7. The Municipality shall develop, approve and at least annually review an indigent support policy for the municipal area. This policy shall set out clearly the Municipality's cost recovery policy in respect of the tariffs which it levies on registered indigents, and the implications of such policy for the tariffs which it imposes on other users and consumers in the municipal region.
- 3.8. Subject to annual budgetary provisions and the availability of funds from National Treasury through the equitable share contribution, the Municipality may consider supplying free basic services to categories of consumers.
- 3.9. In the case of directly measurable services, namely electricity and water, the consumption of such services shall be properly metered by the Municipality, and meters shall be read, wherever circumstances reasonably permit, on a monthly basis. If a service is metered but it cannot be read due to financial and/or human resource constraints or circumstances beyond the control of the Municipality or its authorised agent, and the customer is charged for an estimated consumption, the account following the reading of the metered consumption must articulate the difference between the actual consumption and the average consumption, and the resulting credit or debit adjustments.
- Tariffs must be set at a level that facilitates the sustainability of services. Sustainability will be achieved by ensuring that:-
- (a) Cash inflows cover cash outflows. This means that sufficient provision for working capital and bad debts will be made.
  - (b) Access to the capital market is maintained. This will be achieved by providing for the repayment of capital, maintaining sufficient liquidity levels and if possible, generating a surplus on trading services.
  - (c) Service providers retain a fair rate of return on their investments.
- 3.10. Provision may be made in appropriate circumstances for surcharges on tariffs.
- 3.11. Efficient and effective use of resources may be encouraged by providing for penalties to prohibit or restrict exorbitant use.
- 3.12. The extent of subsidisation of tariffs will be disclosed and such disclosure will include the extent of subsidisation of the indigent or incentives for local development.
- 3.13. Provisions may be made for the subsidisation of the indigent and the promotion of local economic development by creating expenditure votes in the service budgets and including the costs in tariff calculations.
- 3.14. VAT is included in all tariffs where applicable.
- 3.15. This policy shall be binding on all tariffs other than those governed by legislation which supersedes the Act.
- 3.16. A property used for multiple purposes must, for purposes related to the services and categories of users concerned, be calculated at the appropriate and applicable rate for each distinct use of the property.
- 3.17. In order to provide the Municipality with appropriate security for payment of amounts owing to it from time to time for services rendered, the Council shall impose a system of deposits payable by consumers. The deposits shall be set with due regard to the potential financial risk associated with the amounts owing from time to time as well as sufficient provision for working capital. The level of the deposits shall be revised annually and the Municipality may introduce transitional arrangements in respect of existing consumers.

#### 4. CATEGORIES OF CONSUMERS

- 4.1. Separate tariff structures may be imposed for the following categories of consumers (which the council may change) :
- (a) domestic consumers;
  - (b) commercial consumers;
  - (c) industrial consumers;

## OVERSTRAND MUNICIPALITY

### TARIFF POLICY

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- (d) agricultural consumers;
  - (e) organs of state;
  - (f) municipalities;
  - (g) consumers with whom special agreements were made;
  - (h) consumers in certain geographical areas;
  - (i) sport and recreation facilities
  - (j) private schools & educational institutions;
  - (k) public benefit organisations and suchlike institutions, and
  - (l) vacant land
- 4.2. Section 74(3) of the Municipal Systems Act allows for the differentiation between different categories of users, debtors, service providers, services, service standards, geographical areas and other matters for tariff purposes as long as the differentiation does not amount to unfair discrimination.
- 4.3. Where there are substantial differences between the infrastructures used to provide services to specific groups of users within a category and/or standard of services provided, the Council can, after considering a report by the Municipal Manager or the relevant Director, determine differentiated tariffs for the different consumers within the specific category.
- 4.4. Differentiated tariffs must be based on one or more of the following elements; infrastructure costs, volume usage, availability and service standards.
- 4.5. If, for purposes of determining the tariff applicable to a particular user or category of users, the user or category of users has not specifically by definition been included under a defined category of users in this policy, the Municipal Manager shall, by applying the closest match principle, determine the category under which the user or category of users fits in best, taking into account the nature of the service concerned and the user or category of users involved.

#### 5. INCENTIVE POLICY

- 5.1. Tariffs will not reflect incentives for investment or to promote economic development.

#### 6. INDIGENT RELIEF

- 6.1. Tariffs will not reflect relief granted to indigent households. Such relief will be developed as a separate policy and be subject to the discretion of Council as to its sustainability.
- 6.2. All such relief will be reflected, accounted for and disclosed separately in invoices, account statements, budgets, financial statements or reports.
- 6.3. During implementation of such policy, cognisance will be taken of the fact that the existing tariffs and procedures may require amendment to accommodate the above clauses and that such amendments will be phased in over time.
- 6.4. Indigent households are expected to manage their consumption of services within the levels of relief granted.
- 6.5. Assistance and management of indigent households is contained in the Customer Care and Debt Collection Policy/By-Law. The Municipality, however, retains the right to limit consumption through prepaid meters or restriction if the accounts of assisted households fall into arrears.

#### 7. SERVICE, EXPENDITURE CLASSIFICATION AND COST ELEMENTS

##### 7.1. Service classification

- 7.1.1. To isolate the costs associated with a service, the Municipal Manager shall, subject to the guidelines provided by the National Treasury, Generally Recognised Accounting Practice (GRAP) and Executive Mayoral Committee



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of the Council, provide for the classification of services into the following categories:-

- (i) trading services;
- (ii) economic services;
- (iii) community services; and
- (iv) subsidised services.

7.1.2. Trading and economic services must be financially ring-fenced and financed from service charges while community and subsidised services will be financed from rates and related income.

#### 7.2. **Expenditure classification**

Expenditure will be classified in accordance with GRAP.

#### 7.3. **Cost elements**

The following cost elements may be used to calculate the tariffs of the different services:-

- (a) "*Fixed costs*" which consist of the capital costs (interest and redemption) on external loans as well as internal advances and/or depreciation, whichever are applicable to the service, and any other costs of a permanent nature as determined by the Council from time to time.
- (b) "*Variable costs*" which include all other variable costs that have reference to the service.
- (c) "*Total cost*" which is equal to the fixed costs and variable costs.

## 8. TARIFF TYPES

In determining the type of tariff applicable to the type of service, the Municipality shall make use of any of the following six options or a combination thereof:-

#### 8.1. **"Single tariff":-**

This tariff shall consist of a cost per unit consumed. All costs will be recovered through unit charges at the level where income and expenditure breaks even. Subject to a recommendation by the Municipal Manager, the Council may decide to approve profits on trading services during the budget meeting. Such profits will be added to the fixed and variable cost of the service for the purpose of calculating the tariffs.

#### 8.2. **"Cost related two to four part tariff":-**

This tariff shall consist of two to four parts. Management, capital, maintenance and operating costs may be recovered by grouping certain components together, e.g. management, capital and maintenance costs may be grouped together and may be recovered by a fixed charge, independent of consumption for all classes of consumers, or the total costs may be recovered by a unit charge per unit consumed. Three and four part tariffs may be used to calculate the tariff for electricity and to provide for maximum demand and usage during limited demand.

#### 8.3. **"Inclining block tariff":-**

This tariff is based on consumption levels being categorised into blocks, the tariff being determined and increased as consumption levels increase.

#### 8.4. **"Declining block tariff":-**

This tariff is the opposite of the inclining block tariff and decreases as consumption levels increase.

#### 8.5. **"Regulating tariff":-**

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This tariff is only of a regulatory nature and the Municipality may recover the full or a portion of the cost associated with rendering the service.

8.6. **“Cost plus mark-up tariff”:-**

This tariff is for other services rendered.

## 9. CALCULATION OF TARIFFS FOR MAJOR SERVICES

### 9.1. General

In order to determine the tariffs which must be charged for the supply of the basic municipal services, (electricity, refuse, sewage and water), the Municipality shall use service and expenditure classifications and cost elements contained in clause 7 and identify all the costs associated with the service concerned, including the following:-

- 9.1.1. Cost of bulk purchases in the case of electricity and water.
- 9.1.2. Distribution costs, including distribution losses in the case of electricity and water.
- 9.1.3. Depreciation and finance charges.
- 9.1.4. Maintenance of infrastructure and other assets.
- 9.1.5. Administration and service costs, including:-
  - (a) service charges levied by other support services, such as finance, human resources and legal services;
  - (b) reasonable general overheads, such as the costs associated with the office of the Municipal Manager;
  - (c) adequate contributions to the provisions for bad debts, working capital and obsolescence of stock;
  - (d) all ordinary operating expenses associated with the service concerned, including the cost of providing street lighting in the municipal area in the case of the electricity service.
- 9.1.6. The intended surplus to be generated for the financial year shall be applied generally in relief of rates and general services.
- 9.1.7. Where a consumer has an option to choose between different tariffs on a service such option must be executed before 30 September to be implemented for the specific financial year.

### 9.2. Electricity

- 9.2.1. The guidelines and policy issued by the National Energy Regulator from time to time will form the basis of calculating tariffs.
- 9.2.2. The Municipality has standardized on the installation of Pre Payment Meters for all Domestic Consumers. As such it is compulsory for all new domestic connections to be equipped with Pre Payment Meters. The Municipality has embarked on a program to effect the migration of all Credit Meters to Pre-Payment Meters. The change from Pre Payment Meters to Credit Meter will therefore be disallowed unless special health circumstances exist, in which extreme case a credit meter will be installed by special concession from the Director of Infrastructure and Planning and by payment of the required change of meter fees as well as the required deposit.
- 9.2.3. To make electricity affordable to certain categories of consumers, cross subsidisation between and within categories of consumers will be allowed, based on the load factors of the categories and consumers within the category.
- 9.2.4. The fixed costs, or portions thereof, will be recovered through an energy or time-of-use charge.

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9.2.5. A basic charge per electricity meter or unit in the municipal area, as determined by the Council from time to time, may be charged against all electricity consumers.

9.2.6. To apply the abovementioned principles, the consumer types and cost allocations reflected in the following table will be used:-

Categories of Consumers	Tariff Components			
	Fixed Charge (Rand/ consumer/ month)	Active Energy Charge (cent/kWh/ month)	Time-of-use Energy Charge Peak / Standard / Off-peak (sent/kWh/month)	Charge (Rand/KVA/ month)
<b>Single Phase:</b> (Domestic Credit meters)	X	X		<b>*Note: IBT BLOCK</b> 1) 0 - 350 kWh 2) 351 – 600 kWh 3) > 600kWh
<b>Single Phase:</b> (Domestic Pre-paid meters)	X	X		<b>*Note: IBT BLOCK</b> 1) 0 - 350 kWh 2) 351 – 600 kWh 3) > 600kWh
Life Line One – (pre-paid meters only)		X		0 – 350 kWh
One Part – (pre-paid meters only) Local Economic Development Projects		X		0 – 350 kWh
<b>Single Phase:</b> (Commercial Credit meters)	X	X		Flat rate
<b>Single Phase:</b> (Commercial Pre-paid meters)	X	X		Flat rate
<b>Three Phase:</b> (Domestic Credit meter) ≤ 100A	X	X		<b>*Note: IBT BLOCK</b> 1) 0 - 350 kWh 2) 351 – 600 kWh 3) > 600kWh
<b>Three Phase:</b> (Domestic Pre-paid meter) ≤ 100A	X	X		<b>*Note: IBT BLOCK</b> 1) 0 - 350 kWh 2) 351 – 600 kWh 3) > 600kWh
<b>Three Phase:</b> (Commercial Credit meter) ≤ 100A	X	X		Flat Rate
<b>Three Phase:</b> (Commercial Pre-Paid meter) ≤ 100A	X	X		Flat Rate
Economic Pre-paid:- ≤ 100A		X		Flat Rate
Time of Use Tariff (.70kVA)	X	X	X	X
Service Charge (per month) for MV and LV consumers	X	X	X	X
Medium Voltage Metering Points (11000V) >500kVA	X	X	X	X
Low Voltage Metering Points (400V) >70kVA ≤ 500kVA	X	X	X	X

A basic level of service will be provided free to qualifying households with a total gross income level which is below a determined amount, and according to further specified criteria, as determined by Council from time to time.

9.2.7. An infrastructure basic charge for electricity will be levied on a monthly basis on all properties or units.

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9.2.8. An availability charge will be levied on all erven or units not connected to the electricity network, but can reasonably be connected to the service.

9.2.9. The use of tariffs E5A10 "Exceed NOTIFIED MAXIMUM DEMAND (NMD) per kVA Per month".

Each Time-of-Use consumer must nominate the Maximum Demand that the consumer intends to draw from the Overstrand Municipal Electricity Network. This nominated figure is known as the Nominated Maximum Demand (NMD) and is measured in kVA.

Upon exceeding this NMD, the consumer will be warned that he/she has exceeded the NMD and upon exceeding such NMD again within the next 12 months, the consumer will be required to pay the charge per kVA as indicated under tariffs E5A10 as the case may be. Each subsequent exceeding of the NMD will be charged similarly. When the NMD has not been exceeded in any 12 consecutive months, the consumer will then only receive a warning upon the next time the NMD is exceeded, after which the required tariff will again be instituted as shown above.

The consumer may increase his/her NMD and would be required to pay the associated tariffs as indicated under E15, where appropriate. A consumer may increase his NMD as many times as is needed within one financial year, but may only decrease the NMD once within any Financial Year.

#### 9.3. Water

9.3.1. The categories of water consumers as set out in clause 9.3.4 shall be charged at the applicable tariffs as approved by the Council in each annual budget.

9.3.2. The first 6kl of water consumption per month shall only be supplied pro rata free of charge to domestic water consumers who qualify for the indigent grant.

9.3.3. Because water is a scarce national resource, and this Municipality is committed to the prudent conservation of such resources, the tariff levied for consumption of water shall escalate according to the volume of water consumed.

9.3.4. The tariffs for consumption of purified water shall be based on the levels reflected in the following table:-

Category of Consumer	Basic Fixed Charge (Rand/meter/month)	Unit Charge per kℓ	Level of Consumption (Rand/kℓ/month)
<b>NORMAL TARIFF</b>			
Single Residential Flats Group Housing (including Townhouse Developments) Retirement Villages Guest Houses	X	X	<b>HOUSEHOLD</b> 0 - 6 kℓ 7 - 18 kℓ 19 - 30 kℓ 31 - 45 kℓ 46 - 60 kℓ >60 kℓ
Churches Caravan Parks Boutique Hotels and Hotels Other Consumers	X	X	<b>NON-HOUSEHOLD</b> 0 - 18 kℓ 19 - 30 kℓ 31 - 45 kℓ 46 - 60 kℓ >60 kℓ
<b>RESTRICTION TARIFF (LEVEL 1 RESTRICTION) PLUS 30% on Normal Tariff)</b>			
Single Residential Flats Group Housing (including Townhouse Developments) Retirement Villages			<b>HOUSEHOLD</b> 7 - 18 kℓ 19 - 30 kℓ 31 - 45 kℓ

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Guest Houses	X	X	46 - 60 kℓ >60 kℓ
Churches Caravan Parks Boutique Hotels and Hotels Other Consumers	X	X	<b>NON-HOUSEHOLD</b> 0 - 18 kℓ 19 - 30 kℓ 31 - 45 kℓ 46 - 60 kℓ >60 kℓ
<b>RESTRICTION TARIFF (LEVEL 2 RESTRICTION) PLUS 60% on Normal Tariff)</b>			
Single Residential Flats Group Housing (including Townhouse Developments) Retirement Villages Guest Houses	X	X	<b>HOUSEHOLD</b> 7 - 18 kℓ 19 - 30 kℓ 31 - 45 kℓ 46 - 60 kℓ >60 kℓ
Churches Caravan Parks Boutique Hotels and Hotels Other Consumers	X	X	<b>NON-HOUSEHOLD</b> 0 - 18 kℓ 19 - 30 kℓ 31 - 45 kℓ 46 - 60 kℓ >60 kℓ
<b>RESTRICTION TARIFF (LEVEL 3 RESTRICTION) PLUS 100% on Normal Tariff)</b>			
Single Residential Flats Group Housing (including Townhouse Developments) Retirement Villages Guest Houses	X	X	<b>HOUSEHOLD</b> 7 - 18 kℓ 19 - 30 kℓ 31 - 45 kℓ 46 - 60 kℓ >60 kℓ
Churches Caravan Parks Boutique Hotels and Hotels Other Consumers	X	X	<b>NON-HOUSEHOLD</b> 0 - 18 kℓ 19 - 30 kℓ 31 - 45 kℓ 46 - 60 kℓ >60 kℓ

9.3.5. A basic charge per water meter or unit in the municipal area, as determined by the Council from time to time, may be charged against all water consumers.

9.3.6. An infrastructure basic charge for water will be levied on a monthly basis on all erven or units.

9.3.7. An availability charge will be levied on all erven or units not connected to the water network but can reasonably be connected to the service.

9.3.8. Allocation of RUE's to categories of Household consumers:

<b>Clinics – Out patients</b>	<input type="checkbox"/> 1 RUE
<b>Flats</b>	<input type="checkbox"/> 1 RUE per residential unit
<b>Guest houses and B &amp; B's</b>	<input type="checkbox"/> 1 RUE
<b>Household related consumers that do not fall in one of the above household consumer categories</b>	<input type="checkbox"/> Upon application the Engineering & Financial Departments will assess the validity within the tariff's structural framework.
<b>Old Age Homes, Hostels &amp; Boarding School</b>	<input type="checkbox"/> 1 RUE per 7 Beds
<b>Retirement Villages, Hospital &amp; Hospice</b>	<input type="checkbox"/> 1 RUE per 1 residential unit <input type="checkbox"/> 1 RUE per 7 Frail care beds
<b>Single Residential erven</b>	<input type="checkbox"/> 1 RUE
<b>Townhouse and group developments</b>	<input type="checkbox"/> 1 RUE per unit

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9.3.9. The number of water basic and infrastructure charges for non-household consumers shall be coupled to the number of commercial sewage basic and infrastructure charges.

9.3.10. The tariffs for consumption of irrigation and raw water shall be based on the levels reflected in the following table:-

Category of Consumer	Basic Charge (Rand/meter/month)	Level of Consumption (Rand/kiloliter/month)
Use and pump water	X	80 – 90 minutes
Small Holdings	X	(i) 0 – 70 kℓ (ii) > 70 kℓ

#### 9.3.11. Wet Industries –

9.3.11.1. Commercial and Sport (Customers must apply for this tariff)

Detail	Basic Charge (Rand/meter/month)	Unit Charge / kℓ	Level of Consumption (Rand/kiloliter/month)
Normal Tariff	X	X	(i) 0 – 500 kℓ (ii) 501 – 1 000 kℓ (iii) > 1 000 kℓ
Restriction Tariff (level 1 restrictions) <b>PLUS 30% of Normal Tariff</b>	X	X	(i) 0 – 300 kℓ (ii) 301 – 700 kℓ (iii) > 700 kℓ
Restriction Tariff (level 2 restrictions) <b>PLUS 60% of Normal Tariff</b>	X	X	(i) 0 – 250 kℓ (ii) 251 – 500 kℓ (iii) > 500 kℓ
Restriction Tariff (level 3 restrictions) <b>PLUS 100% of Normal Tariff</b>	X	X	(i) 0 – 100 kℓ (ii) > 100 kℓ

9.3.11.2. Industry - Marine (Customers must apply for this tariff)

9.3.12 Detail 9.3.13.	Basic Charge (Rand/meter/month)	Unit Charge / kℓ	Level of Consumption (Rand/kiloliter/month)
9.3.14. Normal Tariff 9.3.15.	X	X	(i) 0 – 5 800 kℓ (ii) >5 800 kℓ
9.3.16. Restriction Tariff (level 1 restrictions) 9.3.17. <b>PLUS 30% of Normal Tariff</b>	X	X	(i) 0 – 5 800 kℓ (ii) >5 800 kℓ
9.3.18. Restriction Tariff (level 2 restrictions) <b>PLUS 60% of Normal Tariff</b>	X	X	(i) 0 – 5 800 kℓ (ii) >5 800 kℓ
Restriction Tariff (level 3 restrictions) <b>PLUS 100% of Normal Tariff</b>	X	X	(i) 0 – 5 800 kℓ (ii) >5 800 kℓ

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9.3.20. The tariffs for consumption of Treated Effluent water shall be based on the levels reflected in the following table:-

Detail	Basic Charge (Rand/meter/month)	Unit Charge / kℓ	Level of Consumption (Rand/kiloliter/month)
Hermanus Golf Club	X	X	As per agreement
Schools, municipal sport grounds & project sport grounds as per agreement		X	As per Agreement
Curro Holdings		X	250kℓ free per day
Other		X	

9.3.21. Restriction Tariff

- 9.3.21.1. When the capacity level of the source reaches 40% Restriction level 1 will be applied;
- 9.3.21.2. When the capacity level of the source reaches 20% Restriction level 2 will be applied;
- 9.3.21.3. When the capacity level of the source reaches 13% Restriction level 3 will be applied.

#### 9.4. Refuse Removal

- 9.4.1. A separate fixed monthly refuse removal charge shall apply to each category of users based on the costs of the service concerned and the applicable level of service, which can vary from once a week up to 7 times a week.
- 9.4.2. The fixed basic charge will be based on the number of removals per week.
- 9.4.3. An availability charge will be levied on all erven/units where no building plan has been approved. -
- 9.4.4. The tariff for refuse removal for residential units will be one removal per household.

#### 9.5. Sewage

- 9.5.1. The categories of users as set out below, shall be charged monthly at the applicable tariff as approved by Council in each annual budget:-
  - (i) Domestic (including Semi Permanent Caravan Sites);
  - (ii) Hotels, Hostels, Hospitals, Old Age Homes and Group Housing;
  - (iii) Guest Houses and Bed & Breakfast Establishments;
  - (iv) Shops and Offices;
  - (v) Low Cost Housing Schemes;
  - (vi) Schools;
  - (vii) Caravan Parks with communal ablution facilities;
  - (viii) Departmental Municipality;
  - (ix) Consumers with a conservancy tank.
- 9.5.2. A monthly basic charge shall be levied on all properties or units within urban areas, irrespective of the type of service available.
- 9.5.3. A sewage usage charge will be levied on all properties or units that produce sewage or have a water meter. This charge will be levied as follows:
  - (i) SEWAGE – SINGLE AND INTERMEDIATE RESIDENTIAL (Dwelling houses and Duplex apartments)  
The sewage volume will be deemed to be 70% of water consumption, up to a maximum of 35kℓ of sewage per month (70% of 50kl water per month).



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- (ii) SEWAGE – GENERAL RESIDENTIAL (Blocks of apartments and Residential Buildings)  
Sewage volume will be deemed to be 90% of water consumption per individual unit up to a maximum of 45kl of sewage per month (90% of 50kl water per month).
- (iii) SEWAGE – GUEST HOUSES AND BED & BREAKFAST ESTABLISHMENTS  
Sewage volume will be deemed to be 70% of water consumption per individual unit.
- (iv) ALL OTHER USERS (Including Commercial, Industrial, School, Sport, etc.)  
The sewage volume will be deemed to be 90% of water consumption.  
  
The 90% may be adjusted by the Municipal Manager as appropriate to the consumer. The Municipal Manager may also institute a cap on the volume of sewage if appropriate to the consumer.

9.5.4. An effluent fee shall further be payable by factories and other industrial users where the wastewater emanating from such users requires special purification measures by the Municipality. Such fees shall be based on the toxic content of the wastewater concerned and the costs of purification.

9.5.5. A monthly infrastructure charge will be levied on all properties or units.

9.5.6. Consumers with conservancy or septic tanks that cannot connect to the network may only apply to have their tariff changed at the beginning of a financial year before 30 September, or with a change in occupancy status.

9.5.7. The sewage basic and infrastructure charge shall be levied on the owner's account, whilst the consumption portion of the charge shall be levied on the same account as where the water consumption is charged.

9.5.8. The number of commercial sewage basic and infrastructure charges shall be coupled to the number of non-household water basic and infrastructure charges.

9.5.9. A sewage availability charge shall apply to serviced vacant or -developed land.

#### 9.6. Minor tariffs

9.6.1. All minor tariffs shall be standardised within the municipal region.

9.6.2. All minor tariffs shall be approved by the Council in each annual budget and shall, when deemed appropriate by the Council, be subsidised by property rates and general revenues, particularly when the tariffs will prove uneconomical when charged to cover the cost of the service concerned, or when the cost cannot be determined accurately, or when the tariff is designed purely to regulate rather than finance the use of the particular service or amenity.

9.6.3. Minor tariffs may include fees for the following:-

<b>A</b>	Administration	<ul style="list-style-type: none"> <li>▪ Access to information</li> <li>▪ Administration Costs</li> <li>▪ Advertisements / Advertising</li> <li>▪ Bank cost on foreign accounts</li> <li>▪ Deposit Consultation</li> <li>▪ Duplicate Accounts</li> <li>▪ Facsimiles</li> <li>▪ Interest on Accounts in Arrear</li> <li>▪ Laminated documents</li> </ul>	<ul style="list-style-type: none"> <li>▪ Management consultation</li> <li>▪ Photocopies</li> <li>▪ Placard / Poster Costs</li> <li>▪ Section 62 Appeals</li> <li>▪ Tender Objections</li> <li>▪ Tender Participation Costs</li> <li>▪ Top Management Consultation</li> <li>▪ Top Management Deposit</li> <li>▪ Trace of Direct Deposits</li> </ul>
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B	Building Control	<ul style="list-style-type: none"> <li>Administration / Storage fee</li> <li>Alterations &amp; Additions</li> <li>Building Plans</li> <li>Contravention Levy</li> <li>Demolition Fees</li> <li>Deposits</li> <li>Encroachments</li> <li>Heritage Investigations</li> </ul>	<ul style="list-style-type: none"> <li>Inspection Fees</li> <li>Land Use Planning</li> <li>Photocopies of Building Plans</li> <li>Plan Printing Fees</li> <li>Plan Scrutiny Fees</li> <li>Re-inspection fees</li> <li>Searching Fees</li> </ul>
C	Cemeteries	<ul style="list-style-type: none"> <li>Garden of Remembrance</li> <li>Grave-sites</li> </ul>	<ul style="list-style-type: none"> <li>Indication of grave</li> </ul>
D	Business License	<ul style="list-style-type: none"> <li>Duplicates</li> <li>License</li> </ul>	<ul style="list-style-type: none"> <li>Re-inspection Fee</li> </ul>
E	Commercial Filming/Photographing	<ul style="list-style-type: none"> <li>Cancellation Fee</li> <li>Permits</li> </ul>	
F	Credit Control & Debt Collecting	<ul style="list-style-type: none"> <li>Administration fee</li> <li>Notices</li> <li>Sheriff fee</li> </ul>	<ul style="list-style-type: none"> <li>SMS</li> <li>Tracing fee</li> </ul>
G	Dog Tax	<ul style="list-style-type: none"> <li>Licenses</li> </ul>	
H	Electricity	<ul style="list-style-type: none"> <li>Administration Fee Recalculation</li> <li>Builders connection</li> <li>Bulk Service Development Fees</li> <li>Call-out fee</li> <li>Cancellation Fee</li> <li>Capital Contributions</li> <li>Certificates</li> <li>Change from Bulk to Time of use</li> <li>Change of Circuit Breaker</li> <li>Commission of Bulk Meter</li> <li>Connection and Disconnection of Service</li> <li>Consumer Deposits</li> <li>Contractor Inspection</li> <li>Conversion of meters</li> <li>Credit Control and Debt Collection</li> <li>Damaged cables</li> <li>Damaged meter</li> <li>Disconnection</li> <li>Erection &amp; Removal of Banners</li> <li>Extension Fee</li> <li>Fee recalculation – no access</li> <li>Illuminated Signs</li> <li>Meter Testing</li> </ul>	<ul style="list-style-type: none"> <li>Meter Verification</li> <li>MV Switching</li> <li>New Service Connections</li> <li>Reconnection</li> <li>Remedial Action Fee</li> <li>Removal of meter</li> <li>Rental of Equipment</li> <li>Repair of Cables or Additional Joints</li> <li>Replacement</li> <li>Repositioning of Meter</li> <li>Service Connections</li> <li>Small Scale Embedded Generation (SSEG)</li> <li>Special Meter Readings</li> <li>Still-off" inspections</li> <li>Street Lighting</li> <li>Sundry Services</li> <li>Tariff change</li> <li>Unsafe/illegal connections</li> <li>Upgrading extension Fee</li> <li>Verification of meter reading</li> <li>Way leave</li> <li>Wheeling</li> </ul>
I	Fire Services & Disaster Management	<ul style="list-style-type: none"> <li>Burn Permits</li> <li>Events</li> <li>Extinguishing of Fires</li> <li>Fire Prevention inspections</li> <li>Fire Safety</li> </ul>	<ul style="list-style-type: none"> <li>Plot Clearing</li> <li>Re-inspection Fee under the Bylaw</li> <li>Special Services</li> <li>Standby at fire scene</li> </ul>
J	Housing	<ul style="list-style-type: none"> <li>Administration</li> </ul>	<ul style="list-style-type: none"> <li>Rental</li> </ul>
K	Law Enforcement	<ul style="list-style-type: none"> <li>Bylaw on outdoor advertising</li> <li>Impoundment of Hawkers goods</li> <li>Impoundment of illegal Advertising/Agent boards</li> <li>Inspection Fees</li> </ul>	<ul style="list-style-type: none"> <li>Pound fee Dogs and Cats</li> <li>Pound fee other animals</li> <li>Re-inspection Fee</li> <li>Removal of illegal structure</li> <li>Storage Fee</li> </ul>
L	Libraries	<ul style="list-style-type: none"> <li>Damage or lost of Library material</li> <li>Deposits</li> <li>Facsimiles</li> <li>Internet Usage</li> <li>Lost Cards</li> <li>Penalty for Late Return</li> </ul>	<ul style="list-style-type: none"> <li>Photocopies</li> <li>Rental of Library Amenities</li> <li>Reservations</li> <li>Scanning</li> <li>Special Requests</li> <li>Subscription</li> <li>Visitors Fee (Handling)</li> </ul>

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<b>M</b>	Municipal Buildings	<ul style="list-style-type: none"> <li>Deposits</li> <li>Rental of Amenities</li> </ul>	<ul style="list-style-type: none"> <li>Rental of Equipment</li> </ul>
<b>N</b>	Operational Cost	<ul style="list-style-type: none"> <li>Street Signage</li> </ul>	
<b>O</b>	Parking Fee Beaches Grotto & Kleinmond	<ul style="list-style-type: none"> <li>Beach Rental</li> <li>Bus Drop off</li> <li>Parking Busses</li> </ul>	<ul style="list-style-type: none"> <li>Parking vehicles</li> <li>Permit</li> </ul>
<b>P</b>	Property Administration	<ul style="list-style-type: none"> <li>Application lease/purchase</li> <li>Encroachment Fee</li> <li>Leases</li> </ul>	<ul style="list-style-type: none"> <li>Memorial Benches</li> <li>Radio Mask</li> </ul>
<b>Q</b>	Public Works	<ul style="list-style-type: none"> <li>Felling and Pruning of Trees</li> <li>Private Work</li> <li>Sale of Miscellaneous Items</li> <li>Storm Water Drainage</li> </ul>	<ul style="list-style-type: none"> <li>Street Signage</li> <li>Tar and Patch Work</li> <li>Vehicle Entrances</li> </ul>
<b>R</b>	Recreational Amenities	<ul style="list-style-type: none"> <li>Boat Launching</li> <li>Boat License/Permits</li> <li>Caravan Parks</li> <li>Community Halls</li> <li>Deposit</li> <li>Frank Robb Hut</li> <li>Hawker Stalls Lagoons</li> <li>Lagoons</li> </ul>	<ul style="list-style-type: none"> <li>Office Rental</li> <li>Open Spaces</li> <li>Public Open Space</li> <li>Recreational Fishing Vessels</li> <li>Schuss Houses</li> <li>Spaces for Sport</li> <li>Sport Events</li> <li>Swimming pool</li> </ul>
<b>S</b>	Roads	<ul style="list-style-type: none"> <li>Capital Contributions</li> </ul>	<ul style="list-style-type: none"> <li>Bulk Service Development Fee</li> </ul>
<b>T</b>	Refuse Removal	<ul style="list-style-type: none"> <li>Asbestos Sheet</li> <li>Baboon Resistant Bins</li> <li>Capital Contributions</li> <li>Deposits</li> <li>Mass Containers</li> </ul>	<ul style="list-style-type: none"> <li>Refuse Bins</li> <li>Rental of Bulk Containers</li> <li>Replacement of Bulk Containers</li> <li>Self Dumping</li> </ul>
<b>U</b>	Sewage	<ul style="list-style-type: none"> <li>Bulk Service Development Fee</li> <li>Capital Contributions</li> <li>Connection of tanks</li> <li>Disposal</li> </ul>	<ul style="list-style-type: none"> <li>Service Connections</li> <li>Tank Services</li> <li>Testing of tanks</li> </ul>
<b>V</b>	Stony Point	<ul style="list-style-type: none"> <li>Annual Permit</li> </ul>	<ul style="list-style-type: none"> <li>Visitors</li> </ul>
<b>W</b>	Swimming Pool	<ul style="list-style-type: none"> <li>Entrance Fee</li> <li>Galas</li> </ul>	<ul style="list-style-type: none"> <li>Training session</li> </ul>
<b>X</b>	Town Planning	<ul style="list-style-type: none"> <li>Advertising Cost</li> <li>Application Fee</li> <li>Contravention Application</li> <li>Departure</li> <li>Deposit - Appeal</li> <li>Extension of Time</li> <li>Land use planning Fee</li> </ul>	<ul style="list-style-type: none"> <li>Registered Letter Removal of Title Deed Restrictions</li> <li>Rezoning application</li> <li>Spatial Development Framework</li> <li>Sub-division</li> <li>Zoning Certificate</li> </ul>
<b>Y</b>	Traffic	<ul style="list-style-type: none"> <li>Disabled Parking Tokens</li> <li>Driver's Licenses</li> <li>Escorting and Other Services</li> <li>Hiring Traffic cones</li> <li>Leaner's Licenses</li> <li>Parking Meters</li> <li>Professional Driver's Permits</li> </ul>	<ul style="list-style-type: none"> <li>Removal of Vehicles</li> <li>Roadworthy Certificates</li> <li>Storage Fees</li> <li>Taxi Rank Tokens</li> <li>Towing Charge</li> <li>Vehicle Registration</li> <li>Wheel clamping fee</li> </ul>
<b>Z</b>	Valuation	<ul style="list-style-type: none"> <li>Access to Information</li> <li>Clearance Certificates</li> <li>Deeds Office Registrations</li> <li>Revaluation</li> </ul>	<ul style="list-style-type: none"> <li>Valuation Certificates</li> <li>Valuation Roll</li> <li>Voters' Roll</li> </ul>

## OVERSTRAND MUNICIPALITY

### TARIFF POLICY

AA	Water	<ul style="list-style-type: none"><li>▪ Administration Fee Recalculation</li><li>▪ Bulk Service Development</li><li>▪ Call-out Fee</li><li>▪ Capital Contributions</li><li>▪ Connection &amp; Disconnection</li><li>▪ Consumer Deposits</li><li>▪ Convert to flow restrictor meter</li><li>▪ Credit Control and Debt Collection</li><li>▪ Damaged Water Meter; Watermain &amp; Service Connection</li><li>▪ Fee recalculation – no access</li><li>▪ Final meter reading</li><li>▪ Irrigation Water</li><li>▪ Meter Testing</li></ul>	<ul style="list-style-type: none"><li>▪ Meter verification</li><li>▪ New Service Connections</li><li>▪ Reconnection</li><li>▪ Registration of borehole</li><li>▪ Remedial Action Fee</li><li>▪ Rental of Equipment</li><li>▪ Repair of meter</li><li>▪ Repositioning of meter</li><li>▪ Service Connections</li><li>▪ Special Meter Readings</li><li>▪ Still-off" inspections</li><li>▪ Sundry Services</li><li>▪ Temporary connections</li><li>▪ Verification of meter reading</li></ul>
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9.6.4. The Municipal Manager shall maintain a list of all minor services indicating their unit of service for the purposes of determining tariffs, fees, charges and levies. Such list shall be reviewed annually together with the proposed tariffs, fees charges and levies.

#### 10. NOTIFICATION OF TARIFFS, FEES AND SERVICE CHARGES

- 10.1. After a draft budget as required by the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) has been tabled, the Municipal Manager must invite the local community to submit representations for consideration by the Council. Such invitation includes the draft resolutions on taxes and tariffs proposed.
- 10.2. After approval of the budget, the Council will give notice of all tariffs approved at the annual budget meeting at least 30 days prior to the date that the tariffs become effective.
- 10.3. A notice stating the purport of the council resolution, date on which the new tariffs shall become operational and invitation for objections will be advertised by the Municipality.
- 10.4. All tariffs approved must have been considered at the annual budget meeting.

#### 11. IMPLEMENTING AND PHASING-IN OF THE POLICY

- 11.1. The principle contained in this Policy will be reflected in the various budget proposals submitted to the Council on an annual basis, service by-laws as promulgated and adjusted by the Council from time to time and the Tariff By-laws referred to in section 75 of the Act.
- 11.2. The Council may determine conditions applicable to community service of a regulatory nature. These conditions will be reflected in the standing orders of the Council.

#### 12. PROCEDURES AND ACCOUNTABILITY

- 12.1. The Municipal Manager shall ensure that procedures to manage all aspects of this Policy are prepared in the form of a manual, reviewed regularly and that these are formally adopted by him/her for implementation. These procedures will include aspects in this Policy and subscribe to sound principles of internal control.
- 12.2. The Directors and Managers shall ensure compliance with the procedures as approved from time to time by the Municipal Manager to give effect to the provisions of this Policy.

#### 13. IMPLEMENTATION AND REVIEW PROCESS

This policy will come into effect on 1 July 2016 and will be reviewed at least annually or when required by way of a Council resolution.

**OVERSTRAND MUNICIPALITY**  
**TARIFF POLICY**

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**14. SHORT TITLE**

This policy shall be called the **Tariff Policy of the Overstrand Municipality**.

<b>POLICY SECTION:</b>	<b>MANAGER: INCOME</b>
<b>CURRENT UPDATE:</b>	
<b>PREVIOUS REVIEW:</b>	28 MAY 2015
<b>PREVIOUS REVIEW:</b>	28 MAY 2014
<b>PREVIOUS REVIEW</b>	29 MAY 2013
<b>PREVIOUS REVIEW</b>	30 MAY 2012
<b>PREVIOUS REVIEW:</b>	31 AUGUST 2011
<b>PREVIOUS REVIEW:</b>	04 MAY 2011
<b>PREVIOUS REVIEW:</b>	26 MAY 2010
<b>PREVIOUS REVIEW:</b>	27 MAY 2009
<b>APPROVAL BY COUNCIL:</b>	31 MAY 2006

# **OVERSTRAND MUNICIPALITY**



## **CUSTOMER CARE, CREDIT CONTROL AND DEBT COLLECTION POLICY**

**OVERSTRAND MUNICIPALITY**  
**CUSTOMER CARE, CREDIT CONTROL AND DEBT COLLECTION POLICY**

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**P R E A M B L E**

**Whereas** section 96 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) requires a municipality to adopt, maintain and implement a credit control, debt collection and customer care policy;

**And whereas** section 97 of the Systems Act prescribes what such policy must provide for;

**Now therefore** the Municipal Council of the Municipality of Overstrand adopts the Customer Care, Credit Control and Debt Collection Policy as set out in this document:-

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## CUSTOMER CARE, CREDIT CONTROL AND DEBT COLLECTION POLICY

## 1. DEFINITIONS

For the purpose of this policy, unless the context indicates otherwise, any word or expression to which a meaning has been attached in the Act shall bear the same meaning and means:-

<b>“Act”</b>	The Local Government Act: <b>Municipal</b> Systems Act 2000 (Act No 32 of 2000) as amended from time to time.
<b>“authorised representative”</b>	the person or instance legally appointed by the Council to act or to fulfil a duty on its behalf.
<b>“basic service”</b>	the amount or level of any municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety of the environment and for the purposes of this Policy are restricted to the delivery of electricity, refuse, sewerage and water services.
<b>“Chief Financial Officer”</b>	an officer of the Municipality appointed as the Head of the Finance Department and includes any person:- (a) acting in such position; and (b) to whom the Chief Financial Officer has delegated a power, function or duty in respect of such a delegated power, function or duty.
<b>“child-headed household”</b>	a household where all the occupants of a residential property are younger than 18 years old, i.e. a child-headed household is a household consisting only of children.
<b>“Council” or “municipal council”</b>	a municipal council referred to in section 18 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) and for purposes of this policy, the municipal council of the Municipality of Overstrand.
<b>“Credit control” and debt collection”</b>	the functions relating to the collection of any monies due and payable to the Municipality.
<b>“Closely connected person”</b>	any immediate relative of the person namely spouse, child, parent, parent-in-law, life partner.
<b>“customer”</b>	any occupier of any property to which the Municipality has agreed to supply services or already supplies services to, or if there is no occupier, then the owner of the property (including registered indigent household).
<b>“defaulter”</b>	a person who owes money to the Municipality in respect of a municipal account after the due date for payment has expired.
<b>“Director”</b>	the person in charge of the civil and/or electrical component(s) of the Municipality and includes any person:- (a) acting in such position; and (b) to whom the Director has delegated a power, function or duty in respect of such a delegated power, function or duty.
<b>“equipment”</b>	a building, structure, pipe, pump, wiring, cable, meter, machine or any fittings.
<b>“household”</b>	all persons who are jointly living on a stand or site on a permanent basis and who receive electricity and/or water from one meter, regardless whether the person rents or owns the property.
<b>“Income”</b>	Income is the gross sum of all monthly income from all sources, including wages, salaries, profits, dividends, pensions, rentals, board & lodging, interest received, grants or investment income and other forms of earnings received by every person residing on the property.
<b>“indigent”</b>	a household which is not financially capable of paying for the delivery of basic services and meeting criteria determined by Council from time to time – this also includes poor households.
<b>“interest”</b>	a levy with the same legal priority as service fees and calculated on all amounts in arrears in respect of assessment rates and service levies at a standard rate as approved by Council.



## CUSTOMER CARE, CREDIT CONTROL AND DEBT COLLECTION POLICY

<b>“Municipality”</b>	the institution that is responsible for the collection of funds and the provision of services to the customers of Overstrand.
<b>“municipal account” or “billing”</b>	the proper and formal notification by means of a statement of account, to persons liable for monies levied and indicating the net accumulated balance of the account, specifying charges levied by the Municipality, or any authorised and contracted service provider, in the format of, but not limited to:- (a) show the levies for assessment rates and/or building clause; and (b) “monthly account” rendered monthly and shows the levies for assessment rates and/or building clause, availability charge, sewerage, refuse removal, electricity, water, sundries, housing rentals and instalments, as well as the monthly instalment for annual services paid monthly.
<b>“Municipal Manager”</b>	the accounting officer appointed in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) and being the head of administration and accounting officer in terms of section 55 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) and includes any person:- (a) acting in such position; and (b) to whom the Municipal Manager has delegated a power, function or duty in respect of such a delegated power, function or duty.
<b>“municipal services”</b>	those services provided by the Municipality such as, amongst others the supply of water and electricity, refuse removal, sewerage treatment, and for which payment is required by the Municipality or not.
<b>“occupier”</b>	any person who occupies any property or part thereof, without any regard to the title under which he/she so occupies the property – to be phased out from 01/07/2010.
<b>“owner”</b>	(a) the person in whom the legal title to the property is vested; (b) a person mentioned below may for the purposes of this Policy be regarded by a municipality as the owner of a property in the following cases: (i) A trustee, in the case of a property in a trust excluding state trust land; (ii) an executor or administrator, in the case of a property in a deceased estate; (iii) a trustee or liquidator, in the case of a property in an insolvent estate or in liquidation; (iv) a judicial manager, in the case of a property in the estate of a person under judicial management; (v) a curator, in the case of a property in the estate of a person under curatorship; (vi) a person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude; (vii) a lessee, in the case of a property that is registered in the name of a municipality and is leased by it; or (viii) a buyer, in the case of a property that was sold by a municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer; (c) in the case where the Council is unable to determine the identity of such person, the person who is entitled to the benefit of such property or any building thereon; (d) in the case of a property for which a lease agreement of 30 years or more has been entered into, the lessee thereof; (e) regarding:- (i) a portion of land delineated on a sectional title plan registered in terms of the Sectional Titles Act, 1986 (Act No 95 of 1986), and without restricting the above mentioned stipulations, the developer or body corporate of the communal property; or (ii) a portion as defined in the Sectional Titles Act, the person in whose name that portion is registered under a sectional title deed, including the legally appointed representative of such person; (i) any legal entity, including but not limited to:-

## CUSTOMER CARE, CREDIT CONTROL AND DEBT COLLECTION POLICY

	<ul style="list-style-type: none"> <li>(i) a company registered in terms of the Companies Act, 1973 (Act No 61 of 1973), a trust <i>inter vivos</i>, trust <i>mortis causa</i>, a closed corporation registered in terms of the Closed Corporations Act, 1984 (Act No 69 of 1984), and any voluntary organisation;</li> <li>(ii) any local, provincial or national government;</li> <li>(iii) any council, board or entity established in terms of any legislation applicable to the Republic of South Africa; and</li> <li>(iv) any embassy or other foreign entity.</li> </ul> <ul style="list-style-type: none"> <li>(ii) in the case of property owned by the Council and which has been alienated, but which has not been transferred to the person to whom it has been alienated, such person from the date of the alienation concerned; and</li> <li>(iii) in the case of property owned by or under the control or management of the Council while held under a lease or any express or tacit extension thereof or under any other contract or under a servitude or right analogous thereto, the person so holding the right to the immovable property.</li> </ul>
<b>“premises” or “property”</b>	<p>any portion of land, the external surface boundaries of which are delineated on:-</p> <ul style="list-style-type: none"> <li>(a) a general plan or diagram registered in terms of the Land Survey Act, 1927 (Act No 9 of 1927) or in terms of the Deeds Registry Act, 1937 (Act No 47 of 1937); or</li> <li>(b) a sectional plan registered in terms of the Sectional Titles Act, 1986 (Act No 95 of 1986);</li> </ul> <p>which is situated within the area of jurisdiction of the Municipality.</p>
<b>“Residential”</b>	<p>means improved property that is:</p> <ul style="list-style-type: none"> <li>(a) used predominantly (60% or more) for residential purposes, with not more than two dwelling units per property.</li> <li>(b) a unit registered in terms of the Sectional Title Act 95 of 1986, used predominantly (60% or more) for residential purposes, and includes any unit in the same Sectional Title Scheme registered in the name of the same owner which is used together with the residential unit as if it were one property, for example a garage or store room. (Any such grouping shall be regarded as one residential property for rate rebate or valuation purposes.) or</li> <li>(c) owned by a share-block company and used predominantly (60% or more) for residential purposes, or</li> <li>(d) a residence used for residential purposes situated on property used for or related to educational purposes.</li> </ul>

## 2. GENERAL OBJECTIVES:

The objectives of this Policy are to:-

- 2.1 provide a framework within which the Municipality can exercise its executive and legislative authority with regard to credit control and debt collection;
- 2.2 ensure that all monies due and payable to the Municipality are levied and collected in a financially sustainable manner;
- 2.3 provide a framework for customer care and indigent support;
- 2.4 describe credit control measures and sequence of events;
- 2.5 outline debt collection and credit control procedures and mechanisms; and
- 2.6 set realistic targets for credit control and debt collection.

## 3. PRINCIPLES

- 3.1 The administrative integrity of the Municipality must be maintained at all costs. The democratically elected councillors are responsible for the approval of the policy, while it is the responsibility of the Municipal Manager to ensure the execution of these policies.

## CUSTOMER CARE, CREDIT CONTROL AND DEBT COLLECTION POLICY

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- 3.2 All customers must complete an official application form, formally requesting the Municipality to connect them to service supply lines. Existing customers may be required to complete new application forms from time to time, as determined by the Municipal Manager.
- 3.3 Application forms, agreements and documents relating to this Policy must be available in Afrikaans and English. Officials designated to control and manage these documents must be able to explain the contents thereof in the three languages of the Western Cape.
- 3.4 A copy of the application form, conditions of services and extracts of the Council's Customer Care, Credit Control and Debt Collection Policy and By-Laws must be handed to every customer on request at such fees as may be prescribed by Council.
- 3.5 Billing is to be accurate, timeous and understandable as far as possible.
- 3.6 The customer is entitled to reasonable access to pay points and to a variety of reliable payment methods which will include cash, cheque, debit or credit card, electronic fund transfer, debit order and bank order payments.
- 3.7 The customer is entitled to an efficient, effective and reasonable response to appeals, and should suffer no disadvantage during the processing of a reasonable appeal.
- 3.8 Enforcement of payment must be prompt, consistent and effective.
- 3.9 Unauthorised consumption, connection and reconnection, the tampering with or theft of meters, service supply equipment and the reticulation network and any fraudulent activity in connection with the provision of municipal services will lead to disconnections, charges, penalties, loss of rights and/or criminal prosecutions. A certificate reflecting the nature and extent of the unauthorized activity must be issued by a duly qualified person to substantiate the claim.
- 3.10 Incentives and disincentives may be used in collection procedures.
- 3.11 The collection process must be cost-effective.
- 3.12 Results will be regularly and efficiently reported and monitored.
- 3.13 Application forms may be used to, *amongst others*, categorise customers according to credit risk and to determine relevant levels of services and deposits required.
- 3.14 Targets for performance in both customer service and debt collection will be set and pursued and remedies implemented for non-performance.
- 3.15 Where practically possible the Customer Care and Debt Collection Policies would be handled independently of each other and the organisational structure will reflect the separate functions.
- 3.16 The principle of providing services instead of payment for arrear accounts is supported.
- 3.17 Customers that meet council's indigent criteria must be identified and supported.

#### 4. PERFORMANCE EVALUATION

This is addressed in the SDBIP and the Municipal Performance Management System.

#### 5. REPORTING

- 5.1 The Chief Financial Officer (Director: Finance) shall report monthly to the Municipal Manager in a suitable format to enable the Municipal Manager to report to the Executive Mayor, as supervisory authority in terms of section 99 of the Act, read with section 100(c). This report shall contain particulars on:-
  - (a) Cash collection statistics, showing high-level debt recovery information (number of customers; enquires; arrangements; default arrangements; growth or reduction of arrear debt). Where possible, the statistics should ideally be divided into wards, business (commerce and industry), domestic, state, institutional and other such divisions.
  - (b) Performance on all areas against targets agreed to in paragraph 5 of this policy document.
- 5.2 If in the opinion of the Chief Financial Officer, the Municipality will not achieve cash receipt income equivalent of the income projected in the annual budget as approved by Council, the Chief Financial Officer will report this with motivation to the Municipal Manager who

## CUSTOMER CARE, CREDIT CONTROL AND DEBT COLLECTION POLICY

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- will, if he/she agrees with the Chief Financial Officer, immediately move for a revision of the budget according to realistically realisable income levels.
- 5.3 The Executive Mayor, as supervisory authority, shall report at intervals of 3 months to Council as contemplated in section 99(c) of the Act.

### 6. CUSTOMER CARE

#### 6.1 Objective

To focus on the customer's need in a responsible and pro-active way to enhance the payment for services and to create a positive and cooperative relationship between the persons responsible for the payment for services received and the Municipality and where applicable, the service provider.

#### 6.2 Communication and feedback

- 6.2.1 The Municipality will, within its financial and administrative capacity, conduct an annual process of compiling and communicating its budget, which will include targets for credit control and debt collection. This process will include the effort to ensure that the residents and customers understand the costs involved in the service provision, the reasons for payment of service tariffs and the manner in which monies raised from the customers are utilised.
- 6.2.2 Council will endeavour to distribute a regular newsletter (also available on the website), which will give prominence to customer care and debt collection issues.
- 6.2.3 Ward councillors will give feedback at ward meetings, at which customer care and debt collection issues will be given prominence.
- 6.2.4 The press will be encouraged to give prominence to Council's customer care, credit control and debt collection issues, and may be invited to council or committee meetings where these are discussed.
- 6.2.5 The residents and users of services will be encouraged to give feedback through the established mechanisms to the Municipality regarding the quality of services and the performance of service providers.

#### 6.3 Metering

- 6.3.1 The Municipality will endeavour, within practical and financial limits, to provide meters to every paying customer for all measurable services.
- 6.3.2 All meters will be read monthly, as far as possible. If the meter is not read monthly, the consumption may be estimated in terms of Council's operational procedures.
- 6.3.3 If any meter is not accessible for meter reading, the customer must move the meters out to the borderline and convert the electricity meter to a pre-paid meter.
- 6.3.4 Customers must:-
- (a) safeguard and maintain service meters in a readable condition;
  - (b) notify the Municipality when services are no longer required at a particular service delivery point;
  - (c) maintain credit and pre-payment meters; and
  - (d) supply the Municipality with accurate information with regard to the supply of services or applications for indigent cases.
- 6.3.5 Customers are entitled to request verification of meter readings at the prescribed tariff.
- 6.3.6 Customers are entitled to request testing of meters for accuracy within reason, at the prescribed tariff. If the test reveals the meter to register outside the norm as prescribed for the service in question (Electricity or Water), the charges paid will be refunded, the meter will be replaced and the customer's account will be adjusted accordingly, subject to a maximum period of 3 months from month of written request for testing of meter.
- 6.3.7 Customers will be informed of meter replacement.
- 6.3.8 Customers must give notice of at least 48 hours to the Municipality should a final reading or discontinuation of service be required. When a customer vacates a

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**CUSTOMER CARE, CREDIT CONTROL AND DEBT COLLECTION POLICY**


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property and a final reading of the meter is not possible due to no access, an estimated consumption will be used by the Municipality and the final account rendered accordingly.

- 6.3.9 If a service is metered but it cannot be read due to financial and/or human resource constraints or circumstances beyond the control of the Municipality or its authorised agent, and the customer is charged for an estimated consumption, the account following the reading of the metered consumption must articulate the difference between the actual consumption and the average consumption, and the resulting credit or debit adjustments.
- 6.3.10 The Municipality may apply debt collection factors available on the pre-payment electricity system, to ensure collection of all arrear debt on the account of the customer.

#### **6.4 Accounts and billing**

- 6.4.1 The Municipality will as far as possible render to its customers on the billing system an understandable and accurate statement, which will consolidate all service costs and subsidies granted in terms of this Policy for that property.
- 6.4.2 Accounts will be produced in accordance with the meter reading cycle and due dates will be linked to the statement date.
- 6.4.3 If no official complaint in writing is received by the 15<sup>th</sup> of the month it will be considered that the account delivered is correct.
- 6.4.4 Accounts will be rendered monthly in cycles of approximately 30 days at the address last recorded with the Municipality or its authorised agent.
- 6.4.5 It is the customer's responsibility to ensure that his/her postal address and all other required details are correct.
- 6.4.6 (a) Accounts are delivered monthly. It is the customer's responsibility to enquire from the Municipality should an account not be received in order to ensure timely payment and to obtain a duplicate account when the account is not delivered during the normal billing cycle.
- (b) Customers residing outside the borders of the Republic of South Africa will receive only electronic accounts, unless a local address is supplied.
- 6.4.7 Settlement or due dates will be as indicated on the statement and are normally as follows:-
- (a) Monthly accounts are payable before or on the due date in accordance with the specific account billing (invoicing) cycle as indicated on the account, or the first working day thereafter should it fall on a weekend or public holiday, of the month following the month of the statement of the account.
- (b) Large Power and Time of Use electricity customer accounts are payable on or before the 15<sup>th</sup> of each month, or the first working day thereafter should the 15<sup>th</sup> be on a week-end..
- (c) Annual accounts are payable on or before the 30<sup>th</sup> of September of each year.
- (d) Accounts of councillors and employees may be deducted from their salaries/allowances on a monthly basis; alternatively, they may sign a debit order for deduction of the monthly account off their bank account.
- (e) Staff arrears will be dealt with in accordance with Schedule 2(10) of Local Government: Municipal Systems Act 32 of 2000 and in terms of any procedures, method or actions referred to in this Policy. Notwithstanding any other procedure, method or action that may be taken in terms of this Policy, the Municipality shall deduct any outstanding amount from such staff members' salary after this 3 (three) month period. Outstanding arrears will be settled out of any annual bonus due to the staff member.
- (f) All staff joining the Municipality must, within 30 days, sign an agreement to pay arrears.



**CUSTOMER CARE, CREDIT CONTROL AND DEBT COLLECTION POLICY**

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- (g) Where the Municipality provides temporary employment to members of the community who are in arrears with payments for municipal rates and services, they will be required to enter into a written agreement to pay up to a maximum of 30% of their gross remuneration towards the arrear debt.
    - (h) In accordance with Schedule 1(12A) of the Local Government: Municipal Systems Act 32 of 2000, a Councillor of the Municipality may not be in arrears to the Municipality for rates and service charges for a period longer than 3 months. Notwithstanding any other procedure, method or action that may be taken in terms of this Policy, the Municipality shall deduct any outstanding amount from such Councillors' remuneration after this 3 (three) month period.
  - 6.4.8 Where an account is not settled in full, any lesser amount tendered and accepted shall not be deemed to be in full and final settlement of such an account.
  - 6.4.9 Where any payment made to the Municipality, or its authorised representative, by negotiable instrument is subsequently dishonoured by a bank, the Municipality or its authorised agent:-
    - (a) may recover the average bank charges incurred relating to dishonoured negotiable instruments, together with an administration fee, against the account of the customer;
    - (b) shall regard such an event as a default on payment and services may be discontinued should a valid payment by cash, a bank-guaranteed cheque or electronic fund transfer not be made by the date provided by the authorized official;
    - (c) may insist on cash, debit order or electronic fund transfer payments for all future accounts;
    - (d) may only consider application for re-instatement of debit order/cheque after twelve months, except in instances where the Chief Financial Officer, or delegated official, authorises otherwise.
  - 6.4.10 The Municipality must issue a duplicate account or any acceptable alternative to a customer on request, at a cost determined by Council from time to time.
  - 6.4.11 The registered owner of a property being leased is at his/her own cost entitled to obtain a copy of the account of a lessor and to be informed if a lessee is in arrears with his/her service charges within 60 days.
  - 6.4.12 All contracts for service delivery with tenants will be phased out over a period of time and all new service contracts will only be with the owners of the property.
  - 6.4.13 Opening of tenant accounts will only be allowed when :
    - (a) the lessee is an indigent household and the property is registered in the name of another person;
    - (b) the lessee is a contractor for municipal projects
  - 6.4.14 When tenants are in default, the service contract with the tenant will be cancelled and services transferred to the owner.
  - 6.4.15 The amount which the Municipality may recover from the tenant or occupier of a property where there exists only an owners account, is limited to the amount of rent or other money due and payable, but not yet paid, by the tenant or occupier to the owner of the property
  - 6.4.16 The tenant or occupier of a property must, on request from the Municipality, furnish the Municipality with a written statement specifying all payments to be made by the tenant or occupier to the owner of the property for rent or other money payable on the property during a period determined by the Municipality.
- 6.5 Payment facilities and methods**
- 6.5.1 The Municipality will operate and maintain suitable payment facilities, which facilities will be accessible to all customers.
  - 6.5.2 The Municipality will, at its discretion, allocate a payment between service debts. A debtor does not have the right to indicate that the payment is for a specific portion of the account.

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- 6.5.3 The Municipality may, in terms of section 103 of the Act and with the consent of a customer, approach an employer of the customer to secure a debit or stop order arrangement.
- 6.5.4 The Municipality will endeavour to appoint a variety of agents (super markets, SA Postal Service, etc.) for the receipt and transfer of payments to the Municipality. The customer will acknowledge in the customer agreement that the use of customer agents in the transmission of payments to the Municipality is at the risk of the customer – also the time lapse for transfer of the payment.
- 6.5.5 The Municipality will, in the event of services having been disconnected or restricted, only accept cash or electronic fund transfer / direct deposit into the Municipality's bank account (with documented proof), or at any one of the nominated cash receipting points or agents of the Municipality.

### 6.6 Incentives for prompt payment (Annexure "A")

- 6.6.1 The Council may, to encourage prompt payment and/or to reward regular payers, from time to time consider incentives for the prompt payment of accounts or payment by debit or stop order.
- 6.6.2 If introduced, the cost associated with the incentive scheme will be reflected in the operational budget as additional expenditure.

### 6.7 Feedback, enquiries, appeals and service complaints

- 6.7.1 Within its administration and financial ability the Municipality will establish:-
  - (a) Decentralised complaints/feedback offices;
  - (b) A centralised complaints database to enhance co-ordination of complaints, their speedy resolution and effective communication with customers;
  - (c) Appropriate training for officials dealing with the public to enhance communications and service delivery; and
  - (d) The introduction of a **regular** article in the newsletter to inform customers on the safe and economic use of services.
- 6.7.2 If a customer is convinced that his/her account is inaccurate, he/she can lodge a query, together with supporting documentation and proof, with the Municipality before due date for investigation of this account, and where necessary the relevant alterations.
- 6.7.3 In the interim the debtor must pay an average based on previous consumption where such history of the account is available. Where no such history is available, the debtor is to pay an estimate provided by the Municipality before payment due date until the matter is resolved.
- 6.7.4 The relevant department will investigate and endeavour to inform the debtor within 14 days of the outcome of the investigation and the measures that have been or will be taken to correct the situation.
- 6.7.5 Failure to make such agreed interim payment or payments will result in the customer forming part of the normal credit control procedures.
- 6.7.6 A customer may appeal against the finding of the Municipality in terms of sub clause (6.7.4).
- 6.7.7 An appeal and request in terms of sub clause (6.7.6) must be made and lodged with the Municipality within 21 (twenty-one) days after the customer became aware of the finding referred to in sub clause (4) and must:-
  - (a) set out the reasons for the appeal;
  - (b) be accompanied by any security determined for the testing of a measuring device, if applicable.

### 6.8 Customer assistance programmes

- 6.8.1 Water leakages:
  - (a) If the leakage is on the customer's side of the meter, the customer will be responsible for payment of the full account.
  - (b) **Water leakage discount will not be considered in the instance of irrigation systems.**

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- (c) A customer will qualify for a Water Leakage Discount upon application on the prescribed form within 45 days after the leak has been repaired, which application will only be regarded as a valid application if complete information and documentation as prescribed is received and:-
    - (i) Where the loss of water resulted from malicious damage to external pipes & fittings and where this act was reported to the South African Police Service (SAPS) and a case number was allocated;
    - (ii) the leak was repaired within 10 working days since its detection;
    - (iii) the customer applied only once in a cycle of 30 months for a discount; and
    - (iv) proof of repair and costs as well as the date of repair, or a sworn affidavit from any person who has repaired the leak, has been submitted
    - (v) Discount for usage, will be calculated over the period the leak was present and will be equal to the consumption above the normal consumption of the customer at the rebate tariff applicable, subject to a maximum period of 3 months.
  - (d) A discount will be applicable on the excess sewer consumption charge as calculated.
  - (e) It is the responsibility of the customer to control and monitor his/her consumption.
- 6.8.2 Rate rebates:
- (a) The municipal council may grant rate rebates annually to certain categories of ratepayers in accordance to the Municipality's Property Rates Policy and By-Laws.
  - (b) Rate rebates will be subject to certain criteria as determined by Council from time to time.
- 6.8.3 Arrangements for settlements (**Annexure "B"**):
- (a) Customers whose municipal accounts become in arrears may enter into an arrangement for settlement of the arrears with the Municipality. Such customers will be requested to complete a new application and agreement for Municipal Services.
  - (b) If required, customers with arrears must agree to the conversion to a pre-payment electricity meter and a flow limiter water meter. If and when implemented, the cost of which, and the arrears total, will be paid off either by:-
    - (i) adding the debt to the arrears bill and repaying it over the agreed period; or
    - (ii) adding the debt as a surcharge to the pre-paid electricity cost, and repaying it with each purchase of electricity at a percentage rate, until the debt is liquidated.
  - (c) In the case of the customer who is not a natural person, an organ of state, a local authority, a public company or a public corporation, the major shareholder or member will be obligated to guarantee the debt of the customer.
  - (d) Council reserves the right to raise the deposit/security requirement of debtors who seek arrangements and/or other stipulations it may deem necessary.
- 6.9 Subsidy for indigent households**  
- please refer Overstrand Municipality, Indigent Policy
- 6.10 Additional subsidy categories**
- 6.10.1 Subject to an equitable share contribution received from National Treasury, Council may provide, free of charge to a customer, basic services as determined from time to time.



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- 6.10.2 Rebates on property rates may be granted to categories of properties or owners in accordance to Council's Property Rates Policy.

**6.11 Customer categories**

- 6.11.1 Customers will be categorised according to specific classifications based on amongst others the type of entity, applicable tariffs and risk levels of the provision of services. Processes for credit control, debt collection and customer care may differ from category to category, as deemed appropriate from time to time by the Municipal Manager.

## CUSTOMER CARE, CREDIT CONTROL AND DEBT COLLECTION POLICY

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### 7. CREDIT CONTROL POLICY

#### 7.1 Objective

- 7.1.1 To implement procedures which ensure the collection of debt, meeting of service targets and the prevention of escalation in arrear debt.
- 7.1.2 To facilitate financial assistance and basic services for the community's poor.
- 7.1.3 To provide incentives for prompt payment.
- 7.1.4 To limit risk levels by means of effective management tools.

#### 7.2 Service applications and agreements

- 7.2.1 All customers of services will be required to sign an agreement governing the supply and cost of municipal services. On default by a tenant, the owner will be the debtor of last resort except where the Municipality is the owner of the property.
- 7.2.2 The right to raise a deposit on customers in the event of non-payment, is reserved, to be considered for implementation by the Director: Finance.
- 7.2.3 Prior to signing these agreements, customers will be entitled to access the policy documents. Also available on the official website at: [www.overstrand.gov.za](http://www.overstrand.gov.za).
- 7.2.4 On the signing of the agreement when requested thereto, customers will receive a copy of the agreement for their records.
- 7.2.5 Customers will accept responsibility in the agreement for administration costs of collection, interest and penalties in the event of delayed and/or non-payment.
- 7.2.6 The Municipality may refuse to supply services to an applicant should such applicant owe monies to the Municipality regarding a previous period when he/she was rendered services by the Municipality, until such debt has been settled in full. Should the applicant prove to the Chief Financial Officer that he/she is unable to pay, the application will be dealt with in terms of Council's Indigent Subsidy Scheme.
- 7.2.7 The Municipality may reject the application for services of a person who is closely connected to a customer who has defaulted with account payments and who resides or is to reside on the same premises, until such debt is settled in full. The Municipality may also reject the application for services of any concern that is not a natural person should such concern be in arrears with any other municipal account for which it, or any member or director is responsible or partially responsible.
- 7.2.8 The Municipality will read the meters within the period stipulated in the agreement after notification of change in ownership or application for the supply of services and render an account within the normal cycle applicable to the property.
- 7.2.9 Existing customers of services may be required to sign new agreements in the following instances:
  - (a) Any change of service profile;
  - (b) With any instruction given or actual disconnection or restriction of services or any legal action taken;
  - (c) Any form of tampering with service networks or meters etc ( as mentioned in Section 7.5.1 below;
  - (d) As determined by the Municipal Manager from time to time.
- 7.2.10 Should a customer fail to enter into such agreement with Council or to provide the security described in clause 7.6, Council may:-
  - (a) hold the customer liable for all outstanding debt on services for the property; and/or
  - (b) restrict or discontinue the supply of Municipal services.
- 7.2.11 The Municipality shall open only one account per property for the rates, fixed levies and service charges.
- 7.2.12 All arrangements may be subject to periodic review.
- 7.2.13 All debtors entering into arrangements may provide their banking details and those who have the facility to sign a debit order with their financial institutions, shall be required do so.

## CUSTOMER CARE, CREDIT CONTROL AND DEBT COLLECTION POLICY

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- 7.2.14 Debtors who default on three occasions in respect of arrangements, will be denied the privilege of making further arrangements, and the full amount will be payable. Interest will be calculated from the original due date of the debt, taking any payments into consideration.

### 7.3 Right of access to premises

- 7.3.1 The owner and/or occupier of a property is to allow an authorised representative of the Municipality access at all reasonable hours to the property in order to read, inspect, install or repair any meter or service connection for reticulation, or to disconnect, stop or restrict, or reconnect the provision of any service.
- 7.3.2 The owner is responsible to ensure that all meters installed on his/her property are easily accessible.
- 7.3.3 The owner is responsible for the cost of relocating a meter if satisfactory access is not possible.
- 7.3.4 If a person fails to comply to any requirements, the Municipality or its authorised representative may:-
- (a) by written notice require such person to restore access at his/her own expense within a specified period.
  - (b) without prior notice restore access and recover the cost from such person if it is the opinion that the situation is a matter of urgency.

### 7.4 Enforcement mechanisms

- 7.4.1 Interest may be raised as a charge on all accounts not paid by the due date in accordance with applicable legislation.
- 7.4.2 The Municipality shall restrict or discontinue the supply of services or implement any other debt collection actions necessary due to late or non-payment of accounts, relating to any customer, owner or property.
- 7.4.3 Council reserves the right to deny or restrict the sale of electricity or water to customers who are in arrears with their rates or other municipal charges.
- 7.4.4 Upon the liquidation of arrears, or the conclusion of acceptable arrangements for term payments, the service will be reconnected as soon as conveniently possible.
- 7.4.5 The administration cost of the restriction or disconnection, and the reconnection, will be determined by tariffs approved by Council, and will be payable by the customer.
- 7.4.6 If a person is indigent a pre-paid electricity meter and a flow limiter water meter must be installed free of charge.
- 7.4.7 The deposit of any defaulter will be adjusted in terms of paragraph 7.2.2 and brought into line with relevant policies of Council.
- 7.4.8 Defaulters' deposits will be reviewed annually in July, based on the debtor's Municipal payment record, indicating no default, over the preceding 12 (twelve) months, excluding customers with current arrangements. The deposit will be adjusted to the minimum deposit required in terms of the approved Tariff Schedule.
- 7.4.9 Defaulters deposits will be reviewed immediately, where the account was settled in full and a debit order is signed to prevent late payments.
- 7.4.10 In accordance with Section 102 of the Municipal Systems Act, the Municipality may
- (a) Consolidate any separate accounts of persons liable for payments to the municipality;
  - (b) Credit a payment of such a person against any account of that person; and
  - (c) Implement any of the debt collection and credit control measures provided for in Chapter 9 of the Act in relation to any arrears on any of the accounts of such a person.

### 7.5 Theft and fraud

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- 7.5.1 Any person (natural or juristic) found to be illegally connected or reconnected to municipal services, tampering with meters, the reticulation network or any other supply equipment or committing any unauthorised act associated with the supply of municipal services, as well as theft of and damage to Council property, will be prosecuted and/or liable for costs at the prescribed tariffs as determined from time to time.
- 7.5.2 The Municipality has the right to obtain authorisation from the Magistrate for the imposition of fines for the offences as mentioned in paragraph 7.5.1 above .
- 7.5.3 The Municipality may terminate and/or remove the supply of services to a customer should such conduct as outlined above, be detected and certified.
- 7.5.4 The total bill owing, including administration cost, assessment of unauthorised consumption and discontinuation and reconnection fees, and increased deposits as determined by Council if applicable, will be due and payable before any reconnection can be sanctioned.
- 7.5.5 Council will maintain monitoring systems and teams in order to identify and monitor customers who are undertaking such illegal actions.
- 7.5.6 Council reserves the right to lay criminal charges and/or to take any other legal action against both vandals and thieves.
- 7.5.7 Any person failing to provide information or providing false information on his application for or other document pertaining to the supply of services to the Municipality may face immediate disconnection of services.

### **7.6 Customer screening and securities**

- 7.6.1 All applicants for municipal services will be checked for credit-worthiness, which may include checking information from banks, credit bureaus, other local authorities, trade creditors and employers.
- 7.6.2 Security deposits, either in cash or any other security acceptable to the Municipality, may be required for non-residential consumers. The minimum deposit being the equivalent of amounts fixed from time to time by the Municipality.
- 7.6.3 Security deposit will be adjusted annually, which will be equal to twice the average consumption during the preceding 12 months.
- 7.6.4 Applicants who are not natural persons, organs of state, local authorities, public companies or public corporations must supply details of their directors, members, partners or trustees and at least the main shareholder must in his/her personal capacity guarantee the payment of the applicant's municipal account and in the case of a trust, all the trustees in their personal capacity.
- 7.6.5 On the termination of the agreement the amount of the deposit, less any outstanding amount due to the Municipality, will be refunded to the customer.

### **7.7 Contractors who tender to the Municipality**

- 7.7.1 The Supply Chain and Procurement Management Policy and Tender Conditions of the Municipality will include the following:-
  - (a) When inviting tenders for the provision of services or delivery of goods, potential contractors may submit tenders subject to a condition that consideration and evaluation thereof will necessitate that the tenderer obtain from the Municipality a certificate stating that all relevant municipal accounts owing by the tenderer and/or its directors, owners or partners have been paid or that suitable arrangements (which include the right to set off in the event of non-compliance) have been made for payment of any arrears.
  - (b) No tender will be allocated to a person/contractor until a suitable arrangement for the repayment of arrears has been made. No further debt may accrue during contract period.
  - (c) Tender Conditions will include a condition allowing the Municipality to deduct any moneys owing to the Municipality from contract payments.
  - (d) A tenderer will be required to declare all the municipal account numbers for which it is responsible and/or partially responsible.

**7.8 Pre-payment metering system**

- 7.8.1 The Municipality will use its pre-payment metering system to:-
- (a) link the provision of electricity by the Municipality to a “pre-payment” system comprising, pre-payment of electricity units; and
  - (b) a payment in respect of arrears comprising all accrued municipal taxes and other levies, tariffs and charges in respect of services such as water, refuse removal, sanitation and sewage.
  - (c) To load an auxiliary on the “pre-payment” system in order to allocate a portion of the rendered amount to the customers arrear account for other services.
  - (d) To enforce satisfactory arrangements with customers in arrears by blocking access to pre-payment electricity purchases.
  - (e) Amounts tendered for the purchase of pre-payment electricity will not be refunded after the pre-payment meter voucher has been issued or in case of purchasing against an incorrect meter number.

**CUSTOMER CARE, CREDIT CONTROL AND DEBT COLLECTION POLICY**

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**8. DEBT COLLECTION**

**8.1 Objective**

- 8.1.1 To provide procedures and mechanisms to collect all the monies due and payable to the Municipality arising out of the supply of services and annual levies, in order to ensure financial sustainability and delivery of municipal services in the interest of the community.

**8.2 Personal contact**

- 8.2.1 Personal and Telephonic contact / Agents calling on customers:-
- (a) Council, or its agent, may make personal contact with arrear debtors to encourage their payment via electronic, SMS, telephonic or any other officially recognised communication method.
  - (b) Such contact is not a right for debtors to enjoy and disconnection of services and other collection proceedings will continue in the absence of such contact for whatever reason.
  - (c) Services as contemplated in 8.2.1(a) will be rendered at a charge as determined during the annual budget process.

**8.3 Interruption of service**

- 8.3.1 Customers who are in arrears with their municipal accounts and who have not made arrangements with the Municipality will have their supply of electricity, water and other municipal services, suspended, restricted or disconnected.
- 8.3.2 Customers who have submitted mobile phone numbers can be notified via SMS at the applicable tariff, if their accounts are not settled on or before the due date.
- 8.3.3 The disconnection or restriction of services, as mentioned in section 7.4.2, may be enforced should the account remain in arrears after the expiring of the 14 (fourteen) days' notice of restriction of services.
- 8.3.4 Council reserves the right to deny or restrict the sale of electricity or water to customers who are in arrears with their rates or other municipal charges, or who do not honour their arrangements.
- 8.3.5 Upon the liquidation of arrears, including the additional levies in terms of clauses 8.3.5 and 8.3.6, or the conclusion of acceptable arrangements for term payments, the services will be reconnected as soon as conveniently possible.
- 8.3.6 The cost of notice of restriction or disconnection and the reconnection, will be determined by tariffs approved by Council, and will be payable by the customer.
- 8.3.7 The deposit of any defaulter will be adjusted, and brought into line with relevant policies of Council (refer to Annexure "B").

**8.4 Legal process (Annexure "A") - (Use of attorneys/Use of credit bureaus)**

- 8.4.1 The Municipality may, when a debtor is in arrears, commence legal process against that debtor, which process could involve final demands, summonses, court trials, judgements, garnishee orders and, as last resort, sales in execution of property.
- 8.4.2 The Municipality will exercise strict control over this process to ensure accuracy and legality within it and will require regular reports on progress from staff responsible for the process or outside parties, be they attorneys or any other collection agents appointed by Council.
- 8.4.3 The Municipality will establish procedures and codes of conduct with such outside parties.
- 8.4.4 In the case of employed debtors, garnishee orders, are preferred to sales in execution, but both are part of the Municipality's system of debt collection procedures.
- 8.4.5 All steps in the credit control procedure will be recorded for the Municipality's records and for the information of the debtor.
- 8.4.6 All administration costs of this process will be for the account of the debtor.
- 8.4.7 Individual debtor accounts are protected and are not the subject of public information. However, the Municipality may release debtor information to credit

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bureaus and the property owner in respect of his/her lessee(s). This release will be in writing or by electronic means and will be covered in the agreement with customers.

- 8.4.8 The Municipality may consider the cost effectiveness of the legal process, and will receive reports on relevant matters and report to the Executive Mayor.
- 8.4.9 Upon recommendation from the Municipal Manager, Council may consider the use of agents and innovative debt collection methods and products. Cost effectiveness, the willingness of agents to work under appropriate codes of conduct and the success of such agents and products will be part of the agreement Council might conclude with such agents or service providers.
- 8.4.10 Customers will be informed of the powers and duties of such agents and their responsibilities, including their responsibility to observe agreed codes of conduct.
- 8.4.11 Any agreement concluded with an agent or product vendor shall include a clause whereby breaches of the code of conduct by the agent or vendor will constitute termination of the contract.
- 8.4.12 If, after the due date an amount due for rates is unpaid by the owner of the property, the Municipality may recover the amount, in whole or in part, from the tenant or occupier of the property, after it has served written notice on the tenant or occupier. The Municipality may recover the outstanding amount despite any contractual obligation to the contrary on the tenant or occupier.
- 8.4.13 If, after the due date an amount due for rates is unpaid by the owner of the property, the Municipality may recover the amount, in whole or in part, from the agent of the owner, if this is more convenient for the Municipality, after it has served written notice on the agent. The agent must on request from the Municipality, provide a statement reflecting all payments made to the agent for the owner during a period determined by the Municipality.
- 8.4.14 Adjustments on the accounts will only be calculated for three years. (Prescription Act, 1969 (Act 68 of 1969).

**8.5 Cost of collection**

All costs of legal processes including interest, penalties, service discontinuation costs and legal costs associated with customer care or credit control, where ever applicable, are for the account of the debtor and should reflect at least the cost of the particular action.

**8.6 Clearance Certificate**

- 8.6.1 On the sale of any property in the municipal jurisdiction, Council will withhold the transfer until all rates, service and sundry charges and any estimated amounts for the duration of a certificate in connection with the property are paid, by withholding a clearance certificate. The municipality will issue such clearance certificate on receipt of an application on the prescribed form from the conveyer.
- 8.6.2 All payments will be allocated to the registered seller's municipal accounts and all refunds will be made to such seller.
- 8.6.3 No interest shall be paid in respect of these payments.
- 8.6.4 The Municipality will only issue a clearance certificate once a completed prescribed application form from the conveyor has been received.
- 8.6.5 Where any residential or non-residential debtor has entered into an arrangement with the Municipality in respect of the arrears on a property, the prescribed certificate as referred to in Section 118 of the Systems Act, will not be issued until such time as the full outstanding amount have been paid.

**8.7 Irrecoverable debt**

- 8.7.1 Debt will only be considered as irrecoverable if it complies with the following criteria:-
  - (a) all reasonable notifications and cost effective legal avenues have been exhausted to recover a specific outstanding amount; or



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- (b) any amount equal to or less than R1 500.00, or as determined by Council from time to time, will be considered too small, after having followed basic checks, to warrant further endeavours to collect it; or
  - (c) the cost to recover the debt does not warrant the further action; or
  - (d) the amount outstanding is the residue after payment of a dividend in the rand from an insolvent estate; or
    - (i) there is a danger of a contribution; or
    - (ii) no dividend will accrue to creditors; or
  - (e) a deceased estate has no liquid assets to cover the outstanding amount following the final distribution of the estate; or
    - (iv) where the estate has not been reported to the Master and there are no assets of value to attach; or
  - (f) it has been proven that the debt has prescribed; or
  - (g) the debtor is untraceable or cannot be identified so as to proceed with further action; or
    - (i) the debtor has emigrated leaving no assets of value to cost effectively recover Councils' claim; or
  - (h) it is not possible to prove the debt outstanding; or
  - (i) a court has ruled that the claim is not recoverable; or
  - (j) the outstanding amount is due to an irreconcilable administrative error by the Municipality.
- 8.7.2 All debtors who qualify and are registered as indigent, will have their arrears written off once during ownership of the property.

**8.8 Abandonment of claims**

- 8.8.1 The Municipal Manager must ensure that all avenues are utilised to collect the Municipality's debt.
- 8.8.2 There are some circumstances, as contemplated in section 109(2) of the Act, that allow for the valid termination of debt collection procedures, such as:-
- (a) The insolvency of the debtor, whose estate has insufficient funds.
  - (b) A balance being too small to recover, for economic reasons considering the cost of recovery.
  - (c) Where Council deems that a debtor or group of debtors are unable to pay for services rendered.
- 8.8.3 The Municipality will maintain audit trails in such an instance, and document the reasons for the abandonment of the action or claim in respect of the debt.

**9. SHORT TITLE**

This Policy shall be called the **Customer Care, Credit Control and Debt Collection Policy of the Overstrand Municipality**.



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**CUSTOMER CARE AND DEBT COLLECTION – ANNEXURE "A"****10.1. INCENTIVE MEASURES**

Incentive measures may be implemented as per Council resolution.

**10.2. DEBT COLLECTION**

- 10.2.1. Should annual accounts remain unsettled after 30 September of the applicable year, notice will be given to the owner/customer that the amount owed must be settled within fourteen (14) days, failure of which it will be handed over for collection, including legal proceedings.
- 10.2.2. Should monthly accounts remain unsettled after the due date, notice will be given to the owner/customer that the amount owed must be settled within fourteen (14) days, failure of which will lead to restriction/disconnection of services, including legal proceedings.
- 10.2.3. All debtors regarding houses in rental, selling and self-build schemes, without any capital debt, which are still registered in the name of the Municipality, should be notified in writing that if satisfactory arrangements for transfer of the property into his/her name are not made within one (1) month, the property concerned will be put up for sale by Council at a public auction.
- 10.2.4. Upon handing over of accounts for collection, details of employers and work addresses of the debtors should be made available to the attorneys as far as possible for the purposes of garnishee orders.
- 10.2.5. Attorneys should report to Council on a monthly basis on the progress made and the cost aspect regarding each debtor.
- 10.2.6. Attorneys should pay monies collected over to Council monthly.

**11. ARRANGEMENTS FOR PAYMENT – ANNEXURE "B"****11.1. DEBT FOR WHICH ARRANGEMENTS CAN BE MADE**

Arrangements for the payment of outstanding debt can be made according to the procedures described hereafter.

**11.2. CONCLUSION OF AGREEMENT**

- 11.2.1. If a customer cannot pay his/her account with the Municipality then the Municipality may enter into an extended term of payment not exceeding 12 months, stipulating that the debt will be paid together with the monthly and/or annual accounts, with the customer. Only the Chief Financial Officer may consider and approve any extension on this arrangement on receipt of a written recommendation by the Senior Manager: Revenue.
- 11.2.2. The customer must:-
  - (a) complete a new application form;
  - (b) sign an acknowledgement of debt;
  - (c) sign a consent to judgement;
  - (d) in the case of a company, trust or closed corporation, supply the guarantee as prescribed in clause 6.8.3(c) of the Policy.
  - (e) sign an emolument or stop order if he or she is in employment;
  - (f) submit proof of income on the prescribed form;
  - (g) pay the current portion of the account in cash;

**CUSTOMER CARE, CREDIT CONTROL AND DEBT COLLECTION POLICY**

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- (h) customer deposits may be adjusted to the higher of the sum of twice the average consumption during the preceding 12 months or the minimum deposit required in terms of the approved Tariff Schedule
- (i) sign an acknowledgement that, if the arrangements being negotiated are later defaulted on, that no further arrangements will be possible and that disconnection of water and electricity will follow immediately, as will legal proceedings;
- (j) acknowledge liability of all costs incurred; and

**11.3. ARRANGEMENTS THAT CAN BE ENTERED INTO:****11.3.1. Residential Customers:**

- (a) 1<sup>st</sup> default within a 12-month period:
  - (i) 10% of the outstanding amount plus cost of the credit control actions together with the current account is payable immediately.
  - (ii) The balance is payable over a maximum period of twelve months.
  - (iii) First offence in 2 years – no deposit increase will be applicable and if already charged, will be reversed on application.
  - (iv) Customer deposits may be adjusted to the higher of the sum of twice the average consumption during the preceding 12 months or the minimum deposit required in terms of the approved Tariff Schedule.
- (b) 2<sup>nd</sup> default within a 12-month period:
  - (i) Full arrears amount plus the cost of credit control actions, together with the current account.
  - (ii) No arrangements will be allowed.
  - (iii) Customer deposits may be adjusted to the higher of the sum of three times average consumption during the preceding 12 months or the minimum deposit required in terms of the approved Tariff Schedule.
- (c) 3<sup>rd</sup> default within a 12-month period:
  - (i) Metered services will be discontinued or restricted and the account will be handed over for legal proceedings.

**11.3.2. Non-residential Customers:**

- (a) 1<sup>st</sup> default within a 12-month period:-
  - (i) 50% of the outstanding amount plus cost of the credit control actions.
  - (ii) The balance is payable over a maximum period of three months.
  - (iii) First offence in 2 years – no deposit increase will be applicable and if already charged, will be reversed on application.
  - (iv) Customer deposits will be adjusted to the higher of the sum of three times average consumption during the preceding 12 months or the minimum deposit required in terms of the approved Tariff Schedule.
- (b) 2<sup>nd</sup> default within a 12-month period:-
  - (i) Full outstanding amount plus cost of credit control actions.
  - (ii) No arrangements will be allowed.
  - (iii) Customer deposits will be adjusted to the higher of the sum of four times average consumption during the preceding 12 months or the minimum deposit required in terms of the approved Tariff Schedule.
- (c) 3<sup>rd</sup> default within a 12-month period:-
  - (i) Metered services will be discontinued or restricted and the account will be handed over for legal proceedings.

**11.3.3. Government Departments – Customer Accounts:**

**CUSTOMER CARE, CREDIT CONTROL AND DEBT COLLECTION POLICY**

- (a) 1<sup>st</sup> default within a 12-month period:-
  - (i) 3 weeks' notice – no arrangements
  - (ii) First offence in 2 years – no deposit increase will be applicable and if already charged, will be reversed on application.
  - (iii) Customer deposits will be adjusted to the sum of three times average consumption during the preceding 12 months.
- (b) 2<sup>nd</sup> default within a 12-month period:-
  - (i) 2 weeks' notice – no arrangements.
  - (ii) Customer deposits will be adjusted to the sum of four times average consumption during the preceding 12 months.
- (c) 3<sup>rd</sup> default within a 12-month period:-
  - (i) Metered services will be discontinued or restricted and as a last resort legal proceedings will be instituted;

**11.3.4. Government Departments – Rates & Taxes:**

- (a) 1<sup>st</sup> default within a 12-month period:-
  - (i) Final demand and legal action in terms of “The Institution of Legal Action against Certain Organs of State Act, 2002 (Act No 40 of 2002)”.

**11.3.5. Administration:**

Where a person has been placed under administration the following procedures will be followed:-

- (a) The debt as at the date of the administration court order will be placed on hold, and collected in terms of the court order by the administrator's dividend.
- (b) The administrator is to open a new account on behalf of the debtor. No account is to be opened or operated in the debtor's name as the debtor is not entitled to accumulate debt.
- (c) Until such time as this new account is opened, the debtor is to be placed on limited services levels. The customer will be compelled to install a pre-paid electricity meter and flow limiter water meter, should one not already be in place. The Municipality will be entitled to recover the cost of the basic services by means of purchases made on the pre-paid meter.
- (d) Should there be any default on the current account, the supply of services is to be limited or terminated, and the administrator handed over for the collection of this debt.

**11.3.6. Indigent:**

All customers (including any other occupants), qualifying as indigent and who accumulated any arrear debt after any relief has been granted, will repay that debt as follows:-

By instalments over 24 months, in addition to monthly service charges, with immediate payment of the cost of the credit control action taken.

**There are no limitations on debtors at any time to pay amounts in excess of arrangements towards outstanding debt, than prescribed above.**

**12. IMPLEMENTATION AND REVIEW PROCESS**

This policy will come into effect on 1 July 2016 and will be reviewed at least annually or when required by way of a Council resolution.

<b>POLICY SECTION:</b>	<b>SENIOR MANAGER: REVENUE</b>
<b>CURRENT UPDATE:</b>	
<b>PREVIOUS REVIEW</b>	28 MAY 2015

**CUSTOMER CARE, CREDIT CONTROL AND DEBT COLLECTION POLICY**

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<b>PREVIOUS REVIEW</b>	28 MAY 2014
<b>PREVIOUS REVIEW</b>	25 SEPTEMBER 2013
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<b>APPROVAL BY COUNCIL:</b>	30 JUNE 2006

# OVERSTRAND MUNICIPALITY



## INDIGENT POLICY

## **P R E A M B L E**

**Whereas** section 96 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) requires a municipality to adopt, maintain and implement a credit control, debt collection and customer care policy;

**And whereas** section 97 of the Systems Act prescribes that such policy must provide for “provision for indigent debtors that is consistent with its rates and tariff policies and any national policy on indigents.”

**Now therefore** the Municipal Council of the Municipality of Overstrand adopts the Indigent Policy as set out in this document:-

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## 1. DEFINITIONS

For the purpose of this policy, unless the context indicates otherwise, any word or expression to which a meaning has been attached in the Act shall bear the same meaning and means:-

<b>“authorised representative”</b>	The person or instance legally appointed by the Council to act or to fulfil a duty on its behalf.
<b>“basic service”</b>	the amount or level of any municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety of the environment and for the purposes of this Policy are restricted to the delivery of electricity, refuse, sewerage and water services.
<b>“Chief Financial Officer”</b>	An officer of the Municipality appointed as the Head of the Finance Department and includes any person:- a. acting in such position; and b. to whom the Chief Financial Officer has delegated a power, function or duty in respect of such a delegated power, function or duty.
<b>“Council” or “municipal council”</b>	A municipal council referred to in section 18 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) and for purposes of this policy, the municipal council of the Municipality of Overstrand.
<b>“customer”</b>	Any occupier of any property to which the Municipality has agreed to supply services or already supplies services to, or if there is no occupier, then the owner of the property (including registered indigent household).
<b>“defaulter”</b>	A person who owes money to in respect of a municipal account after the due date for payment has expired.
<b>“Household”</b>	Persons who are jointly living on a stand or site on a permanent basis and who receive water and/or electricity from one meter.
<b>“Income”</b>	Income is the gross sum of all monthly income from all sources, including wages, salaries, profits, dividends, pensions, rentals, board & lodging, interest received, grants or investment income and other forms of earnings received by every person residing on the property.
<b>“Indigent”</b>	A household which qualifies in terms of clause 4 and 5.
<b>“Poor households”</b>	A household which qualifies in terms of clause 4 and 5.
<b>“interest”</b>	A levy with the same legal priority as service fees and calculated on all amounts in arrears in respect of assessment rates and service levies at a standard rate as approved by Council.
<b>“municipal account” or “billing”</b>	the proper and formal notification by means of a statement of account, to persons liable for monies levied and indicating the net accumulated balance of the account, specifying charges levied by the Municipality, or any authorised and contracted service provider, in the format of, but not limited to:- (a) show the levies for assessment rates and/or building clause; and “monthly account” rendered monthly and shows the levies for assessment rates and/or building clause, availability charge, sewerage, refuse removal, electricity, water, sundries, housing rentals and instalments, as well as the monthly instalment for annual services paid monthly
<b>“Municipality”</b>	The institution that is responsible for the collection of funds and the provision of services to the customers of Overstrand.
<b>“the Act”</b>	The Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) as



	amended from time to time.
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## 2. OBJECTIVES OF POLICY

The objectives of this Policy are to:-

1. provide a framework within which the Municipality can exercise its executive and legislative authority with regard to the implementation of financial aid to indigent and poor households in respect of their municipal account;
2. determine the criteria for qualification of indigent and poor households;
3. ensure that the criteria is applied correctly and fairly to all applicants;
4. allow the Municipality to conduct in loco visits to the premises of applicants to verify the actual status of the household;
5. allow the Municipality to maintain and publish the register of names and addresses of account holders receiving subsidies.

## 3. SUBSIDY FOR INDIGENT HOUSEHOLDS

- a. A basic level of services will be provided to qualifying households with a total gross income which is below a determined amount, and according to further specified criteria, as determined by the Municipality from time to time.
- b. Indigence subsidies will be funded from the equitable share contribution made by National Treasury and as provided for in the municipal budget. The subsidy can only be credited to the qualifying customers' accounts until the amount received by the Municipality from National Treasury and provided for in the municipal budget for this purpose, has been exhausted, whereupon no further credits will be made until further national funds for this purpose are received or additional funds has been provided for in the municipal budget.
- c. Subsidised services are assessment rates, refuse removal, sewerage and consumption service charges.
- d. Customers who qualify for an indigent subsidy must convert to pre-payment electricity meter, except for areas where electricity is not supplied by Overstrand Municipality, and a flow limiter water meter.
- e. If a customer's consumption or use of the municipal service is less than the subsidised amount of the service, the subsidy will be limited to the lesser amount. The unused portion, if any, may not be accrued by the customer and will not entitle the customer to cash or a rebate in respect of the unused portion.
- f. If a customer's consumption or use of a municipal service is in excess of the subsidised service, the customer will be obliged to pay for such excess consumption at the applicable rates.
- g. All customers who qualify for an indigent subsidy will be placed on restricted service levels in order to limit further escalation of debt.
- h. Where applicable, indigent customers may be exonerated from a portion of their arrear debt.
- i. An indigent customer must immediately request de-registration by the Municipality or its authorised agent if his/her circumstances have changed to the extent that he/she no longer meet the criteria.
- j. An indigent customer may, at any time, request de-registration.
- k. A list of indigent customers will be maintained and may be made available to the general public, subject to the Promotion of Access to Information Act ("PAIA") and/Protection of Personal Information Act ("POPI Act").
- l. The applicant may not be the registered owner of more than one property.
- m. **No councillor/s or officials will qualify for this indigent subsidy.**

## 4. PRINCIPLES OF POLICY

- a. The administrative integrity of the Municipality must be maintained at all costs. The democratically elected councillors are responsible for the approval of this policy, while it is the responsibility of the Municipal Manager to ensure the execution of this policy;

- b. Applicants must complete an official application form, which is to be submitted together with the supporting documents as specified in this policy, when applicable;
- c. Application forms, agreements and documents relating to this Policy must be available in Afrikaans and English.
- d. The customer is entitled to an efficient, effective and reasonable response to appeals, and should suffer no disadvantage during the processing of a reasonable appeal.

## 5. CATEGORIES AND CRITERIA OF SUBSIDY

A category of needy households is recognised for purposes of receiving an indigent subsidy:-

### A. Indigent household with a property value greater than R220 000.00: and electricity consumption less than 400kWh-

- (i) The total household income may not be more than four times the social pension amount plus R1 per month;
- (ii) Average monthly consumption of electricity over the previous 12 months may not exceed 400 kWh;
- (iii) Average monthly consumption of water over the previous 12 months may not exceed 18 kℓ;  
Or: A flow limiter meter will be installed immediately and flow will be limited to a maximum of 18kl per month;
- (iv) Permanently resides in Overstrand;
- (v) Must be a South African citizen; and
- (vi) The applicant may not be the registered owner of more than one property.
- (vii) A property may only be used for residential purposes.

If any of the above criteria is not complied with, the household will immediately be given notice and will, within 4 months, lose the status of “indigent” and the subsidy will be forfeited if the household did not adjust its consumption accordingly.

#### Subsidy

- (i) 100% of the basic levy for electricity for one service point per month;
- (ii) 100% of the basic levy for water for one service point per month;
- (iii) 100% of the basic levy for sewage for one service point per month;
- (iv) 100% of 1 X vacuum tanker service after hours, per annum;
- (v) 100% of the basic levy for refuse removal for one service point per month;
- (vi) 50 kWh of electricity;
- (vii) 6 kℓ of water; and
- (viii) 4,2 kℓ of water consumption for sewerage.

### B. Indigent households with a property value less than R220 000.00 and electricity consumption less than 400kWh (no income restriction):-

- (i) All properties with a municipal valuation of R220 000.00 or less, used for residential purposes, are classified as Indigent;
- (ii) Average monthly consumption of electricity over the previous 12 months may not exceed 400 kWh;
- (iii) Indigent households with a property value less than R220,000.00 may apply for 50 kWh of free electricity units where the household income does not exceed four times the social pension amount, plus R1.00 per month where the average monthly consumption of electricity does not exceed 400 kWh.
- (iv) Average monthly consumption of water over the previous 12 months may not exceed 18 kℓ;  
OR: A flow limiter meter will be installed immediately and flow will be limited to a maximum of 18kl per month;
- (v) The applicant may not be the registered owner of more than one property.
- (vi) A property may only be used for residential purposes.

#### Subsidy

- (i) 100% of the basic levy for electricity for one service point per month;
- (ii) 100% of the basic levy for water for one service point per month;
- (iii) 100% of the basic levy for sewage for one service point per month;
- (iv) 100% of 1 X vacuum tanker service after hours, per annum;
- (v) 100% of the basic levy for refuse removal for one service point per month;
- (vi) 6 kℓ of water;
- (vii) Indigent households with a property value of R220 000.00 or less, may apply for 50kWh of free electricity units where the household income does not exceed four times the social pension amount plus R1 per month and where the average monthly consumption of electricity over the previous 12 months does not exceed 400 kWh; and
- (viii) 4,2 kℓ of water consumption for sewerage.

**C Indigent households with a property value less than R220 000.00 and electricity less than 500kWh (no income restriction):**

- (i) The property value must be less than R220 000.00;
- (ii) The average monthly consumption of electricity by the household over the previous 12 months may not exceed 500kWh;
- (iii) The average monthly consumption of water by the household over the previous 12 months may not exceed 18kℓ;  
OR: A flow limiter meter will be installed immediately and flow will be limited to a maximum of 18kl per month;
- (iv) Must be a resident of Overstrand;
- (v) Must be a South African citizen; and
- (vi) The applicant may not be the registered owner of more than one property.
- (vii) A property may only be used for residential purposes.

**Subsidy**

- (i) 100% of the basic levy for sewage per month for one service point;
- (ii) 100% of the basic levy for refuse removal per month for one service point

**D. Indigent households with a property value greater than R220 000.00 and electricity less than 500kWh (income not exceeding the sum of four times the amount of the state funded social pension) :**

- (i) The total household income may not exceed the sum of four times the amount of the state funded social pensions;
- (ii) The average monthly consumption of electricity by the household over the previous 12 months may not exceed 500kWh;
- (iii) The average monthly consumption of water by the household over the previous 12 months may not exceed 18kℓ;  
OR: A flow limiter meter will be installed immediately and flow will be limited to a maximum of 18kl per month;
- (iv) Must be a resident of Overstrand;
- (v) Must be a South African citizen;
- (vi) the applicant may not be the registered owner of more than one property; and
- (vii) A property may only be used for residential purposes.

**Subsidy**

- (i) 100% of the basic levy for sewage per month for one service point;
- (ii) 100% of the basic levy for refuse removal per month for one service point

**6. APPLICATION FOR A SUBSIDY**

- a. Applications for indigent subsidy must be submitted on the prescribed application form and must be accompanied by the following documentation:-
  - (i) the latest municipal account of the household;
  - (ii) proof of the account holder's identity;
  - (iii) proof of the account holder's income, e.g. a letter from his/her employer, salary slip/envelope, pension card, unemployment insurance fund (UIF) card.; and
  - (iv) proof of medical condition when requiring additional water and electricity.

- b. Incomplete forms or forms without the required documentation attached thereto will be rejected.

#### **7. SWORN STATEMENT**

The applicant must complete the sworn statement that forms part of the application form. Failure to do so will render the application invalid.

#### **8. CONVERSION OF METERS**

The applicant must agree to the conversion to pre-payment electricity meter and flow limiter water meter. Refer clause 3(d) of Policy.

#### **9. PUBLICATION OF NAMES**

The applicant must grant permission for the Municipality to publish his/her name and address on a list of account holders receiving subsidies in terms of this Policy. Refer clause 3(k) of Policy.

#### **10. FALSE OR MISLEADING INFORMATION**

A person who provides false information will be disqualified and be refused further participation in the subsidy scheme. In addition he/she may be held liable for the immediate repayment of any subsidies already granted and legal action may be instituted against the guilty party(ies).

#### **11. CALCULATION OF SUBSIDY**

- (a) The subsidies below will be funded from the “equitable share” contribution received from National Treasury, plus an amount from the Municipality’s own income as budgeted for in the financial year in question. The subsidies will only be granted to qualifying households to the extent that the above mentioned funds are available for allocation.
- (b) The accounts of qualifying applicants are credited monthly by the subsidies calculated in 5A, B, C and D.

#### **12. VERIFICATION**

The Municipality reserves the right to send officials and/or representatives of the Municipality to the household or site of the applicant(s) at any reasonable time with the aim of carrying out an ongoing audit on the accuracy of the information provided by the applicant(s).

#### **13. DURATION OF SUBSIDY**

- a. If an application is approved, the subsidy will be applicable up until the equitable share contribution made from the National Governments’ fiscus and as provided for in the municipal budget is depleted.
- b. If the Municipality obtains information that indicates that the circumstances of the applicant have changed to such an extent that he/she no longer qualifies for the subsidy, the Municipality reserves the right to shorten the subsidy period.
- c. If any of the criteria, as set out in 5A, B, C, and/or D, is not complied with any more, the onus is on the recipient of the subsidy to notify the Municipality within 7 days after such criteria is no longer complied with. If a recipient cannot write, a designated official must be informed in person.
- d. If any of the above criteria is not complied with, the household will immediately be given notice and will lose its Indigent status and the subsidy will be forfeited if the consumption is not adjusted accordingly within three (3) months.

#### **14. ACCOUNTS IN ARREAR**

Applicants, whose municipal accounts show arrear amounts at the time of the application for a subsidy, will have to make arrangements with the Municipality for paying off the amounts in arrears.

#### **15. REGISTER**

- (a) The Municipality will compile a register of households that qualify as “indigent”.
- (b) The register will be updated continually and reconciled with the relevant subsidy account in the general ledger on a monthly basis.

## 16. ENCOURAGEMENT

Councillors should encourage tax payers/customers in their various wards to apply for participation in the indigent subsidy scheme.

## 17. REVIEW AND IMPLEMENTATION PROCESS

This policy will come into effect on 1 July 2016;

This policy will be reviewed at least annually or when required by way of a Council resolution.

<b>POLICY SECTION:</b>	<b>SENIOR MANAGER: REVENUE</b>
<b>CURRENT UPDATE:</b>	
<b>PREVIOUS REVIEW</b>	28 MAY 2015
<b>PREVIOUS REVIEW</b>	28 MAY 2014
<b>PREVIOUS REVIEW</b>	29 MAY 2013
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<b>PREVIOUS REVIEW</b>	31 MAY 2006
<b>APPROVAL BY COUNCIL:</b>	30 JUNE 2004

# **OVERSTRAND MUNICIPALITY**



## **SPECIAL RATING AREA POLICY**

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# OVERSTRAND MUNICIPALITY – SPECIAL RATING AREA POLICY

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## 1. DEFINITIONS

In this Policy words or expressions shall bear the meaning assigned to them and, unless the context otherwise indicates –

<b>"additional rate"</b>	means an additional rate contemplated in sections 19(1) (d) and 22(1) (b) of the Property Rates Act and in section 12(2) of the By-law;
<b>"applicant"</b>	means any owner who makes an application for the determination of a special rating area in accordance with Chapter 1 of the By-law, or if a management body is established in terms of section 10 thereof, any reference to <b>"the Applicant"</b> means the management body;
<b>"business plan"</b>	means a motivation report, implementation plan and term budget as contemplated in section 10 of the By-law;
<b>"By-law"</b>	means the Overstrand Municipality: Special Rating Area By-law;
<b>"CFO"</b>	means the Chief Financial Officer;
<b>"Companies Act"</b>	means the Companies Act, 2008 (Act No. 71 of 2008), as amended or replaced;
<b>"Council"</b>	means the Council of the Overstrand Municipality
<b>"majority"</b>	means the majority of property owners as contemplated in paragraphs 5.5 and 5.6 of the Policy;
<b>"management body"</b>	means the management body of a special rating area to be established in accordance with the provisions of section 11 of the By-law; <b>"owner"</b> has the meaning assigned to it in section 1 of the Property Rates Act;
<b>"Policy"</b>	means the Policy for the determination of special rating areas, or any other policy adopted by the Council in relation to special rating areas, as in force from time to time;
<b>"Property Rates Act"</b>	means the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004);
<b>"rateable property"</b>	has the meaning assigned to it in section 1 of the Property Rates Act;
<b>"special rating area" or "SRA"</b>	means a special rating area approved by the Council in accordance with the provisions of section 22 of the Property Rates Act;
<b>"steering committee"</b>	means the steering committee of a special rating area to be established in accordance with the provisions of paragraph 9.1.1 of the Policy;
<b>"term budget"</b>	means the budget of the management body contemplated in section 6 of the By-law.



# OVERSTRAND MUNICIPALITY – SPECIAL RATING AREA POLICY

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## 2 INTRODUCTION

- 2.1 This Policy for the establishment of special rating areas must be read together with the Property Rates Act and the By-Law.
- 2.2 All words and phrases defined in the Property Rates Act and the By-law have the same meaning in this Policy.
- 2.3 In the event of any conflict between the provisions of the By-law and the provisions of this Policy, the By-law prevails.
- 2.4 The Policy should at all times be read together with the Rates Policy of Overstrand Municipality.

## 3 AIM OF THE POLICY

This Policy aims to –

- 3.1 set out Council's position on special rating areas and the factors that will influence Council's decision whether or not to determine a particular special rating area;
- 3.2 provide guidance to members of the local community and to decision- makers within the Overstrand Municipality in relation to the establishment of special rating areas;
- 3.3 strike an appropriate balance between facilitating self-funded community initiatives that aim to improve and/or upgrade neighborhoods by making use of a non-profit company ("NPC") structure as contemplated in the Companies Act, which is referred to in the By-law as "the management body"; and ensure commitment to good, fair and transparent governance by the management body as defined in the By-law, by implementing a transparent process when appointing service providers to improve and/or upgrade the special rating area in the public areas and ensuring that these improved and/or upgraded services are not provided for private properties.

## 4 EXCLUSION

This Policy does not apply to privately-owned property developments.

## 5 POLICY STATEMENT

- 5.1 The special rating area model is based on international best practice. It is aimed at preventing the degeneration of towns and the consequential urban decay, and facilitating their upliftment, economic growth and sustainable development.
- 5.2 The purposes of a special rating area is to –
  - 5.2.1 enhance and supplement the municipal services provided by the Overstrand Municipality;
  - 5.2.2 facilitate investment in the special rating area;
  - 5.2.3 facilitate a co-operative approach between the Municipality and the private sector in the provision of municipal services;
  - 5.2.4 halt the degeneration and facilitate the upliftment of distressed business and mixed-use areas; and

## OVERSTRAND MUNICIPALITY – SPECIAL RATING AREA POLICY

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- 5.2.5 promote economic growth and sustainable development and in this way assist the Council in the fulfilment of its objects and developmental duties as set out in its Integrated Development Plan ("IDP").
- 5.3 The Overstrand Municipality recognises special rating areas as a potential tool for assisting it to fulfill its constitutional and statutory obligations to allow property owners within a geographical area to improve and upgrade their area by means of a property rate in addition to the standard property rate.
- 5.4 The Overstrand Municipality does not see its role as advocating or initiating the establishment of special rating areas, but rather facilitating the process with guidance and advice and assisting and helping to capacitate management bodies

### **6 FACTORS CONSIDERED WHEN DETERMINING A SPECIAL RATING AREA**

The Council will consider determining a special rating area where the requirements of section 22 of the Property Rates Act are complied with, including that-

- 6.1 the purpose of the special rating area is to allow an additional rate to be levied on property in the defined area to raise funds for improving or upgrading the area;
- 6.2 the special rating area will not be used to reinforce existing inequities in the development of the Overstrand's area of jurisdiction;
- 6.3 the determination of the special rating area is consistent with the IDP;
- 6.4 residential special rating areas mean an area in which more than 40% (forty percent) of the rates base value consists of Residential Property as defined in the Municipalities Rates Policy;
- 6.5 any residential special rating area must comply fully with the provisions of the By-law, save that, with reference to the majority support, the applicant must provide written proof to the Council that owners of rateable property within the boundary of the special rating area who own not fewer than 60% (sixty percent) in number of such properties, approve the formation of the special rating area;
- 6.6 any non-residential special rating area must comply fully with the provisions of the By-law, save that, with reference to the majority support, the applicant must provide written proof to the Council that owners of rateable property within the boundary of the special rating area who own not fewer than 50% (fifty percent) plus 1 in number of such properties, approve the formation of the special rating area;
- 6.7 the procedural requirements of section 22 of the Property Rates Act as well as the By-law and the Policy, are complied with, including the community consultation requirement, as determined by the CFO;
- 6.8 the proposed improvement or upgrade has been clearly and fully defined;
- 6.9 the proposed improvement or upgrade can be clearly and logically linked to a geographical area, the boundaries of which can be clearly determined;
- 6.10 there is evidence that it will be financially viable to use a special rating area to raise funds for the proposed improvement or upgrade;
- 6.11 Overstrand is satisfied with the institutional arrangements proposed in respect of the special rating area; and
- 6.12 ultimately, the decision whether or not to determine a special rating area rests with the Council in its sole discretion.

# OVERSTRAND MUNICIPALITY – SPECIAL RATING AREA POLICY

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## 7 **APPLICABILITY OF THE OVERSTRAND MUNICIPALITIES RATES POLICY AND OTHER POLICIES**

- 7.1 The Overstrand Municipalities rates policy applies with the necessary changes to this Policy. In particular, and without limiting the generality of the foregoing, the exemptions, rebates and reductions set out in the Rates Policy apply with the necessary changes in relation to the levying of an additional rate for special rating area purposes.
- 7.2 Notwithstanding the provisions of paragraph 6.1 above, when the Municipality grants a partial rebate as set out in the Rates Policy, the relevant property owner will be granted a full (100%) rebate in relation to the additional rate.
- 7.3 Other policies approved by the Council apply with the necessary changes to the collection of additional rates in terms of the Policy, the By-Law and section 22 of the Property Rates Act, including, but not limited to, the Overstrand Municipality Credit Control and Debt Collection Policy.

## 8 **PROCESS**

This Policy sets out –

- 8.1 the institutional arrangements for special rating areas (paragraph 8);
- 8.2 the establishment principles (paragraph 9);
- 8.3 the information to be included in the business plan which needs to be submitted to the Overstrand Municipality in order to motivate a request for determination of a special rating area (paragraph 10); and
- 8.4 the annual requirements for Special Rating Areas (paragraph 11);
- 8.5 the amendment and/or extension of term for special rating area (paragraph 12 and 13);
- 8.6 the dissolution requirements which must be followed (paragraph 14);
- 8.7 the financial arrangements (paragraph 15).

## 9 **INSTITUTIONAL ARRANGEMENTS**

Section 22 of the Property Rates Act is not prescriptive as to the structural arrangements which need to be put in place to administer a special rating area. The structural arrangement that will be supported by the Overstrand Municipality is the following:

### 9.1 **Administration by a NPC**

- 9.1.1 The ratepayers within the special rating area must establish and participate in an appropriate structure to carry out planning, contracting, financial control and administrative functions within the special rating area, in order to manage and implement the services and upgrades.
- 9.1.2 This structural arrangement does not entail ratepayers *setting* the additional rate, which under law can only be done by the Council.

## OVERSTRAND MUNICIPALITY – SPECIAL RATING AREA POLICY

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- 9.1.3 Councillors who are actively involved in pursuing and promoting the establishment of a special rating area must recuse themselves when Council considers the application for establishment of a special rating area.
- 9.1.4 Amongst other reasons, because funds collected by government are placed in the hands of the private sector through this structural arrangement, the requirements set out in this Policy must be met.
- 9.1.5 The functions of the structure would include:
- (a) determining the funding required each year (paragraph 15.2);
  - (b) appointing contractors to effect the improvement/s or upgrade/s and
  - (c) receiving the additional rate collected by the Overstrand Municipality and expending the funds in accordance with the approved business plan.
- 9.2 **Structural requirements:**
- 9.2.1 Before Overstrand Municipality will consider allowing ratepayers in a special rating area to carry out administrative and other functions in relation to the area, the Steering Committee must establish a non-profit company ("**NPC**") in terms of the Companies Act for that purpose.
- 9.2.2 The inaugural memorandum of incorporation ("**MOI**") of the NPC must be aligned with the prescribed format determined by the CFO; and any amendments thereto must be approved by the CFO;
- 9.2.3 The NPC must be managed under the Companies Act, and also comply with any other legislation as a result of the financial connection to Council;
- 9.2.4 The NPC must have at least 3 (three) directors, each with specific portfolio(s) aligned with the business plan;
- 9.2.5 the Executive Mayor will appoint councillor(s) as director(s) and alternate director(s) to the board of the management body in accordance with sections 11(4) and 11(5) of the By-law. The director(s) appointed by the Executive Mayor will not have the powers and duties of directors as set out in the Companies Act and the management body's MOI;
- 9.2.6 the NPC must give a written notice to all the affected property owners within the special rating area of the intention to hold a members meeting within six months of the establishment of the NPC and thereafter an annual general meeting ("**AGM**") (paragraph 11.2) on the date stated in the notice by advertising in one English and one Afrikaans daily newspaper and must also give notice in a community (local) newspaper to accommodate other official languages where applicable; and
- 9.2.7 The purpose of the meetings referred to in paragraph 8.2.6 will be to, amongst other items on the agenda,:
- (a) appoint directors, other than the director(s) appointed in terms of paragraph 8.2.5;
  - (b) amend the NPC's MOI if required and with prior written consent of the CFO; and
  - (c) approve the following year's budget and implementation plan (paragraph 15.2).

## 10 ESTABLISHMENT PRINCIPLES OF A SPECIAL RATING AREA

# OVERSTRAND MUNICIPALITY – SPECIAL RATING AREA POLICY

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The process for establishing special rating areas as set out in Chapter 1 of the By-law, must be followed.

## 10.1 Initiation Phase

- 10.1.1 The applicant must form a steering committee that is representative of property owners within the proposed special rating area.
- 10.1.2 The Steering Committee must keep a comprehensive portfolio of evidence of the establishment process.
- 10.1.3 The Steering Committee must meet with the CFO before commencing with the establishment process to ensure that the special rating area is the appropriate vehicle.
- 10.1.4 All documents relating to the establishment process must be approved by the CFO before circulating them to the public.
- 10.1.5 After the Steering Committee confirms in writing that it will engage in the pursuit of establishing a special rating area it must supply the Overstrand Municipality with a map depicting the boundaries of the special rating area.
- 10.1.6 The Overstrand Municipality will extract a property database which the Steering Committee, with the assistance of the Municipality, must verify as correct. Any anomalies must be reported to the Municipality for remedial action.
- 10.1.7 All properties except municipal properties predominantly used for municipal purposes or properties exempted from paying property rates or receiving partial rates relief (paragraph 6.1) will form part of the property database of the proposed special rating area.
- 10.1.8 After the Overstrand Municipality has prepared a total arrears profile of the area and is satisfied with the outcome thereof the Steering Committee may proceed with the establishment process.
- 10.1.9 The Steering Committee will be required to conduct an urban management survey (only one survey per property owner) of not less than 20% of properties in the database (proportional split in terms of the usage code is required). In addition a random sample of people within the area, which is equal in number to not less than 5% of the properties in the database, is also required. Where a reduction in the number of survey forms is required it may be motivated for consideration by the CFO.
- 10.1.10 The Steering Committee must consult with the respective Overstrand Municipality Directorate(s) regarding the current service(s) provided and the levels thereof as well as the SRA anticipated service(s) and level thereof.
- 10.1.11 The Steering Committee must compile a business plan in accordance with the provisions of paragraph 10 of this Policy.

## 10.2 First Public Meeting

- 10.2.1 The public meeting must be conducted in accordance with section 5 of the By-law.

## 10.3 Obtaining Support

- 10.3.1 Support may only be obtained after the public meeting and on the consent form provided by the Overstrand Municipality.
- 10.3.2 All support forms must be filed and cross-referenced to the property database in terms of paragraph 9.1.6 of the Policy to verify the accuracy thereof.

## OVERSTRAND MUNICIPALITY – SPECIAL RATING AREA POLICY

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10.3.3 Any property owner that wants to object to the establishment of a special rating area or to the provisions of the business plan can do so by indicating it on the consent form. The objector will be required to submit an objection letter once an application for the establishment of a special rating area is submitted to Council.

### 10.4 Application

10.4.1 An application must be submitted in terms of paragraph 10 of this Policy.

10.4.2 The application must be advertised in terms of paragraph 8.2.6 and also set a date for a second public meeting to occur not more than twenty days or less than seven days before the objection period closes.

10.4.3 Prior to submitting an application the Steering Committee will be required to set up a website that displays the following:

- application letter;
- business plan;
- urban management perception report;
- public meeting presentations and minutes;
- By-law;
- Policy;
- SRA frequently asked questions;
- notices; and
- blank consent / objection form.

10.4.4 The special rating area application must be submitted by 30 September of the financial year preceding the establishment of the special rating area. The CFO may extend this date if a properly motivated request is received. This will depend on Council's ability to accommodate the late application within the budget process.

### 10.5 Objections

10.5.1 Consents and objections will be considered only if they are submitted to Council by the last day specified in the application notice.

10.5.2 Property owners objecting to the establishment of a special rating area in terms of paragraph 9.3.3 must do so in writing and include a motivation for their objection.

10.5.3 The Steering Committee must engage with all the objectors and provide them and Council with minutes of these meetings. The objector/s will be allowed to respond to the minutes.

10.5.4 Any property owner who wants to make oral representations for submission to Council in terms of section 7(4) of the By-law will be assisted by an official to document this for inclusion in the report to be considered by Council.

### 10.6 Inaugural Phase

10.6.1 The process and appointment of all service providers must be communicated to the property owners on the NPC's website and in newsletters.

## OVERSTRAND MUNICIPALITY – SPECIAL RATING AREA POLICY

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10.6.2 The application form to become a member of the NPC must also be available on the website.

10.6.3 Any special rating area that is approved more than nine months prior to the effective date may:

10.6.3.1 delay the implementation of the special rating area and commence with year two of the business plan. This will imply that the term is effectively reduced by one year; or

10.6.3.2 implement the original business plan.

### 11 BUSINESS PLAN CONTENT

The business plan comprises of the following:

- a motivation report;
- an implementation plan; and
- a term budget.

#### 11.1 Motivation report

The motivation report must contain the following:

##### 11.1.1 Introduction:

11.1.1.1 an executive summary of the improvement or upgrade proposed for the special rating area as set out in the business plan;

11.1.1.2 an explanation of how the proposed improvement or upgrade is linked to the geographical area of the proposed special rating area;

11.1.1.3 an explanation of why the proposed special rating area will not reinforce existing inequities in the development of the Overstrand Municipality;

11.1.1.4 an explanation of how the special rating area, if determined, will be consistent with the Overstrand Municipalities IDP as per the Service Departments' business plans;

11.1.1.5 an explanation of the institutional arrangements proposed in relation to the special rating area;

11.1.2 Vision;

11.1.3 Mission;

11.1.4 Goal;

11.1.5 A diagram clearly indicating the boundaries of the proposed special rating area;

11.1.6 Proposed management structure:

- composition of special rating area board including allocation of portfolios; and
- operational arrangements;

# OVERSTRAND MUNICIPALITY – SPECIAL RATING AREA POLICY

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## 11.1.7 Services:

11.1.7.1 Service providers to be appointed as contemplated in paragraphs 2.1.4 and 9.6.1.

## 11.1.8 Financial Impact:

- provide details regarding the calculation of the additional rate;
- provide details of criteria to qualify for exemption from paying the additional rate as per paragraph 9.1.7;

11.1.9 A list of all rateable properties within the proposed special rating area, contact details of all property owners and the value of each property as set out in the Council's general valuation roll. Differentiation between categories of properties, as provided for in section 8 of the Property Rates Act, must be considered;

11.1.10 Proof of the consent of the majority of the members of the local community in the proposed special rating area who will be liable for paying the additional rate;

11.1.11 Proof of the notice of the public meeting or meetings contemplated in the By-law;

11.1.12 Minutes of the public meeting or meetings; and

11.1.13 Compilation date.

## 11.2 Implementation plan

The implementation plan is a schedule of goals to implement improvements or upgrades as per the motivation report and must at least address the following:

11.2.1 Milestones;

11.2.2 Tasks per milestone;

11.2.3 Start and finish date per task;

11.2.4 Assign responsibility per goal, milestone & task; and

11.2.5 Performance indicators per milestone.

## 11.3 Term budget

11.3.1 The budget for the proposed improvements or upgrades must at least address the following:

11.3.1.1 an annual budget per line item commencing on 1 July of the first year and ending on 30 June of the last year of the term; and

11.3.1.2 a budget split for the provision of improvements or upgrades between the different categories of properties.

11.3.2 subject to the provisions of the Property Rates Act, the additional rate in any category of property must not exceed 25% of the municipal property rate. Any deviation must be fully motivated to Council for consideration.

## 12. ANNUAL REQUIREMENTS

12.1 The NPC must confirm the property data base which the Steering Committee must verify as correct or report anomalies to the Overstrand Municipality for remedial action.



## OVERSTRAND MUNICIPALITY – SPECIAL RATING AREA POLICY

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- 12.2 The NPC must hold its AGM before 31 December as per the MOI requirements.
- 12.3 Within two months of the end of each financial year the NPC must provide the CFO with its Audited Financial Statements for the immediately preceding year.
- 12.4 Within three months after the AGM the NPC must provide Council with its audited Financial Statements for the immediately preceding year and an Annual Report on its progress in carrying out the provisions of the Business Plan in the preceding year to improve and upgrade the Special Rating Area.
- 12.5 The NPC must submit an annual budget and implementation plan for comment by the CFO before approval at the AGM (paragraph 15.2), and ensure that -
- 12.5.1 the quantum of financial reserves is not less than two months of revenue received from the Overstrand Municipality in terms of the approved budget per SRA except if these funds have been duly allocated to a project;
- 12.5.2 the implementation plan is aligned with the proposed budget.
- 12.6 The submission of the annual budget and implementation plan as referred to in paragraph 11.5 will be subject to approval by Council during the municipalities annual budget process.
- 12.7 The NPC must by 31 January each year provide the CFO with a mid- year performance scorecard based on the activities set out in the implementation plan.
- 12.8 The NPC will within one month after the AGM provide the CFO with draft minutes of the AGM to ensure compliance with the legal requirements.
- 13 AMENDMENT TO THE BUSINESS PLAN**
- 13.1 In the event that a NPC seeks to amend the boundaries of the SRA and/or the business plan content then the procedures set out in section 14 of the By-law must be followed and submitted by 30 September.
- 13.2 The following factors, although not limited to, must be addressed in the motivation:
- explanation of impact on costs, budget and implementation plan expectations;
  - cross subsidisation by existing members;
  - fairness and equity;
  - affordability and sustainability of the existing SRA;
  - intention of the legislation prescribing that all property owners; must be allowed to participate in the formation of a SRA;
  - priorities of the new area may differ from the existing SRA priorities; and
  - arrears profile
- 13.3 The boundary changes must not affect the vested rights of existing property owners as per the Business Plan.
- 13.4 Boundary changes are subject to the following criteria:

## OVERSTRAND MUNICIPALITY – SPECIAL RATING AREA POLICY

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- 13.4.1 Obtaining by special resolution the support from existing NPC members at a members meeting before expansion is pursued;
- 13.4.2 Determining the profile of the new total SRA as it could change from non-residential to residential and vice versa;
- 13.4.3 Obtaining the required majority support from the property owners in the new area only, based on the determination referred to in paragraph 12.4.2.
- 13.5 Property owners in the new area must follow the establishment process as per Chapter 1 of the By-law.

### 14 EXTENSION OF THE SRA TERM

In the event that a NPC seeks to extend the term of the special rating area for a further period then the procedures set out in section 15 of the By-law must be followed.

### 15 DISSOLUTION

The special rating area may be dissolved by resolution of the Council in terms of section 16 of the By-law. Thereafter the management body may be wound up in terms of the provisions of section 16 of the By-law and the NPC's MOI.

### 16 FINANCIAL CONTROL

- 16.1 As stated in the By-law, the amount of any additional rate levied in a special rating area is determined by Council. The additional rate is imposed by the Council, is a debt owing to the Overstrand Municipality and is payable and collected in the same manner as other property rates imposed by the Council.
- 16.2 The NPC must submit an annual budget as approved at an AGM or Special General Meeting ("SGM") to the Overstrand Municipality by 31 January, with appropriate motivation including an implementation plan for the next financial year, and the Council will consider the recommendation during its budgeting process.
- 16.3 Before the Overstrand Municipality will pay over any additional rate collected to the NPC, the NPC and the Overstrand Municipality must have concluded a written finance agreement regulating, amongst other things:
  - 16.3.1 the mechanisms and manner of payment;
  - 16.3.2 how the additional rate is to be held by the NPC;
  - 16.3.3 any parameters relating to expenditure; and
  - 16.3.4 any obligations on the NPC to take out and maintain appropriate insurance.
- 16.4 The CFO may request a forensic audit should he deem it necessary.
- 16.5 The CFO may request a special board meeting.

### 17 COMMENCEMENT AND IMPLEMENTATION

- 17.1 Implementation of this Policy commences on 1 July 2016.

## OVERSTRAND MUNICIPALITY – SPECIAL RATING AREA POLICY

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17.2 Where the Overstrand Municipality is legally empowered to do so, requirements set out in this Policy may be imposed as conditions attached to the determination of a special rating area.

17.3 This Policy and its implementation must be reviewed annually.

### 18 COSTS

Unless otherwise agreed by the Municipal Manager or his/her nominee, the Overstrand Municipality shall not be liable for any costs incurred by ratepayers within the relevant proposed special rating area in respect of the implementation of the steps set out in this Policy and in the By-law.

### 19 SHORT TITLE

This policy will be referred to as the **Special Rating Area Policy of the Overstrand Municipality**.

<b>POLICY SECTION:</b>	<b>SENIOR MANAGER: REVENUE</b>
<b>CURRENT UPDATE:</b>	30 MARCH 2016
<b>APPROVAL BY COUNCIL:</b>	

# **OVERSTRAND MUNICIPALITY**



## **ASSET MANAGEMENT POLICY**

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## **1. OBJECTIVE**

- 1.1. To ensure the effective and efficient control of the municipality's assets through:
  - 1.1.1 proper recording of assets from authorisation to acquisition and to subsequent disposal;
  - 1.1.2 providing for safeguarding procedures;
  - 1.1.3 setting proper guidelines as to authorised utilisation; and
  - 1.1.4 prescribing for proper maintenance.
- 1.2. To assist officials in understanding their legal and managerial responsibilities with regard to assets.

## **2. BACKGROUND**

- 2.1. The proper utilization and management of its assets is one of the prime mechanisms by which a municipality can fulfill the constitutional objects for:
  - 2.1.1 Delivery of sustainable services;
  - 2.1.2 Promotion of Social and economic development;
  - 2.1.3 Promoting a safe and healthy environment and,
  - 2.1.4 Providing for the basic needs to the community.
- 2.2. The municipality has a legal and moral obligation to ensure it implements policies to provide for the effective and efficient usage of its assets over the useful life thereof.
- 2.3. The asset management policy deals with the municipal rules required to ensure the enforcement of appropriate stewardship of assets.
- 2.4. Stewardship has three components being the:
  - 2.4.1. Management, utilization and control by municipal officials;
  - 2.4.2. Financial administration by the Director: Finance, and
  - 2.4.3. Physical administration by the Manager: Expenditure & Asset Management.
- 2.5. Statutory provisions exist to protect public property against arbitrary and inappropriate management or disposal by a municipality.
- 2.6. Accounting standards are set to ensure the appropriate financial treatment for property, plant or equipment. The requirements of these accounting standards include:
  - 2.6.1. The compilation of asset registers recording all assets controlled by the municipality;
  - 2.6.2. Accounting treatment for the acquisition, disposal, recording and depreciation of property, plant or equipment, and
  - 2.6.3. The standards to which these financial records must be maintained.

### 3. DEFINITIONS

<b>“Accounting Standards Board”</b>	<i>was established by the Public Finance Management Act to set standards of Generally Recognized Accounting Practice (GRAP) as required by the Constitution of the Republic of South Africa.</i>
<b>“Amortization”</b>	<i>is the systematic allocation of the depreciable amount of an intangible asset over its useful life.</i>
<b>“Assets”</b>	<i>are resources controlled by the municipality as the result of past events and from which future economic benefits or future service potential are expected to flow to the municipality and for the purpose of this policy refers to property, plant and equipment but excludes Investment Properties.</i>
<b>“Asset categories”</b>	<i>are the asset categories as per the Overstrand Asset Register.</i>
<b>“Basic Municipal Services”</b>	<i>means the amount or level of any municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety of the environment and for this Policy includes, but is not restricted to electricity, refuse collection, sanitation, local roads, storm water drainage, fire services and water services.</i>
<b>“Capitalization”</b>	<i>is the recognition of expenditure as an Asset in the Financial Asset Register.</i>
<b>“Carrying amount”</b>	<i>is the amount at which an asset is included in the Statement of Financial Position after deducting any accumulated depreciation and accumulated impairment thereon.</i>
<b>“Control items”</b>	<i>are items of assets that are not significant enough for financial recognition but are valuable enough to warrant special safeguarding.</i>
<b>“Cost”</b>	<i>is the amount of cash or cash equivalents paid or the fair value of the other consideration given or received to acquire an asset at the time of its acquisition or construction.</i>
<b>“Cost of acquisition”</b>	<i>is all the costs incurred in bringing an asset item to the required condition and location for its intended use.</i>
<b>“Depreciation”</b>	<i>is the systematic allocation of the depreciable amount of an asset over its useful life.</i>
<b>“Depreciable amount”</b>	<i>is the cost of an asset, or other amount substituted for cost in the financial statements, less its residual value.</i>
<b>“Director”</b>	<i>is the “head of each Directorate” that has the functional accountability for and control of the physical management of a particular set of assets in order to achieve the municipality’s strategic objectives relevant to that directorate. The execution of this responsibility will require the relevant asset manager to control the acquisition, utilization, management and disposal of this set of assets to optimize the achievement of these objectives.</i>

<b>“Disposal”</b>	<i>in relation to a capital asset, includes:</i> (a) <i>the demolition, dismantling or destruction of the capital asset; or</i> (b) <i>any other process applied to a capital asset which results in loss of ownership of the capital asset otherwise than by way of transfer of ownership.</i>
<b>“Fair value”</b>	<i>is the amount for which an asset could be exchanged between knowledgeable willing parties in an arm’s length transaction.</i>
<b>“Finance Lease”</b>	<i>is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred.</i>
<b>“Financial asset register”</b>	<i>is the control register recording the financial and other key details for all municipal assets recognized in accordance with this policy.</i>
<b>“Fixed Asset”</b>	<i>(also referred to as a “non-current asset”) is an asset with an expected useful life greater than 12 months and includes moveable and immovable assets.</i>
<b>“Grantor”</b>	<i>is the entity that grants the right to use the service concession asset to the operator.</i>
<b>“Heritage Assets”</b>	<i>are assets defined as culturally, environmental, historical, natural, scientific, technological or artistic significant and are held indefinitely for the benefit of present and future generations... Examples are works of art, historical buildings and statues.</i>
<b>“Immovable Assets”</b>	<i>are fixed structures such as buildings and roads. A plant that is built-in to the fixed structures and is an essential part of the functional performance of the primary asset is considered an immovable asset (though it may be temporarily removed for repair).</i>
<b>“Impairment loss” of a cash-generating asset</b>	<i>is the amount by which the carrying amount of an asset exceeds its recoverable amount.</i>
<b>“Impairment loss” of a non-cash-generating asset</b>	<i>is the amount by which the carrying amount of an asset exceeds its recoverable service amount.</i>
<b>“Infrastructure assets”</b>	<i>are defined as any assets that are part of a network of similar assets. Examples are roads, water reticulation schemes, sewerage purification and trunk mains.</i>
<b>“Intangible assets”</b>	<i>are defined as identifiable non-monetary assets without physical substance.</i>
<b>“Investment properties”</b>	<i>are defined as properties that are acquired for economic and capital gains.</i>
<b>“Mandated Function”</b>	<i>involves the delivery of a public service by an operator on behalf of a grantor that falls within the grantor’s mandate.</i>
<b>“Movable Assets”</b>	<i>are the stock of equipment owned or leased by the</i>



	<i>municipality such as office equipment and furniture, motor vehicles and mobile plant.</i>
<b>“operator”</b>	<i>is the entity that uses the service concession asset to provide a mandated function subject to the grantor’s control of the asset.</i>
<b>“Organ of State”</b>	<i>in terms of this policy, means – (a) a national department or national public entity; (b) a provincial department or provincial public entity; (c) a municipality or municipal entity; or (d) any other organ of state within the meaning assigned to “organ of state” in section 239 of the Constitution.</i>
<b>“Other assets”</b>	<i>are defined as assets utilized in normal operations. Examples are plant and equipment, motor vehicles and furniture.</i>
<b>“Prescribe”</b>	<i>means as prescribed by the Minister of Finance by regulation.</i>
<b>“Property, plant or equipment” (PPE)</b>	<i>Means tangible assets that: (a) are held by a municipality for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and (b) are expected to have a useful life extending for more than one financial year.</i>
<b>“Recoverable amount”</b>	<i>is the amount that the municipality expects to recover from the future use of an asset, including its residual value on disposal.</i>
<b>“Residual value”</b>	<i>is the net amount that the municipality expects to obtain for an asset at the end of its useful life after deducting the expected costs of disposal.</i>
<b>“service concession arrangement”</b>	<i>is a contractual arrangement between a grantor and an operator in which: (a) the operator uses the service concession asset to provide a mandated function on behalf of the grantor for a specified period of time; and (b) the operator is compensated for its services over the period of the service concession arrangement.</i>
<b>“service concession asset”</b>	<i>is an asset used to provide a mandated function in a service concession arrangement that: a) is provided by the operator which: i. the operator constructs, develops, or acquires from a third party; or ii. is an existing asset of the operator; or b) is provided by the grantor which: i. is an existing asset of the grantor; or ii. is an upgrade to an existing asset of the grantor.</i>
<b>“Useful life”</b>	<i>is either: (a) the estimated period of time over which the future economic benefits or future service potential embodied in an asset are expected to be consumed by the</i>

	<p><i>municipality, or</i></p> <p><i>(b) the estimated total service potential expressed in terms of production or similar units that is expected to be obtained from the asset by the municipality.</i></p>
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#### 4. STATUTORY AND REGULATORY FRAMEWORK

- 4.1. This policy must comply with all relevant legislative requirements including:
- 4.1.1 The Constitution of the Republic of South Africa, 1996
  - 4.1.2 Municipal Structures Act, 1998
  - 4.1.3 Municipal Systems Act, 2000
  - 4.1.4 Division of Revenue Act (enacted annually)
  - 4.1.5 Municipal Finance Management Act No 56 of 2003
  - 4.1.6 Local Government: Municipal Asset Transfer Regulations, 2008
- 4.2. Also, this policy must comply with the standards specified by the Accounting Standards Board. The relevant currently recognized accounting standards include:
- 4.2.1 GRAP 5 Borrowing Costs
  - 4.2.2 GRAP 11 Construction Contracts
  - 4.2.3 GRAP 12 Inventories
  - 4.2.4 GRAP 13 Leases
  - 4.2.5 GRAP 16 Investment property
  - 4.2.6 GRAP 17 Property, Plant and Equipment
  - 4.2.3 GRAP 21 Impairment of Non Cash Generating Assets
  - 4.2.4 GRAP 26 Impairment of Cash Generating Assets
  - 4.2.5 GRAP 31 Intangible Assets (Previously GRAP 102)
  - 4.2.6 GRAP 32 Service Concession Arrangements: Grantor
  - 4.2.7 GRAP 100 Discontinued Operations
  - 4.2.8 GRAP 103 Heritage Assets
- 4.3. This policy does not overrule the requirement to comply with other policies such as Supply Chain Management policy, Budget policies or the Administration of Immovable Assets policy.

#### 5. RESPONSIBILITIES AND ACCOUNTABILITIES

- 5.1. **The Municipal Manager** is responsible for the management of the assets of the municipality, including the safeguarding and the maintenance of those assets.
- 5.2. **The Municipal Manager** must take all reasonable steps to ensure that:
- 5.2.1 the municipality has and maintains a management, accounting and information system that accounts for the assets of the municipality;
  - 5.2.2 the municipality's assets are valued in accordance with standards of GRAP;

5.2.3 the municipality has and maintains a system of internal control of assets, including an asset register, and

5.2.4 the Directors comply with this policy.

**5.3. The Director: Finance** is responsible to the Municipal Manager to ensure that the financial investment in the municipality's assets is properly recorded.

5.3.1. The Director: Finance must take all reasonable steps to ensure that:

- a) appropriate systems of financial management and internal controls are established and carried out diligently;
- b) the financial and other resources of the municipality are utilized effectively, efficiently, economically and transparently;
- c) any unauthorized, irregular or fruitless or wasteful expenditure, and losses resulting from criminal or negligent conduct, are prevented;
- d) the systems, processes and registers required to substantiate the financial values of the municipality's assets are maintained to standards sufficient to satisfy the requirements of all statutes;
- e) financial processes are established and maintained to ensure the municipality's financial resources are optimally utilized through appropriate asset plans, budgeting, purchasing, maintenance and disposal decisions;
- f) the Municipal Manager is appropriately advised on the exercise of powers and duties pertaining to the financial administration of assets, and
- g) the Directors are appropriately advised on the exercise of their powers and duties pertaining to the financial administration of assets.

5.3.2. The Director: Finance may delegate or otherwise assign responsibility for performing these functions but will remain accountable for ensuring these activities are performed.

**5.4. The Directors** must take all reasonable steps to ensure that:

- 5.4.1 appropriate systems of physical management and controls are established and carried out for assets in their areas of responsibility;
- 5.4.2 the municipal resources assigned to them are utilized effectively, efficiently, economically and transparently;
- 5.4.3 the assets under their control are appropriately safeguarded and maintained to the extent necessary and that risk management systems are in place and applied;
- 5.4.4 any unauthorized, irregular or fruitless or wasteful expenditure, and losses resulting from criminal or negligent conduct, are prevented;
- 5.4.5 their asset management systems and controls can provide an accurate, reliable and up to date account of assets under their control;
- 5.4.6 they are able to justify that their asset plans, budgets, purchasing, maintenance and disposal decisions optimally achieve the municipality's strategic objectives;
- 5.4.7 the purchase of assets complies with all municipal policies and procedures;

- 5.4.8 all moveable property, plant and equipment is duly processed and identified when it is received into his/her stewardship;
- 5.4.9 all moveable assets received into his/her stewardship are appropriately safeguarded for inappropriate use or loss. This will include control over the physical access to these assets and regular asset counts to ensure any losses have not occurred. Any known losses should be immediately reported to the Director: Finance, and
- 5.4.9 assets are appropriately utilized for the purpose for which the municipality acquired them.
- 5.4.10 The Manager may delegate or otherwise assign responsibility for performing these functions but will remain accountable for ensuring these activities are performed.

## **5.5 Safe-guarding of assets.**

Directors shall be directly responsible for the physical safe-guarding of any fixed asset controlled or used by the department in question.

In exercising this responsibility, Directors shall adhere to the stipulations of this policy as well as any other written directives issued by the municipal manager to the department in question, or generally to all departments, in regard to the control of or safe-guarding of the municipality's fixed assets.

## **6. FINANCIAL MANAGEMENT**

### **6.1 Approval to acquire Property, Plant or Equipment**

Money can only be spent on a capital project if:

- 6.1.1 the money has been appropriated in the capital budget, and the future annual operations and maintenance needs have been calculated and have been budgeted for in the operations budget;
- 6.1.2 the project, including the total cost and funding sources, has been approved by Council;
- 6.1.3 the Director: Finance confirms that funding is available for that specific project, and
- 6.1.4 the Supply Chain Management prescripts/procedures have been adhered to.

### **6.2 Funding period of capital projects**

The acquisition of assets will not be funded over a period longer than the useful life of that asset.

### **6.3 Disposal of assets**

- 6.3.1 The municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of an asset needed to provide the minimum level of basic municipal services, unless such asset is obsolete or surplus to requirements or beyond a state of good repair or being replaced and provided that the delivery of the minimum level of basic municipal services must not be compromised as a result of the disposal of the asset.

- 6.3.2 The decision that a specific asset is not needed to provide the minimum level of basic municipal services, may not be reversed by the municipality after that asset had been sold, transferred or otherwise disposed of.
- 6.3.3 The disposal of an item of property, plant or equipment must be fair, equitable, transparent, competitive and cost effective and comply with a prescribed regulatory framework for municipal supply chain management and the Supply Chain Management Policy of the municipality.
- 6.3.4 The transfer of assets to another municipality, municipal entity, national department or provincial department is excluded from these provisions, provided such transfer is being done in accordance with a prescribed regulatory framework.
- 6.3.5 Directors shall report in writing to the Director: Finance on all fixed assets controlled or used by the department concerned, which such Director wishes to alienate by public auction or public tender. The Director: Finance shall thereafter consolidate the requests received from the various departments, and shall promptly report such consolidated information to the council or the municipal manager of the municipality, as the case may be, recommending the process of alienation to be adopted.
- 6.3.6 Once the fixed assets are alienated, the Director: Finance shall de-recognize the asset from the accounting records and the fixed asset register.
- 6.3.7 All gains and losses realized on the alienation of fixed assets shall be accounted for according to section 11.13 below (Accounting treatment on disposal).
- 6.3.8 Disposal of immovable property is dealt with in terms of the Administration of Immovable Property Policy.

#### **6.4 Loss, Theft, Destruction or Impairment of fixed assets**

Directors shall ensure that any incident of loss, theft, destruction, or material impairment of any fixed asset controlled or used by the department in question is promptly reported in writing to the Director: Finance, to the internal auditor, and – in cases of suspected theft or malicious damage – also to the South African Police Service.

### **7. INTERNAL CONTROLS**

#### **7.1 Financial Asset registers**

- 7.1.1 Establishment and Management of the Financial Asset Register:
  - a) The Director: Finance will establish and maintain the Asset Register containing key financial data on each item of Assets that satisfies the criterion for recognition.
- 7.1.2 Contents of the Financial Asset Register:
  - a) The fixed asset register shall be maintained in the format determined by the Director: Finance, which format shall comply with the requirements of generally recognized accounting practice (GRAP) and any other accounting requirements which may be prescribed.

- b) Directors under whose control any fixed asset falls shall promptly provide the Director: Finance in writing with any information required to compile the fixed asset register, and shall promptly advise the Director: Finance in writing of any material change which may occur in respect of such information.

7.1.3 Internal Controls over the Financial Asset Registers:

- a) Controls around the asset registers should be sufficient to provide Directors with an accurate, reliable and up to date account of assets under their control to the standards specified by the Director: Finance and required by relevant legislation.
- b) These controls will include the physical management and recording of all acquisitions, assignments, transfers, losses and disposals of assigned assets as well as regular asset counts and systems audits to confirm the adequacy of controls.
- c) The Municipal Manager shall ensure that the municipality maintains a fixed asset identification system which shall be operated in conjunction with its computerized fixed asset register.

**7.2 Responsibilities: Physical Receipting and Management**

- 7.2.1 The Manager: Expenditure & Asset Management will undertake **at least a bi-annual** count of assets as part of the annual reporting process.
- 7.2.2 The date of acquisition of assets is deemed to be the time when legal title and control passes to the municipality.
- 7.2.3 The date of acquisition of assets may vary for different categories of assets but will be the point of time when the **asset is in the final condition and location as intended for use by the Director**.
- 7.2.4 A Director must advise the Director: Finance, in writing, of capital work-in-progress at the end of the financial year.
- 7.2.5 A Director must advise the Director: Finance, promptly in writing whenever capital work-in-progress is completed, for inclusion in the Asset Register.

**7.3 Transfers between Directors**

7.3.1 Permanent transfers to another Manager

- a) A Director retains managerial accountability and control for a particular asset unless:
  - i. another Director agrees in writing to accept responsibility for the assets, and
  - ii. the Director: Finance endorses the transfer.
- b) The Finance Directorate must appropriately amend the Financial Asset register by accounting for all approved transfers.
- c) The Director to whom the asset is transferred must assume accountability for the transferred asset.

7.3.2 Relocation or Re-assignment of Assets:

- a) A Director must ensure that assets are appropriately safeguarded for loss, damage or misuse wherever it is located. Safeguarding includes ensuring reasonable physical restrictions.



- b) A Director must advise the Director: Finance, in writing, whenever an asset is permanently relocated or reassigned from the location (or base) or cost centre recorded in the Financial Asset Register.
- c) A Director must advise the Director: Finance, in writing, whenever an asset is temporarily relocated or reassigned from the location (or base) or cost centre recorded in the Financial Asset Register. In this case, the Director must also advise the Director: Finance when the asset is returned. In the case of assets being utilized in the normal course of operations away from its base, such as vehicles, reporting is not necessary.

#### **7.4 Verification of fixed assets**

- 7.4.1 Directors shall at least twice during each year undertake a comprehensive verification of all fixed assets controlled or used by the department concerned.
- 7.4.2 Directors shall promptly and fully report in writing to the Director: Finance in the format determined by the Director: Finance, all relevant results of such fixed asset verification. The resultant reports shall be submitted by Directors, to the Director: Finance, by not later than 30 days after the last day of the period in question.

#### **7.5 Insurance of fixed assets**

- 7.5.1 The Municipal Manager shall ensure that movable fixed assets are insured at least against fire and theft, and that all municipal buildings are insured at least against fire and allied perils.
- 7.5.2 If the municipality operates a self-insurance reserve (assuming such reserve to be allowed), the Director: Finance shall annually determine the premiums payable by the departments or votes after having received a list of the fixed assets and insurable values of all relevant fixed assets from the Directors concerned.

#### **7.6 Recovery of loss**

- 7.6.1 An Asset Loss Control Committee, appointed by the Accounting Officer, must be established to investigate all losses and to consider the settlement of all insurance claims falling within the relevant excess limits.
- 7.6.2 The Asset Loss Control Committee must comprise of a representative from each of the following departments namely Legal Services, Human Resources (Labour Relations) and Finance (Asset Management). Additional to this standing committee members, the senior manager within who's vote the transaction occurs, must attend, or must appoint a senior official for his/her department or division to represent the senior manager.
- 7.6.3 Where applicable, the decision of the committee must be communicated to the Human Resource Department for referral to the relevant department, in order to institute disciplinary action to recover any possible loss.

### **8. MANAGEMENT OF CONTROL ITEMS**

- 8.1 Assets costing less than R2 000 but more than R500 are deemed to be control items unless that type of asset is specifically excluded by the Director: Finance. Items costing less than R500 are deemed to be consumables.
- 8.2 The requirements to manage control items includes:
- Receipting and bar-coding of these items.
  - Maintaining and updating a register.
  - Regular asset counts by the assigned person to ensure these control items are being appropriately safeguarded.
  - Recording and reporting of any disposal, transfer or loss of control items by the assigned official to the CFO and adjustment of the control items register.
- 8.3 Control items will **not** be:
- capitalized as an asset,
  - depreciated,
  - revalued,
  - recorded in the financial asset register, or
  - otherwise treated as an asset.

## **9. MANAGEMENT AND OPERATION OF ASSETS**

### **9.1 Accountability to manage assets**

- Each Director is accountable to ensure that municipal resources assigned to him are utilized effectively, efficiently, economically and transparently.
- Directors need to manage assets under their control to provide the required level of service or economic benefit at the lowest possible long-term cost.

### **9.2 Reporting on Impeding Issues**

- Each Director should report to the Municipal Manager on issues that will significantly impede the assets capability to provide the required level of service or economic benefit.

## **10. CLASSIFICATION & COMPONENTS**

### **10.1 Classification of assets**

- 10.1.1 Any asset recognized as an asset under this policy will be classified according to categories as per the Overstrand Asset Register.
- 10.1.2 All fixed assets should be classified under the following headings in the Asset Register:
- a) Property, plant and equipment:**
- land
  - buildings (not held as investment assets)community assets (resources contributing to the general well-being of the community)infrastructure assets (assets which are part of a network of



similar assets) other assets (ordinary operational resources, consisting of Furniture, Equipment and Vehicles)

**b) Heritage Assets**

- heritage assets (culturally, environmental, historical, natural, scientific, technological or artistic significant assets)

**c) Investment property**

- investment assets (resources held for capital or operational gain)

**d) Intangible Assets**

- non-monetary assets without physical substance such as computer software, licenses etc.

**e) Leased Assets**

- asset financed through a lease arrangement such as cell phone contracts or finance leases

**f) Service Concession asset**

- is the asset used in a service concession agreement in order to provide services to the public within the juristic boundaries of the municipality
- Examples hereof include water treatment plants being operating by a third party or a toll road operated by a third party if the conditions of GRAP 32 are met

10.1.3 The Director: Finance may agree to subdivide these classifications further. This decision will be noted as an amendment to the Asset Register of the Overstrand Municipality.

**10.2 Treatment of Major Components**

- All parts of an asset that is significant to the cost of the item as a whole shall be treated as a separate major component and each major component shall be treated as described below.
- A Director may, with agreement of the Director: Finance, treat other non-significant parts as major components of an item of property plant or equipment as a separate asset for the purposes of this policy.
- These major components may be defined by its physical parameters (e.g. a reservoir roof) or its financial parameters (e.g. a road surface).
- In agreeing to these treatments the Director: Finance must be satisfied that these components:
  - have a significantly different useful life or usage pattern to the main asset,
  - align with the asset management plans,
  - justify the costs of separate identification,
  - have probable future economic benefits or potential service delivery associated with the asset which will flow to the municipality,

- *is such that the cost of the asset to the municipality can be measured reliably,*
- *is such that the municipality has control over the asset,*
- *is such that the costs is above the recognition threshold, and*
- *is such that the asset is expected to be used during more than one financial year.*

Once a major component is recognized as a separate asset, it may be acquired, depreciated and disposed of as if it was a separate asset.

## **11. ACCOUNTING FOR ASSETS**

### **11.1 Recognition of assets**

- An item of property, plant or equipment will be recognized as an asset when:
  - *it is probable that future economic benefits or potential service delivery associated with the asset will flow to the municipality,*
  - *the cost of the asset to the municipality can be measured reliably,*
  - *the municipality has control over the asset,*
  - *the costs are above the recognition threshold, and*
  - *the asset is expected to be used during more than one financial year.*

### **11.2 Initial measurement**

- An item of property, plant or equipment that qualifies for recognition as an asset should be initially measured at its “cost of acquisition”.
- This “cost of acquisition” usually include the following:
  - *Purchase costs (less any discounts given)*
  - *Delivery costs*
  - *Installation costs*
  - *Professional fees for architects and engineers*
  - *Import duties*
  - *Non-refundable taxes*
  - *Site development costs*
  - *Contractor fees*

### **11.3 Donations or exchanges**

Where an item of property plant or equipment is acquired at no cost, or for a nominal cost, it will be initially measured at its fair value as at the date of acquisition and included in the asset register if the fair value is greater than the recognition threshold.

### **11.4 Recognition threshold**

- To ensure efficiency in the administration of this policy, the recognition of property plant or equipment as an asset will be limited to items costing R2 000

or more, after deduction of refundable taxes( unless specifically included by the Director: Finance).

- When a number of similar individual items, with a cost price of more than R500 but less than R2 000 per item, exclusive of non-claimable VAT, are purchased in bulk in a single order purchase, these items are regarded as individual assets and are captured on the Fixed Asset Register as such.
- The acquisition of property, plant or equipment costing more than R500, but less than R2 000, after deduction of refundable taxes, will be expensed but management will need to comply with the policy on managing control items.

#### **11.5 Carrying amount of assets**

Subsequent to initial recognition as an asset, an item of property, plant or equipment should be carried at its cost of acquisition less any accumulated depreciation and accumulated impairments.

#### **11.6 Depreciation**

- All fixed assets, except land and heritage assets, shall be depreciated.
- The depreciable amount of an item of property, plant or equipment should be allocated on a systematic basis over its useful life.
- The depreciation method used should reflect the pattern in which economic benefits or potential service provisions are consumed by the municipality.
- The depreciation charge for each period will be recognized as an expense against the budget of the relevant Director unless it is included in the carrying amount of another asset.
- The depreciation method used shall reflect the pattern in which the assets future economic benefits or service potential are expected to be consumed by the municipality.
- A variety of depreciation methods can be used to allocate the depreciable amount of an asset on a systematic basis over its useful life. These methods include the straight-line method, the diminishing balance method and the units of production method. Straight-line depreciation results in a constant charge over the useful life if the asset's residual value does not change. The diminishing balance method results in a decreasing charge over the useful life. The units of production method results in a charge based on the expected use or output. The entity selects the method that most closely reflects the expected pattern of consumption of the future economic benefits or service potential embodied in the asset. That method is applied consistently from period to period unless there is a change in the expected pattern of consumption of those future economic benefits or service potential.
- The depreciation method will be the straight-line method unless otherwise agreed to in writing by the Director: Finance.
- Depreciation shall be calculated from the day the fixed asset is available for use (GRAP 17).
- Directors, acting in consultation with the Director: Finance, shall ensure that reasonable budgetary provision is made annually for the depreciation of all applicable fixed assets controlled or used by the department in question or expected to be so controlled or used during the ensuing financial year.

- The procedures to be followed in accounting and budgeting for the amortization of intangible assets shall be identical to those applying to the depreciation of other fixed assets.

#### **11.7 Initial determination of useful life**

- Directors need to determine the useful life of a particular item or class of asset through the development of a strategic asset management plan. The determination of useful life should be developed as part of any pre-acquisition planning that would consider, inter alia, the following factors:
  - The program that will optimize the expected long term costs of owning that asset,
  - Economic obsolescence because it is too expensive to maintain,
  - Functional obsolescence because it no longer meets the municipality's needs,
  - Technological obsolescence,
  - Social obsolescence due to changing demographics, and
  - Legal obsolescence due to statutory constraints.
- The Table of Useful Lives is provided in the MFMA Local Government Capital Asset Management Guideline. These should be used as a guide to the minimum useful lives only because actual asset lives experienced greatly exceed those recommend lives.

#### **11.8 Review of useful life**

- Only the Director: Finance may amend the useful operating life assigned to any fixed asset, and when any material amendment occurs, the Director: Finance shall inform the council of the municipality of such amendment.
- The Director: Finance shall amend the useful operating life assigned to any fixed asset if it becomes known that such asset has been materially impaired or improperly maintained to such an extent that its useful operating life will not be attained, or any other event has occurred which materially affects the pattern in which the asset's economic benefits or service potential will be consumed.
- The useful life of an item of property, plant or equipment should be reviewed annually and if these revised expectations are significantly different from previous estimates, then the depreciation charge for the current and future periods should be adjusted and the additional depreciation expenses shall be debited to the department or vote controlling or using the fixed asset in question.

#### **11.9 Review of depreciation method**

- The depreciation method applicable to property, plant or equipment should be reviewed annually, and if there has been a significant change in the expected pattern of economic benefits or potential service delivery from those assets, the method should be changed to reflect the changed pattern.
- When such a change in depreciation method is necessary the change should be accounted for as a change in accounting and the depreciation charge for the current and future periods should be adjusted.

#### 11.10 Subsequent expenditure on property plant or equipment

- Subsequent expenditure relating to an item of property, plant or equipment that meets the definition of an asset should be added to the carrying amount of the asset when such expenditure will increase the useful life of the asset or increase the efficiency of the asset or reduce the cost of operating the asset, resulting in financial or service delivery benefits.
- All other expenditure should be recognized as an expense in the period in which it occurred.
- Before allowing the capitalization of subsequent expenditure, the Director: Finance must be satisfied that this expenditure will significantly:
  - increase the life of that asset beyond that stated in the asset register, or
  - increase the quality of service provided by that asset beyond the existing level of service, or
  - increase the quantity of services that asset can provide, or
  - reduce the future assessed costs of maintaining that asset.

Expenditure that is proposed to be capitalized must also conform to recognition criteria for assets and should also be appropriately included in the approved capital budget.

#### 11.11 Impairment of assets

The accounting treatment relating to impairment losses is outlined as follows in **GRAP 21 & 26**:

The carrying amount (Book value) of an item or a group of identical items of property, plant and equipment should be reviewed periodically in order to assess whether or not the recoverable amount has declined below the carrying amount.

Recoverable amount is the amount that the municipality expects to recover from the future use of an asset, including its residual value on disposal. When such a decline has occurred, the carrying amount should be reduced to the recoverable amount. The amount of the reduction should be recognized as an expense immediately.

The recoverable amount of individual assets, or groups of identical assets, is determined separately and the carrying amount reduced to recoverable amount on an individual asset, or group of identical assets, basis. However, there may be circumstances when it may not be possible to assess the recoverable amount of an asset on this basis, for example when all of the plant and equipment in a sewerage purification work is used for the same purpose. In such circumstances, the carrying amount of each of the related assets is reduced in proportion to the overall decline in recoverable amount of the smallest grouping of assets for which it is possible to make an assessment of recoverable amount.

The following may be indicators that an item of PPE has become impaired:

- The asset has been damaged.
- The asset has become technologically obsolete.
- The asset remains idle for a considerable period either prior to it being put into use or during its useful life.

- Land is purchased at market value and is to be utilized for subsidized housing developments, where the subsidy is less than the purchase price.

**Example:**

An example of where the municipality has suffered an impairment loss is the purchase of land for an amount of R 5 000 000. The land will be utilized for new subsidized housing developments. If at year end the expectation is that the Municipality will receive only R 1 000 000 by way of subsidies an impairment loss of R4 000 000 needs to be recognized. The recoverable amount (R 1 m) is calculated as being the larger of:

- **Net Selling price** of the land which is the amount obtainable from the sale of the market in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.
- **Value in use** of the land which is the present value of the estimated future net cash inflows expected from the continuing use of the asset and from its disposal at the end of its useful life.

**The following steps will have to be performed regularly during the year to account for impairment losses:**

- Directorates will identify and inform Finance Department - Asset Control of assets that:
  - Are in a state of damage at year end.
  - Are technologically obsolete at year end. This can be facilitated if Directorates require Finance Department - Asset Control, to supply them with a Fixed Asset Register pertaining to major assets showing the remaining useful lives of assets. The Directorates can then assess and indicate cases where the assessed remaining useful life is shorter than the remaining useful life on the printout.
  - Have remained idle for a considerable period either prior to them being put into use at year end or during their useful life.
  - Are subject to impairment losses because the subsidies to be received in exchange for assets are less than the carrying amounts. An example of this is Land that is purchased at market value and is to be utilized for subsidized housing developments.
- The recoverable amounts of these assets need to be calculated by calculating the Net selling Price per asset as defined above.
- The impairment loss per asset needs to be calculated as the difference between the Net selling price and the book value of the asset.
- The impairment loss needs to be accounted for by identifying the relevant funding source.
- The carrying amount of an asset should be reviewed annually to assess whether or not the recoverable amount has declined below the carrying amount.
- When such a decline has occurred, the carrying amount should be reduced to the recoverable amount.



- The amount of the reduction should be recognized as an impairment expense immediately, unless it reverses a previous revaluation in which case it should be charged to the Revaluation Reserve.
- For assets providing economic benefits, the recoverable amount is the net present value of future ownership.
- For assets providing future service delivery, the recoverable amount is the remaining proportional to its useful life, service capacity or quality of service that is not intended to be restored by normal maintenance programs.

#### **11.12 Subsequent increase in recoverable amount**

- A subsequent increase in the recoverable amount of an asset, previously written down due to a decline in the carrying amount, should be written back when the circumstances and events that led to the write-down or write-off cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future.
- The amount written back should be reduced by the amount that would have been recognized as depreciation had the write-down or write-off not occurred.

#### **11.13 Accounting treatment on Disposal**

- An item of property, plant or equipment should be eliminated from the Statement of Financial Position, on disposal or when the asset is permanently withdrawn from use and no future economic benefits or potential service delivery is expected from its disposal, in accordance with GRAP 100.
- Gains or losses arising from the retirement or disposal of an item of property, plant or equipment should be determined as the difference between the actual or estimated net disposal proceeds and the carrying amount of the asset, and should be recognized as revenue or expense in the Statement of Financial Performance.
- All gains realized on the alienation of fixed assets shall be appropriated annually to the municipality's Capital Replacement Reserve (except in the cases outlined below), and all losses on the alienation of fixed assets shall remain as expenses on the Statement of Financial Performance of the department or vote concerned. If, however, both gains and losses arise in any one financial year in respect of the alienation of the fixed assets of any department or vote, only the net gain (if any) on the alienation of such fixed assets shall be appropriated.

#### **11.14 Reinstatement, maintenance and other expenses**

Only expenses incurred in the enhancement of a fixed asset (in the form of improved or increased services or benefits flowing from the use of such asset) or in the material extension of the useful operating life of a fixed asset shall be capitalized.

Expenses incurred in the maintenance or reinstatement of a fixed asset shall be considered as operating expenses incurred in ensuring that the useful operating life of the asset concerned is attained, and shall not be capitalised, irrespective of the quantum of the expenses concerned.

Expenses which are reasonably ancillary to the bringing into operation of a fixed asset may be capitalized as part of such fixed asset. Such expenses may include but need not be limited to import duties, forward cover costs, transportation costs, installation, assembly and communication costs.

The following matrix will assist in distinguishing capital expenditure from maintenance expenditure: -

Capital Expenditure	Maintenance
<ul style="list-style-type: none"> <li>▪ Acquiring a new asset</li> <li>▪ Replacing an existing asset</li> <li>▪ Enhancing an existing asset so that its use is expanded</li> <li>▪ Further developing an existing asset so that its original useful life is extended</li> </ul>	<ul style="list-style-type: none"> <li>▪ Restoring an asset so that it can continue to be used for its intended purpose</li> <li>▪ Maintaining an asset so that it can be used for the period for which it was initially intended.</li> </ul>

#### 11.15 Assets held under leases

**Finance leases** are leases, which in effect transfer all risks and rewards associated with the ownership of an asset from the lessor to the lessee. Assets held under finance leases are capitalized by the municipality and reflected as such in the FAR. It will be capitalized at its leased value at commencement of the lease, which will be the price stated in the lease agreement. The asset is then depreciated over its expected useful life.

**Operating leases** are those leases which do not fall within the scope of the above definition. Operating lease rentals are expensed as they become due. Assets held under operating leases are not accounted for in the asset registers of the municipality.

#### 11.16 Investment property

Investment assets shall be accounted for in terms of GRAP 16 and shall not be classified as property, plant and equipment for purposes of preparing the municipality's statement of position.

Investment assets shall comprise land or buildings (or parts of buildings) or both held by the municipality, as owner or as lessee under a finance lease, to earn rental revenues or for capital appreciation or both.

Investment assets shall be recorded in the fixed assets register in the same manner as other fixed assets, but a separate section of the fixed assets register shall be maintained for this purpose.

**Decide on which accounting model, cost or fair value, the municipality will apply to investment property.**

##### **Fair value**

Investment assets shall not be depreciated, but shall be annually valued to determine their fair (market) value. Investment assets shall be recorded in the Statement of Financial Performance at such fair value. Adjustments to the previous year's recorded fair value shall be accounted for as either gains (revenues) or losses (expenses) in the accounting records of the department or service controlling the assets concerned.

If the council of the municipality resolves to construct or develop a property for future use as an investment property, such property shall in every respect be accounted for as an ordinary fixed asset until it is ready for its intended use – where-after it shall be re-classified as an investment asset.



#### **11.17 Fixed assets treated as inventory**

Any land or buildings owned or acquired by the municipality with the intention of selling such property in the ordinary course of business, or any land or buildings owned or acquired by the municipality with the intention of developing such property for the purpose of selling it in the ordinary course of business, shall be accounted for as inventory, and not included in either property, plant and equipment or investment property in the municipality's statement of position.

Such inventories shall, however, be recorded in the fixed assets register in the same manner as other fixed assets, but a separate section of the fixed assets register shall be maintained for this purpose.

#### **11.18 Recognition of heritage assets in the fixed asset register**

If no original costs or fair values are available in the case of one or more or all heritage assets, the Director: Finance may, if it is believed that the determination of a fair value for the assets in question will be a laborious or expensive undertaking, record such asset or assets in the fixed asset register without an indication of the costs or fair value concerned.

For Statement of Financial Performance purposes, the existence of such heritage assets shall be disclosed by means of an appropriate note.

#### **11.19 Other write-offs of fixed assets**

The only reasons for writing off fixed assets, other than the alienation of such fixed assets, shall be the loss, theft, and destruction or material impairment of the fixed asset in question.

In every instance where a not fully depreciated fixed asset is written off, the Director: Finance shall immediately debit to such department or vote, as additional depreciation expenses, the full carrying value of the asset concerned.

#### **11.20 General maintenance of fixed assets**

Every Director shall be directly responsible for ensuring that all assets are properly maintained and in a manner which will ensure that such assets attain their useful operating lives.

#### **11.21 Service Concession arrangements**

A service concession arrangement is governed through a contractual arrangement between the municipality and an independent third party (operator). It involves the creation and/or use of an existing municipal asset in order to provide services to the general public. The asset can be provided by the municipality or the arrangement can specify that the operator must create a new asset for purposes of the providing the services on behalf of the municipality (grantor).

If the municipality provides the asset (i.e. it is an existing asset that the operator uses), no liability needs to be created in relation to the assets used by the operator. However, in the case that the operator has to create a new asset in order to fulfill the obligations of the agreement, an asset and liability needs to be created in order to account for the asset.

Assets held under a concession agreement must be separately disclosed similarly to assets acquired through a lease agreement.

The assets held under the service concession agreement is under the control of the Director of Infrastructure and such director must report annually to the Director of

finance of the status of the asset, such as any impairments, replacement parts, improvements etc. to the service concession assets. These assets would be disclosed in terms of the requirements of GRAP 32: *Service Concession Arrangements: Grantor*.

## 12. FINANCIAL DISCLOSURE

Assets must be disclosed, in respect of each class of property, plant and equipment, in accordance with Generally Recognized Accounting Practice.

## 13. IMPLEMENTATION AND REVIEW PROCESS

13.1 This policy will come into effect on 1 July 2016;

13.2 This policy will be reviewed at least annually or when required by way of a Council resolution.

## 14. SHORT TITLE

This policy will be known as the Asset Management Policy of the Overstrand Municipality.

POLICY SECTION:	SENIOR MANAGER: EXPENDITURE AND ASSET MANAGEMENT
CURRENT UPDATE:	
PREVIOUS REVIEW	28 MAY 2015
PREVIOUS REVIEW	28 MAY 2014
PREVIOUS REVIEW	29 MAY 2013
PREVIOUS REVIEW:	30 MAY 2012
PREVIOUS REVIEW:	04 MAY 2011
PREVIOUS REVIEW:	26 MAY 2010
APPROVAL BY COUNCIL:	24 JUNE 2009

# **OVERSTRAND MUNICIPALITY**



## **TRAVEL & SUBSISTENCE POLICY**

## **TRAVEL AND SUBSISTENCE POLICY**

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# TRAVEL AND SUBSISTENCE POLICY

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## 1 PURPOSE

The purpose of this policy is to set out general rules for the payment of subsistence and travelling allowances or costs for the attendance of approved events **outside the municipal area of Overstrand**.

## 2 OBJECTIVES OF THE POLICY

The objectives of this policy are as follows:

- 2.1 Ensure that municipal employees and Councillors adhere to procedures when arranging for travel, lodging, meals and other expenses;
- 2.2 Ensure that municipal employees and Councillors are reimbursed for reasonable expenses incurred for travel, conferences, meetings and meals as a result of conducting authorized municipal business;
- 2.3 Ensure that payments made by the municipality are for the actual and necessary expenses incurred for municipal business; and
- 2.4 Ensure that municipal employees and Councillors will receive reimbursements in a timely manner.

## 3 LEGISLATIVE FRAMEWORK

This policy is developed and guided by the following:

- 3.1 South African Revenue Services (SARS)
- 3.2 Municipal Finance Management Act, 2003 (Act No. 56 of 2003)
- 3.3 South African Local Government Association (SALGA)
- 3.4 Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998)
- 3.5 Income Tax Act, 1962 (Act No. 58 of 1962).

This Policy must be read in conjunction with any of the Municipality's approved related policies, practices and standard operating procedures addressing specific issues essential for a full understanding of this Policy and which are not dealt with adequately herein.

## 4 SCOPE OF APPLICATION

- 4.1 This Policy is applicable to –
  - 4.1.1 all councillors of the Overstrand Municipality, and
  - 4.1.2 all officials of the Overstrand Municipality,

travelling on official business and as such are formal travellers of the Overstrand Municipality.

IMPORTANT - No payments will be made to applicants for employment interviews in terms of the scope of this policy.

## TRAVEL AND SUBSISTENCE POLICY

### 5 DEFINITIONS

For the purpose of this policy, except where clearly indicated otherwise, the words and expressions set out below have the following meaning:-

<i>“Accounting Officer”</i>	The person appointed by the Council as Municipal Manager in terms of section 82 of the Municipal Structures Act, 1998 (Act 117 of 1998) and as defined in the Municipal Finance Management Act, 2003 (Act 56 of 2003), including any person acting in that position or to whom authority is delegated;
<i>“Chief Financial Officer”</i>	The person appointed in terms of section 80(2)(a) of the MFMA and includes any person acting in that position or to whom authority is delegated;
<i>“Council”</i>	The municipal council, as referred to in section 157 of the Constitution of the Republic of South Africa, 1996; and section 18 (3) of the Municipal Structures Act, 1998 (Act 117 of 1998)
<i>“Councillor”</i>	A member of the Overstrand Municipal Council.
<i>“Executive Management Team”</i>	Officials appointed in terms of Section 82 of the Local Government Structures Act, 1998 (Act 117 of 1998) (Structures Act) and section 56 of the Local Government Municipal Systems Act, 2000 (Act 32 of 2000).
<i>“Executive Mayor”</i>	The Executive Mayor of the Overstrand Municipality elected in terms of section 55 of Municipal Structures Act, 1998 (Act 117 of 1998).
<i>“Director”</i>	An official appointed by the Council in terms of section 56 of the Municipal Systems Act, 2000 (Act 32 of 2000) to head a Directorate of the municipality
<i>“Municipality”</i>	Overstrand Municipality, established in terms of sections 12 and 14 of the Structures Act.
<i>“Traveller”</i>	Any councillor or official travelling away from his or her normal place of domicile and employment on the official business of the Overstrand Municipality
<i>“Subsistence allowance”</i>	A subsistence allowance is an amount of money paid by the municipality to a traveller for expenditure incurred in respect of personal subsistence and incidental costs (for example refreshments, snacks, drinks and newspapers but excludes any personal recreation, such as visits to a cinema, theatre or nightclubs or sight-seeing.
<i>“Travel Allowance”</i>	A travel allowance is any amount paid to an employee in respect of travelling expenses for business purpose.
<i>“Partial sponsored trip”</i>	Where a portion of the total cost is sponsored by a donor or third party. (For the purposes of this policy such proportion of the total cost of the trip to be included in the application forms).

## TRAVEL AND SUBSISTENCE POLICY

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### 6 GENERAL

- 6.1 The contents of this policy will not be regarded as conditions of employment but as a re-imbursement for travelling and subsistence expenditure incurred or deemed to be incurred for the attendance of events for official purposes.
- 6.2 **The Municipal Manager and any** councilor must have the approval of the Executive Mayor or his/her delegate for the attendance of events for which compensation is claimed. Any staff member must have the approval of the Director or his/her delegate and any Director must have the approval of the Municipal Manager or his/her delegate for the attendance of events for which compensation is claimed. Claims are only payable if sufficient provision is made for it on the budget.
- 6.3 Any claim must be submitted on the official claim form with the necessary vouchers where specific expenses are claimed.
- 6.4 Any claim containing false information will lead to disciplinary steps being instituted and payments thus made may be recovered from any money payable by the municipality to the person who submitted the claim.
- 6.5 All efforts should be made to minimize the costs for the municipality i.e. by travelling together in one vehicle, minimizing overnight stay where possible, etc.
- a) Where several employees attend approved events, inclusive of meetings, they must make arrangements for up to four (4) people to travel together in one vehicle.
- b) Any deviation from paragraph (a) must be approved in writing by the **Director / Municipal Manager / Executive Mayor as the case may be**, prior to the date of departure, based on valid reasons as motivated in a submission.
- 6.6 A claim for subsistence and travelling cannot be made at the municipality as well as another institution for attending the same event. Such action shall lead to disciplinary action.
- 6.7 Sufficient documentation must be attached to the application for the trip e.g., official invitation, agenda or programme, itinerary, details of sponsor and amount, etc.

### 7 USE OF AIRLINES

- 7.1 For domestic trips both major and low-cost airlines may be utilised.
- 7.2 For international trips all major airlines may be utilised.
- 7.3 Preference will be given to airlines which operate direct flights between Cape Town and the destination.
- 7.4 For special trips requiring the use of helicopters or chartered aircrafts, special authorisation by the Executive Mayor or Municipal Manager or their delegated nominees is required.
- 7.5 In all cases, the most economical airfare shall be paid for all members of the Council and for officials of the municipality who travel by air abroad and within the boundaries of South Africa to the airport closest to the authorised destination, plus the relevant first class rail, motor coach or boat fare, or any reasonable combination thereof necessary to complete the journey to the said destination; provided that, in the case of all members of the Council and all

## TRAVEL AND SUBSISTENCE POLICY

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Municipal officials, where there are:

- 7.5.1 Time constraints and/or when economy class flights are not available, business class may be authorised by the Executive Mayor or Municipal Manager or their nominees.
- 7.5.2 Physical and /or medical reasons (supported by the submission of a letter from a registered medical practitioner) why a member of council or an official may not travel in economy class, the Executive Mayor or Municipal Manager or their nominees may authorise travel by means of business class.

## 8 USE OF VEHICLES

### 8.1 Hired Vehicles

- 8.1.1 Shall be applied for, quantified and paid for by the Municipality.
- 8.1.2 May only be obtained when the employee and / or Councillor is on official municipal business where air travel was involved and other modes of transport are not available, too costly or impractical.
- 8.1.3 Requires prior approval from the Responsible Official for employees and the Executive Mayor / Speaker for Councillors.
- 8.1.4 May not be used for travel from the municipal offices.
- 8.1.5 Only travellers with a valid South African driver's licence may hire vehicles; where the traveller who hires a vehicle, is not in possession of such licence, he or she may be held personally liable for all damages and may be subject to disciplinary action by Council; the responsibility and related costs of obtaining an international driving permit, where required, rests with the traveller.
- 8.1.6 Only "A" or "B" category vehicles may be rented, unless it is more cost-effective to hire a more expensive vehicle, for example, when the number of representatives involved could justify the hire of a micro-bus, for groups of 5 (five) or more travellers. The latter to be approved in advance by the Executive Mayor or Municipal Manager, according to the provisions as provided for in 6.2.
- 8.1.7 For physically handicapped travellers who are only able to drive a particular type of vehicle and those in possession of a driver's license restricted to automatic vehicles: the most suitable vehicle.
- 8.1.8 Chauffeur driven vehicles may not be used. Employees and / or Councillors who are unable to drive must utilize either a shuttle service or another mode of public transport.

### 8.2 Private Vehicles

- 8.2.1 The boundaries of the Overstrand Municipality shall be used to determine payment for travel outside such boundaries by means of private transport for officials who are in receipt of a fixed transportation allowance, or where such an allowance has been factored into the total cost of employment package of the official concerned. In such cases, only the applicable cost per kilometer will be paid as updated from time to time. Should the destination of the trip be outside the boundaries of the Municipality, the distance for the cost per kilometer will be measured from place of residence or place of work, whichever is the nearest to the place of the approved event.
- 8.2.2 Employees in receipt of a fixed transportation allowance, travelling on official municipal business within the boundaries of the Overstrand Municipality but outside a radius of 15 km from their normal place of



## TRAVEL AND SUBSISTENCE POLICY

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- work, will be reimbursed for such travelling at the prevailing AA-Running Cost km tariff, calculated from their normal place of work.
- 8.2.3 Those employees who are not in receipt of a travel allowance shall be reimbursed according to the latest prescribed SARS km tariff (currently R3.18/km), calculated from their place of work or residence, whichever is the nearest to the place of the approved event.
- 8.2.4 Those employees who are in receipt of an Essential User Transportation Allowance shall be reimbursed in accordance with the applicable Scheme. The travelling distance shall be calculated from their place of residence.
- 8.2.5 Councillors using private transport outside the boundaries of the Overstrand Municipality will be reimbursed according to the guidelines issued by the relevant National Department as updated from time to time.
- 8.2.6 **A traveller who uses private transport shall be paid the lower of the following two options:**
- 8.2.6.1 Cash equivalent of the avoided air ticket cost, which would have been paid in the event of air travel being the most economical and practical means of transport; or
- 8.2.6.2 Actual cost per kilometre as determined according to the rate applicable to the traveller,
- on condition that such person may not claim subsistence costs for a longer period than would have been applicable in the case of air travel.
- 8.2.7 A claim submitted by a councillor or a municipal official, when travelling outside the municipal area of the Overstrand with private transport on official municipal affairs, will be considered for re-imbursement, subject to the following conditions:
- 8.2.7.1 that the trip is for an approved official event;
- 8.2.7.2 that no other municipal transport was available **to officials not in receipt of a transportation allowance** at the time of the travel, as confirmed with the Executive Mayor, relevant Director or Municipal Manager;
- 8.2.7.3 that the use of private transport is pre-approved by the Mayor, relevant Director or Municipal Manager.

## 9 DOMESTIC TRAVEL, SUBSISTENCE AND ACCOMMODATION

When travelling to a destination outside the boundaries of the Overstrand Municipality in circumstances requiring absence from the office for longer than 24 hours, the following may be utilised and claimed: (the time of departure from residence or office up until the time of arrival back at residence or office shall be used for purposes of calculating the length of absence):

### 9.1 Accommodation

- 9.1.1 Travellers who travel on the business of the municipality, where the business unavoidably entails one or more nights to be spent away from home, may stay in a hotel, motel, guesthouse or bed and breakfast establishment.
- a) Where employees attend approved events, inclusive of meetings, one or more nights to be spent away from home will only be allowed in instances where the distance to the venue exceeds 150 kilometers.
- b) Any deviation from paragraph (a) must be motivated in writing by the employee and must be approved in writing by the

## TRAVEL AND SUBSISTENCE POLICY

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**Municipal Manager**, prior to the date of departure, based on valid reasons.

- 9.1.2 The actual cost of accommodation will be borne by the municipality, subject to a maximum of 4-star rating for the accommodation itself in respect of domestic travel. Where such accommodation is available, the rate for a single room will be payable.
- 9.1.3 If no such accommodation is available, higher rating accommodation can be used subject to the prior **written** approval of the **Municipal Manager or the Executive Mayor, as applicable**.
- 9.1.4 If a traveller stays with a relative or friend, no accommodation allowance may be claimed, but the traveller may claim a subsistence allowance per day as per this policy.
- 9.1.5 The location of the accommodation should not be more than 20 km from the venue of the event, unless **prior written approval is obtained from the Municipal Manager or Executive Mayor**.
- 9.1.6 **Where advance payments have to be made to the establishment based on "pro-forma" invoices in order to secure the reservation, it is the responsibility of the traveling official(s) / councillor(s) to obtain the valid Tax Invoice from the establishment on or before departure and to submit it to the Creditor Section within 7 working days.**

### 9.2 Subsistence Allowance and Meals

- 9.2.1 Subsistence Allowance  
As per definition, Section 1 of this Policy.
- 9.2.2 Entitlement to a Subsistence Allowance
  - 9.2.2.1 A traveller may claim a daily subsistence allowance as provided for in this policy with the understanding that all authorized personal expenses are covered by the subsistence allowance. No further expenses, with the exception of certain business expenses (see below), may be claimed.
  - 9.2.2.2 A daily subsistence allowance will only be applicable where-
    - (i) official business unavoidably entails **one or more nights to be spent away from home**, a subsistence allowance as amended by SARS from time to time (currently R353 per day) will apply in respect of domestic travel; or
    - (ii) where the traveller will be on official business for a **period exceeding 8 hours, without being away from home for one or more nights**, an allowance as amended by SARS from time to time (currently R109 per day) will apply in respect of domestic travel;
    - (iii) No daily subsistence allowance will be payable to representatives that will be attending courses, training or meetings where lunch will be provided, but without being away from home for one or more nights.

## TRAVEL AND SUBSISTENCE POLICY

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- 9.2.2.3 A traveller of the municipality must obtain approval for his or her subsistence allowance, as provided for in this policy, before embarking on any official trip.
- 9.2.2.4 No subsistence allowance will be paid, and no traveller will be entitled to a subsistence allowance, if the trip or travel is not related to the official business of the municipality. All travel on business of the municipality must be approved as such before a traveller is entitled to a subsistence allowance.
- 9.2.3 Claims for meals for official entertainment of guests by full-time councillors and the executive management team are to be dealt with as claims against the relevant "entertainment allowance" provision of the relevant Cost Centre.

Where special circumstances exist which necessitate a deviation from the above restrictions, the prior approval of the **Executive Mayor or Municipal Manager**, as applicable, or their nominees are to be obtained.

### 10 MISCELLANEOUS EXPENSES

Items that may be considered for approval, where expenditure is incurred within the boundaries of the Republic of South Africa during a period of absence is as follows:-

- 10.1 Parking / Bus fares: Subject to proof of payment being provided;
- 10.2 Toll fees: Subject to proof of payment being provided;
- 10.3 Taxi fare: Subject to proof of payment being provided.

### 11 INTERNATIONAL TRAVEL, SUBSISTENCE AND ACCOMMODATION

- 11.1 When traveling in countries other than in South Africa on specially authorised Municipal business, the expenses actually incurred for accommodation and official transport will be payable.
- 11.2 The daily subsistence allowance is to cover all meals, transport for private use and other incidental costs, this subsistence allowance for international travel will be in accordance with SARS Foreign Travel 1.1 List of Daily Maximum amount per Country, as amended by SARS from time to time.
- 11.3 No additional claim in respect of such costs will therefore be paid, except for entertainment by full-time Councillors or the Executive Management Team, of official guests, clients, potential clients, investors or potential investors which is to be dealt with as "entertainment allowance" claims.

### 12 SPONSORED TRIPS

#### 12.1 LOCAL SPONSORED TRIPS

- 12.1.1 A trip shall be regarded as sponsored when the full/ partial cost of the trip is borne by an institution other than the Overstrand Municipality. Such sponsored proportion of the total cost of the trip must be declared in the application for the trip.
- 12.1.2 Travelling and Subsistence payable by the Overstrand Municipality will be calculated as the difference between the amounts claimable per this policy less the monetary value of the sponsored amounts.

## TRAVEL AND SUBSISTENCE POLICY

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### 12.2 INTERNATIONAL SPONSORED TRIPS

12.2.1 A trip shall be regarded as sponsored when the full / partial cost of the trip is borne by an institution other than the Overstrand Municipality. Such sponsored proportion of the total cost of the trip must be declared in the application for the trip.

12.2.2 Travelling and Subsistence payable by the Overstrand Municipality will be calculated as the difference between the amounts claimable per this policy less the monetary value of the sponsored amounts.

## 13 INSURANCE

13.1 Travellers, where the necessary travel and special leave forms have been duly authorised by the delegated official, will be insured by the municipality in terms of its current approved policies, practices and standard operating procedures. The insurance shall cover, *inter alia*, the following:

13.1.1 medical expenses and assistance services;

13.1.2 personal accident, including death and disability, as well as repatriation and evacuation;

13.1.3 luggage;

13.1.4 travel documents;

13.1.5 personal liability; and

13.1.6 cancellation, curtailment, and default on travel and accommodation.

13.2 Insurance cover is only for the period that the traveller is away from home or place of work on a trip relating to municipal business.

13.3 Private vehicles and contents thereof will not be covered under this Policy.

13.4 Hired vehicles are automatically covered for both Super Waiver Damage and Theft by the vehicle rental company.

## 14 GIFTS AND PROMOTIONAL GOODS

14.1 Where appropriate, the traveller may give gifts.

14.2 The gifts in question shall be provided by the municipality, through the appropriate department.

14.3 Suitable promotional and marketing products shall be supplied, on request, by the appropriate department of the Municipality.

## 15 AUTHORISATION

15.1 For purposes of implementing this policy:

15.1.1 **Only the Municipal Manager** may authorize any travel to be undertaken by Directors, provided the expenses to be incurred are on the approved budget of the relevant department. Claims by other officials to be authorized by directors concerned.

15.1.2 **Only the Executive Mayor** may authorize any travel to be undertaken by Holders of Public Office and the Municipal Manager, provided the expenses to be incurred are on the approved budget of the municipality.

15.1.3 **Only Directors** may authorize any travel to be undertaken by employees in the respective Directorate, provided the expenses to be incurred are on the approved budget of the municipality.

## TRAVEL AND SUBSISTENCE POLICY

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15.1.4 Authorization as per paragraph 16.1.1, 16.1.2 and 16.1.3, must be obtained prior to an occasion by any traveller who travels on the business of the municipality.

15.2 An invitation to attend a workshop, meeting or related event is not an automatic authorization to attend such workshop or event. The required authorization must still be obtained from the Municipal Manager or Executive Mayor or Director as the case may be.

### 16 COUNCIL DELEGATES

Municipal delegates or travellers to any conference, workshop or meeting must ensure that they arrive on time and attend until the conclusion of such event. If any traveller fails to do so, the Executive Mayor, the Municipal Manager or Director, as the case may be, may recover all allowances and disbursements paid to enable such delegate or traveller to attend such event, provided that such delegate or traveller is afforded the opportunity to submit reasons for not being able to be present from the commencement to conclusion of such event.

### 17 OTHER

17.1 Accommodation, flights and vehicle rental arrangements will be based on the most cost effective option in relation to the proximity of the venue, traffic, availability and other cost factors. Due to impracticality, the stipulations of the Supply Chain Policy may be disregarded in this matter, based on compliance to before-mentioned most cost effective considerations.

17.2 In the event of payments made by officials for traveling and accommodation, refunds will only be made on condition that the expense was pre-approved in accordance with the stipulations of this policy and that all aspects of this policy have been complied with.

### 18 AUTHORITY

Any deviation from this policy for whatsoever reason must be authorized by the **Municipal Manager**.

### 19 TRAVEL AND SUBSISTENCE ALLOWANCE CLAIM FORM

The official Travel and Subsistence Allowance claim form, as prescribed by Chief Financial Officer must be used with regard to Travel and Subsistence Allowance applications.

### 20 IMPLEMENTATION AND REVIEW PROCESS

This policy will come into effect on 1 July 2016;

This policy will be reviewed at least annually or when required by way of a Council resolution.

## TRAVEL AND SUBSISTENCE POLICY

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### 21 SHORT TITLE

This policy shall be called the Travel and Subsistence Policy of the Overstrand Municipality.

POLICY SECTION:	SENIOR MANAGER: EXPENDITURE AND ASSET MANAGEMENT
CURRENT UPDATE	
PREVIOUS REVIEW	28 MAY 2015
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APPROVAL BY COUNCIL	26 MAY 2010
APPROVAL BY EXECUTIVE MAYOR:	10 DECEMBER 2004

# OVERSTRAND MUNICIPALITY



## PETTY CASH POLICY

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## **1. INTRODUCTION**

The accounting officer of a municipality is responsible for the management of the expenditure of the municipality in an effective and controlled manner. This includes Petty Cash, which is a small amount of funds that are minor in the form of cash, used for expenditure where it is impractical to obtain prior quotations due to the nature of the goods, monetary value and / or services required.

Therefore the Overstrand Municipality adopts the following Petty Cash Policy.

## **2. OBJECTIVES OF THE POLICY**

Compliance with the regulatory framework in terms of the relevant legislation is required. The objectives of the policy are to ensure that:

- a) Goods and / or services are procured by the municipality in accordance with an authorised process only;
- b) The municipality has and maintains an effective Petty Cash system of expenditure control;
- c) Sufficient Petty Cash is available when required; and
- d) The items to be procured are approved Petty Cash items.

## **3. REGULATORY FRAMEWORK**

- a) Local Government: Municipal Finance Management Act, No 56 of 2003 (MFMA)
- b) Overstrand Supply Chain Management Policy

## **4. DEFINITIONS**

<b>Accounting Officer:</b>	The person appointed by council in terms of section 54A2 of the Local Government: Municipal Systems Act, No 32 of 2000, also known as the Municipal Manager, and defined in terms of section 60 of the MFMA.
<b>Chief Financial Officer:</b>	The person designated in terms of section 80(2)(a) of the MFMA and includes any person acting in that position or to whom authority is delegated.
<b>Petty Cash:</b>	A relatively small amount of cash kept at hand for making immediate payments for miscellaneous small expenses.
<b>Petty Cash Float:</b>	The total sum of Petty Cash which has been granted to a Petty Cash Officer.
<b>Petty Cash Officer:</b>	An employee, made responsible for the day-to-day operating of the Petty Cash Float.
<b>Reconciliation:</b>	Is the process of comparing information, for example cash spent, compared with the relevant documentation and receipts.

**Sub-advances:** A relatively small amount of cash made available by the Petty Cash Officer on request to buy miscellaneous small items.

## **5. RESPONSIBILITY AND ACCOUNTABILITY**

The key responsibilities in terms of Section 65 of the MFMA are:

### **Accounting Officer (Municipal Manager)-**

5.1 The accounting officer of a municipality is responsible for the management of the expenditure of the municipality.

5.2 The accounting officer must for the purpose of paragraph 5.1 take all reasonable steps to ensure:

- (a) that the municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds;
- (b) that the municipality has and maintains a management, accounting and information system which:
  - (i) recognises expenditure when it is incurred;
  - (ii) accounts for creditors of the municipality; and
  - (iii) accounts for payments made by the municipality;
- (c) that the municipality has and maintains a system of internal control in respect of creditors and payments;
- (d) that payments by the municipality are made:
  - (i) directly to the person to whom it is due unless agreed otherwise for reasons as may be prescribed; and
  - (ii) either electronically or by way of non-transferable cheques, provided that cash payments and payments by way of cash cheques may be made for exceptional reasons only, and only up to a prescribed limit;

The Municipal Manager may delegate authority to the Chief Financial Officer.

## **6. PETTY CASH POLICY**

### **6.1 General Policy**

- (a) The use of a petty cash float (**a float may not exceed R2000-00**) is strictly confined to **individual cash purchases of up to a maximum of R200-00**. The Chief Financial Officer may approve petty cash purchases up to R2000;
- (b) The petty cash float is only to be used for non-recurring expenditure of an ad-hoc nature with a maximum of 10 sub-advances per Department per month;

- (c) The expenditure with regard to petty cash purchases **shall not be deliberately split into more than one transaction to avoid the said limit;**
- (c) The petty cash float is not to be used for any of the following:
  - (i) the cashing of cheques;
  - (ii) loans to any person whatsoever;
  - (iii) payment of personal remuneration to any person whatsoever, whether for fees, salaries, wages, travel allowance as part of remuneration, honorarium or other reason, unless authorized by the Chief Financial Officer;
  - (iv) for instalment invoices such as rental of equipment or open orders, even if the amount falls within the specified limit;
  - (v) fuel; or
  - (vi) any purchase violating the true meaning of petty cash transactions will be regarded as a deviation from the accepted accounting practices in the use of Petty Cash and shall constitute a serious offence under the Disciplinary Code, unless authorized by the Chief Financial Officer;
- (d) Other cash floats may also be established for the purpose of providing change for a cash register, or any other purpose approved by the Chief Financial Officer. Use of such floats is restricted to the purpose for which they were established and does not form part of the scope of this policy;
- (e) **The Senior Manager: Expenditure & Asset Management must on a monthly basis, and in a format prescribed by the Chief Financial Officer, distribute a summary of all petty cash reimbursement forms for that month to all Directors who must confirm thereon the enforcement of rotation of suppliers; and**
- (f) The Accounting Officer, or delegated official, may conduct internal audits to evaluate compliance with this policy.

## **6.2 Establishing and Operating a Petty Cash Float**

- (a) To establish a new petty cash float or increase an existing advance, a written application must be made to the Chief Financial Officer by the relevant Manager of a department.
- (b) A request for the establishment of an advance will indicate the position of a senior administrative employee to be held responsible for the control over the petty cash float within the relevant department.
- (c) The senior administrative employee mentioned under paragraph 6.2(b) will be responsible for the security and leave arrangement in place to ensure safe custody of funds in the office.
- (d) The minimal security arrangement that will be acceptable is that the float must be kept in a locked box which will be kept in a locked filing cabinet or safe.

- (e) When an advance is approved, the Accountant: Creditors will advise the relevant Department accordingly and request that the senior administrative employee mentioned under paragraph 6.2(b) collect the advance. This establishing/initial advance will be charged to a "Petty Cash Advances – Position/Dept" in the General Ledger and not against any expenditure votes. A register of advances is thus maintained per Ledger Account for the purpose of accounting for all petty cash floats.

### **6.3 Security of Petty Cash Floats and Documentation**

- (a) The cash on hand and used petty cash vouchers are to be kept in a locked box for which there must be two keys. One key is to be retained by the petty cash officer (on his / her person) normally responsible for the petty cash and the other to be kept by a senior administrative employee mentioned under paragraph 6.2(b) in a sealed envelope in the office safe or other secure place, to be used only in an emergency.
- (b) The locked petty cash box must be kept in a secure place when not in use and must be removed and returned by the responsible staff member only. At no stage must staff other than the responsible administrative / clerical staff member have access to the storage place of the petty cash box.
- (c) Under no circumstance are keys to be left in the lock to the petty cash box, cabinet or safe.
- (d) If the responsible Petty Cash Officer is either going on leave or is leaving the Municipality's employment, the Petty Cash Officer must perform a reconciliation and compile a Summary Claim Cover Page, before possession of Petty Cash, can be handed over.

The Summary Claim Cover Page must be signed by both the Petty Cash Officer and the recipient in order to verify that the amount in cash correspond with the balance on the Summary Claim Cover Page.

When the Petty Cash is returned to the Petty Cash official, the same processes must be undertaken.

### **6.4 Completing a Cash Purchase Claim Form**

- (a) Petty cash stationery is available from the Expenditure Section (Financial Services). The form consists of two parts:
  - (i) Cash Purchase Claim page
  - (ii) Cash Purchase Record page
  - (iii) Receipt for cash advance (Only when appropriate, refer paragraph on Advances).
- (b) All details entered on the Cash Purchase Claim must appear on the Cash Purchase record page.
- (c) The Cash Purchase Claim must be completed as follows:
  - (i) description and cost of the goods/services purchased

- (ii) purchaser's signature
  - (iii) correct vote number with an adequate budget to be charged
  - (iv) signature of the Officer in Charge of Petty Cash.
- (d) Original receipts and other valid documentation as required must be attached as proof of payment with the signature of an appropriate financial delegate on this documentation. The receipt and invoice must be in a formal business format. Receipts must set forth the complete description of the purchase. When a vendor's printed invoice is used as a receipt, the invoice must clearly indicate that it has been paid.
- (e) A financial delegate cannot authorise a cash purchase claim where he or she is the purchaser.

## 6.5 Sub-Advances to Staff Members

- (a) If it is necessary to make an initial sub-advance to a staff member, a receipt for cash advance must be completed. The receipt for cash advance form must be completed as follows:
  - (i) description and *estimated* cost of the goods/services purchased;
  - (ii) purchaser's signature;
  - (iii) correct vote number with an adequate budget to be charged;
  - (iv) signature of the Petty Cash Officer.
- (b) In order to receive an initial sub-advance, the relevant staff member must submit an approval notice (authorized by a delegated official) to the Petty Cash Officer.
- (c) On completion of the purchase, the recording-, documentation- and authorization requirements will be as stated in paragraph 6.4.
- (d) All such sub-advances will be accounted for within 24 hours, by submitting original receipts and other applicable documentation required, attached as proof of payment (with the approval signature on the documentation). Where this cannot be achieved, the buyer will be liable to pay back the advance without any delay or if not possible, such advance to be deducted from the individual's salary and of which the individual agrees in writing to the deduction when completing the receipt for cash advance form.
- (e) No more than one advance will be made to any one individual at a time.

## 6.6 Out-of-Pocket Payments

- (a) Where a staff member has made a purchase from own funds and seeks reimbursement from the petty cash, supporting documentation must be provided to substantiate the claim.
- (b) The responsibility to ensure that the purchase will be in accordance with all the prescriptions of this policy will be the sole responsibility of the purchaser of such item(s).

- (c) The recording-, documentation- and authorization requirements will be as stated in paragraph 6.4 above.

## **6.7 Reimbursement of Petty Cash Floats**

- (a) A petty cash float is operated on the basis that expenditure from the float is periodically reimbursed. Such reimbursement requires-
  - (i) returning the cash level of the petty cash float to its original level, and;
  - (ii) charging the expenditure which has been made to the correct expenditure vote.
- (b) Accordingly, **at any point of time**, the sum of the cash on hand, i.e. remaining unspent, plus the cash advances for un-finalised purchases, plus the completed cash purchase claim forms, updated on the Summary Cash Purchase Claim form, shall equal the level of the petty cash advanced to a Department.
- (c) Completed Cash Purchase Claim forms, with attached cash register slips, etc., must be submitted to the Expenditure Section for reimbursement after the Summary Claim Cover Page and attached documentation have been authorised by a financial delegate.
- (d) Reimbursement of claims where supporting documentation as prescribed in this policy is absent / missing, must be declined.
- (e) The prescribed Summary Cash Purchase Claim Form as well as other relevant forms attached to it must be completed in full.
- (f) The most recently completed Cash Purchase Claim Form must record the reconciliation of the petty cash float. The Accountant: Creditors will decline reimbursement of claims where this is not supplied.
- (g) A petty cash float must never be reimbursed with funds derived from any other source whatsoever.

## **6.8 Shortages and losses**

- (a) The holder of the Petty Cash float will be held accountable for any shortages and / or losses unless there is physical evidence of breaking in and no act or omission on the part of the relevant official contributed to the loss.
- (b) Any shortages in respect of a petty cash float must be reimbursed immediately by the responsible petty cash officer.
- (c) Where a petty cash float is stolen the incident must be promptly reported to the Chief Financial Officer in the required format and a case be logged at the South African Police Services.

## 6.9 Internal Controls

- (a) **Random** surprise Petty Cash counts / audits must be conducted by the relevant Manager / Senior Manager throughout the financial year.
- (b) Petty Cash Float reimbursement requests must be summarized into a monthly report to the Chief Financial Officer, including the total amount of Petty Cash purchases for that month.
- (c) Petty Cash reconciliations to the General Ledger must be reconciled and replenished before 30 June of every year (financial year-end).

## 6.10 Procedure where a Petty Cash Float is Repaid / Cancelled

When an advance is no longer required, a departmental memorandum must be submitted, signed by the Manager of the relevant Department, to the Accountant: Creditors, with the balance of cash on hand and completed and authorized Cash Purchase Claim forms. The most recently completed Cash Purchase Claim form will record the reconciliation of the petty cash float.

The Cashier must issue a receipt to the person delivering the cash.

## 7. IMPLEMENTATION AND REVIEW PROCESS

This policy will come into effect on 1 July **2016**;

This policy will be reviewed at least annually or when required by way of a Council resolution.

## 8. SHORT TITLE

This policy shall be called the Petty Cash Policy of the Overstrand Municipality.

POLICY SECTION:	SENIOR MANAGER: EXPENDITURE AND ASSET MANAGEMENT
CURRENT UPDATE:	
<b>PREVIOUS REVIEW</b>	<b>28 May 2015</b>
PREVIOUS REVIEW	28 May 2014
PREVIOUS REVIEW	29 May 2013
PREVIOUS REVIEW	30 May 2012
PREVIOUS REVIEW	04 May 2011
APPROVAL BY COUNCIL:	26 May 2010

# OVERSTRAND MUNICIPALITY



## PAYDAY POLICY



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## **1. PURPOSE**

The purpose of the policy is to regulate the date on which Councillors and Employees of the Overstrand Municipality will receive their remuneration and / or allowances.

## **2. OBJECTIVES OF THE POLICY**

The objectives of this Policy are to:-

- a) Establish a consistent payment routine for the payment of remuneration and / or allowances; and
- b) Provide information as to when remuneration and / or allowances will be paid.

## **3. LEGISLATIVE FRAMEWORK**

This Policy must be read in conjunction with the:-

- a) Remuneration of Public Office Bearers Act (Act 20 of 1998, as amended);
- b) Basic Conditions of Employment Act (Act 75 of 1997, as amended); and
- c) Organisational Rights Collective Agreement (as amended)

## **4. SCOPE OF THE POLICY**

This Policy applies to all:-

- a) Councillors;
- b) Permanent employees;
- c) Contractual employees;
- d) Temporary employees; and
- e) Seasonal workers.

## **5. POLICY PRINCIPLES**

### **5.1 Councillors and Permanent employees**

- a) For newly elected Councillors and newly appointed permanent employees, payday for the first month will be on the last working day of the month;
- b) Thereafter, payday will be on the 25<sup>th</sup> day of each month, or the last working day before the 25<sup>th</sup> should the 25<sup>th</sup> day of the month fall on a:-
  - Saturday;
  - Sunday
  - Monday;
  - Public Holiday; or
  - Day after a public holiday.
- c) For the month of December in every year, payday will be three (3) working days before the 25<sup>th</sup>, with the exception of circumstances as set out in paragraphs 5.1(a), 5.1(b) and 5.1(d).
- d) For outgoing Councillors and resigning / dismissed / retiring permanent employees, payday for the last month will be on the last working day of the month.

## **5.2 Contractual employees**

Payday for Contractual employees will be on the last working day of every month, unless otherwise specified within their employment contract, but no later than 7 working days after the last day on which work was performed.

## **5.3 Temporary employees and Seasonal workers**

Temporary employees and Seasonal Workers will, as far as possible, be paid on a weekly, fortnightly or monthly basis, as specified in their appointment letters, within 7 working days after the last day on which work was performed as per their timesheets.

## **6. IMPLEMENTATION AND REVIEW PROCESS**

This policy will come into effect on 1 July 2016;

This policy will be reviewed at least annually or when required by way of a Council resolution.

## **7. SHORT TITLE**

This policy shall be called the Payday Policy of the Overstrand Municipality.

<b>POLICY SECTION:</b>	<b>SENIOR MANAGER: EXPENDITURE AND ASSET MANAGEMENT</b>
<b>CURRENT UPDATE:</b>	
<b>PREVIOUS REVIEW</b>	<b>28 MAY 2015</b>
<b>PREVIOUS REVIEW</b>	28 MAY 2014
<b>APPROVAL BY COUNCIL:</b>	28 November 2000 (Resolution)

# **OVERSTRAND MUNICIPALITY**



## **SUPPLY CHAIN MANAGEMENT POLICY**

**PART A**

**This Policy consists of two parts:**

**Part A** is the Supply Chain Management Policy, adopted in terms of section 111 of the Local Government: Municipal Finance Management Act, No. 56 of 2003 and the Municipal Supply Chain Management Regulations, Notice 868 of 30 May 2005;

and

**Part B** is the Preferential Procurement Policy, adopted in terms of section 2 of the Preferential Procurement Policy Framework Act, No. 5 of 2000 and the Preferential Procurement Regulations, 2011.

**MUNICIPAL SUPPLY CHAIN MANAGEMENT POLICY**

**LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003**

The Council of the Overstrand Municipality resolved on 25 June 2008 in terms of Section 111 of the Local Government: Municipal Finance Management Act (no. 56 of 2003) to adopt the following as the Supply Chain Management Policy of the municipality.

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### **POLICY STATEMENT AND OBJECTIVES**

- 1 Section 111 of the Local Government: Municipal Finance Management Act, 56 (MFMA) requires each municipality and municipal entity to adopt and implement a Supply chain Management Policy, which give effect to the requirements of the Act.
- 2 In addition, the Preferential Procurement Policy Framework Act requires an Organ of State to determine its Preferential Procurement Policy and to implement it within the framework prescribed.
- 3 The objectives of this Policy are:
  - 1) to give effects to section 217 of the Constitution of the Republic of South Africa by implementing a system that is fair, equitable, transparent, competitive and cost effective;
  - 2) to comply with applicable provisions of the Municipal Finance Management Act including Municipal Supply Chain Management Regulations published under GN868 in Government Gazette 27636, 30 May 2005 and any National Treasury Guidelines issued in terms of the MFMA and regulations pertaining thereto; and
  - 3) to acknowledge the provisions of:
    - a) the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
    - b) The Competitions Act 1998 (Act No. 89 of 1998)
    - c) the Construction Industry Development Board Act, 2000 (Act No.38 of 2000);
    - d) the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);
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    - f) the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);
    - g) the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000);
    - h) the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);
    - i) the Prevention and Combating of Corrupt Activities Act, 2000 (Act No. 12 of 2004);
    - j) the Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000)

**OVERSTRAND MUNICIPALITY  
SUPPLY CHAIN MANAGEMENT POLICY – PART A**

## 1 Definitions

In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) has the same meaning as in the Act, and –

<i>“Accounting Officer”</i>	means a person appointed by the Municipality in terms of Section 82 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) and who is the head of administration and also the Municipal Manager for the Municipality.
<i>“Act” or “MFMA”</i>	means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);
<i>“business day”</i>	means any day of the week except Saturday, Sunday and public holidays as determined in the Public Holidays Act, 1994 (Act No. 36 of 1994)
<i>“CFO”</i>	means Chief Financial Officer of the Municipality or Director of Finance in this instance;
<i>“CIDB”</i>	means Construction Industry Development Board
<i>“close family member”</i>	means: a) spouse or partner b) parent c) children
<i>“closing date”</i>	means the time and day specified in the bid documents and/or advertisement of the receipt of bids.
<i>“competitive bidding process”</i>	means a competitive bidding process referred to in clause 12(1)(e) of this Policy;
<i>“competitive bid”</i>	means a bid in terms of a competitive bidding process;
<i>“Construction Works”</i>	means any work in connection with: a) the erection, maintenance, alteration, renovation, repair, demolition or dismantling of or addition to a building or any similar structure; b) the installation, erection, dismantling or maintenance of a fixed plant; c) the construction, maintenance, demolition or dismantling of any bridge, dam, canal, road, railway, sewer or water reticulation system or any similar civil engineering structure; or d) the moving of earth, clearing of land, the making of an excavation, piling or any similar type of work.
<i>“Consultant”</i>	means a person or entity providing services requiring knowledge based expertise
<i>“contract”</i>	means the agreement that results from the acceptance of a bid by the Municipality;
<i>“Contract Owner”</i>	means the deputy director, senior manager or manager, as the case may be, that is ultimately accountable for all activities during the life cycle of the contract. The Contract Owner can also be seen as the Budget holder.
<i>Budget Holder</i>	Means the person/s accountable for expenditure from, and income to, particular budget. Each budget holder is responsible for the control of his/her budget and for the general financial administration of his/her area of responsibility. The Budget Holder is responsible for to authorise expenditure from their budget, up to a total of their budget allocation
<i>“day(s)”</i>	Means calendar days unless the context indicates otherwise;
<i>“delegation”</i>	in relation to a duty, includes an instruction a request to perform, or to assist in performing the duty.
<i>“director”</i>	means a manager referred to in section 56 of the Municipal Systems Act.
<i>“emergency”</i>	an emergency is an unforeseeable and sudden event with harmful or potentially harmful consequences for the municipality which requires urgent action to address.
<i>“emerging enterprise”</i>	means an enterprise which is owned, managed and controlled by previously disadvantaged persons and which is overcoming business impediments arising from the legacy of apartheid.
<i>“essential community services”</i>	means (in Local Government context) as published in Government Gazette numbers 18043 of 6 June 1997; Government Gazette number 18276 of 12 September 1997; Government Gazette number 18439 of 21 November 1997; Government Gazette number 18761 of 27 March 1998; Government Gazette number 22670 of 21 September 2001; Government Gazette number 27104 of 24 December 2004; Government Gazette number 28076 of 28 July 2006; Government Gazette number 29987 of 22 June 2007; Government Gazette number 30805 of 29 February 2008: I. Municipal traffic services and policing. II. Municipal health. III. Municipal security. IV. Supply and distribution of water. VI. Generation, transmission and distribution of power. VII. Fire fighting.

**OVERSTRAND MUNICIPALITY  
SUPPLY CHAIN MANAGEMENT POLICY – PART A**

	<p>XXVI. The following parts of sanitation services:</p> <ul style="list-style-type: none"> <li>a) Maintenance and operation of water borne sewerage systems, including pumping stations and the control of discharge of industrial effluent into the system;</li> <li>b) Maintenance and operation of sewerage purification works;</li> <li>c) Collection of refuse of an organic nature;</li> <li>d) Collection of infectious refuse from medical and veterinary hospitals or practices;</li> <li>e) Collection and disposal of refuse at a disposal site;</li> <li>f) Collection of refuse left uncollected for fourteen (14) days or longer, including domestic refuse and refuse on public roads and open spaces.</li> </ul>
<i>“final award”</i>	in relation to bids or quotations submitted for a contract, means the final decision on which a bid or quote is accepted;
<i>“financial interest”</i>	means where a municipal staff member is a close family member of a person who is the owner, partner, principal shareholder or member, manager or who serves on the board of directors, etc of a tendering enterprise;
<i>“financial year”</i>	means a twelve month period ending 30 June of every year.
<i>“formal written price quotation”</i>	means quotations referred to in clause 12(1)(d) of this Policy;
<i>“Head: Supply Chain Management”</i>	Any post in the approved organisational structure to whom the entire SCM Unit reports to functionally
<i>“IDP”</i>	means Integrated Development Plan;
<i>“in the service of the state”</i>	<p>means to be –</p> <p>a member of –</p> <ul style="list-style-type: none"> <li>a) any municipal council;</li> <li>b) any provincial legislature; or</li> <li>c) the National Assembly or the National Council of Provinces;</li> <li>d) a member of the board of directors of any municipal entity;</li> <li>e) an official of any municipality or municipal entity;</li> <li>f) an official of any national or provincial department, national or provincial public entity or institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);</li> <li>g) a member of the accounting authority of any national or provincial public entity; or</li> <li>h) an employee of Parliament or a provincial legislature;</li> </ul>
<i>“long term contract”</i>	means a contract with a duration period exceeding one year;
<i>“list of accredited prospective providers”</i>	means the list of accredited prospective providers which the Overstrand Municipality must keep in terms of clause 14 of this policy;
<i>“municipality”</i>	means the Overstrand Municipality;
<i>“notice boards”</i>	means the official notice boards at the municipal offices and libraries;
<i>“other applicable legislation”</i>	<p>means any other legislation applicable to municipal supply chain management, including –</p> <ul style="list-style-type: none"> <li>a) the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);</li> <li>b) the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);</li> <li>c) the Construction Industry Development Board Act, 2000 (Act No.38 of 2000);</li> <li>d) the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);</li> <li>e) the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000);</li> <li>f) the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);</li> <li>g) the Prevention and Combating of Corrupt Activities Act, 2000 (Act No. 12 of 2004);</li> <li>h) the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003): Municipal Supply Chain Management Regulations;</li> <li>i) the Preferential Procurement Regulations, 2011</li> <li>j) The Competitions Act 1998 (Act No. 89 of 1998)</li> </ul>
<i>“Policy”</i>	means the Supply Chain Management Policy of the Overstrand Municipality;
<i>“quotation”</i>	means a stated price that a supplier expects to receive for the provision of specified services, works or goods;
<i>“Regulations”</i>	means the Local Government: Municipal Finance Management Act, 2003, Municipal Supply Chain Management Regulations published by Government Notice 868 of 30 May 2005;

**OVERSTRAND MUNICIPALITY  
SUPPLY CHAIN MANAGEMENT POLICY – PART A**

“SDBIP”	means Service Delivery and Budget Implementation Plan;
“single provider”	Sole supplier- One and Only (Alone of its kind) Supplier (Oxford Dictionary). If such goods or services are produced or available from a single provider only. There is no competition and only one provider exists in South Africa (for example, sole distribution rights);
“small business”	means a separate and distinct business entity, including cooperative enterprises and non-governmental organisations, managed by one owner or more which, including its branches or subsidiaries, if any, is predominantly carried on in any sector or sub-sector of the economy mentioned in column 1 of the Small Business Classification Schedule, and which can be classified as a micro-, a very small, a small or a medium enterprise by satisfying the criteria mentioned in columns 3,4 and 5 of the Schedule opposite the smallest relevant size or class as mentioned in column 2 of the Schedule.
“supply chain management practitioners”	includes the Chief Financial Officer and the Head: Supply Chain Management;
“survivalist enterprise”	means a business set up by people unable to find a paid job or get into an economic sector of their choice. Income generated from these activities usually falls far short of even a minimum income standard, with little capital invested, virtually no skills training in the particular field and only limited opportunities for growth into a viable business. This category is characterised by poverty and the attempt to survive.
“tender”	means a ‘bid’ or a ‘quotation’ in relation to a “Tender Box”;
“tender box”	means the specified tender box at the offices of Overstrand Municipality, Magnolia Avenue, Hermanus.
“Treasury guidelines”	means any guidelines on supply chain management issued by the Minister in terms of section 168 of the Act
“validity period”	means the period for which a bid is to remain valid and binding as stipulated in the relevant tender document.
“written or verbal quotations”	means quotations referred to in clause 12(1)(b) & (c) of this Policy.
<i>Reckoning of number of days: When any particular number of days is prescribed for the doing of any act, or for any other purpose, the same shall be reckoned exclusively of the first and inclusively of the last day, unless the last day happens to fall on a Sunday or on any public holiday, in which case the time shall be reckoned exclusively of the first day and exclusively of every such Sunday and public holiday.</i>	
<i>Words importing the singular shall include the plural and vice versa and words importing the masculine gender shall include females and words importing persons shall include companies, closed corporations and firms, unless the context clearly indicates otherwise.</i>	
<i>All amounts / limits stated in this document shall be deemed to be inclusive of Value Added Tax (VAT).</i>	

## **CHAPTER 1: IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY**

### **2 Supply Chain Management Policy**

- 1) All officials and other role players in the Supply Chain Management system of the Municipality must implement this Policy in a way that –
  - a) gives effect to –
    - (i) section 217 of the Constitution; and
    - (ii) Part 1 of Chapter 11 and other applicable provisions of the Act;
    - (iii) Regulations pertaining to Supply Chain Management.
  - b) is fair, equitable, transparent, competitive, cost effective. and complies with –
    - (i) the Regulations; and
    - (ii) any minimum norms and standards that may be prescribed in terms of section 168 of the Act;
  - c) is consistent with other applicable legislation;
  - d) does not undermine the objective for uniformity in Supply Chain Management Systems between organs of state in all spheres; and
  - e) is consistent with national economic policy concerning the promotion of investments and doing business with the public sector.
- 2) This Policy applies when the Municipality –
  - a) procures goods or services;
  - b) disposes of goods no longer needed;
  - c) selects contractors to provide assistance in the provision of municipal services including circumstances where Chapter 8 of the Municipal Systems Act applies.
  - d) Selects external mechanisms referred to in section 80(1)(b) of the Municipal Systems Act for the provision of municipal services in circumstances contemplated in section 83 of the Act.
- 3) This Policy, except where provided otherwise, does not apply in respect of:
  - a) the procurement of goods and services contemplated in section 110(2) of the Act, including –
    - (i) water from the Department of Water Affairs or a public entity, another municipality or a municipal entity; and
    - (ii) electricity from Eskom or another public entity, another municipality or a municipal entity.

### **3 Adoption, Amendment and Implementation of the Supply Chain Management Policy**

- 1) The Accounting Officer must –
  - a) at least annually review the implementation of this Policy; and
  - b) when the Accounting Officer considers it necessary, submit proposals for the amendment of this Policy to Council.
- 2) If the Accounting Officer submits proposed amendments to Council that differs from the model policy issued by the National Treasury, the Accounting Officer must –
  - a) ensure that such proposed amendments comply with the Regulations; and
  - b) report any deviation from the model policy to the National Treasury and the Provincial Treasury.
- 3) When amending this supply chain management policy the need for uniformity in supply chain practices, procedures and forms between organs of state in all spheres, particularly to promote accessibility of supply chain management systems for small businesses must be taken into account.
- 4) The Accounting Officer must in terms of section 62(1)(f)(iv) of the Act, take all reasonable steps to ensure that the municipality implements the supply chain management policy.

### **4 Delegation of supply chain management powers and duties**

- 1) Council hereby delegates all powers and duties to the Accounting Officer which are necessary to enable the Accounting Officer –

- a) to discharge the supply chain management responsibilities conferred on Accounting Officers in terms of –
    - (i) Chapter 8 or 10 of the Act; and
    - (ii) this Policy;
  - b) to maximize administrative and operational efficiency in the implementation of this Policy;
  - c) to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this Policy; and
  - d) to comply with his or her responsibilities in terms of Section 115 and other applicable provisions of the Act.
- 2) Section 79 of the Act applies to the sub delegation of powers and duties delegated to the Accounting Officer in terms of sub-clause (1).
- 3) The Accounting Officer may not sub-delegate any supply chain management powers or duties to a person who is not an official of the Municipality or to a committee which is not exclusively composed of officials of the Municipality.
- 4) This clause may not be read as permitting an official to whom the power to make final awards has been delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in clause 26 of this Policy.

## **5 Sub-delegations**

- 1) The Accounting Officer may in terms of section 79 of the Act sub-delegate any supply chain management powers and duties, including those delegated to the Accounting Officer in terms of this Policy, but any such sub-delegation must be consistent with sub-clause (2) of this clause and clause 4 of this Policy.
- 2) The power to make a final award –
- a) above R10 million (Incl. VAT), may not be sub-delegated by the Accounting Officer;
  - b) above R200,000 (Incl. VAT), but not exceeding R10 million (Incl. VAT) may be sub-delegated, but only to a bid adjudication committee of which the Chief Financial Officer is the chairperson and directors are members;
  - c) below R200,000 (Incl. VAT) may be sub-delegated as per Council's delegations, attached as Annexure A, pertaining to the procurement of goods and services.
- 3) An official or bid adjudication committee to which the power to make final awards has been sub-delegated in accordance with sub-clause (2) must within three (3) business days of the end of each month submit to the official referred to in sub-clause (4) a written report containing particulars of each final award made by such official or committee during that month, including–
- a) contract numbers and description of goods, services or infrastructure projects;
  - b) the name of the person to whom the award was made;
  - c) the B-BBEE level of contribution claimed;
  - d) the amount of the award; and
  - e) the reason why the award was made to that person.
- 4) A written report referred to in sub-clause (3) must be submitted to the Accounting Officer, in the case of an award by a bid adjudication committee of which the Chief Financial Officer and directors are members.
- a) The awards scheduled must be published on Council's website in terms of Section 75(g) of the Act).
- 5) Sub-clauses (3) and (4) of this policy do not apply to procurement out of petty cash or written quotations below R2,000 (Incl. VAT).
- 6) This clause may not be interpreted as permitting an official to whom the power to make final awards has been sub-delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in clause 26 of this Policy. Also refer to clause 4(4) and 5(2)(a) of this Policy.

- 7) No supply chain management decision-making powers may be delegated to an advisor or consultant.

#### **6 Oversight role of council**

- 1) Council must maintain oversight over the implementation of this Policy.
- 2) For the purposes of such oversight the Accounting Officer must –
  - a) within 22 business days of the end of each financial year, submit a report on the implementation of this Policy and the supply chain management policy of any municipal entity under the sole or shared control of the municipality, to the council of the municipality; and
  - b) Whenever there are serious and material problems in the implementation of this Policy, immediately submit a report to Council.
- 3) The Accounting Officer must, within ten (10) business days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the mayor of the municipality.
- 4) The reports must be made public in accordance with section 21A of the Local Government Municipal Systems Act 32, 2002.

#### **7 Supply Chain Management Unit**

- 1) The Overstrand Municipality has established a Supply Chain Management Unit to implement this Policy.
- 2) The Chief Financial Officer is administratively in charge of the supply chain management unit which operates under the direct supervision of the Head: Supply Chain Management, to whom this duty has been sub-delegated in terms of Section 82 of the Act.

#### **8 Training of Supply Chain Management officials**

The training of officials involved in implementing this Policy should be in accordance with relevant legislation, including Treasury guidelines on supply chain management.



## **CHAPTER 2: SUPPLY CHAIN MANAGEMENT SYSTEM**

### **9 Format of Supply Chain Management system**

- 1) This Policy provides systems for –
  - a) demand management;
  - b) acquisition management;
  - c) logistics management;
  - d) disposal management;
  - e) risk management; and
  - f) performance management.

### **Part 1: DEMAND MANAGEMENT**

#### **10 System of Demand Management**

- 1) The Accounting Officer must establish and implement an appropriate demand management system in order to ensure that the resources required by the Municipality support its operational commitments and its strategic goals outlined in the Integrated Development Plan, the Budget and the Service Delivery and Budget Implementation Plan.
- 2) The Demand Management Plan must be developed **in conjunction with** the IDP, Service Delivery and Budget Implementation Plan (SDBIP) and annual budget.
- 3) All user departments are required to submit their procurement plans to the Supply Chain Management **Unit by 31 December in terms of the IDP and Budget processes.**
- 4) The **Demand Management Plan** must be submitted to and approved by the Accounting Officer or his or her delegate before 30 June of each year.
- 5) The **Demand Management Plan** must be reviewed regularly and submitted to the Accounting Officer or his delegate on a monthly basis.
- 6) Demand management must be co-ordinated by SCM officials of the Municipality in consultation with **budget holders.**
- 7) The outcome of this activity should be a detailed planning document that outlines what goods, works or services should be procured, the manner in which they should be procured as well as the time-lines to execute the procurement functions.

### **Part 2: ACQUISITION MANAGEMENT**

#### **11 System of Acquisition Management**

- 1) The Accounting Officer must implement the system of acquisition management set out in this Part in order to ensure –
  - a) that goods and services are procured by the Municipality in accordance with authorised processes only;
  - b) that expenditure on goods and services is incurred in terms of an approved budget in terms of section 15 of the Act;
  - c) that the threshold values for the different procurement processes are complied with;
  - d) that bid documentation, evaluation and adjudication criteria, and general conditions of a contract, are in accordance with any applicable legislation; and
  - e) that any Treasury guidelines on acquisition management are properly taken into account.
- 2) When procuring goods or services contemplated in section 110(2) of the Act, the Accounting Officer must, subject to clause 2(3), make public the fact that such goods or services are procured otherwise than through the Municipality's supply chain management system, including -
  - a) the kind of goods or services; and
  - b) the name of the supplier.



## **12 Range of procurement processes**

- 1) Goods and services may only be procured by way of –
  - a) petty cash purchases in terms of Council's Petty Cash Policy for procurement transactions with a value up to R2 000 (Incl. VAT);
  - b) one written or verbal quotation for procurement transactions with a value up to R2 000 (Incl. VAT);
  - c) three written quotations for procurement transactions with a value over R2 000 (Incl. VAT) up to R10 000 (Incl. VAT) ;
  - d) formal written price quotations for procurement transactions valued over R10 000 (Incl. VAT) up to R200 000 (Incl. VAT) ; and
  - e) a competitive bidding process for –
    - (i) procurement transactions with a value above R200 000 (Incl. VAT); and
    - (ii) the procurement of long term contracts.
- 2) The Accounting Officer may, in writing -
  - a) lower, but not increase, the different threshold values specified in sub-clause (1); or
  - b) direct that –
    - (i) written or verbal quotations be obtained for any specific procurement of a transaction value lower than R2 000 (Incl. VAT);
    - (ii) formal written price quotations be obtained for any specific procurement of a transaction value lower than R30 000 (Incl. VAT); or
    - (iii) a competitive bidding process be followed for any specific procurement of a transaction value lower than R200 000 (Incl. VAT).
- 3) Goods or services may not deliberately be split into parts or items of a lesser value merely to avoid complying with the requirements of the policy. When determining transaction values, a requirement for goods or services consisting of different parts or items must as far as possible be treated and dealt with as a single transaction.

## **13 General preconditions for consideration of written quotations or bids**

- 1) A written quotation or bid may not be considered unless the provider who submitted the quotation or bid –
  - a) has furnished that provider's –
    - (i) full name;
    - (ii) identification number or company or other registration number; and
    - (iii) tax reference number and VAT registration number, if any;
  - b) has authorised the Municipality to verify any of the documentation referred to in sub-clause (a) above; and
  - c) has indicated –
    - (i) whether he or she is in the service of the state, or has been in the service of the state in the previous twelve months;
    - (ii) if the provider is not a natural person, whether any of its directors, managers, principal shareholder or stakeholders are in the service of the state, or has been in the service of the state in the previous twelve months; or
    - (iii) whether a spouse, child or parent of the provider or of a director, manager, shareholder or stakeholder referred to in sub-clause (ii) is in the service of the state, or has been in the service of the state in the previous twelve months.

#### **14 Lists of accredited prospective providers**

- 1) The Accounting Officer must –
  - a) keep a list of accredited prospective providers of goods and services that must be used for the procurement requirements through written or verbal quotations and formal written price quotations; and
  - b) at least once a year through newspapers commonly circulating locally, the website and any other appropriate ways, invite prospective providers of goods or services to apply for evaluation and listing as accredited prospective providers; and
  - c) The listing criteria for prospective suppliers are:
    - (i) Name of supplier / service provider;
    - (ii) Street address;
    - (iii) Postal address;
    - (iv) Contact person in Sales Department;
    - (v) Sales Department's telephone number;
    - (vi) Sales Department's fax number;
    - (vii) Sales Department's cell number;
    - (viii) Sales Department's email address;
    - (ix) Contact person in Accounts Department;
    - (x) Accounts Department's telephone number;
    - (xi) Accounts Department's fax number;
    - (xii) Accounts Department's email address;
    - (xiii) VAT registration yes/no;
    - (xiv) VAT registration number;
    - (xv) Bank details;
    - (xvi) Type of industry;
    - (xvii) Valid certification for specialised services;
    - (xviii) Valid tax clearance certificate;
    - (xix) CIDB registration if applicable;
    - (xx) Valid certification in respect of Exempted Micro Enterprises or
    - (xxi) B-BBEE Status Level of Contributor.
    - (xxii) Relevant identification numbers of all members, directors and partners.
  - d) disallow the listing of any prospective provider whose name appears on the National Treasury's database as a person prohibited from doing business with the public sector.
- 2) The list must be updated at least quarterly to include any additional prospective providers and any new commodities or types of services. Prospective providers must be allowed to submit applications for listing at any time.
- 3) The list must be compiled per commodity and per type of service.

#### **15 Written or verbal quotations below R2,000 (Incl. VAT)**

- 1) The conditions for the procurement of goods by means of written quotations referred to in clause 12(1)(b) of this Policy for minor items that are purchased for up to R2,000 (Incl. VAT), are as follows:-
  - a) written quotations for transactions must be obtained from at least one prospective supplier or service provider preferably from, but not limited to, suppliers or service providers whose names appear on the list of accredited prospective providers of the Municipality provided that if quotations are obtained from providers who are not listed, such providers must meet the listing criteria set out in clause 14(1)(b), (c) and (d) of this Policy;
  - b) if a quotation was submitted verbally, the order may be placed only against written confirmation by the selected provider.

#### **16 Written quotations above R2,000 (Incl. VAT)**

- 1) The conditions for the procurement of goods or services through written quotations for amounts above R2,000 (Incl. VAT) up to R10,000 (Incl. VAT) are as follows:
  - a) quotations must be obtained from at least three different providers preferably from, but not limited to, providers whose names appear on the list of accredited prospective providers of the Municipality provided that if quotations are obtained from providers who are not listed, such providers must meet the listing criteria set out in clause 14(1)(b), (c) and (d) of this Policy;

- b) if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the Chief Financial Officer or an official designated by the Chief Financial Officer and reported quarterly to the Accounting Officer or another official designated by the Accounting Officer;
- c) the Accounting Officer must record the names of the potential providers requested to provide such quotations with their quoted prices; and

#### **17 Formal written price quotations**

- 1) The conditions for the procurement of goods or services through formal written price quotations for amounts above R10,000 (Incl. VAT) up to R200,000 (Incl. VAT) are as follows:
  - a) quotations must be obtained in writing from at least three different providers whose names appear on the list of accredited prospective providers of the Municipality;
  - b) quotations may be obtained from providers who are not listed, provided that such providers meet the listing criteria set out in clause 14(1)(c) and (d) of this Policy;
  - c) if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the Chief Financial Officer or an official designated by the Chief Financial Officer; and
  - d) the Accounting Officer must record the names of the potential providers and their written quotations.
- 2) A designated official referred to in clause 16(1)(b) and sub-clause (1)(c) must within three (3) business days of the end of each month report to the Chief Financial Officer on any approvals given during that month by that official in terms of that sub-delegation.

#### **18 Procedures for procuring goods or services through written quotations and formal written price quotations**

- 1) The procedure for the procurement of goods or services through written quotations or formal written price quotations is as follows:
  - a) when using the list of accredited prospective providers the Accounting Officer must promote ongoing competition amongst providers by inviting providers to submit quotations on a rotation basis;
  - b) all requirements in excess of R30,000 (Incl. VAT) that are to be procured by means of formal written price quotations must, in addition to the requirements of clause 17, be advertised for at least five business days on the website and an official notice board of the Municipality;
  - c) quotes received must be evaluated on a comparative basis taking into account unconditional discounts;
  - d) the Accounting Officer or Chief Financial Officer must on a monthly basis be notified in writing of all written or verbal quotations and formal written price quotations accepted by an official acting in terms of a sub-delegation;
  - e) quotes must be awarded based on compliance to specifications and conditions of contract, ability and capability to deliver the goods and services and lowest price;
  - f) the Chief Financial Officer must set requirements for proper record keeping of all formal written price quotations accepted on behalf of the municipality;

#### **19 Competitive bids**

- 1) Goods or services above a transaction value of R200 000 (Incl. VAT) and long term contracts may only be procured through a competitive bidding process, subject to clauses 11(2) of this Policy.
- 2) No requirement for goods or services above an estimated transaction value of R200,000 (Incl. VAT), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.

#### **20 Process for competitive bidding**

- 1) The procedures for the following stages of a competitive bidding process are as follows:
  - a) Compilation of bidding documentation is detailed in clause 21;
  - b) Public invitation of bids is detailed in clause 22;
  - c) Site meetings or briefing sessions are detailed in clause 22;

- d) Handling of bids submitted in response to public invitation is detailed in clause 23;
- e) Evaluation of bids is detailed in clause 28;
- f) Award of contracts is detailed in clause 29;
- g) Administration of contracts is detailed in clause 6 of Council's Contract management Policy
- h) Proper record keeping: Original and legal copies of all tender documentation must be kept in a secure place for reference purposes.

## **21 Bid documentation for competitive bids**

- 1) The criteria to which bid documentation for a competitive bidding process must comply, must –
  - a) take into account –
    - (i) the general conditions of contract and any special conditions of contract, if specified;
    - (ii) any Treasury guidelines on bid documentation; and
    - (iii) the requirements of the Construction Industry Development Board (CIDB), in the case of a bid relating to construction, upgrading, refurbishment of buildings or infrastructure.
  - b) include the preference points system to be used as contemplated in the Preferential Procurement Regulations, 2011, evaluation and adjudication criteria, including any criteria required by other applicable legislation;
  - c) compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted;
  - d) if the value of the transaction is expected to exceed R10 million (Incl. VAT) –
    - (i) if the bidder is required by law to prepare annual financial statements for auditing, its audited annual financial statements –
      - (a) for the past three years; or
      - (b) since its establishment if established during the past three years;
    - (ii) certificate signed by the bidder certifying that the bidder has no undisputed commitments for municipal services towards a Municipality or other service provider in respect of which payment is overdue for more than 30 calendar days;
    - (iii) particulars of any contracts awarded to the bidder by the municipality during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract;
    - (iv) a statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality or municipal entity is expected to be transferred out of the Republic; and
  - e) stipulate that disputes must be settled by means of mutual consultation, mediation (with or without legal representation), or, when unsuccessful, in a South African court of law;
- 2) A fee shall be raised for bid forms, plans, specifications, samples and any other bid documentation, depending on the nature, magnitude and value of technical information or samples provided by the municipality for tenders in excess of R200 000 (Incl. VAT).

## **22 Public invitation for competitive bids**

- 1) The procedure for the invitation of competitive bids is as follows:
  - a) Any invitation to prospective providers to submit bids must be by means of a public advertisement:
    - (i) in newspapers commonly circulating locally,
    - (ii) on the notice boards at selected offices of the Municipality,
    - (iii) on the website of the Municipality,
    - (iv) on the i-Tender website of the CIDB for construction procurement related transactions or
    - (v) any other appropriate ways (which may include an advertisement in the Government Tender Bulletin).

- b) The information contained in a public advertisement, must include –
  - (i) the closure date for the submission of bids, which may not be less than 22 business days in the case of transactions over R10 million (Incl. VAT), or which are of a long term nature (in excess of three years), or 10 business days in any other case, from the date on which the advertisement is placed in a newspaper, subject to sub-clause (2) of this policy;
  - (ii) a statement that bids may only be submitted on the bid documentation provided by the Municipality;
  - (iii) a statement that bids will only be considered if it was deposited into the bid box indicated in the bid invitation;
  - (iv) date, time and venue of any proposed site meetings or briefing sessions, provided that site meetings / information sessions may not be scheduled within 5 business days of the date on which a bid advertisement is placed; and
  - (v) the required CIDB contractor category and grading designation for construction procurement.
  - (vi) that only locally produced goods, works or services or locally manufactured goods with a stipulated minimum threshold for local production and content will be considered for sectors designated by the Department of Trade and Industry.
- 2) The Accounting Officer may determine a closure date for the submission of bids which is less than the required 22 or 10 business days, but only if such shorter period can be justified on the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official procurement process.
- 3) The notice shall further state that all bids for the contract must be submitted in a sealed envelope on which it is clearly stated that such envelope contains a bid and the contract title and contract or bid reference number for which the bid is being submitted.
- 4) The period for which bids are to remain valid and binding must be indicated in the bid.
- 5) Amendments before the closing date
  - a) The Municipality is entitled to amend any bid condition, validity period, specification or plan, or extend the closing date of such a bid or quotation before the closing date, provided that such amendments or extensions are advertised and/or where possible, that all bidders to whom bid documents have been issued, are advised in writing per e-mail or by fax of such amendments or of the extension clearly reflecting the new closing date and time. For this reason, officials and authorised service providers issuing bids shall keep a record of the names, addresses and contact numbers of the persons or enterprises to whom bid documents have been issued.
  - b) All amendments must be approved by the Accounting Officer or the relevant delegated director prior to the closing date of the bid invitation.

### **23 Procedure for handling, opening and recording of bids**

- 1) The procedures for the handling, opening and recording of bids, are as follows:
  - a) Bids–
    - (i) must be opened only in public;
    - (ii) must be opened on the same date and as soon as possible after the period for the submission of bids has expired; and
  - b) Any bidder or member of the public has the right to request that the names of the bidders who submitted bids in time must be read out and, if practical, also each bidder's total bidding price;
  - c) No information, except the provisions in sub-clause (b), relating to the bid should be disclosed to bidders or other persons until the successful bidder is notified of the award; and
  - d) The Accounting Officer must –
    - (i) record in a register all bids received in time;
    - (ii) make the register available for public inspection; and
    - (iii) publish the entries in the register and the bid results on the website.

- 2) Stamping of bids and reading out of names:
  - a) As each bid is opened the name of the bidder and the amount – if practical – shall be read out.
  - b) An official shall date-stamp the bid or quotation and all enclosures related to prices, delivery periods and special conditions.
  - c) Bids and quotations shall be numbered in the sequence in which they have been opened and the words “and last” shall be endorsed on the last bid or quotation.
  - d) In instances where only one bid has been received the words “and only” shall be endorsed on such bid.
  - e) Where prices have not been inserted in all relevant spaces on the form and such items have not been deleted by bidders, such spaces shall be stamped “no price” by the employee who opens the bids or quotations.
  - f) A bid will not be invalidated if the amount in words and the amount in figures do not correspond, where there is a discrepancy, the amount in words shall be read out at the bid opening and shall be deemed to be the bid amount.
- 3) Late Bids
  - a) Bids or quotations arriving after the specified closing time shall not be considered and where practicable and cost effective shall be returned to the bidder unopened with a letter explaining the circumstances.
  - b) Where it is necessary to open a late bid or quotation to obtain the name and address of the sender, each page of the document shall be stamped “late bid” before the bid is returned to the bidder. The envelope must be stamped and initialled in like manner and must be retained for record purposes.
- 4) Dealing with bids and quotations if the closing date thereof has been extended.
  - a) Where the closing date of a bid or quotation is extended, bids or quotations already received, will be retained unopened in the bidding box and be duly considered after the expiry of the extended period, unless the bidder cancels it by submitting a later dated bid or quotation before the extended closing date.

#### **24 Negotiations with preferred bidders and communication with prospective providers and bidders**

- 1) The Accounting Officer may negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders, provided that such negotiation –
  - a) does not allow any preferred bidder a second or unfair opportunity;
  - b) is not to the detriment of any other bidder; and
  - c) does not lead to a higher price than the bid as submitted;
  - d) does not lead to a lower price in respect of sale of land / goods.
- 2) Minutes of such negotiations must be kept for record purposes and as far as practical be made part of the final contract.
- 3) No unauthorised communication with bidders and prospective providers:
  - a) where bids and quotations have been submitted to the municipality, a bidder may not communicate with any councillor, official, or authorised service provider on any matter regarding his bid, quotation or offer other than a notice of withdrawal.
  - b) No municipal personnel may communicate with a bidder or any other party who has an interest in a bid, during the period between the closing date for the receipt of the bid or quotation (or date of receipt of an offer), and the date of notification of the successful bidder of acceptance of his bid, quotation or offer, except as provided for in clause (c) below. Every such case of unauthorised communication shall forthwith be reported to the Supply Chain Management Unit as well as the chairperson of the Bid Adjudication Committee. A bid or quotation in respect of which unauthorised communication has occurred may be disqualified.
  - c) The chairperson of the Bid Adjudication Committee, as determined in clause 29(2), may authorise an employee or authorised consulting service provider, in writing, to communicate with a bidder during the period mentioned in subsection (b) above for the purpose of:-
    - (i) Obtaining an explanation and verification of declarations made in the bid response;



- (ii) confirming technical particulars and the compliance thereof with specifications;
  - (iii) clarifying delivery times/quantities;
  - (iv) extending the validity period of a bid;
  - (v) clarifying any other commercial aspect;
  - (vi) for the submission of substantiating documents.
- d) In all cases where authority has been granted to communicate with bidders in terms of clause (c) above, it should be clearly stated in the submission to the Bid Adjudication Committee the nature of the communication as well as by whom such authority to communicate has been granted.

## **25 Two-stage bidding process**

- 1) A two-stage bidding process is allowed for –
  - a) large complex projects; or
  - b) projects where it may be undesirable to prepare complete detailed technical specifications; or
  - c) long term projects with a duration period exceeding three years.
- 2) In the first stage technical proposals on conceptual design or performance specifications should be invited, subject to technical as well as commercial clarifications and adjustments.
- 3) In the second stage final technical proposals and priced bids should be invited.

## **26 Committee system for competitive bids**

- 1) A committee system for competitive bids is hereby established, consisting of the following committees for each transaction or cluster of transactions as the Accounting Officer may determine:
  - a) a bid specification committee;
  - b) a bid evaluation committee; and
  - c) a bid adjudication committee;
- 2) The Accounting Officer appoints the members of each committee, taking into account section 117 of the Act, and
- 3) The Accounting Officer may appoint a neutral or independent observer, to attend or oversee a committee when this is appropriate for ensuring fairness and promoting transparency.
- 4) The committee system must be consistent with –
  - a) clause 27, 28 and 29 of this Policy; and
  - b) any other applicable legislation.
- 5) The Accounting Officer must apply the committee system to formal written price quotations above R30,000 (Incl. VAT).

## **27 Bid Specification Committees**

- 1) The appropriate bid specification committee must compile the specifications for each procurement transaction for goods or services by the Municipality, depending on the department involved.
- 2) Specifications –
  - a) must be drafted in an unbiased manner to allow all potential suppliers to offer their goods or services;
  - b) must take account of any accepted standards such as those issued by Standards South Africa, the International Standards Organization, or an authority accredited or recognised by the South African National Accreditation System with which the equipment or material or workmanship should comply;
  - c) must, where possible, be described in terms of performance required and / or in terms of descriptive characteristics for design;
  - d) may not create trade barriers in contract requirements in the forms of specifications, plans, drawings, designs, testing and test methods, packaging, marking or labelling of conformity certification;

- e) may not make reference to any particular trade mark, name, patent, design, type, specific origin or producer unless there is no other sufficiently precise or intelligible way of describing the characteristics of the work, in which case such reference must be accompanied by the word “equivalent”;
  - f) must indicate each specific goal for which points may be awarded in terms of the points system set out in the Preferential Procurement Regulations, 2011; and
  - g) must be approved by the Accounting Officer or the relevant delegated director prior to publication of the invitation for bids in terms of clause 22 of this Policy.
- 3) A Bid Specification Committee must be composed of the following:-
- a) a delegated supply chain management practitioner as chairperson;
  - b) the budget holder from the Directorate for whom the bid is called; and
  - c) a legal advisor.
- 4) The Committee may, when appropriate, include external specialist advisors.
- 5) No person, advisor or corporate entity involved with the bid specification committee, or director of such a corporate entity, may bid for any resulting contracts.

## **28 Bid Evaluation Committees**

1) A Bid Evaluation Committee must –

- a) evaluate all bids for procurement exceeding R30,000 (Incl. VAT) in accordance with –
  - (i) the specifications for a specific procurement; and
  - (ii) the points system set out in terms of the Preferential Procurement Policy;
- b) evaluate each bidder's ability to execute the contract ;
- c) check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears for more than three months;
- d) submit to the adjudication committee a report and recommendations regarding the award of the bid or any other related matter; and

2) A Bid Evaluation Committee must as far as possible be composed of:-

- a) the budget holder and other officials from departments requiring the goods or services
- b) at least one delegated supply chain management practitioner

## **29 Bid Adjudication Committees**

1) A bid adjudication committee must –

- a) consider the report and recommendations of the bid evaluation committee; and
- b) either –
  - (i) depending on its delegations, make a final award or a recommendation to the Accounting Officer to make the final award; or
  - (ii) make another recommendation to the Accounting Officer how to proceed with the relevant procurement.

2) The bid adjudication committee must be composed of all municipality's directors, including the following: –

- a) the Chief Financial Officer or, if the Chief Financial Officer is not available, another manager reporting directly to the Chief Financial Officer and designated by the Chief Financial Officer; and
- b) the Head: Supply Chain Management.

3) The Accounting Officer must appoint the chairperson of the committee. If the Chairperson is unable to chair the meeting, the members of the committee who are present must elect one of them to preside at the meeting.

4) A quorum for the Adjudication Committee shall be four members.

- a) In the event of an equality of votes the chairperson shall have a casting vote over and above a deliberate vote.



- b) The Director of the department that called for the tender must be present at the meeting where the particular tender is considered.
- 5) The Chairperson of the Bid Evaluation Committee, or in his absence an official nominated by the Chief Financial Officer, should be present at the Bid Adjudication Committee meetings to introduce the reports to the Committee and assist in clarifying issues that were dealt with in the Evaluation Committee meetings without voting rights.
- 6) A technical expert in the relevant field, who is an official, if such an expert exists, may attend the meeting as an advisor for clarification purposes. This official will not have voting rights at the Bid Adjudication Committee meeting. Neither a member of a bid evaluation committee, nor an advisor or person assisting the evaluation committee, may be a member of a bid adjudication committee.
- 7) If the bid adjudication committee decides to award a bid other than the one recommended by the bid evaluation committee –
  - a) the bid adjudication committee must prior to awarding the bid –
    - (i) check in respect of the preferred bidder whether that bidder's municipal rates and taxes and municipal service charges are not in arrears for more than three months, and;
    - (ii) notify the Accounting Officer.
  - b) The Accounting Officer may –
    - (i) after due consideration of the reasons for the deviation, ratify or reject the decision of the bid adjudication committee referred to in clause (a); and
    - (ii) if the decision of the bid adjudication committee is rejected, refer the decision of the adjudication committee back to that committee for reconsideration.
- 8) The Accounting Officer may at any stage of a bidding process, refer any recommendation made by the evaluation committee or the adjudication committee back to that committee for reconsideration of the recommendation.
- 9) The Accounting Officer must comply with Section 114 of the Act within 10 days–
  - a) If a tender other than the one recommended in the normal course of implementing the supply chain management policy is approved, the Accounting Officer must, in writing, notify the Auditor-General, the Provincial Treasury and the National Treasury of the reasons for deviating from such recommendation.
  - b) Subsection (1) does not apply if a different tender was approved in order to rectify an irregularity.

### **30 Procurement of Banking Services**

- 1) A contract for banking services –
  - a) must be procured through competitive bids;
  - b) must be consistent with section 7 of the Act; and
  - c) may not be for a period of more than five years at a time.
- 2) The process for procuring a contract for banking services must commence at least nine months before the end of an existing contract.
- 3) The closure date for the submission of bids may not be less than 46 business days from the date on which the advertisement is placed in a newspaper in terms of clause 22(1).
- 4) Bids must be restricted to banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990).

### **31 Procurement of Information- and Communication Technology (ICT) related goods or services**

- 1) The Accounting Officer may request the State Information Technology Agency (SITA) to assist with the acquisition of ICT related goods or services through a competitive bidding process.
- 2) Both parties must enter into a written agreement to regulate the services rendered by, and the payments to be made to, SITA.
- 3) The Accounting Officer must notify SITA together with a motivation of the ICT needs if –
  - a) the transaction value of ICT related goods or services required in any financial year will exceed R50 million ; or

- b) the transaction value of a contract to be procured whether for one or more years exceeds R50 million .
- 4) If SITA comments on the submission and the Municipality disagree with such comments, the comments and the reasons for rejecting or not following such comments must be submitted to Council, the National Treasury, the Provincial Treasury and the Auditor-General.
- 5) The Municipality is required to follow the following process before inviting proposals for a new financial management system:
  - a) National and Provincial Treasury should immediately be informed of any intention to replace the accounting or billing system currently operating at the municipality;
  - b) The submission should include a comprehensive motivation with specific reasons for why it is deemed necessary to replace the existing financial system;
  - c) A copy of the service level agreement with minutes of the meetings between the municipality and the current service provider (financial system vendor) during the previous twelve months must be made available;
  - d) The organisational structure, specifically for the IT department/function, clearly indicating management capacity and responsibility for operating the financial system, must be submitted;
  - e) An assessment should be done to determine which modules of the existing financial system are being utilised by the municipality and reasons must be provided for modules not in operation. In cases where an existing system is not an ERP system the municipality must provide details of any other systems utilised by the municipality;
  - f) The date on which the existing financial system was implemented, the procurement and implementation costs and the current operational costs thereof must be disclosed;
  - g) A technical assessment must be undertaken on the server and network requirements of the new financial system and a copy of such report should be submitted; and
  - h) Copies of all IT strategies, policies and procedural documents including the IT disaster recovery plan must be made available.

### **32 Procurement of goods and services under contracts secured by other organs of state**

- 1) The Accounting Officer may procure goods or services under a contract secured by another organ of state, but only if –
  - a) the contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state;
  - b) there is no reason to believe that such contract was not validly procured;
  - c) there are demonstrable discounts or benefits to do so; and
  - d) that other organ of state and the provider have consented to such procurement in writing.

### **33 Procurement of goods necessitating special safety arrangements**

- 1) The acquisition and storage of goods in bulk (other than water), which necessitate special safety arrangements, including gasses and fuel, should be avoided where ever possible.
- 2) Where the storage of goods in bulk is justified, such justification must be based on sound reasons, including the total cost of ownership, cost advantages and environmental impact and must be approved by the official duly authorised in terms of the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993).

### **34 Proudly SA Campaign**

- 1) The Municipality supports the Proudly SA Campaign to the extent that, as far as possible, preference is given to procuring local goods and services as per Council's Preferential Procurement Policy

### **35 Appointment of consultants**

- 1) The Accounting Officer may procure consulting services provided that any National Treasury guidelines and CIDB requirements in respect of consulting services are taken into account when such services are procured.
- 2) Consultancy services must be procured through competitive bids if:
  - a) the value of the contract exceeds R200 000 (Incl. VAT); or

- b) the duration period of the contract exceeds one year.
- 3) In addition to any requirements prescribed by this policy for competitive bids, bidders must furnish particulars of –
  - a) all consultancy services provided to an organ of state in the last five years; and
  - b) any similar consultancy services provided to an organ of state in the last five years.
- 4) The Accounting Officer must ensure that copyright in any document produced, and the patent rights or ownership in any plant, machinery, thing, system or process designed or devised, by a consultant in the course of the consultancy service is vested in the Municipality.

### **36 Deviation from, and ratification of minor breaches of procurement processes**

- 1) The Accounting Officer may –
  - a) dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –
    - (i) in an emergency;
      - (a) Circumstances that warrant emergency dispensation, includes but are not limited to -
        - (i) the possibility of human injury or death;
        - (ii) the possibility of damage to property;
        - (iii) failure to take necessary action may result in the municipality not being able to render an essential community service;
        - (iv) the interruption of services related to communication facilities or support services critical to the effective functioning of the municipality as a whole; or
        - (v) the eminent possibility of serious damage occurring to the natural environment.
      - (b) The prevailing situation, or imminent danger, should be of such a scale and nature that it could not readily be alleviated by interim measures, in order to allow time for the formal tender process.
      - (c) Procurement in the case of emergencies must be tacitly approved by the relevant director or his delegate prior to incurring the expenditure and must be reported **in writing** to the Municipal Manager or delegated official **within three** business days.
    - (ii) if such goods or services are produced or available from a single provider only;
    - (iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;
    - (iv) acquisition of animals for zoos and/or nature and game reserves; or
    - (v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes including, but not limited to:
      - (a) ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids;
      - (b) the unskilled labour component of the Municipality's Local Labour Promotion Programme (LLPP);
      - (c) the acquisition of services of attorneys and advocates subject that the acquisition of such services to be dealt with in terms of Delegations 4.2.52, 5.1.1.35.1 and 5.1.1.35.3 of the Municipality's Delegation of Powers and Duties, as amended from time to time and any Bargaining Council Agreements on Disciplinary Procedures;
      - (d) any contract relating to the publication of notices and advertisements by the municipality where applicable legislation or applicable council policy dictates.
      - (e) the acquisition of accommodation, car rental and air travel for official purposes, subject thereto that the acquisition of such services be dealt with in terms of the applicable council policy.
      - (f) Membership and subscription to professional bodies and any training provided by such bodies for purposes of obtaining continuous professional development points;

- (g) the attendance of conferences and workshops;
  - b) ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature; and
  - c) may condone any irregular expenditure incurred in contravention of, or that is not in accordance with a requirement of this Policy and which is not also a contravention of the Municipal Supply Chain Management Regulations (GG 27636 of 30 May 2005), provided that such condonation and the reasons therefore shall be reported to Council at the next ensuing meeting.
- 2) The Accounting Officer must record the reasons for any deviations in terms of sub-clauses (1)(a) and (b) of this policy and report them to the next Council Meeting and include as a note to the annual financial statements.
- 3) Sub-clause (2) does not apply to the procurement of goods and services contemplated in clause 11(2) of this policy.

### **37 Unsolicited bids**

- 1) In accordance with Section 113 of the Act there is no obligation to consider unsolicited bids received outside a normal bidding process.
- 2) The Accounting Officer may decide in terms of Section 113(2) of the Act to consider an unsolicited bid, only if –
  - a) the product or service offered in terms of the bid is a demonstrably or proven unique innovative concept;
  - b) the product or service will be exceptionally beneficial to, or have exceptional cost advantages;
  - c) the person who made the bid is the sole provider of the product or service; and
  - d) the reasons for not going through the normal bidding processes are found to be sound by the Accounting Officer.
- 3) If the Accounting Officer decides to consider an unsolicited bid that complies with sub-clause (2) of this policy, the decision must be made public in accordance with Section 21A of the Municipal Systems Act, together with –
  - a) reasons as to why the bid should not be open to other competitors;
  - b) an explanation of the potential benefits if the unsolicited bid was to be accepted; and
  - c) an invitation to the public or other potential suppliers to submit their comments within 22 business days of the notice.
- 4) The Accounting Officer must submit all written comments received pursuant to sub-clause (3), including any responses from the unsolicited bidder, to the National Treasury and the Provincial Treasury for comment.
- 5) The bid adjudication committee must consider the unsolicited bid and may award the bid or make a recommendation to the Accounting Officer, depending on its delegations.
- 6) A meeting of the bid adjudication committee to consider an unsolicited bid must be open to the public.
- 7) When considering the matter, the adjudication committee must take into account –
  - a) any comments submitted by the public; and
  - b) any written comments and recommendations of the National Treasury or the Provincial Treasury.
- 8) If any recommendations of the National Treasury or Provincial Treasury are rejected or not followed, the Accounting Officer must submit to the Auditor General, the Provincial Treasury and the National Treasury the reasons for rejecting or not following those recommendations.
- 9) Such submission must be made within five business days after the decision on the award of the unsolicited bid is taken, but no contract committing the Municipality to the bid may be entered into or signed within 22 business days of the submission.

### **38 Combating of abuse of the supply chain management system**

- 1) The Accounting Officer is hereby enabled to –
  - a) take all reasonable steps to prevent abuse of the supply chain management system;
  - b) investigate any allegations against an official or other role player of fraud, corruption, favouritism, unfair or irregular practices or failure to comply with this Policy, and when justified –
    - (i) take appropriate steps against such official or other role player; or
    - (ii) report any alleged criminal conduct to the South African Police Service;
  - c) check the National Treasury's database prior to awarding any contract to ensure that no recommended bidder, or any of its directors, is listed as a person prohibited from doing business with the public sector;
  - d) reject any bid from a bidder –
    - (i) if any municipal rates and taxes or municipal service charges owed by that bidder or any of its directors to the Municipality, or to any other municipality or municipal entity are in arrears for more than three months; or
    - (ii) who during the last five years has failed to perform satisfactorily on a previous contract with the Municipality or any other organ of state after written notice was given to that bidder that performance was unsatisfactory;
  - e) reject a recommendation for the award of a contract if the recommended bidder, or any of its directors, has committed a corrupt or fraudulent act in competing for the particular contract;
  - f) cancel a contract awarded to a person if –
    - (i) the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or
    - (ii) an official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person; and
  - g) reject the bid of any bidder if that bidder or any of its directors –
    - (i) has abused the supply chain management system of the Municipality or has committed any improper conduct in relation to such system;
    - (ii) has been convicted for fraud or corruption during the past five years;
    - (iii) has wilfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
    - (iv) has been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).
- 2) The Accounting Officer must inform the National Treasury and relevant provincial treasury in writing of any actions taken in terms of sub-clauses (1)(b)(ii), (e) or (f) of this policy.

## **Part 3: LOGISTICS, DISPOSAL, RISK AND PERFORMANCE MANAGEMENT**

### **39 Logistics management**

- 1) The Accounting Officer must establish and implement an effective system of logistics management, which must include –
  - a) the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;
  - b) the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;
  - c) the placing of manual or electronic orders for all acquisitions other than those from petty cash;
  - d) before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;

- e) appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;
- f) regular checking to ensure that all assets are properly managed and maintained in terms of Council's Asset Management Policy; and
- g) monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.
- h) Contracts will be implemented in terms of the requirements of Section 116 of the Act and Council's Contract Management Policy.

#### **40 Disposal management**

- a) Assets must be disposed of in terms of the Municipal Asset Transfer Regulations, Overstrand Municipality's Asset Management Policy and Administration of Immovable Property Policy respectively.
- b) Disposal Management does not represent a procurement process and is thus exempt from the prohibitions of Clause 44 of this policy. As a result, the municipality is not prohibited from selling/disposing of movable or immovable assets to persons in the service of the state

#### **41 Risk management**

The Accounting Officer must implement an effective system of risk management for the identification, consideration and avoidance of potential risks in the supply chain management system as per Council's Risk Management Policy.

#### **42 Performance management**

The Accounting Officer must implement an internal monitoring system in order to determine, on the basis of a retrospective analysis, whether the authorised supply chain management processes were followed and whether the objectives of this Policy were achieved in terms of the Performance Management System- Implementation Policy.

### **Part 4: OTHER MATTERS**

#### **43 Prohibition on awards to persons whose tax matters are not in order**

- 1) Irrespective of the procurement process followed, the municipality may not make any award above R30 000 to a person whose tax matters have not been declared by the South African Revenue Service to be in order.
- 2) Before making an award to a person, the Municipality must first check with SARS whether that person's tax matters are in order.
- 3) If SARS does not respond within seven days, such person's tax matters may for purposes of subparagraph (1) be presumed to be in order.

#### **44 Prohibition on awards to persons in the service of the state**

- 1) Irrespective of the procurement process followed, no award may be made to a person in terms of this Policy –
  - a) who is in the service of the state;
  - b) that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state; or
  - c) a person who is an advisor or consultant contracted with the Municipality in respect of a contract that would cause a conflict of interest.

#### **45 Awards to close family members of persons in the service of the state**

- 1) The Accounting Officer must ensure that the notes to the annual financial statements disclose particulars of any award of more than R2 000 (Incl. VAT) to a close family member of a person in the service of the state, or has been in the service of the state in the previous twelve months, including –
  - a) the name of that person;
  - b) the capacity in which that person is in the service of the state; and
  - c) the amount of the award.



#### **46 Ethical standards**

- 1) A code of ethical standards for supply chain management practitioners and other role players involved in supply chain management is hereby established in accordance with sub-clause (2) in order to promote –
  - a) mutual trust and respect; and
  - b) an environment where business can be conducted with integrity and in a fair and reasonable manner.
- 2) An official or other role player involved in the implementation of the supply chain management policy –
  - a) must treat all providers and potential providers equitably;
  - b) may not use his or her position for private gain or to improperly benefit another person;
  - c) may not accept any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person, of a value more than R350;
  - d) notwithstanding sub-clause (2)(c), must declare to the Accounting Officer details of any reward, gift, favour, hospitality or other benefit promised, offered or granted to that person or to any close family member, partner or associate of that person;
  - e) must declare to the Accounting Officer details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process of, or in any award of a contract by, the Municipality;
  - f) must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest;
  - g) must be scrupulous in his or her use of property belonging to the municipality;
  - h) must assist the Accounting Officer in combating fraud, corruption, favouritism and unfair and irregular practices in the supply chain management system; and
  - i) must report to the Accounting Officer any alleged irregular conduct in the supply chain management system which that person may become aware of, including –
    - (i) any alleged fraud, corruption, favouritism or unfair conduct;
    - (ii) any alleged contravention of clause 47(1) of this policy; or
    - (iii) any alleged breach of this code of ethical standards.
- 3) Declarations in terms of sub-clauses (2)(d) and (e) -
  - a) must be recorded in a register which the Accounting Officer must keep for this purpose;
    - (i) by the Accounting Officer must be made to the mayor of the municipality who must ensure that such declarations are recorded in the register.
- 4) A breach of the code of ethics must be dealt with as follows -
  - a) in the case of an employee, in terms of the disciplinary procedures of the Municipality envisaged in section 67(1)(h) of the Municipal Systems Act;
  - b) in the case a councillor, in terms of Schedule 1 of the Systems Act;
  - c) in the case a role player who is not an employee, or a councillor through other appropriate means in recognition of the severity of the breach; and
  - d) in all cases, financial misconduct must be dealt with in terms of Chapter 15 of the Act.

#### **47 Inducements, rewards, gifts and favours to municipal officials and other role players**

- 1) No person who is a provider or prospective provider of goods or services, or a recipient or prospective recipient of goods disposed or to be disposed of may either directly or through a representative or intermediary promise, offer or grant –
  - a) any inducement or reward to the Municipality for or in connection with the award of a contract; or
  - b) any reward, gift, favour or hospitality to –

- (i) any official; or
  - (ii) any other role player involved in the implementation of this Policy.
- 2) The Accounting Officer must promptly report any alleged contravention of sub-clause (1) to the National Treasury for considering whether the offending person, and any representative or intermediary through which such person is alleged to have acted, should be listed in the National Treasury's database of persons prohibited from doing business with the public sector.
- 3) Sub-clause (1) does not apply to gifts less than R350 (Incl. VAT) in value.

#### **48 Sponsorships**

- 1) The Accounting Officer must promptly disclose to the National Treasury and the relevant provincial treasury any sponsorship promised, offered or granted, whether directly or through a representative or intermediary, by any person who is –
- a) a provider or prospective provider of goods or services; or
  - b) a recipient or prospective recipient of goods disposed or to be disposed.

#### **49 Objections and complaints**

Persons aggrieved by decisions or actions taken in the implementation of this supply chain management system, may lodge within 10 business days of the decision or action, a written objection or complaint against the decision or action subject to the payment of applicable appeal deposit as per Council's approved tariffs.

#### **50 Resolution of disputes, objections, complaints and queries**

- 1) The Accounting Officer must appoint an independent and impartial person or persons, not directly involved in the supply chain management processes –
- a) to assist in the resolution of disputes between the Municipality and other persons regarding -
    - (i) any decisions or actions taken in the implementation of the supply chain management system; or
    - (ii) any matter arising from a contract awarded in the course of the supply chain management system;
  - b) to deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.
- 2) The Accounting Officer, or another official designated by the Accounting Officer, is responsible for assisting the appointed person to perform his or her functions effectively.
- 3) The person appointed must –
- a) strive to resolve promptly all disputes, objections, complaints or queries received; and
  - b) submit monthly reports to the Accounting Officer on all disputes, objections, complaints or queries received, attended to or resolved.
- 4) A dispute, objection, complaint or query may be referred to the Provincial Treasury if –
- a) the dispute, objection, complaint or query is not resolved within 46 business days; or
  - b) no response is forthcoming within 46 business days.
- 5) If the Provincial Treasury does not or cannot resolve the matter, the dispute, objection, complaint or query will be referred to the National Treasury for resolution.
- 6) This clause must not be read as affecting a person's rights to approach a court at any time.

#### **51 Contracts providing for compensation based on turnover**

- 1) If a service provider acts on behalf of the Municipality to provide any service or act as a collector of fees, service charges or taxes and the compensation payable to the service provider is fixed as an agreed percentage of turnover for the service or the amount collected, the contract between the service provider and the Municipality must stipulate:-
- a) A cap on the compensation payable to the service provider; and
  - b) That such compensation must be performance based.



**OVERSTRAND MUNICIPALITY  
SUPPLY CHAIN MANAGEMENT POLICY – PART A**

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**52 Public-Private Partnerships**

Public-Private Partnerships will be procured in terms of Part 2 of Chapter 11 of the Act.

**53 Short title and commencement**

This part of the policy is called the Overstrand Municipality **Supply Chain Management Policy**.

This policy will come into effect on 1 July 2015 and will be reviewed at least annually by way of a Council resolution.

POLICY SECTION:	DEPUTY DIRECTOR: FINANCE AND SUPPLY CHAIN MANAGEMENT				
				CURRENT UPDATE	2016/05/25
PREVIOUS REVIEW:	2016/02/24	PREVIOUS REVIEW:	2015/05/28	PREVIOUS REVIEW:	2014/05/28
PREVIOUS REVIEW:	2013/05/29	PREVIOUS REVIEW:	2012/11/28	PREVIOUS REVIEW:	2012/06/26
PREVIOUS REVIEW:	2012/05/30	PREVIOUS REVIEW:	2011/11/30	PREVIOUS REVIEW:	2011/05/04
PREVIOUS REVIEW:	2010/05/26	PREVIOUS REVIEW:	2009/05/27	APPROVAL	2008/05/25

**OVERSTRAND  
MUNICIPALITY**



**SUPPLY CHAIN  
MANAGEMENT POLICY  
PART B**

**PART B**

**PREFERENTIAL PROCUREMENT POLICY** adopted in terms of section 2 of the Preferential Procurement Policy Framework Act, No. 5 of 2000 and the Preferential Procurement Regulations, 2011

**PREAMBLE**

**WHEREAS** the Overstrand Municipality aims to improve the quality of life of the local community and to free the potential of each person within a framework of facilitating service delivery, through effective governance and the Council takes into account the need for transparent procedures that give the effect to the principle of preferential procurement;

**AND WHEREAS** local economic development plays a crucial role in creating a prosperous, equitable, stable and democratic society and the overall national vision of economic development is one of decent work and living standards for all in the context of qualitative improved equality in ownership, skills and access to opportunities;

**NOW THEREFORE** the Council of the Overstrand Municipality resolves in terms of section 2 of the Preferential Procurement Policy Framework Act, No. 5 of 2000 that the principles embodied in the Preferential Procurement Regulations, 2011 are herewith integrated into the Overstrand Municipality's Supply Chain Management Policy to form the basis of the evaluation criteria for quotations and competitive tenders.

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**OVERSTRAND MUNICIPALITY  
SUPPLY CHAIN MANAGEMENT POLICY – PART B**

**PART ONE: DEFINITIONS AND APPLICATION**

**1 Definitions**

- 1) In this policy, unless the context indicates otherwise, a word or expression to which a meaning has been assigned in the Act bears the same meaning, and:

<b>"Act"</b>	means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);
<b>"all applicable taxes"</b>	includes Value-Added Tax, Pay-as-you-Earn, Income Tax, Unemployment Insurance Fund Contributions and Skills Development Levies;
<b>"B-BBEE"</b>	means Broad-Based Black Economic Empowerment as defined in Section 1 of the Broad-Based Black Economic Empowerment Act;
<b>"B-BBEE status level of contributor"</b>	means the B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
<b>"Broad-Based Black Economic Empowerment Act" (B-BBEEA)</b>	means the Broad-Based Black Economic Empowerment Act, 2003 (Act No.53 of 2003);
<b>"Comparative price"</b>	means the price after the factors of a non-firm price and all unconditional discounts that can be utilised have been taken into consideration;
<b>"Consortium or Joint Venture"</b>	means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract;
<b>"Contract"</b>	means the agreement that results from the acceptance of a tender by the Overstrand Municipality;
<b>"designated sector"</b>	means a sector, sub-sector or industry that has been designated by the Department of Trade and Industry in line with national development and industrial policies for local production, where only locally produced services, works or goods or locally manufactured goods meet the stipulated minimum threshold for local production and content;
<b>"Firm price"</b>	is the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy, or tax, which, in terms of a law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract;
<b>"Functionality"</b>	means the measurement according to predetermined norms, as set out in the tender documents, of a service or commodity that is designed to be practical and useful, working or operating, taking into account, among other factors, the quality, reliability, viability and durability of a service and the technical capacity and ability of a tenderer;
<b>"imported content"</b>	means that portion of the tender price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or its subcontractors) and which costs are inclusive of the costs abroad, plus freight and direct importation costs, such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African port of entry;
<b>"local content"</b>	means that portion of the tender price which is not included in the imported content, provided that local manufacture does take place;
<b>"Non-firm prices"</b>	means all prices other than "firm" prices;
<b>"Person"</b>	includes reference to a juristic person;
<b>"Rand value"</b>	means the total estimated value of a contract in South African currency, calculated at the time of tender invitations and includes all applicable taxes and excise duties;
<b>"stipulated minimum threshold"</b>	means that portion of local production and content as determined by the Department of Trade and Industry;
<b>"Sub-Contract"</b>	means the primary contractor's assigning or leasing or making out work to, or employing, another person to support such primary contractor in the execution of part of a project in terms of the contract;
<b>"Tender"</b>	means a written offer in a prescribed or stipulated form in response to an invitation by the Overstrand Municipality for the provision of services, works or goods, through price quotations, advertised competitive tender processes or proposals;

**OVERSTRAND MUNICIPALITY  
SUPPLY CHAIN MANAGEMENT POLICY – PART B**

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<b>"Total revenue"</b>	bears the same meaning assigned to this expression as in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act, 2003 and promulgated in the Government Gazette on 9 February 2007;
<b>"Trust"</b>	means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person; and
<b>"Trustee"</b>	means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.

## **2 Application, Objectives & General Requirements**

### **1) Application**

- a) An organ of state contemplated in sub-regulation (1) must, unless the Minister of Finance has directed otherwise, only apply a preferential procurement system which is in accordance with the Act and these Regulations.

## **PART TWO: PREFERENCE POINT SYSTEM AND BROAD-BASED BLACK ECONOMIC EMPOWERMENT STATUS, EVALUATION OF TENDERS ON FUNCTIONALITY, AWARD OF CONTRACTS TO TENDERERS NOT SCORING THE HIGHEST NUMBER OF POINTS AND THE CANCELLATION AND RE-INVITATION OF TENDERS**

## **3 Planning and stipulation of preference point system to be utilized**

- 1) The Municipality must, prior to making an invitation for tenders -
  - a) properly plan for, and, as far as possible, accurately estimate the costs of the provision of services, works or goods for which an invitation for tenders is to be made;
  - b) determine and stipulate the appropriate preference point system to be utilized in the evaluation and adjudication of the tenders; and
  - c) determine whether the services, works or goods for which an invitation is to be made has been designated for local production and content in terms of paragraph 9.

## **4 Evaluation of tenders based on functionality**

- 1) The Municipality must indicate in the invitation to submit a tender, if that tender will be evaluated on functionality;
- 2) The evaluation criteria for measuring functionality must be objective.
- 3) When evaluating tenders on functionality, the-
  - a) evaluation criteria for measuring functionality,
  - b) weight of each criterion,
  - c) applicable values; as well as
  - d) minimum qualifying score for functionality,
- 4) No tender must be regarded as an acceptable tender, if it fails to achieve the minimum qualifying score for functionality as indicated in the tender invitation; and
- 5) Tenders that have achieved the minimum qualification score for functionality must be evaluated further in terms of the preference point systems prescribed in paragraphs 5 and 6.

## **5 The 80/20 preference point system for acquisition of services, works or goods up to a Rand value of R1,0 million**

- 1) The following formula must be used to calculate the points for price in respect of tenders (including price quotations) with a Rand value equal to, or above R 30 000 and up to a Rand value of R1 000 000 (all applicable taxes included):

$$P_s = 80 \left( 1 - \frac{(P_t - P_{min})}{P_{min}} \right)$$

Where;

$P_s$  = Points scored for comparative price of tender / offer under consideration

$P_t$  = Comparative price of tender / offer under consideration

$P_{min}$  = Comparative price of lowest acceptable tender / offer.

- a) The Municipality may apply this formula for price quotations with a value less than R30 000, if and when appropriate.
- 2) Subject to sub-paragraph (3), points must be awarded to a tenderer for attaining the B-BBEE status level of contributor in accordance with the table below:

B-BBEE Status Level of Contributor	Number of Points
1	20
2	18
3	16
4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

- 3) A maximum of 20 points may be allocated in accordance with sub-paragraph (2).
- 4) The points scored by a tenderer in respect of B-BBEE contribution contemplated in sub-paragraph (2) must be added to the points scored for price as calculated in accordance with sub-paragraph (1).
- 5) Subject to paragraph 7, the contract must be awarded to the tenderer who scores the highest total number of points.

**6 The 90/10 preference point system for acquisition of goods, works and / or services with a Rand value above R1,0 million.**

- 1) The following formula must be used to calculate the points for price in respect of tenders with a Rand value above R1,000,000 (all applicable taxes included):

$$a) P_s = 90 \left( 1 - \frac{(P_t - P_{min})}{P_{min}} \right)$$

Where

$P_s$  = Points scored for comparative price of tender or offer under consideration;

$P_t$  = Comparative price of tender or offer under consideration; and

$P_{min}$  = Comparative price of lowest acceptable tender or offer.

- 2) Subject to sub-paragraph (3), points must be awarded to a tenderer for attaining their B-BBEE status level of contributor in accordance with the table below:

B-BBEE Status Level of Contributor	Number of Points
1	10
2	9
3	8
4	5
5	4
6	3
7	2
8	1
Non-compliant contributor	0

- 3) A maximum of 10 points be allocated in accordance with sub-paragraph (2).

- 4) The points scored by a tenderer in respect of the level of B-BBEE contribution contemplated in sub-paragraph (2) must be added to the points scored for price as calculated in accordance with sub-paragraph (1).
- 5) Subject to paragraph 7, the contract must be awarded to the tenderer who scores the highest total number of points.

#### **7 Award of contracts to tenders not scoring the highest number of points**

A contract may be awarded to a tenderer that did not score the highest total number of points, only in accordance with paragraph 2(1)(f) of the Act.

#### **8 Cancellation and re-invitation of tenders**

- 1) In the event that, in the application of the 80/20 preference point system as stipulated in the tender documents
  - a) all tenders received exceed the estimated Rand value of R1,000,000, the tender invitation must be cancelled.
  - b) If one or more of the acceptable tenders received are within the prescribed threshold of R1,000,000, all tenders received must be evaluated on the 80/20 preference point system.
- 2) In the event that, in the application of the 90/10 preference point system as stipulated in the tender documents,
  - a) all tenders received are equal to, or below R1,000,000 the tender must be cancelled.
  - b) If one or more of the acceptable tenders received are above the prescribed threshold of R1,000,000 all tenders received must be evaluated on the 90/10 preference point system.
- 3) In the event that the Municipality has cancelled a tender invitation as contemplated in sub-paragraph (1)(a) and 2(a), tenders must be re-invited and the tender documents must stipulate the correct preference point system to be applied.
- 4) The Municipality may, prior to the award of a tender, cancel a tender if:
  - a) due to changed circumstances, there is no longer a need for the services, works or goods requested, or
  - b) funds are no longer available to cover the total envisaged expenditure; or
  - c) no acceptable tenders are received.
- 5) The decision to cancel a tender in terms of sub-paragraph (4) must be published in the media in which the original tender invitation was advertised.

### **PART THREE: LOCAL PRODUCTION AND CONTENT, B-BBEE STATUS LEVEL CERTIFICATES, CONDITIONS, DECLARATIONS, REMEDIES, TAX CLEARANCE, MECHANISMS TO SUPPORT PREFERENTIAL PROCUREMENT, SHORT TITLE AND COMMENCEMENT**

#### **9 Local Production and Content**

- 1) The Municipality must, in the case of designated sectors, where in the award of tenders local production and content is of critical importance, advertise such tenders with a specific tendering condition that only locally produced goods, services or works or locally manufactured goods, with a stipulated minimum threshold for local production and content will be considered.
- 2) The National Treasury will issue instructions, circulars and guidelines to all organs of state, with specific report mechanisms to ensure compliance with sub-paragraph (1).
- 3) Where there is no designated sector, the Municipality may include, as a specific tendering condition, that only locally produced services, works or goods or locally manufactured goods with a stipulated minimum threshold for local production and content, will be considered, on condition that such pre-script and threshold(s) are in accordance with the specific directives issued for this purpose by the National Treasury in consultation with the Department of Trade and Industry.
- 4) Every tender issued in terms of paragraph 9 must be measurable and audited.



- 5) Where necessary, tenders referred to in sub-paragraph (1) and (3), a two-stage tendering process may be followed, where the first stage involves functionality and minimum threshold for local production and content and the second price and B-BBEE with the possibility of price negotiations only with the short listed tenderer/s.

#### **10 Broad –Based Black Economic Empowerment Status Level Certificates**

- 1) Tenders with annual total revenue of R5 million or less qualify as Exempted Micro Enterprises (EMEs) in terms of the Broad-Based Black Economic Empowerment Act, and must submit a certificate issued by a registered auditor, Accounting Officer (as contemplated in section 60(4) of the Close Corporation Act, 1984 (Act No. 69 of 1984) or an accredited verification agency.
- 2) Tenders other than exempted Micro-Enterprises (EMEs) must submit their original and valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating.
- 3) The submission of such certificates must comply with the requirements of instructions and guidelines issued by the National Treasury and be in accordance with notices published by the Department of Trade and Industry in the Government Gazette.
- 4) B-BBEE status level verification certificates may be issued by SANAS accredited agencies or approved auditors registered with IRBA.
- 5) The B-BBEE status level attained by the tenderer must be used to determine the number of points contemplated in regulations 5(2) and 6(2).

#### **11 Conditions**

- 1) Only a tenderer who has completed and signed the declaration part of the tender documentation may be considered.
- 2) The Municipality must, when calculating comparative prices, take into account any discounts which have been offered unconditionally.
- 3) A discount which has been offered conditionally must, despite not being taken into account for evaluation purposes, be implemented when payment is processed.
- 4) Points scored must be rounded off to the nearest 2 decimal places.
- 5) In the event that two or more tenders have scored equal total points, the successful tender must
  - a) be the one scoring the highest number of preference points for B-BBEE.
  - b) However, when functionality is part of the evaluation process and two or more tenders have scored equal points including equal preference points for B-BBEE, the successful tender must be the one scoring the highest score for functionality.
  - c) Should two or more tenders be equal in all respects, the award shall be decided by the drawing of lots.
- 6) A trust, consortium or joint venture will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.
- 7) A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every separate tender.
- 8) A person must not be awarded points for B-BBEE status level if it is indicated in the tender documents that such a tenderer intends sub-contracting more than 25% of the value of the contract to any other enterprise that does not qualify for at least the points that such a tenderer qualifies for, unless the intended sub-contractor is an exempted micro enterprise that has the capability and ability to execute the sub-contract.
- 9) A person awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned, unless the contract is sub-contracted to an exempted micro enterprise that has the capability and ability to execute the sub-contract.
- 10) A person awarded a contract in relation to a designated sector, may not sub-contract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.

- 11) When the Municipality is in need of a service provided by only tertiary institutions, such services must be procured through a tendering process from the identified tertiary institutions.
- 12) Tertiary institutions referred to in sub-paragraph (11) will be required to submit their B-BBEE status in terms of the specialized scorecard contained in the B-BBEE Codes of Good practice.
- 13) Should the Municipality require a service that can be provided by one or more tertiary institutions or public entities and enterprises from the private sector, the appointment of a contractor must be
  - a) done by means of a tendering process;
  - b) Public entities will be required to submit their B-BBEE status in terms of the specialised score-card contained in the B-BBEE Codes of Good Practice.

## **12 Declarations**

- 1) A tender must, in the manner stipulated in the document, declare that-
  - a) the information provided is true and correct;
  - b) the signatory to the tender document is duly authorised; and
  - c) documentary proof regarding any tendering issue will, when required, be submitted to the satisfaction of the Municipality.

## **13 Remedies**

- 1) The Municipality must, upon detecting that-
  - a) The B-BBEE status level of contribution has been claimed or obtained on a fraudulent basis; or
  - b) any of the conditions of the contract have not been fulfilled,
 act against the tenderer or person awarded the contract.
- 2) The Municipality may, in addition to any other remedy it may have against the person contemplated in sub-paragraph (1) -
  - a) disqualify the person from the tendering process;
  - b) recover all costs, losses or damages it has incurred or suffered as a result of that person's conduct;
  - c) cancel the contract and claim any damages it has suffered as a result of having to make less favourable arrangements due to such cancellation;
  - d) restrict the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
  - e) forward the matter for criminal prosecution.

## **14 Tax clearance**

No tender may be awarded to any person whose tax matters have not been declared by the South African Revenue Services to be in order.

## **15 SHORT TITLE**

This part of the policy is called the Preferential Procurement Policy of the Overstrand Municipality.

This policy will come into effect on 1 July 2015 and will be reviewed at least annually by way of a Council resolution.

POLICY SECTION:	DEPUTY DIRECTOR: FINANCE AND SUPPLY CHAIN MANAGEMENT				
				CURRENT UPDATE	2016/05/25
PREVIOUS REVIEW	2016/02/24	PREVIOUS REVIEW	2015/05/28	PREVIOUS REVIEW:	2014/05/28
PREVIOUS REVIEW:	2013/05/29	PREVIOUS REVIEW:	2012/11/28	PREVIOUS REVIEW:	2012/06/26
PREVIOUS REVIEW:	2012/05/30	PREVIOUS REVIEW:	2011/11/30	PREVIOUS REVIEW:	2011/05/04
PREVIOUS REVIEW:	2010/05/26	PREVIOUS REVIEW:	2009/05/27	APPROVAL	2008/05/25

**OVERSTRAND MUNICIPALITY  
SUPPLY CHAIN MANAGEMENT POLICY – ANNEXURE A**

DELEGATION OF POWERS AND DUTIES CLAUSE 4.2.81										
As far as contractual obligations are concerned: Personnel to be nominated in writing by the Municipal Manager, and Directors, subject to the under-mentioned criteria, and further subject to the municipality's Supply Chain Management Policy, financial regulations and council resolutions where applicable.										
4.2.81.1. APPROVAL / AWARD OF QUOTATIONS, FORMAL QUOTATIONS AND TENDERS										
RAND VALUE (VAT inclusive)		LEVEL OF APPROVAL (With due regard to proper segregation of duties)				QUOTATIONS / TENDERS PROCESS FOLLOWED				
Up to R2 000		Level of approval as delegated by relevant director				Petty cash Purchases in terms of the Petty Cash Policy AND / OR One (1) written quotation by the Purchasing Section				
R2 000.01 – R30 000.00		Post level T12 and higher				Three (3) written price quotations in terms of Paragraph 17(1)(a) of the SCM Policy				
R30 000.01 – R200 000.00		Directors, subject to the recommendation of the Head: Supply Chain Management				Formal written price quotations in terms of Paragraph 18(b) of the SCM Policy – committee system				
R200 000.01 – R10 million		Bid Adjudication Committee				Competitive Bidding – committee system				
> R10 million		Municipal Manager after recommendation from the Bid Adjudication Committee				Competitive Bidding – committee system				
4.2.81.2 APPROVAL OF DEVIATIONS										
RAND VALUE (VAT inclusive)		LEVEL OF APPROVAL								
IN TERMS OF CLAUSE 36 ((1)(a)(v)(b) TO (g))										
R0 – R200 000.00		Directors								
>R200 000.00		Accounting Officer								
IN TERMS OF CLAUSE 36 ((1)(a)(i) TO (v)(a) .										
R0 – R70 000.00		Head: Supply Chain Management								
R70 000.01 – R200 000.00		Chief Financial Officer (Director: Finance) after consultation with, and recommendation by, the Head: Supply Chain Management								
>R200 000.00		Accounting Officer								
4.2.81.3 APPROVAL OF REQUESTS FOR ORDERS FOR DIRECT PURCHASES & MUNICIPAL STORE ISSUES										
Up to R2 000		Level of approval as delegated by relevant director								
R2 000.01 – R30 000.00		Post level T12 and higher								
R30 000.01 – R70 000.00		Post level T13 and higher								
> R70 000.00		Post level T16 and higher								
4.2.81.4		CERTIFICATION AND AUTHORIZATION OF ALL PAYMENTS inclusive of where an official order has been issued in terms of sub-paragraph 4.2.81.3 above								
RAND VALUE (VAT inclusive)		LEVEL OF APPROVAL (With due regard to proper segregation of duties)								
R0 – R70 000.00		Post Level 13 and Higher								
R70 000.01 – R500 000.00		Post Level 16 and Higher								
> R 500 000.00		Municipal Manager & Directors								
Eskom Bulk Electricity Purchases		Senior Manager: Electro-technical Services								
4.2.81.5 APPROVAL OF SPECIFICATIONS FOR COMPETITIVE BIDS, in terms of Paragraph 27(2)(g) of the SCM Policy										
Cryptic description of Power or Duty				Sub-delegated to		Remarks, Limitations or Conditions				
Specifications for Competitive Bids must be approved prior to the publication of the invitation for bids in terms of Paragraph 22 of the SCM Policy.				All Directors		This delegation applies in so far as each director's responsibility for managing the respective votes of the municipality and to whom powers and duties for this purpose have been delegated in terms of Section 79 of the MFMA (Act 56 of 2003).				
POLICY SECTION:		HEAD: SUPPLY CHAIN MANAGEMENT								
CURRENT UPDATE		2016/05/25	PREVIOUS REVIEW:	2014/05/28	PREVIOUS REVIEW:	2012/07/26	PREVIOUS REVIEW:	2011/05/04	APPROVAL BY COUNCIL:	2008/05/25
PREVIOUS REVIEW		2016/02/24	PREVIOUS REVIEW:	2013/05/29	PREVIOUS REVIEW:	2012/05/30	PREVIOUS REVIEW:	2010/05/26		
PREVIOUS REVIEW:		2015/05/28	PREVIOUS REVIEW:	2012/11/28	PREVIOUS REVIEW:	2011/11/30	PREVIOUS REVIEW:	2009/05/27		

**CODE OF CONDUCT FOR SUPPLY CHAIN MANAGEMENT PRACTITIONERS AND OTHER ROLE PLAYERS**

The **purpose** of this Code of Conduct is to promote mutual trust and respect and an environment where business can be conducted with integrity and in a fair and reasonable manner.

**1. General Principles**

- 1) The Municipality commits itself to a policy of fair dealing and integrity in the conducting of its business. Officials and other role players involved in supply chain management (SCM) are in a position of trust, implying a duty to act in the public interest. Officials and other role players should not perform their duties to unlawfully gain any form of compensation, payment or gratuities from any person, or provider/contractor for themselves, their family or their friends.
- 2) Officials and other role players involved in SCM should ensure that they perform their duties efficiently, effectively and with integrity, in accordance with the relevant legislation, policies and guidelines. They should ensure that public resources are administered responsibly.
- 3) Officials and other role players involved in SCM should be fair and impartial in the performance of their functions. They should at no time afford any undue preferential treatment to any group or individual or unfairly discriminate against any group or individual. They should not abuse the power and authority vested in them.

**2. Conflict of interest**

- 1) An official or other role player involved with supply chain management –
  - a) must treat all providers and potential providers equitably;
  - b) may not use his or her position for private gain or to improperly benefit another person;
  - c) may not accept any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person, of a value more than R350;
  - d) must declare to the accounting officer details of any reward, gift, favour, hospitality or other benefit promised, offered or granted to that person or to any close family member, partner or associate of that person;
  - e) must declare to the accounting officer details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process, or in any award of a contract by the Municipality;
  - f) must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest;
  - g) must declare any business, commercial and financial interests or activities undertaken for financial gain that may raise a possible conflict of interest;
  - h) should not place him/herself under any financial or other obligation to outside individuals or organizations that might seek to influence them in the performance of their official duties; and
  - i) should not take improper advantage of their previous office after leaving their official position.

**3. Accountability**

- 1) Practitioners are accountable for their decisions and actions to the public.
- 2) Practitioners should use public property scrupulously.
- 3) Only accounting officers or their delegates have the authority to commit the Municipality to any transaction for the procurement of goods and / or services.
- 4) All transactions conducted by a practitioner should be recorded and accounted for in an appropriate accounting system. Practitioners should not make any false or misleading entries into such a system for any reason whatsoever.
- 5) Practitioners must assist the accounting officer in combating fraud, corruption, favouritism and unfair and irregular practices in the supply chain management system.
- 6) Practitioners must report to the accounting officer any alleged irregular conduct in the supply chain management system which that person may become aware of, including
  - a) any alleged fraud, corruption, favouritism or unfair conduct;

- b) any alleged contravention of the policy on inducements, rewards, gifts and favours to municipalities or municipal entities, officials or other role players; and
  - c) any alleged breach of this code of conduct.
- 7) Any declarations made must be recorded in a register which the accounting officer must keep for this purpose. Any declarations made by the accounting officer must be made to the **mayor** who must ensure that such declaration is recorded in the register.

#### **4. Openness**

- 1) Practitioners should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only if it is in the public interest to do so.

#### **5. Confidentiality**

- 1) Any information that is the property of the Municipality or its providers should be protected at all times. No information regarding any bid / contract / bidder / contractor may be revealed if such an action will infringe on the relevant bidder's / contractor's personal rights.
- 2) Matters of confidential nature in the possession of officials and other role players involved in SCM should be kept confidential unless legislation, the performance of duty or the provisions of law requires otherwise. Such restrictions also apply to officials and other role players involved in SCM after separation from service.

#### **6. Bid Specification / Evaluation / Adjudication Committees**

- 1) Bid specification, evaluation and adjudication committees should implement supply chain management on behalf of the Municipality in an honest, fair, impartial, transparent, cost-effective and accountable manner.
- 2) Bid evaluation / adjudication committees should be familiar with and adhere to the prescribed legislation, directives and procedures in respect of supply chain management in order to perform effectively and efficiently.
- 3) All members of bid adjudication committees should be cleared by the accounting officer at the level of "CONFIDENTIAL" and should be required to declare their financial interest annually.
- 4) No person should-
  - a) interfere with the supply chain management system of the Municipality; or
  - b) amend or tamper with any price quotation / bid after its submission.

#### **7. Combative Practices**

- 1) Combative practices are unethical and illegal and should be avoided at all cost. They include but are not limited to:
  - a) Suggestions to fictitious lower quotations;
  - b) Reference to non-existent competition;
  - c) Exploiting errors in price quotations / bids;
  - d) Soliciting price quotations / bids from bidders / contractors whose names appear on the Register for Tender Defaulters.

# **OVERSTRAND MUNICIPALITY**



## **CONTRACT MANAGEMENT POLICY**

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## 1. PRE-AMBLE

All transactions undertaken by the Overstrand Municipality involves a contract whether explicitly agreed in writing, or implicitly implied through actions.

Properly managed contracts by all stakeholders involved, can ensure that services are delivered within specifications as set and agreed by all during the specifications phase and at the agreed cost , (Inclusive of escalation clauses in contracts) time period and qualities of the goods and services procured.

All contracts must be managed throughout the contract Life Cycle, based on the level of management control appropriate for the classification of that contract.

Improperly managed contracts may impact negatively on service delivery. Adverse effects of ineffective contract management include but are not limited to:

- 1.1 goods and services outside of specification;
- 1.2 cost overruns;
- 1.3 poor suppliers-, buyer- or other stakeholder relations;
- 1.4 negative public perception, and
- 1.5 potentially complete service delivery failures.

Hence, good contract management by all stakeholders involved is essential for good financial management and will contribute greatly to the effectiveness and efficiency of service delivery. In effect it would give strategic direction to all directorates following a centralised strategy of contract management. This policy must be read in coincidence with the SCM Policy of the Overstrand Municipality.



## 2. DEFINITIONS:

In this Policy, unless the context indicates otherwise-

<b>Accounting Officer</b> <i>(in relation to a municipality)</i>	means the municipal official referred to in section 60 of the MFMA (2003); and include a person acting as the accounting officer.
<b>Act or MFMA</b>	Means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);
<b>Circular 62</b>	means communication from National Treasury by means of a Circular to enhance compliance and accountability to SCM Regulations and the MFMA of 2003.
<b>Construction Industry Development Board (CIDB):</b>	means the Construction Industry Development Board (CIDB), a national body established by an Act of Parliament (Act 38 of 2000) to oversee the sustainability and growth of construction enterprises across the country.
<b>Contract</b>	means the agreement that results from the acceptance of a bid by the Municipality (mutual agreement)
<b>Contract Alteration</b>	means changing technical writing or input errors to the agreement of the contract without changing the scope of contract.
<b>Contract Amendment</b>	means changing the scope, nature, duration, purpose or objective of the agreement or contract (In context of Circular 62 and section 116 (3) of the MFMA).
<b>Contract Champion</b>	means the official within a specific department, responsible for all day to day activities (including performance management and dispute resolution) during the life cycle of the contract (with delegated powers to perform this function).
<b>Contract Management</b>	means the holistic term of all role players involved in an agreement (SLA/SDA) or contract and include the; SCM contract manager, contract owner, contract champion and supplier.
<b>SCM Contract Manager</b>	means the SCM official responsible for monitoring, regulating and reporting on all contract related activities as set out in Section 116 of the MFMA.
<b>Contract Owner</b>	means the deputy director, senior manager or manager, as the case may be, that is ultimately accountable for all activities during the life cycle of the contract. The Contract Owner can also be seen as the Budget holder.
<b>Director</b>	Appointment according to sect 56 of the Systems Act
<b>Delegation</b> <i>(in relation to a duty)</i>	Includes an instruction or request to perform or to assist in performing the duty.
<b>Force Majure</b>	Is the expression used to denote irresistible superior force which might cause damage or prevent the execution of an obligation, therefore suppliers is not liable for damages caused by force majeure or for failure to carry out a contract if prevented (Term and conditions in this regard will be determined by every individual contract/s).
<b>Official</b> <i>(In relation to a municipality)</i>	means: <ul style="list-style-type: none"> <li>• an employee of a municipality;</li> <li>• a person seconded to a municipality to work as a member of the staff of the municipality; or</li> <li>• a person contracted by a municipality to work as a member of the staff of the municipality otherwise than as an employee.</li> </ul>
<b>Users</b>	Means all officials as set out in the organogram of the Overstrand Municipality involved with contracts.

**3. ABBREVIATIONS:**

<b>BEE</b>	Black economic empowerment
<b>B-BBEE</b>	Broad-Based Black Economic Empowerment
<b>GCC</b>	means General Conditions of contract.
<b>MSA</b>	means Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000).
<b>NT</b>	means National Treasury established by section 5 of the Public Finance Management Act.
<b>SCC</b>	means Special Conditions of Contract.
<b>SCM</b>	means Supply Chain Management
<b>SDA</b>	means Service Delivery Agreement.
<b>SLA</b>	means Service Level Agreement.

**4. OBJECTIVES:**

- 4.1 To give effect to Section 217 of the Constitution of South Africa (1996) that stipulate:
  - 4.1.1 When an organ of state in the national, provincial or local sphere of government, or any other institution identified in national legislation, contracts for goods or services, it must do so in accordance with a system which is:
    - 4.1.1.1 equitable
    - 4.1.1.2 transparent
    - 4.1.1.3 competitive
    - 4.1.1.4 cost-effective and
    - 4.1.1.5 fair
- 4.2 The effective and efficient control of contracts procured through the SCM system ensuring:
  - 4.2.1 proper recording and enforcement of contracts throughout the contract life cycle (specifications to contract reviews);
  - 4.2.2 support to the demand management framework as set out in Circular 62 of National treasury (August 2012), optimizing proper planning, resulting in effective service delivery;
  - 4.2.3 management of Contract Performance;
  - 4.2.4 compliance with the regulatory framework;
  - 4.2.5 to assist officials in understanding their legal and managerial responsibilities with regards to contract management;
  - 4.2.6 the optimization of efficient and sustainable financial wellbeing of the municipality, resulting in lower cost drivers, and
  - 4.2.7 the continuous development of effective Management Information systems, resulting in strategic support and risk preventions.
- 4.3 To ensure that no contract procurement of goods and services (excluding land sales or rentals of Overstrand Municipal Assets, which are managed by Property Management Services), takes place outside of the SCM System.

## 5. STATUTORY AND REGULATORY FRAMEWORK FOR MANAGING CONTRACTS

### 5.1 Application and Framework of the Contract Management Policy

5.1.1 All officials and other role players in the Supply Chain Management system of the Overstrand Municipality must implement this Policy in a way that gives effect to:

5.1.1.1 Section 217 of the Constitution;

5.1.1.2 Section 116 of the MFMA;

5.1.1.3 Section 33 of the MFMA;

5.1.1.4 SCM Policy;

5.1.1.5 SCM Regulations

5.1.1.6 any other legislation pertaining to SCM.

5.1.2 This Policy applies when the Municipality:

5.1.2.1 procures goods or services;

5.1.2.2 disposes of goods no longer needed; and

5.1.2.3 selects service providers and suppliers to provide assistance in the provision of municipal services including circumstances where Chapter 8 of the Municipal Systems Act applies.

### 5.2 Adoption, Amendment and Implementation of the Contract Management Policy

5.2.1 The accounting officer must:

5.2.1.1 at least annually review the implementation of this Policy; and

5.2.1.2 when the accounting officer considers it necessary, submit proposals for the amendment of this Policy to Council;

5.2.1.3 in terms of section 62(1) (f) (IV) of the Act, take all reasonable steps to ensure that the Contract Management Policy is implemented.

### 5.3 Conditions of Contract

5.3.1 A contract or agreement procured through the Supply Chain Management System of the Municipality must:

5.3.1.1 be in writing;

5.3.1.2 stipulate the terms and conditions of the contract or agreement, which must provide for:

5.3.1.2.1 the termination of the contract or agreement in the case of non- or underperformance;

5.3.1.2.2 dispute resolution mechanisms to settle disputes between the parties;

5.3.1.2.3 a periodic review of the contract or agreement once every three years in the case of a contract or agreement for longer than three years; and

5.3.1.2.4 any other matters that may be prescribed.

- 5.4 Administrative Capacity
  - 5.4.1 The relevant Director, with delegated powers from the Municipal Manager, must establish capacity in his/her directorate to assist the accounting officer in carrying out the duties set out in section 116(2) of the MFMA.
- 5.5 Management of Contracts
  - 5.5.1 The accounting officer and delegated officials must take all reasonable steps to:
    - 5.5.1.1 ensure that a contract or agreement procured through the supply chain management policy of the municipality is properly enforced;
    - 5.5.1.2 monitor on a monthly basis the performance of the contractor under the contract or agreement.
    - 5.5.1.3 administrate the contract with the necessary competencies and delegations, ensuring effective management of contracts.
  - 5.5.2 The Contract Owner must ensure that contract champions submit suppliers' performance reports to the SCM contract manager within 5 business days after the end of each month.
  - 5.5.3 The SCM Contract Manager submits a consolidated report to the relevant Director and Contract Owner within 10 business days after the end of each month for purposes of Section 116 (2)(b) of the Act.
  - 5.5.4 The SCM Contract Manager submits a consolidated report on the performance of contracts or agreements for purposes of Section 116 (2)(d), to the Accounting Officer within 15 business days of the end of each quarter.
- 5.6 Amendment of Contracts
  - 5.6.1 A contract or agreement procured through the supply chain management policy of the municipality may be amended by the parties, in exceptional circumstances in order to mitigate abuse, in perception after the fact to prevent financial inefficiencies and influencing financial sustainability.
  - 5.6.2 In terms of Section 116(3) of the MFMA, (56 of 2003), amendments (in compliance with SCM procedures), may only be made after:
    - 5.6.2.1 the reasons for the proposed amendment have been tabled in the council; and
    - 5.6.2.2 the local community has been given reasonable notice of the intention to amend the contract or agreement; and
    - 5.6.2.3 has been invited to submit representations to the municipality.
  - 5.6.3 Amendments of contracts where the expansion or variation is not more than (NT Circular 62):
    - 5.6.3.1 20% (construction related goods, services and/or infrastructure projects), and
    - 5.6.3.2 15% (all other goods and/or services) of the original value of the contract, must be submitted directly to the Contract Man-

agement Office for approval and further reference to the SCM committee system for approval.

- 5.6.4 Amendments of contracts where the expansion or variation is more than the threshold prescribed by National Treasury (Circular 62), must be dealt with in terms of the provisions of section 116(3) of the MFMA, and are exempt from this process.
- 5.6.5 Amendments to the contract, without influencing the value or term of the contract, within the scope of the original terms and conditions, may be altered, provided that both parties have consensus on the amendment and the contract amendment is in writing and signed by both parties.
- 5.6.6 No agreement to amend or vary a contract shall be valid and of any force unless such agreement to amend or vary is entered into in writing and signed by the contracting parties.
- 5.6.7 When an amendment has a budgetary implication for a term longer than 3 (three) years, section 33 of the MFMA will apply to this amendment (Section 116 (3) of the MFMA will be followed with section 33, when amending an existing contract for longer than 3 years).

## 6. MAINTENANCE AND CONTRACT ADMINISTRATION

- 6.1 Contract administration includes all administrative duties associated with a contract once it is adjudicated and implemented.
- 6.2 No rights in terms of an awarded contract will accrue before the SCM appeal period and/or appeal has been finalised.
- 6.3 The contract should be signed by all parties concerned (The relevant official should also ensure that the suppliers have the delegated powers to sign and amend the contractual agreement).
- 6.4 The contract will only be enforceable after all the signatures of the relevant parties are documented.
- 6.5 A signed service level agreement (if applicable) must be compiled and signed which will incorporate all the relevant sections of the tender documentation.
- 6.6 All once-off purchases shall have a specified end delivery date.

## 7. ROLES AND RESPONSIBILITIES OF OFFICIALS:

- 7.1 SCM Contract Manager:
  - 7.1.1 The SCM Contract Manager is the SCM official responsible for system administration, status and SCM performance reporting on all contracts related activities.
  - 7.1.2 For the purposes of **contract management** activities performed by the relevant role players, the SCM contract manager will monitor and report on the following activities:
    - 7.1.2.1 identification and classification of contracts for management purposes in terms of the SCM processes;
    - 7.1.2.2 recognition, measurement and disclosure;
    - 7.1.2.3 oversight of contract management as is provided for in this policy;
    - 7.1.2.4 oversight of contract management as is provided for in this policy;
    - 7.1.2.5 document and information management;

- 7.1.2.6 relationship management;
  - 7.1.2.7 performance management;
  - 7.1.2.8 contract risk management.
- 7.2 Contract Champion
  - 7.2.1 The contract champion is responsible for the following activities:
    - 7.2.2.1 ensuring that all the necessary legal formalities in entering into the contract are adhered to;
    - 7.2.2.2 ensuring that purchase orders are processed on the financial system in accordance with the pricing schedule;
    - 7.2.2.3 maintaining adequate records (paper and/or electronic) in sufficient detail on an appropriate contract file to provide an audit trail;
    - 7.2.2.4 inform the Asset Management section of the Expenditure Department of the location of newly procured assets for asset register and insurance purposes; and
    - 7.2.2.5 where appropriate, in terms of Council's Delegations, authorise invoices due for payment.
    - 7.2.2.6 to take appropriate action in consultation with the contract owner and the SCM contract manager, where a contractor is underperforming or is in default or breach of the contract.
    - 7.2.2.7 ensure performance of suppliers is managed appropriately to the terms and conditions of the contract.
- 7.3 Contract Owner
  - 7.3.1 The contract owner is responsible for ensuring that contract champions are assigned to all contracts.
  - 7.3.2 The contract owner is ultimately responsible for management of the activities.
- 7.4 Director
  - 7.4.1 The director is responsible for signing of contracts with the relevant service provider, in line with the Delegation of Powers and Duties Policy.
  - 7.4.2 The director is ultimately accountable for the contract.

## 8. RECORD KEEPING

- 8.1 Proper records regarding all aspects of the contract must be maintained and kept in accordance with relevant legislation.
- 8.2 All communication related to contracts must be linked to the master document on the electronic system, by the relevant official.
- 8.3 Safe custody of all contract documents must be enforced by all relevant users.
- 8.4 Contract Champions and Contract Owners are responsible for the electronic capturing of the contract information and maintenance thereof on the Contract Management system.
- 8.5 The original signed contract must be sent to the records department (by the contract management office) for safekeeping and storage.

- 8.6 The records department is responsible for the administration of archived contract documentation.

## **9. CONTRACTS HAVING BUDGETARY IMPLICATIONS BEYOND THREE FINANCIAL YEARS**

Overstrand Municipality may not enter into any contract that will impose financial obligations beyond the three years covered in the annual budget for that financial year, unless the requirements of Section 33 of the Municipal Finance Management Act have been fully complied with.

## **10. RESOLUTION OF DISPUTES, OBJECTIONS, COMPLAINTS AND QUERIES:**

The accounting officer is responsible to establish a dispute resolution mechanism as per paragraph 5.3.1.2.2 and also as required by section 116(1) of the MFMA and paragraph 50 of the SCM Policy.

## **11. CONTRACT PRICE ESCALATIONS:**

11.1 An appropriate contract price adjustment formula or specified terms of escalation must be specified in the bid documents

11.2 Escalation notification must be in writing and presented before the implementation date thereof.

11.3 User departments are responsible to manage, verify and implement price escalations as per originally agreed terms and conditions set out in the specifications of the contract and keep proof of evidence to the newly agreed escalations on the system for all other relevant stakeholders to access.

## **12. PERFORMANCE ON CONTRACTS:**

12.1 In terms of the SCM Policy and the Municipal Systems Act, the accounting officer must implement an internal monitoring system in order to determine, on the basis of a retrospective analysis, whether the authorised supply chain management processes were followed and whether the objectives of this Policy were achieved in terms of the Performance Management System Implementation Policy (Paragraph 9).

12.1.1 Municipality's Performance:

12.1.1.1 The municipality is required to pay creditors within 30 days of receiving all relevant invoice statements.

12.1.1.2 The municipality is also required to create a favourable environment to receive services and goods without preventing the supplier to perform their duties.

12.1.1.3 All parties involved must perform according to the terms and conditions of the relevant contract, while the contract is alive.

12.2.1 Supplier Performance:

12.2.1.1 The supplier of goods and services is required to perform as per terms and conditioned agreed upon and should inform the municipality if circumstances prevents them to perform, with reasons provided, within 5 working days (to be included in all contracts).



- 12.2.1.2 For all relevant deviations from the agreed terms and conditions of any contract, the key performance indicators (KPI's) should be reviewed as well as the alignment with the strategic objectives established in the IDP.
- 12.2.1.3 Suppliers performance will be reviewed by Overstrand Officials on a monthly basis (every 25<sup>th</sup> of the month) giving effect to section 116 of the MFMA, 2003 and the Performance Management System Implementation Policy
- 12.2.1.4. Prescribed procedures to evaluate service providers must be complied with.  
(Refer to the Performance Management Framework Policy)

#### **THE FOLLOWING PROCEDURES NEED TO BE FOLLOWED:**

1. The requirements of this policy must be included in the contract of the service provider.
2. The performance of the service provider under the contract or service level agreement must be assessed monthly by the Reporting Officer.
3. The assessment must be completed in the contract management system.
4. The Reporting Officer must complete the Service Provider Assessment on the contract management at the end of each month.
5. The quarterly assessment and reporting must be completed within 15 working days after the end of each quarter. (Refer to the Performance Management Framework Policy, paragraph 9.2.1).
6. The Reporting Officer must provide a copy of the assessment to the Service Provider at the end of each quarterly assessment period and on completion or termination of the contract.
7. Supply Chain Management Unit (Contract Management Office) will review the quarterly Service Provider assessments within 20 days after the end of each quarter and submit a summary report to Council.
8. The Accounting Officer need to develop the necessary forms and report structures to be utilised to manage the above processes. The forms and reporting requirements need to be reviewed on a regular basis.
9. In the instance of under-performance:
  - a. The Municipality will facilitate support interventions to service providers in the identified areas of underperformance
  - b. Service providers who have been identified as under-performing in identified areas must be informed of these support interventions.
  - c. The impact of support interventions must be monitored by the Reporting Officer.
  - d. Corrective action should be documented in writing within the contract management system
  - e. The records of the support interventions must be documented, signed by both parties and appropriately filed in the contract management system.

### **13. REVIEW OF CONTRACTS**

- 13.1 In terms of section 116 (1) of the MFMA, a contract or agreement procured through the Supply Chain Management system must have a periodic review once



every three years in the case of a contract or agreement that are longer than three years.

- 13.2 The contract owner or champion must conduct, as appropriate, within 3 months after the expiry of contracts, post contract reviews.

## **14 IMPLEMENTATION AND REVIEW PROCESS**

This policy will come into effect on 1 July 2016;

This policy will be reviewed at least annually or when required by way of a Council resolution.

<b>POLICY SECTION:</b>	<b>MANAGER: CONTRACTS</b>
<b>CURRENT UPDATE</b>	
<b>PREVIOUS REVIEW</b>	<b>28 MAY 2015</b>
<b>PREVIOUS REVIEW</b>	<b>28 MAY 2014</b>
<b>APPROVAL BY COUNCIL</b>	<b>8 MAY 2013</b>

# **OVERSTRAND MUNICIPALITY**



## **INVESTMENT & CASH MANAGEMENT POLICY**

## **PREAMBLE**

**Whereas** section 13 of the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) determines that a municipality must introduce appropriate and effective investment arrangements;

**And whereas** a municipality must disclose its investment details;

**And whereas** councillors and officials as trustees of public funds, have an obligation to ensure that cash resources are managed as effectively, efficiently and economically as possible;

**Now therefore** the Overstrand Municipality adopts the following Investment Policy:

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## OVERSTRAND MUNICIPALITY – INVESTMENT POLICY

### 1. DEFINITIONS

For the purpose of this policy, unless the context indicates otherwise, any word or expression to which a meaning has been attached in the Act shall bear the same meaning and means:-

<b>“Accounting Officer”</b>	a person appointed by the Municipality in terms of Section 82 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) and who is the head of administration and also the Municipal Manager for the Municipality.
<b>“Chief Financial Officer”</b>	an officer of the municipality appointed as the Head of the Finance Department and includes any person:- a) acting in such position; and b) to whom the Chief Financial Officer has delegated a power, function or duty in respect of such a delegated power, function or duty.
<b>“Council” or “municipal council”</b>	a municipal council referred to in section 18 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) and for purposes of this policy, the municipal council of the Municipality of Overstrand.
<b>“Councillor”</b>	a member of the Municipal Council
<b>“Investments”</b>	funds not immediately required for the defraying of expenses and invested at approved financial institutions.
<b>“Municipal Manager”</b>	the accounting officer appointed in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) and being the head of administration and accounting officer in terms of section 55 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) and includes any person:- a) acting in such position; and b) to whom the Municipal Manager has delegated a power, function or duty in respect of such a delegated power, function or duty.
<b>“municipality”</b>	the institution that is responsible for the collection of funds and the provision of services to the customers of Overstrand.
<b>“public funds”</b>	all monies received by the municipality to perform the functions allocated to them.

### 2. OBJECTIVE OF POLICY

The objectives of the Investment Policy are:-

- 2.1 to manage the investments of the municipality in such a manner that it will not tie up the municipality's scarce resources required to improve the quality of life of the citizens;
- 2.2 to manage the investments of the municipality in such a manner that sufficient cash resources are available to finance the capital and operating budgets of the municipality; and

## **OVERSTRAND MUNICIPALITY – INVESTMENT POLICY**

- 2.3 to gain the highest possible return on investments during periods when excess funds are not being used, without unnecessary risk.

### **3. SCOPE OF POLICY**

- 3.1 The Policy deals with:-
- 3.2 Responsibility / accountability;
- 3.3 Investment instruments;
- 3.4 Cash flow estimates;
- 3.5 Investment ethics and principles;
- 3.6 Investment procedures;
- 3.7 Other external deposits; and
- 3.8 Control over investments.

### **4. RESPONSIBILITY / ACCOUNTABILITY**

- 4.1 The Municipal Manager as the Accounting Officer of the municipality is accountable for investment management.
- 4.2 The municipal council must approve a policy directing procedures, processes and systems required to ensure efficient and effective management of investments.
- 4.3 Efficient and effective investment management include:-
  - a. Accurately forecasting the institution's cash flow requirements.
  - b. Timing of the in- and outflow of cash.
  - c. Recognising the time value of money.
  - d. Taking any other action that avoids locking up money unnecessarily and inefficiently.
  - e. Avoiding bank overdrafts.

### **5. INVESTMENT INSTRUMENTS**

- 5.1 The Minister of Provincial and Local Government may with the concurrence of the Minister of Finance by notice in the Gazette determine instruments or investments other than those referred to below in which Municipality may invest:-
  - a. Deposits with banks registered in terms of the Banks Act, 1990 (Act No 94 of 1990);

## **OVERSTRAND MUNICIPALITY – INVESTMENT POLICY**

- b. Securities issued by the National Government;
- c. Investments with the Public Investment Commissioners as contemplated by the Public Deposits Act, 1984 (Act No 46 of 1984);
- d. A municipality's own stock or similar type of debt; internal funds of a municipality which have been established in terms of a law to pool money available to the municipality and to employ such money for the granting of loans or advances to departments within a municipality, to finance capital expenditure;
- e. Bankers' acceptance certificates, negotiable certificates or deposits of banks;
- f. Long-term securities offered by insurance companies in order to meet the redemption fund requirements of municipalities; and
- g. Any other instruments or investments in which a municipality was under a law permitted to invest before the commencement of the Local Government Transition Act, 1996: provided that such instruments shall not extend beyond the date of maturity or redemption thereof.

### **6. CASH FLOW ESTIMATES**

- 6.1 Before money can be invested, the Municipal Manager must determine whether there will be surplus funds available for the term of the investment.
- 6.2 In order to be able to make investments for any fixed term, it is essential that cash flow estimates be drawn up.
- 6.3 Provision must be made in the cash flow estimates for the operating and capital requirements of the municipality:-
  - a. The operating requirements must include provisions for:-
    - i. Payment of monthly salaries.
    - ii. Payment for bulk purchases of electricity and water.
    - iii. Interest on long-term loans.
    - iv. Maintenance of assets.
    - v. General expenditure.
    - vi. Expected daily and monthly income.
  - b. Capital requirement must provide for:-
    - i. The anticipated cash flow requirements for each capital project.

### **7. INVESTMENT ETHICS AND PRINCIPLES**

- 7.1 The Municipal Manager will be responsible for the investment of funds, and he/she has to steer clear of outside interference, regardless of whether such interference comes from individual councillors, agents or any other institution.

## **OVERSTRAND MUNICIPALITY – INVESTMENT POLICY**

- 7.2 Under no circumstances may he/she be forced or bribed into making an investment.
- 7.3 No member of staff may accept any gift unless that gift can be deemed so small that it would not have an influence on his/her work or was not intended to do so, and can merely be seen as goodwill.
- 7.4 A certificate in respect of any gifts received should be furnished to the Municipality.
- 7.5 Interest rates offered should never be divulged to another institution.
- 7.6 Long-term investments should be made with an institution with at least a minimum BBB rating (where BBB refers to low risk institutions).
- 7.7 Short-term investments should be made with an institution with at least a minimum F3 rating (where F3 refers to low risk institutions).
- 7.8 Not more than 50% of the municipality's available funds should be placed with a single institution if the available funds exceed R50m.
- 7.9 The maximum amount invested with a financial institution should not exceed 10% of the relevant institution's shareholder's funds (capital and reserves).
- 7.10 The municipality may not borrow money specifically for reinvestment, as this would mean interest rates would have to be estimated in advance, which can be seen as speculation with public funds.
- 7.11 If the Municipal Manager invests with financial institutions, he/she must ensure that such institutions are registered in terms of the Banks Act, 1990 (Act No 94 of 1990) and that they are approved financial institutions, as approved by the Reserve Bank of South Africa from time to time.
- 7.12 When making growth related investments, the Municipal Manager must obtain a guarantee that at least the capital amount invested is safe, and must exercise due diligence in this regard.

## **8. INVESTMENT PROCEDURES**

After determining whether there is cash available for investment and fixing the maximum term of investment, the Municipal Manager must consider the way in which the investment is to be made.

- 8.1 Short-term investments:
  - a. Quotations should be obtained from a minimum of three financial institutions (local banks), for the term of which the funds will be invested.
  - b. Should one of the institutions offer a better rate for a term, other than what the municipality had in mind, the other institutions which were approached, should also be asked to quote a rate for the other term.
  - c. Quotations should be obtained in writing or electronic medium.



## OVERSTRAND MUNICIPALITY – INVESTMENT POLICY

- d. Quotations from institutions must include the following:-
  - i Name of institution;
  - ii Name of person quoting rates;
  - iii Period of the investment;
  - iv Relevant conditions; and
  - v Other facts, such as interest payable monthly or on maturation date.
- e. Once the required number of quotes has been obtained, a decision must be taken regarding the best terms offered and the institution with which funds are going to be invested.
- f. The best offer must under normal circumstances be accepted, with thorough consideration of investment principles.
- g. No attempt must be made to make institutions compete with each other as far as their rates and terms are concerned.
- h. The investment capital must only be paid over to the institution with which it is to be invested and not to an agent or third party.
- i. The financial institution where the investment is made must issue a confirmation stating the details of the investments.
- j. The Municipal Manager must make sure that the investment document, if issued, is a genuine document and issued by the approved institution.
- k. The financial institution, where the investment is made, must issue a certificate for each investment made stating that no commission has, nor will, be paid to any agent or third party, or to any person nominated by the agent or third party.
- l. The municipality must be given a monthly report on all investments.
- m. The Municipal Manager must obtain information from which the creditworthiness of financial institutions can be determined. This must be obtained and analysed annually.

### 8.2 Long-term investments:

- a Written quotations must be obtained for all investments made for periods longer than twelve months.
- b The municipal council must approve all investments made for periods longer than twelve months after considering the cash requirement for the next three years.
- c The municipality must within 30 days after an investment with a term of 12 months or longer has been made, publish in a local newspaper in circulation within its area of jurisdiction, full details of any investments so made.

### 8.3. Withdrawals

All investment amounts withdrawn and not to be reinvested at the same institution at the time of withdrawal, shall be paid into the primary bank account.

All interest shall be paid into the primary bank account at the time of withdrawal of an investment, irrespective of the capital being reinvested.

## OVERSTRAND MUNICIPALITY – INVESTMENT POLICY

### 9. OTHER EXTERNAL DEPOSITS

The principles and procedures set out above must apply to other investment possibilities subject to the applicable legislation, which is available to the municipality, including debentures and other securities of the state as well as other municipalities or statutory bodies in the Republic of South Africa, instituted under and in terms of any law.

### 10. CONTROL OVER INVESTMENTS

10.1 An investment register should be kept of all investments made. The following information must be recorded:-

- a. name of institution;
- b. capital invested;
- c. date invested;
- d. interest rate;
- e. maturation date;
- f. interest received;
- g. capital repaid; and
- h. balance invested.

10.2 The investment register and accounting records must be reconciled on a monthly basis.

10.3 The investment register must be examined on a weekly basis to identify investments falling due within the next week.

10.4 Interest, correctly calculated, must be received timeously, together with any distributable capital.

10.5 Investment certificates, if issued, must be kept in a safe place with dual custody.

10.6 The following documents must be safeguarded:-

- a Fixed deposit letter or investment certificate;
- b. Receipt confirmation for capital invested;
- c. Copy of electronic transfer or cheque requisition;
- d. Schedule of comparative investment figures;
- e. Commission certificate indicating no commission was paid on the investment; and
- f. Interest rate quoted.

### 11. IMPLEMENTATION AND REVIEW OF POLICY

This policy shall be implemented on 1 July ~~2015~~2016 and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.

## OVERSTRAND MUNICIPALITY – INVESTMENT POLICY

### 12. SHORT TITLE

This Policy shall be called the **Investment Policy of the Overstrand Municipality**.

POLICY SECTION:	SENIOR MANAGER: FINANCIAL SERVICES
CURRENT UPDATE	<del>28 MAY 2015</del> <u>30 MARCH 2016</u>
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# **OVERSTRAND MUNICIPALITY**



## **BUDGET POLICY**

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## **OVERSTRAND MUNICIPALITY – BUDGET POLICY**

### **PREAMBLE**

In the spirit of the Municipal Finance Management Act, (No.56 of 2003), to modernise budget and financial management practices by placing local government finances on a sustainable footing in order to maximize the capacity of municipalities to deliver services to all residents customers, users and investors, and,

Whereas chapter 4 of the Municipal Finance Management Act, (No 56 of 2003) determines that a municipality may, except where otherwise provided in the Act, incur expenditure only in terms of an approved budget; and within the limits of the amounts appropriated for the different votes in an approved budget,

Therefore the Overstrand Municipality adopts the budget policy set out in this document.

## OVERSTRAND MUNICIPALITY – BUDGET POLICY

### 1. OBJECTIVES OF POLICY

The policy sets out the budgeting principles which Overstrand Municipality will follow in preparing each annual budget. The policy aims to give effect to the requirements and stipulations of the Municipal Finance Management Act in terms of the planning, preparation and approval of the annual budgets.

The policy shall apply to all the relevant parties within the Overstrand Municipality that are involved throughout the budget process.

A Budget Steering Committee will be established to guide the budget process.

### 2. BUDGET PRINCIPLES

#### 2.1. Capital Budget

The capital budget refers to the allocations made to specific infrastructural projects and the purchase of equipment and other forms of assets having a lifespan of more than one year and a cost value of more than R2 000.

##### 2.1.1 Basis of Calculation

- a. The current three year MTREF budget is the departure point in preparing the subsequent annual capital budget.
- b. The annual capital budget shall be based on realistically anticipated revenue, which should be equal to the anticipated capital expenditure in order to result in a balanced budget.
- c. The impact of the capital budget on the current and future operating budgets in terms of finance charges to be incurred on external loans, depreciation of fixed assets, maintenance of fixed assets and any other operating expenditure to be incurred resulting directly from the capital expenditure, should be carefully analyzed when the annual capital budget is being compiled.
- d. In addition, the council shall consider the likely impact of such operational expenses, net of any revenues expected to be generated by such items on future property rates and service tariffs.

##### 2.1.2 Financing

###### Own Financing Sources

Own financing consists of the following sources:

- a. Unappropriated cash-backed surpluses from previous financial years, to the extent that such surpluses are not required for operational purposes and cash resources are adequate for cost coverage and liquidity ratio.
- b. Borrowing (External Loans)

## **OVERSTRAND MUNICIPALITY – BUDGET POLICY**

- c. Proceeds on the sale of fixed assets, less cost to sell, in terms of the Asset Management-, Administration of Immovable Property- and Accounting policies.

### **Other Financing Sources (External)**

The external funded capital budget shall be financed from external sources such as the following:

- a. Grants and subsidies as allocated in the annual Division of Revenue of Act.
- b. Grants and subsidies as allocated by Provincial government.
- c. Public contributions and donations.
- d. Any other external financing source secured by the local authority.

### **2.1.3 Process and responsible parties**

The process to be followed in the compilation of the capital budget is as follows:

- a. The current 3 year MTREF budget is the departure point in preparing the subsequent annual capital budget.
- b. The CFO, in conjunction with the Senior Manager: Financial Services and the Manager: Budget Office and after consultation with the Budget Steering Committee sets the reasonable growth level of the capital budget to be financed out of own and external sources and determines affordability.
- c. The draft capital budget is compiled based on the projects that emanated out of the engagements with the different stakeholders.
- d. The CFO, together with the Senior Manager: Financial Services and the Manager: Budget Office, engage with the Directors and the Senior Manager: Strategic Services in order to determine the priorities for a particular financial year and to determine the ranking of projects based on these priorities.
- e. The draft capital budget is submitted to the Budget Steering Committee for perusal and suggestions.
- f. The draft capital budget is tabled in Council at least 90 days (31 March) before the start of the new financial year.
- g. After the draft budget is tabled in Council, it is advertised for public comment for a period of 30 days.
- h. Once the comments from the public have been received, noted and considered, any amendments and the final budget are tabled in Council for final approval, at least 30 days (31 May) before the start of the financial year.



## OVERSTRAND MUNICIPALITY – BUDGET POLICY

### 2.1.4 Implementation

- a. After the budget has been approved, the service delivery and budget implementation plan (SDBIP) is finalised.
- b. The SDBIP must be submitted to the Mayor within 14 days after aforementioned approval, for approval within a further 14 days.
- c. Each director indicates the intended spending for both capital and operating budgets.
- d. Cash flows are included in the Service Delivery and Budget Implementation Plan of the organisation.
- e. The SDBIP is monitored on a monthly basis.
- f. Each project manager uses the respective ~~vote numbers cost~~ allocation/codes and unique key numbers as indicated on the capital budget.

### 2.2. Operational Budget

The operational budget refers to the funds that would be generated for the delivery of basic services, grants & subsidies and any other municipal services rendered. These funds are in turn used to cover the expenses incurred in the day to day running of the organization.

#### 2.2.1. Basis of Calculation

- a. The zero based and incremental approach is used by budget holders in preparing the annual operating budget, depending on the type of revenue or expenditure.
- b. The annual operating budget shall be based on realistically anticipated revenue, which should at least be equal to the anticipated cash operating expenditure in order to result in a balanced budget.
- c. An income based approach shall be used where the realistically anticipated revenue would firstly be projected. The level of operating expenditure will then be based on the projected revenue, thus resulting in a balanced budget.

#### 2.2.2. Financing

The operating expenditure shall be financed from the following sources:

##### a. Service Charges

- (i) Property Rates
- (ii) Electricity Charges
- (iii) Water Sales

## OVERSTRAND MUNICIPALITY – BUDGET POLICY

(iv) Refuse Removal Fees

(v) Sewerage Fees

Service charges shall be based on the tariff growth rate as agreed upon plus a growth rate of the town.

### **b. Grants, Subsidies, Conditional Receipts & Awards**

Grants and subsidies shall be based on all the gazetted grants and subsidies plus all other allocations received by the organization.

### **c. Interest on Investments**

The budget for interest on investments shall be in accordance with the Investment and Cash Management Policy of the organization.

### **d. Rental Fees**

Fees for rentals will be determined based on the percentage growth as determined by contracts for a particular budget year

### **e. Fines**

Revenue from fines will be budgeted for based on the projected fines that will be issued during the financial year.

### **f. Other Income**

All other income items will be budgeted for based on the historic trends.

## **2.2.3 Budget Categories**

The following expenditure categories shall be accommodated in the operating budget:

### **a Salaries, Wages and Allowances**

The salaries and allowances are calculated based on the percentage increases as per the collective agreement between organised labour and the employer for a particular period. The remuneration of all political office bearers is based on percentages as gazetted.

### **b Bulk Purchases**

The expenditure on bulk purchases shall be determined using the tariffs as stipulated by NERSA from time to time.

### **c Impairment**

## OVERSTRAND MUNICIPALITY – BUDGET POLICY

Impairment losses will be budgeted for to the extent that Assets and other financial assets, such as Debtors and receivables from Fines, are impaired.

### **d Other General Expenditure**

A percentage growth for all other general expenditure shall be based on budget requests to be considered by the Budget Steering Committee in line with growth rates and the CPI.

### **e Repairs and Maintenance**

The budget of repairs and maintenance shall be based on budget requests to be considered by the Budget Steering Committee in conjunction with the needs of the departments in terms of repairing and maintaining their assets.

### **f Capital Expenses**

Capital expenses refer to:

- i) Interest payable on external loans taken up by Council. The budget for interest on external loans will be determined by the repayments that the municipality is liable for based on the agreements entered into with the lenders.
- ii) Interest on Finance Leases
- iii) Depreciation, based on the estimated useful lives of assets

### **g Contributions to Provisions**

Refers to the contribution made to provisions (e.g. leave, bonus, rehabilitation of land-fill sites, clearing of alien vegetation) on an annual basis and is calculated from relevant data and any other factors that could have an effect.

### **h Recharges**

This category refers to interdepartmental charges (Overheads) within the organization. The performance of each of the line items is analyzed and then the budget is based on the preceding year's performance.

## **2.2.4. Process**

- a. The CFO, in conjunction with the Senior Manager: Financial Services and the Manager: Budget Office, and after consultation with the Budget Steering Committee, sets the reasonable growth level of the operational budget based on the current financial performance and the prevailing industry growth levels. (i.e. CPI).
- b. After the income has been determined, an acceptable growth level for the operating expenditure is determined and the draft operating budget is discussed with the relevant Directors for their perusal and amendments.

## OVERSTRAND MUNICIPALITY – BUDGET POLICY

- c. The draft operating budget is compiled based on the submissions from the engagements with the different stakeholders.
- d. The draft operating budget serves before the Budget Steering Committee for perusal and suggestions.
- e. The draft operating budget is tabled in Council at least 90 days (31 March) before the start of the new financial year.
- f. The draft SDBIP is tabled in Council at least 90 days (31 March) before the start of the new financial year.
- g. After the draft budget is tabled in Council, it is advertised for public comment for a period of 30 days.
- h. Once the comments from the public have been received, noted and considered, the final budget (inclusive of any amendments) is tabled in Council for adoption, at least 30 days (31 May) before the start of the financial year.
- i. Sect 25(1) of the Municipal Finance Management Act (56 of 2003) states that “if a municipal council fails to approve an annual budget, including revenue raising measures necessary to give effect to the budget, the Council must reconsider the budget and again vote on the budget, or on an amended version thereof, within 7 days of the Council meeting that failed to approve the budget.”

### 2.2.5. Implementation

- a. After the budget has been approved, the service delivery and budget implementation plan (SDBIP) is finalised.
- b. The SDBIP must be submitted to the Mayor within 14 days after aforementioned approval, for Mayoral approval with a further 14 days.
- c. Each director indicates the intended spending for both capital and operating budgets.
- d. Cash flows are included in the Service Delivery and Budget Implementation Plan of the organisation.
- e. The SDBIP is monitored on a monthly basis.
- f. Each directorate uses their respective vote numbers as indicated on the operational budget.

## OVERSTRAND MUNICIPALITY – BUDGET POLICY

### 2.3. Adjustments Budget

- 2.3.1 A general adjustments budget may be tabled once a year by 28 February.
- 2.3.2 The adjustments budget process shall be aligned to the annual budget in terms of consideration by the Budget Steering Committee.
- 2.3.3 The adjustments budget must be approved by Council before implementation.
- 2.3.4 Any consequential amendment of the SDBIP necessitated by the adjustments budget must be published together with the adjustments budget within 5 days after the Municipal Council has approved an adjustments budget.

### 3. IMPLEMENTATION AND REVIEW OF POLICY

This policy shall be implemented on 1 July ~~2015~~ 2016 and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.

POLICY SECTION:	SENIOR MANAGER: FINANCIAL SERVICES
CURRENT UPDATE:	<del>28 MAY 2015</del> <u>30 MARCH 2016</u>
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# **OVERSTRAND MUNICIPALITY**



## **VIREMENT POLICY**

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## OVERSTRAND MUNICIPALITY – VIREMENT POLICY

### 1 DEFINITIONS

<b>“Accounting officer”</b>	The municipal manager of a municipality is the accounting officer of the municipality in terms of section 60 of the MFMA
<b>“Approved budget”</b>	means an annual budget approved by a municipal council.
<b>“Budget-related policy”</b>	means a policy of a municipality affecting or affected by the annual budget of the municipality
<b>“Chief financial officer”</b>	means a person designated in terms of the MFMA who performs such budgeting, and other duties as may in terms of section 79 of the MFMA be delegated by the accounting officer to the chief financial officer.
<b>“Capital Budget”</b>	This is the estimated amount for capital items in a given fiscal period. Capital items are fixed assets such as facilities and equipment, the cost of which is normally written off over a number of fiscal periods
<b>“Council”</b>	means the council of a municipality referred to in section 18 of the Municipal Structures Act.
<b>“Financial year”</b>	means a 12-month year ending on 30 June.
<b>“Line Item”</b>	an appropriation that is itemized on a separate line in the internal budget document for the purpose of greater control over expenditure <b>[See annexure “B1” for Item structure]</b>
<b>“Operating Budget”</b>	the Municipality’s financial plan, which outlines proposed expenditures for the coming financial year and estimates the revenues used to finance them.
<b>“Ring Fenced”</b>	an exclusive combination of line items grouped for specific purposes for instance salaries and wages.
<b>“Service delivery and budget implementation plan”</b>	means a detailed plan approved by the mayor of a municipality in terms of section 53(1) (c) (ii) for implementing the municipality’s delivery of municipal services and its annual budget.
<b>“Virement”</b>	is the process of transferring an approved budget allocation from one operating line item or capital project to another, with the approval of the relevant Manager. To enable budget managers to amend budgets in the light of experience or to reflect anticipated changes.
<b>“Vote”</b>	means one of the main segments into which a budget of a municipality is divided for the appropriation of funds for the different Directorates or GFS classifications of the municipality; and which specifies the total amount that is appropriated for the purposes of the Directorates or GFS classifications concerned. <b>[See annexure “A1” for Vote structure]</b>

### 2 ABBREVIATIONS

<b>“CFO”</b>	Chief Financial Officer
<b>“GFS”</b>	Government Financial Statistics
<b>“IDP”</b>	Integrated Development Plan
<b>“MFMA”</b>	Municipal Finance Management Act No. 56 of 2003
<b>“SDBIP”</b>	Service delivery and budget implementation plan



## **OVERSTRAND MUNICIPALITY – VIREMENT POLICY**

### **3 OBJECTIVE**

To allow limited flexibility in the use of budgeted funds to enable management to act on occasions such as disasters, unforeseen expenditure or savings, etc. as they arise to accelerate service delivery in a financially responsible manner.

### **4 VIREMENT CLARIFICATION**

Virement is the process of transferring budgeted funds from one line item number to another, with the approval of the relevant Director and CFO, in certain instances, to enable budget managers to amend budgets in the light of experience or to reflect anticipated changes. (Section 28 (2) (c) MFMA)

### **5 FINANCIAL RESPONSIBILITIES**

Strict budgetary control must be maintained throughout the financial year in order that potential overspends and / or income under-recovery within individual vote departments are identified at the earliest possible opportunity. (Chapter 4 of the MFMA) The Chief Financial Officer has a statutory duty to ensure that adequate policies and procedures are in place to ensure an effective system of financial control. The budget virement process is one of these controls. (Section 27(4) MFMA)

It is the responsibility of each manager or head of a directorate or activity to which funds are appropriated, to plan and conduct assigned operations so as not to expend more funds than budgeted. In addition, they have the responsibility to identify and report any irregular or fruitless and wasteful expenditure in terms of the MFMA sections 78 and 32.

### **6 VIREMENT RESTRICTIONS**

- (a) A virement of funds between votes (Directorates) will not be allowed without approval in an adjustments budget.
- (b) Cumulative virements may not exceed a maximum of 10% of the total approved operating budget per Directorate.
- (c) A virement may not create new policy, significantly vary from current policy or alter the approved outcomes / outputs as approved in the IDP for the current or subsequent years. (section 19 and 21 MFMA)
- (d) Virements resulting in adjustments to the approved SDBIP need to be submitted to the Municipal Manager after an adjustments budget, with altered outputs and measurements for approval. (MFMA Circular 13 page 3 paragraph 3)
- (e) No virement request may be effected in the current year which will increase the approved budget in future financial years without the prior approval of the Municipal Manager and the Mayor. This refers to expenditure such as entering into lease- or rental agreements for vehicles, photo copier's or fax machines, operational contracts.
- (f) No virement may be made where it would result in unauthorised expenditure. (section 32 MFMA)
- (g) No virement shall add to the staff establishment of the Municipality without the approval of the Municipal Manager.
- (h) Budget may only be transferred from Salaries if approved by the Municipal Manager and the Director: Finance.

## **OVERSTRAND MUNICIPALITY – VIREMENT POLICY**

- (i) If the virement relates to an increase in the work force establishment, then the Council's existing recruitment policies and procedures will apply.
- (j) Virements may not be made in respect of ring-fenced allocations.
- (k) No virements are permitted from Capital financing, Depreciation, Provisions, Contributions and Income Foregone.
- (l) Virements in capital budget allocations are only permitted within specified action plans and not across funding sources and must in addition have comparable asset lifespan classifications.
- (m) No virements are permitted in the first three months or the final month of the financial year without the express approval of the CFO.
- (n) No virement proposal shall affect amounts to be paid by another Department without the agreement of the Manager of that Department, as recorded on the signed virement form. (Section 15 MFMA)
- (o) Virement amounts may not be rolled over to subsequent years, or create expectations on following budgets. (Section 30 MFMA)
- (p) An approved virement does not give expenditure authority and all expenditure resulting from approved virements must still be subject to the procurement / supply chain management policy of Council as periodically reviewed.
- (q) Virements may not be made between Expenditure and Income.
- (r) Virements may not be made between capital and operational budgets, except as indicated in paragraph 7.
- (s) Virements from services such as electricity, water, sewage and refuse may only be considered after the submission of full details of the impact of the reduced expenditure for that service, and the impact has been duly considered, and approved by the Director: Finance.

## **7 VIREMENT PROCEDURE**

- (a) All virement proposals must be completed on the appropriate documentation and forwarded to the Budget Office for checking and implementation. All virements must be subjected to scrutiny across all seven segments of the SCOA classification framework.
- (b) All virements must be approved by the Vote holder and/or relevant Manager (Section 79 MFMA) in the case of a departmental budget transfer, and also by the relevant Director in the case of a transfer within a Directorate relating to the operational budget.
- (c) Capital Budget Virement within a GFS Classification must be approved by the relevant manager and Director, the Municipal Manager and Director: Finance and, in cases where the amount exceeds R100 000, by the Executive Mayor. Virements across GFS classification will only be considered if it qualifies as an Adjustment Budget request and will then be done as part of the official Adjustment Budget.
- (d) A virement form must be completed for all Operational Budget Transfers and in the case of a Capital Budget transfer an official memo approved by the relevant director, MM & CFO must be submitted. The prescribed documentation must be completed.
- (e) Virements in excess of R 50,000 with a maximum as determined under section 6b. requires the approval of the relevant Director for Inter-departmental transfers, as well as the express approval of the Chief Financial Officer. (Section 79 MFMA).
- (f) Virement transfers must be taken into consideration by the respective managers with regards to the SDBIP.

## OVERSTRAND MUNICIPALITY – VIREMENT POLICY

- (g) Virements in respect of Ward specific projects must be approved by the Chief Financial Officer, Municipal Manager and the Mayor.
- (h) Virements between Capital and Operational in respect of Ward Specific Projects and grant allocations, will only be allowed if it qualifies as an Adjustment Budget request and will then be done as part of the official Adjustment Budget
- (i) All virement documentation must be in order and approved before any expenditure may be committed or incurred. (Section 79 MFMA).
- (j) After all virement documentation has been duly completed, including all authorizations, the budget transfers ~~must~~ will be effected within three working days. ~~days dependent on circumstances and a case by case assessment~~.
- (k) The Director: Finance must report to the Municipal Manager and the Mayor on a monthly basis in respect of virements in excess of R50 000 per item.

### 8. IMPLEMENTATION AND REVIEW OF THIS POLICY

This policy shall be implemented on 1 July ~~2015~~ 2016 and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.

POLICY SECTION:	SENIOR MANAGER: FINANCIAL SERVICES
CURRENT UPDATE:	<del>28 MAY 2015</del> <u>30 MARCH 2016</u>
<del>PREVIOUS REVIEW:</del>	<u>28 MAY 2015</u>
PREVIOUS REVIEW:	28 MAY 2014
PREVIOUS REVIEW:	29 MAY 2013
PREVIOUS REVIEW:	30 MAY 2012
PREVIOUS REVIEW:	4 MAY 2011
APPROVAL BY COUNCIL:	26 MAY 2010

## OVERSTRAND MUNICIPALITY – VIREMENT POLICY

### SCOA FUNCTION/SUB FUNCTION

<u>FUNCTION/SUB-FUNCTION</u>	<u>FUNCTION/SUB-FUNCTION</u>
<b><u>Community and Social Services</u></b>	<b><u>Finance and Administration</u></b>
<a href="#">Aged Care, Home Assistance and Transport Facilities</a>	<a href="#">Administrative and Corporate Support</a>
<a href="#">Animal Care and Diseases</a>	<a href="#">Asset Management</a>
<a href="#">Cemeteries, Funeral Parlours and Crematoriums</a>	<a href="#">Budget and Treasury Office</a>
<a href="#">Child Care Facilities</a>	<a href="#">Finance</a>
<a href="#">Community Halls and Facilities</a>	<a href="#">Fleet Management</a>
<a href="#">Libraries and Archives</a>	<a href="#">Human Resources</a>
<a href="#">Literacy Programmes</a>	<a href="#">Information Technology</a>
<a href="#">Museums and Art Galleries</a>	<a href="#">Legal Services</a>
<a href="#">Theatres</a>	<a href="#">Marketing, Customer Relations, Publicity and Media Co-ordination</a>
<a href="#">Zoo's</a>	<a href="#">Property Services</a>
	<a href="#">Risk Management</a>
<b><u>Electricity and Gas</u></b>	<a href="#">Security Services</a>
<a href="#">Electricity and Gas Distribution</a>	<a href="#">Supply Chain Management</a>
<a href="#">Street Lighting</a>	<a href="#">Valuation Service</a>
<a href="#">Electricity Generation</a>	
	<b><u>Health</u></b>
<b><u>Environmental Protection</u></b>	<a href="#">Health Services</a>
<a href="#">Biodiversity and Landscape</a>	<a href="#">Laboratory Services</a>
<a href="#">Coastal Protection</a>	
<a href="#">Pollution Control</a>	<b><u>Housing</u></b>
	<a href="#">Housing</a>
<b><u>Executive and Council</u></b>	<a href="#">Informal Settlements</a>
<a href="#">Mayor and Council</a>	
<a href="#">Municipal Manager, Town Secretary and Chief Executive</a>	<b><u>Internal Audit</u></b>
-	<a href="#">Governance Function</a>
-	
<b><u>Other</u></b>	
<a href="#">Abattoirs</a>	<b><u>Road Transport</u></b>
<a href="#">Air Transport</a>	<a href="#">Parking Garages</a>
<a href="#">Forestry</a>	<a href="#">Pounds</a>
<a href="#">Licensing and Regulation</a>	<a href="#">Public Transport</a>
<a href="#">Markets</a>	<a href="#">Roads</a>
<a href="#">Tourism</a>	<a href="#">Taxi Ranks</a>

# OVERSTRAND MUNICIPALITY – VIREMENT POLICY

## ANNEXURE A

FUNCTION/SUB-FUNCTION	FUNCTION/SUB-FUNCTION
<b>Planning and Development</b>	<b>Sport and Recreation</b>
Billboards	Beaches and Jetties
Corporate Wide Strategic Planning (IDPs, LEDs)	Community Parks (including Nurseries)
Central Improvement District	Recreational Facilities
Development Facilitation	Sports Grounds and Stadiums
Economic Development/Planning	
Town Planning, Building Regulations and Enforcement, and City Engineer	<b>Waste Management</b>
Project Management Unit	Recycling
Support to Local Municipalities	Solid Waste Disposal (Landfill Sites)
	Solid Waste Removal
<b>Public Safety</b>	Street Cleansing
Civil Defence (Municipal Commando's)	
Cleansing	<b>Waste Water Management</b>
Control of Public Nuisances	Public Toilets
Fencing and Fences	Sewerage
Fire Fighting and Protection	Storm Water Management
Licensing and Control of Animals	Treatment
Police Forces, Traffic and Street Parking Control	
	<b>Water</b>
	Treatment
	Water Distribution
	Water Storage

*Note: The function/sub- function segment consist of core and non-core functions*

## OVERSTRAND MUNICIPALITY – VIREMENT POLICY

## ANNEXURE A

## OPERATIONAL BUDGET - DIRECTORATES &amp; DEPARTMENTS (OWN SEGMENT)

DEPT	DIRECTORATE	CODE	DEPT	DIRECTORATE	CODE
	<b>Council &amp; Mayor's Office</b>	1			
0010	COUNCIL'S GENERAL		1460	STREETLIGHTS: KLEINMOND	
0050	MAYORS OFFICE		1470	STREETLIGHTS: HERMANUS	
0060	PENSIONERS & CONTINUED MEMBERS		1480	STREETLIGHTS: STANFORD	
			1490	STREETLIGHTS: GANSBAAI	
			4200	ELECTRICITY(ADMIN) HM/KM	
	<b>MM &amp; Internal Audit</b>	2	4210	ELECTRICITY(ADMIN) GB&ST	
0100	MUNICIPAL MANAGER		4250	ELECTRICITY (DISTR): KLEINMOND	
0140	INTERNAL AUDIT		4260	ELECTRICITY (DISTR): HERMANUS	
			4270	ELECTRICITY (DISTR): STANFORD	
			4280	ELECTRICITY (DISTR): GANSBAAI	
	<b>Management Services</b>	3	4350	ELECT (PURCH/SALES): KLEINMOND	
0080	MUNICIPAL COURT		4360	ELECT (PURCH/SALES): HERMANUS	
0090	COMMUNICATION		4370	ELECT (PURCH/SALES): STANFORD	
0110	DIRECTOR: MANAGEMENT SERVICES		4380	ELECT (PURCH/SALES): GANSBAAI	
0120	LEGAL SERVICES		4400	ELECTRICITY INCOME	
0130	STRATEGIC SERVICES		4430	ELECT (SERV & CON): KLEINMOND	
0650	HUMAN RESOURCES		4440	ELECT (SERV & CON): HERMANUS	
0660	INFO & COMMUNICATION TECHNOLOGY		4450	ELECT (SERV & CON): STANFORD	
0670	COUNCIL SUPPORT SERVICES		4460	ELECT (SERV & CON): GANSBAAI	
0680	SOCIAL DEVELOPMENT		3640	OVERSTRAND: SOLID WASTE DISP.	
	<b>Finance</b>	4		<b>Protection Services</b>	6
0150	FINANCE: DIRECTOR		0700	TRAFFIC	
0160	FINANCE: DEPUTY DIRECTOR		0710	LAW ENFORCEMENT	
0180	FINANCE: ACCOUNTING SERVICES		0720	VEHICLE TESTING	
0190	FINANCE: EXPENDITURE & ASSETS		0740	FIRE BRIGADE/DISASTER MANAGEMT	
0200	FINANCE: REVENUE		0750	VEHICLE LICENSING	
0210	MANAGER: SUPPLY CHAIN MANAGEMT		0760	<b>SPECIAL TASK TEAM UNIT</b>	
			0800	DIRECTOR:PROTECTION & SECURITY	
0220	DATA CONTROL				
0250	ASSESSMENT RATES				
				<b>LED</b>	7
	<b>Infrastructure &amp; Planning</b>	5	1110	DIRECTOR:ECON.DEVELOP&TOURISM	
2180	DIRECTOR:INFRASTRUCTURE & PLAN		1120	TOURISM	
2190	ENGINEERING SERVICES		1130	PARKING SERVICE	
2200	TOWN PLANNING & PROPERTY ADMIN				
2210	DEP.DIRECTOR:ENGINEERING PLANN				
2220	GEOGRAPHICAL INFO SYSTEM (GIS)				
2240	SOLID WASTE PLANNING				
2250	BUILDING CONTROL SERVICES				
2260	MUNICIPAL PROPERTIES				
2990	OVERSTRAND HOUSING DEVELOPMENT				
2300	ENVIRONMENTAL MANAGEMENT SERV				

# OVERSTRAND MUNICIPALITY – VIREMENT POLICY

## ANNEXURE A

DEPT	DIRECTORATE	CODE	DEPT	DIRECTORATE	CODE
	<b>Community Services</b>	8			
0500	DIRECTOR:COMMUNITY SERVICES		1920	OFFICE BUILDINGS ST	
0510	DEPUTY DIR:OPERATIONAL SERVICE		1930	OFFICE BUILDINGS GB	
0530	AREA MANAGER: KLEINMOND		1940	CORPORATE BUILDING (HM)	
0540	AREA MANAGER: HERMANUS		1990	SWIMMING POOL: HAWSTON	
0550	AREA MANAGER: STANFORD		2100	SPORTSGROUNDS: KLEINMOND	
0560	AREA MANAGER: GANSBAAI		2110	SPORTGROUNDS: HERMANUS	
0610	CONTROL ROOM		2120	SPORTGROUNDS: STANFORD	
0620	FLEET MANAGEMENT		2130	SPORTGROUNDS: GANSBAAI	
0630	SPORTS & RECREATION		2140	SWIMMING POOL: HERMANUS	
0640	MANAGER: CORPORATE PROJECTS		2150	SLIPWAY (KLEINBAAI)	
0950	LIBRARY: BETTY'S BAY		2160	STONY POINT (BETTY'S BAY)	
			2170	SLIPWAY KLEINMOND	
0960	LIBRARY: KLEINMOND		2500	CEMETERIES: KLEINMOND	
0970	LIBRARY: HAWSTON		2510	CEMETERIES: HERMANUS	
0980	LIBRARY: MOUNT PLEASANT		2520	CEMETERIES: STANFORD	
0990	LIBRARY: ZWELIHLE		2530	CEMETERIES: GANSBAAI	
1000	LIBRARY: HERMANUS		2600	CARAVAN PARK: PALMIETCAMP	
1010	LIBRARY: STANFORD		2610	CARAVANPARK: KLEINMOND	
1020	LIBRARY: GANSBAAI		2620	CAMPING SITE: HAWSTON	
1100	POST OFFICE AGENCY: STANFORD		2630	CARAVAN PARK: ONRUS	
1300	OPERATIONAL MANAGER: KLEINMOND		2660	CARAVAN PARK: GANSBAAI	
1310	OPERATIONAL MANAGER: HERMANUS		2900	HOUSING & SOCIAL UPLIFTMENT	
1320	OPERATIONAL MANAGER: STANFORD		2910	HOUSING ALL SCHEMES	
1330	OPERATIONAL MANAGER: GANSBAAI		4560	WATER (TREAT): KLEINMOND	
1600	BEACHES: KLEINMOND		4590	WATER (TREAT): DE BOS/PREEKSTO	
1610	BEACHES: HERMANUS		4600	WATER (TREATMENT) STANFORD	
1620	BEACHES: GANSBAAI		4620	WATER (TREAT): GANSBAAI/FRANSK	
1360	STREETS: PROVINCIAL MAIN ROAD		4800	WATER (DISTRIBUTION): KLEINMON	
1400	STREETS: KLEINMOND		4810	WATER (DISTRIBUTION): HERMANUS	
1410	STREETS: HERMANUS		4820	WATER (DISTRIBUTION): STANFORD	
1430	STREETS: STANFORD		4830	WATER (DISTRIBUTION): GANSBAAI	
1440	STREETS: GANSBAAI		4850	OVERSTRAND: WATER	
1450	OVERSTRAND: ROADS		4890	WATER INCOME	
1640	PARKS & TOWNLANDS (KLEINMOND)		4900	WATER (SERV & CON): KLEINMOND	
1650	PARKS & TOWNLANDS (HERMANUS)		4910	WATER (SERV & CON): HERMANUS	
1660	PARKS & TOWNLANDS (STANFORD)		4920	WATER (SERV & CON): STANFORD	
1670	PARKS & TOWNLANDS (GANSBAAI)		4930	WATER (SERV & CON): GANSBAAI	
1750	MULTI-PURPOSE CENTRE (HAWSTON)		4970	WATER (RAW WAT DAMS): GANSBAAI	
1800	COMMUNITY BUILDINGS KM		1500	STORMWATER: KLEINMOND	
1810	COMMUNITY BUILDINGS HM		1510	STORMWATER: HERMANUS	
1820	COMMUNITY BUILDINGS ST		1530	STORMWATER: STANFORD	
1830	COMMUNITY BUILDINGS GB		1540	STORMWATER: GANSBAAI	
1840	AUDITORIUM & BANQUETING HALL		3200	PUBLIC TOILETS (HERMANUS)	
1900	OFFICE BUILDINGS KM		3750	SEWERAGE (DISTRIBU): KLEINMOND	
1910	OFFICE BUILDINGS HM		3760	SEWERAGE (DISTRIBU): HERMANUS	

# OVERSTRAND MUNICIPALITY – VIREMENT POLICY

## ANNEXURE A

DEPT	DIRECTORATE	CODE
3770	SEWERAGE (DISTRIBU): STANFORD	
3780	SEWERAGE (DISTRIBU): GANSBAAI	
3860	SEWERAGE (SERV/CON): HERMANUS	
3950	SEWERAGE (TANKERS): KLEINMOND	
3960	SEWERAGE (TANKERS): HERMANUS	
3970	SEWERAGE (TANKERS): STANFORD	
3980	SEWERAGE (TANKERS): GANSBAAI	
4050	SEWERAGE (TREATMENT) KLEINMOND	
4060	SEWERAGE (TREATMENT): HAWSTON	
4070	SEWERAGE (TREATMENT) HERMANUS	
4080	SEWERAGE (TREATMENT) STANFORD	
4090	SEWERAGE (TREATMENT) GANSBAAI	
4100	SEWERAGE INCOME	
3300	REFUSE REMOVAL: KLEINMOND	
3310	REFUSE REMOVAL: HERMANUS	
3320	REFUSE REMOVAL: STANFORD	
3330	REFUSE REMOVAL: GANSBAAI	
3400	SOLID WASTE DISPOSAL: B/BAY	
3410	SOLID WASTE DISPOSAL: HAWSTON	
3420	SOLID WASTE DISPOSAL: VOELKLIP	
3430	SOLID WASTE DISPOSAL: STANFORD	
3440	REFUSE DISPOSAL: P/BEACH (TRFST)	
3500	SOLID WASTE DISPOSAL: KLEINMON	
3510	SOLID WASTE DISPOSAL: HERMANUS	
3620	WASTE DISPOSAL SITE: GANSBAAI	
3650	REFUSE INCOME	



## LIST OF SCA OPERATIONAL ITEMS

Bulk Purchases - Electricity: ESKOM	This account should record the cost of all electricity purchased for resale.
<b>Contracted Services - Outsourced Services</b>	The municipality should have the capacity and expertise to carry out certain services, but for some reasons not utilising their own staff. The reasons might include temporary incapacity or the outsourcing of services to save costs, for example cleaning, security and recruitment. In evaluating the classification of agency/outsourced services it should be established whether the services being procured could have been provided by the municipality itself. It could also be that the municipality ordinarily has the expertise to provide the service but temporarily could not do so or to save costs.
Alien Vegetation Control	External service providers used by the municipality for the control of alien vegetation being 1) declared noxious weeds (toxic to humans or cattle and which can infest agricultural crops 2) declared invasive weeds (usually less dangerous than the former but are non the less invasive and thus threaten the survival of other species and 3) plants perceived as "weeds" which are not classified within the two former groups and are not "declared" as such. [Conservation of Agricultural Resources Act No 43 of 1983]
Animal Care	Making use of external service providers to assist with animal care, such as the SBCA, Wet Noise or Volunteers.
Clearing and Grass Cutting Services	If the municipality make use of external service providers for assisting in the clearing and cleaning of bushes, ervin, fire belt, alien, invasive trees and tree/grass cutting the cost need to be recorded to this item. This would include the hiring of unemployed for assisting in these tasks.
Fire Services	If the municipality make use of external service providers for assisting in providing a fire service the cost need to be recorded to this item.
Hygiene Services	External service providers used by the municipality in providing hygiene services such as public toilets, toilet facilities in municipal buildings, waste and rain water causing hygiene concerns and problems, sewerage spills resulting from blocked drains, etc.
Illegal Dumping	If the municipality make use of external service providers to remove and clean-up "illegal dumping" of waste and refuse.
Litter Picking and Street Cleaning	External service providers or making use of contract workers to assist in litter picking in cleaning the municipal area.
Medical Waste Removal	Hospitals, clinics, medical practioners and laboratories generate various forms of medical waste to be disposed of in terms of Waste Legislation. In order to ensure the appropriate removal of waste the service is outsourced to specialist external services providers by the municipality.
Meter Management	The municipality make use of external service providers for the management of water and electricity meters including checking for tampering, calibration, replacing meters, reading meters and securing meters if instructed to disconnect and reconnect on instruction.
Reconnect-, Disconnect-, New Connections: Electricity	The cost of services rendered by external bodies i.r.o the disconnection and/or reconnection of meters and new installations of meters. specifically for electricity.
Reconnect-, Disconnect-, New Connections: Water	The cost of services rendered by external bodies i.r.o the disconnection and/or reconnection of meters and new installations of meters specifically for water.
Removal of Structures and Illegal Signs	Cost incurred in the use of contractors to remove illegal structures, signage, posters, advertisements, etc. This item exclude Informal Settlement Management.
Security Services	Cost incurred for the rendering of security services including safe guarding of cash in transit, personal bodyguards, guard services for public events and functions, monitoring of alarms, crime prevention, access control to buildings and public places, rapid and armed response.
Swimming Supervision	Cost incurred for making use of contractors for swimming supervision at municipal swimming pools.

## OVERSTRAND MUNICIPALITY – VIREMENT POLICY

## ANNEXURE A

Translators and Interpreters	External translator and interpreting service used by the municipality to assist at public participation meetings, newsletters, public hearings and addresses, communications, letters, newsletters, etc.
Traffic Fines Management	This account provides for the outsourcing of traffic management for example camera fine management and collection thereof.
Veterinary Services	Costs incurred for services rendered by persons caring for sick, hurt or injured animals. Included are consultation fees, medication and hospitalisation of animals.
<b>Contracted Services-Consultants/Professional Services</b>	This group of accounts provides for Business and Advisory Services provided by Consultants and Professional Service Providers.
Business and Advisory - Accountants and Auditors	Consultancy services provided by registered accountants and auditors.
Business and Advisory - Air Pollution	Consultancy services provided to assist the municipality in curbing air pollution resulting from the introduction of chemicals, particular matter or biological materials that cause harm or discomfort to humans or other living organisms, or cause damage to the natural environment or built environment into the atmosphere.
Business and Advisory - Audit Committee	Compensation paid to external audit committee members for attending meeting.
Business and Advisory - Board Member	Consultation fees incurred for external board members attendance at Board Meetings.
Business and Advisory - Business and Fin. Management	Provision of specialised professional services regarding Financial Management and Procurement Management that cannot be maintained in-house. The legal status can be an individual, partnership or corporation.
Business and Advisory - Commissions and Committees	Professional services for special commissions of enquiry and members of committees other than the audit committee, performance committee, etc.
Business and Advisory - Communications	Professional advice to the municipality on its external and internal communication strategies.
Business and Advisory - Human Resources	Specialised professional services of a technical or specialised nature related to Human Resources Management that cannot be maintained in-house.
Business and Advisory - Medical Examinations	Referring employees for medical examinations at the expense of the municipality, for example if more than the acceptable sick leave are taken within a cycle, etc.
Business and Advisory - Occupational Health and Safety	Occupational health, safety and risk assessment consultants which is a cross-disciplinary area concerned with protecting the safety, health and welfare of people engaged in the work- or employment environment. As a secondary effect, it may also protect co-workers, family members, employers, customers, suppliers, nearby communities, and other members of the public who are impacted by the workplace environment. Risk assessment is the determination of quantitative or qualitative value of risk related to a concrete situation and a recognised threat which involve the calculations of risk, magnitudes of loss and the probability that the loss will occur.
Business and Advisory - Organisational	Professional advice to the municipality on the organisational structure, including advice on transformation, streamlining and stabilisation of the municipality and its service delivery activities.
Business and Advisory - Project Management	Professional fees for persons (individuals) or companies contracted to manage specific large projects on behalf of the municipality.
Business and Advisory - Research and Advisory	Specialist research and advisory services related to the development, refinement or evaluation of policies to the municipality (Usually these kinds of specialist research and advisory services would be done by recognised specialists in the relevant field, who very often are working as individuals, universities or research institutes. Also Environment studies done for land under claim to determine the impact a change of business will have on the land and surrounding environment and needs assessments are done whilst settling the claims to assess what the community's requirements are and if it will be met by the way the claim is settled.
Business and Advisory - Qualification Verification	Professional services for qualification verification of employees and candidates for positions.

## OVERSTRAND MUNICIPALITY – VIREMENT POLICY

## ANNEXURE A

Business and Advisory - Quality Control	Specialised professional services of a technical or specialised nature related to quality control that cannot be maintained in-house. The legal status can be an individual, partnership or corporation, including electricity, water and air.
Business and Advisory - Valuer	Professional services of a valuer for valuing property, plant and equipment or providing assistance with compilation of the municipal valuation roll.
Infrastructure and Planning - Architectural	Architectural services being the art and science of designing buildings and structure including the design of the total built environment: from the macro level of town planning, urban design and landscape architecture to the micro level of construction details and, sometimes, furniture, etc.
Infrastructure and Planning - Ecological	This item includes services relating to ecology, such as studies in the science of the relationship between organisms and their environment, or studying the relationships between human groups and their physical and social environment and the study of the detrimental effects of modern civilisation on the environment, with a view toward prevention or reversal through conservation.
Infrastructure and Planning - Engineering: Civil	Civil engineering is a professional engineering discipline that deals with the design, construction and maintenance of the physical and naturally built environment, including works such as bridges, roads, canals, dams and buildings.
Infrastructure and Planning - Engineering: Electrical	Electrical engineering, sometimes referred to as electrical and electronic engineering, is a field of engineering that deals with the study and application of electricity, electronics and electromagnetism. It covers a range of subtopics including power, electronics, control systems, signal processing and telecommunications.
Infrastructure and Planning - Engineering: Industrial	Industrial engineering is a branch of engineering that concerns the development, improvement, implementation and evaluation of integrated systems of people, money, knowledge, information, equipment, energy, material and process. Industrial engineering draws upon the principles and methods of engineering analysis and synthesis, as well as mathematical, physical and social sciences together with the principles and methods of engineering analysis and design to specify, predict and evaluate the results to be obtained from such systems. Industrial engineers work to eliminate waste of time, money, materials, energy, and other resources. Industrial engineering is also known as operations management, systems engineering, production engineering, manufacturing engineering or manufacturing systems engineering. Where as most engineering disciplines apply skills to very specific areas, industrial engineering is applied in virtually every industry. Examples of where industrial engineering might be used include shortening lines (or queues) at a theme park or streamlining an operating room.
Infrastructure and Planning - Engineering: Mechanical	Mechanical engineering is an engineering discipline that involves the application of principles of physics for analysis, design, manufacturing, and maintenance of mechanical systems. Mechanical engineers design and build engines and power plants, structures and vehicles of all sizes. Mechanical engineers also design and analyze motor vehicles, aircraft, heating and cooling systems, watercraft, manufacturing plants, industrial equipment and machinery, robotics, medical devices and more.
Infrastructure and Planning - Engineering: Structural	Structural engineering is a field of engineering dealing with the design of structures that support or resist loads. Structural engineering is usually considered a specialty within civil engineering. Structural engineers are most commonly involved in the design of buildings and large non-building structures but they can also be involved in the design of machinery, medical equipment, vehicles or any items where the structural integrity of the design item affects its function or safety.
Infrastructure and Planning - Geodetic Surveys	Geotechnical engineer is an expert who evaluates and stabilises foundations for buildings, roads and other structures. Geotechnical engineering deals with geology, soil and rock mechanics, foundation engineering, ground improvement, land reclamation, deep excavation, underground construction and related work.

## OVERSTRAND MUNICIPALITY – VIREMENT POLICY

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Infrastructure and Planning - Geoinformatic Services	Creation of geographic information from manipulating geographic data in a computerised system. Typical applications are land registration, hydrology, cadastral, land evaluation, planning or environmental observation. Service may come in many different forms, such as maps or images taken from the air or from space, e.g. remote sensing data. Geodata is stored in a database, having special extensions for storing, handling and manipulation. Geoinformation is the useful output, produced by analysing data with a computer program called a "geographic information system".
Infrastructure and Planning - Geologist	Cost incurred in making use of a professional service provider relating to the science of geology, such as studying the physical structure and processes of the earth and planets of the solar system.
Infrastructure and Planning - Land/ Quantity Surveyors	Control of the cost on construction projects. The methods employed, cover a range of activities which may include cost planning, value engineering, feasibility studies, cost benefit analysis, lifecycle costing, valuation and cost estimation.
Infrastructure and Planning - Landscape Designer	Services provided by a landscape designer, being the planning, design and sometimes oversight of an exterior landscape or space.
Infrastructure and Planning - Town Planner	Services provided in the field of urban planning for public health and safety. Services may relate to the formulation of plans for short- and long-term growth and renewal of urban and suburban communities; the study of land use compatibility, economic, environmental and social trends and problems to determine the best use of land and resources. Town planners consider environmental matters such as sustainable development, air pollution, traffic congestions, crime, land values, legislation and zoning codes. They are usually hired by developers, private property owners, private planning firms, and local governments to assist in the large-scale planning of master planned communities, private/public housing, commercial development, community redevelopment, environmental expertise, public facilities, and public transportation systems.
Laboratory Services - Agriculture	This item includes the cost associated with making use of consultants or professionals for laboratory services such as scientific experiments, research, manufacturing of drugs or chemicals, observation and testing specifically relating to agriculture.
Laboratory Services - Medical	This item includes the cost associated with making use of consultants or professionals for laboratory services (including the National Health Laboratory Services and "other services providers") such as scientific experiments, research, manufacturing of drugs or chemicals, observation and testing specifically relating to human health (medical).
Laboratory Services - Roads	This item includes the cost associated with making use of consultants or professionals for laboratory services provided for testing of road surfaces and any other tests relating to roads.
Laboratory Services - Water	This item includes the cost associated with making use of consultants or professionals for laboratory services provided for testing of water samples, water quality and water related laboratory services.
Legal Cost - Legal Advice and Litigation	Services rendered by an attorney duly admitted to practice as an attorney in any part of the Republic of South Africa. Legal advice includes services such as: arbitration, business law, litigation (civil), commercial, company law, human rights, conveyance, employment law, environmental law, family law, insolvency, intellectual property, labour law, liquidation, mediation, property law, taxation, litigation (general), litigation (commercial), litigation (corporate), MVA claims, company registrations, mining, corporate, insurance law, commercial drafting, sequestrations, financial markets, high court practice, constitutional, liquor Law, town planning, litigation (high court), litigation (magistrates court), industrial relations, water law, international transactions and litigation (tax).
Legal Cost - Issue of Summons	Messenger of the court fees are incurred only on civil cases. A civil case refers to a matter where there is money involved (non payment of fees), for example, the department has not been paying its electricity or water bill. Money to pay for messenger of the court fees.
Legal Cost - Collection	Cost incurred for issuing warning to customers, collection cost of outstanding debt, fines and penalties.

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<b>Contracted Services - Contractors</b>	Contractors are required to provide services that are not the core business of the municipality. It is normally not cost effective to maintain these skills within the department. Contractors include costs associated with the use of contracted individuals or businesses on projects or tasks. This does not include amounts payable to contractors in respect of provision of services such as cleaning and security even if a staff element can be identified. Note also that it is common practice that the said contractor provides all the materials required for the project - he/she tenders for the whole project, materials included.
Aerial Photography	Aerial photography is the process of taking photographs from a camera mounted in an aircraft or balloon. Aerial photographs are used extensively in cartography to provide detailed geographical information in the production of maps.
Aerial Surveillance	Costs incurred by the municipality for utilising aerial surveillance service being the gathering of surveillance, usually visual imagery or video, from an airborne vehicle, such as helicopters or military aircrafts for reasons such as crime prevention, emergency and disaster management, high way patrols, helicopter Services, etc
Artists and Performers	The hiring of artists and/or performers for festivals organised by the municipality.
Auctioneers	Costs incurred for services rendered by an auctioneer who conducts a public sale in which goods and capital assets are sold to the highest bidder. This payment usually equals a fixed percentage of the selling price obtained.
Audio-visual Services	Cost incurred for the services provided by a person, not employed by the department relating to the recording and reproduction of sound and sight. "Consultants used in the creation, development and production of videos, films, DVD or other audio visual materials".
Bore Waterhole Drilling	Bore waterhole drilling contractors used for the rendering of service not qualifying for capitalisation.
Building Contractors	Building contractors providing services not recognised as capital but rather repairs and maintenance.
Chipping	Cost incurred for "chipping" of solid waster for recycling such as tires, metal, glass, wood, etc.
Electrical	Cost incurred in the use of electrical contractors (electricians) for installing new cabling, meters, transformers and transmitters, cable replacement and maintenance of electrical infrastructure and equipment.
Employee Wellness	Cost incurred for service providers for internal seminars and awareness programs in assisting employees in addressing specific needs and problems either in their workplace or private affairs. This includes programs relating to psychological, physical, financial, etc. Examples of such programs will include HIV awareness, financial awareness or self defence classes by contractors who come to the workplace to instruct etc. It is important to note that this item excludes medical wellness programs which include physical tests such as cholesterol, blood pressure, diabetes or advisory services by dieticians or any other medical related issue. The latter should be classified under the specific item for medical services and also does not include training programmes as defined in the training definitions, neither should the cost for any materials, or venues and facilities for those wellness contractors be classified under this item, but to the specific items as available for those items on the chart.
Event Promoters	Promoters develop marketing strategies for events ranging from concerts to sporting tournaments. Event promoters work with television, radio, special-events coordinators, ticket sellers, reviewers, bulk mailers, and local merchants to market a product/service. They are also involved in locating and booking the venues, artists, performers, stage and sound crew as well as the marketing strategies. It will also include market related cost payable to motivational speakers at public events, team building sessions etc.
First Aid	Costs incurred with regards to first aid facilities required for government occupied buildings. This facilities are fixed to the walls in the building. All costs incurred should be allocated to this item even if procured from an external service provider.



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Fire Protection	Cost incurred for the purpose of fire prevention and fire fighting affairs and services operation of regular and auxiliary fire brigades and of other fire fighting training programs. Includes: civil protection services such as mountain rescue, beach surveillance, evacuation of flooded areas, and provision, service and inspection of fire extinguishers and sprinkler systems. All costs incurred should be allocated to this item even if procured from an external service provider.
Fire Services	Cost incurred for contractors and other authorities i.r.o the prevention of fires and for fire brigade charges
Gardening Services	Cost incurred for domestic gardening services provided by service organisations. All costs incurred should be allocated to this item even if procured from an external service provider. Contracted out to a company, outsourcing of gardening service or acquiring of plants and flowers for own use.
Graphic Designers	Design or create graphics to meet specific commercial or promotional needs, such as packaging, displays, or logos. May use a variety of mediums to achieve artistic or decorative effects.
Grading of Sport Fields	Contractors used for grading (1-5% slope allowed from the centre of the field to outer corners) and drainage of sports fields according to generally accepted norms and standards. Essential process in constructing sports fields.
Haulage	Transport of waste between sites and from sites for recycling. Service provided by a contractor.
Interior Decorator	This item provides for the expertise of an interior decorator to provide advice in the art of decorating a room so that it is attractive, easy to use, and functions well with the existing architecture .
Inspection Fees	Contractors used for water and electricity meter inspections to detect tampering and confirm accuracy of metering use.
Maintenance of Buildings and Facilities	Costs incurred for making use of contractors for maintaining and repairing of buildings and facilities. Transactions allocated to this item is applicable only if the maintenance and repair does not extend the useful life of the asset and result in future cash inflows into the organisation. Examples would be painting, waterproofing, replacing carpets, fix broken windows, etc. Detail of Buildings and Facilities to be selected from the Project Segment.
Maintenance of Equipment	Costs incurred for making use of contractors for maintaining and repairing of equipment. Transactions allocated to this item is applicable only if the maintenance and repair does not extend the useful life of the asset and result in future cash inflows. Examples would be replacing filters or gas in an air conditioner, servicing of machinery and equipment and ordinary service of a motor vehicle. Detail of Plant and Equipment to be selected from the Project Segment.
Maintenance of Unspecified Assets	Costs incurred for making use of contractors for maintaining and repairing of buildings and facilities. Transactions allocated to this item is applicable only if the maintenance and repair does not extend the useful life of the asset and result in future cash inflows into the organization. Included in this item are maintenance of all other assets, not included under the categories for machinery and equipment e.g. biological assets, software and intangible assets, heritage assets. Examples would be maintenance of other assets such as roads, harbours and other infrastructure assets (all other assets not included in property maintenance or machinery and equipment). Detail of "other assets" to be selected from the Project Segment.
Management of Informal Settlements	Contractors used for removal of illegal settlements, structures and occupants.
Medical Services	Clinics might from time to time require the services of private medical practioners to render services when staff shortages occur. This is a short term arrangement for a specific requirement or need. Includes payment to private medical practitioners for services to employees as a result of injury on duty. Costs incurred by private medical centres for examination of sick patients of which the cost is carried by the municipality. Municipalities acquire the services of medical staff to render medical services to employees at the workplace to enhance employment wellness.
Mint of Decorations	Draft/mint of decorations/medals for the Mayor and Deputy Mayor not subjected to capitalisation.

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Pest Control and Fumigation	Cost incurred for contracting in Pest Control services for managing pests in the municipal area, such as rats, cockroaches, termites including fumigation cost using chemicals to prevent pests.
Photographer	Costs incurred for services rendered by photographer for official photo's.
Plants, Flowers and Other Decorations	Costs incurred for plants, flowers, wreaths used at memorial services and other decorations used for special events.
Prepaid Electricity Vendors	Contractors for vending of "prepaid electricity".
Preservation/Restoration/Dismantling/Cleaning Services	Costs incurred of services relating to restoration and preservation of items that should be stored for a long period of time whilst not in use and the restoration of art items. Excluded from this item are normal maintenance and repairs. Also included are the cost for dismantling and cleaning of assets to be stored for a unspecified period of time as well as the cost associated with the demolition of assets.
Tracing Agents and Debt Collectors	The expenditure incurred i.r.o services rendered by collecting firms with regard to outstanding accounts, including legal fees in this regard.
Traffic and Street Lights	Contractors appointed for the management of traffic and street lights such as replacing light bulbs, poles and traffic lights damaged in accidents, etc.
Transportation Contractor	Contractor for furniture removal, removal of abandoned vehicles, pounding of vehicles and "tow-in" of municipal vehicles and motors parked restricting entrance/exit gates.
Safeguard and Security	Cost incurred relating to safeguarding of property, for example armed response provided by ADT, Chubb or other(s) and security services for example reception or motor entrances access control outsourced.
Sewerage Services	Contractors used for sewerage and sanitation services, including suction pump vehicle (honey suckers) and removal of sludge from drying beds.
<b>Inventory</b>	The amount of inventories recognised as an expense during the period. GRAP 12.45(d) The amount of inventories recognised as an expense during the period, which is often referred to as cost of sales, consists of those costs previously included in the measurement of inventory that has now been sold, exchanged or distributed, and unallocated production overheads and abnormal amounts of production cost of inventories. GRAP 12.47
Inventory - Consumable Stores	Inventories are assets in the form of materials or supplies to be consumed in the production process; in the form of materials or supplies to be consumed or distributed in the rendering of services; held for sale or distribution in the ordinary course of operations or in the process of production for sale or distribution. (GRAP 12 .07). This category includes all other inventory consumables that are not catered for in the major inventory categories, like linen, seeds and seedlings, workplace decorations, cell phone accessories, etc.
Inventory - Consumable Stores - Standard Rated	Consumable stores procured subjected to the standard vat rate.
Inventory - Consumable Stores - Zero Rated	Certain basic food stuff subjected to zero-rated vat and fuel levy goods and farming goods such animal feed, animal remedies, fertilizer, pesticide and plants and seeds in a form used for cultivation.
Inventory - Finished Goods	Finished goods are goods that have completed required manufacturing process and are awaiting to be fitted/mixed/processed with final product or final product or final product itself could also be called as finished goods.

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Inventory - Goods held for Resale	Other goods held by the municipality for sale to third parties and would for example include agricultural produce.
Inventory - Materials and Supplies	Inventories are assets in the form of materials or supplies to be consumed in the production process; in the form of materials or supplies to be consumed or distributed in the rendering of services; held for sale or distribution in the ordinary course of operations or in the process of production for sale or distribution. (GRAP 12 .07). Materials and supplies will include items like building materials, hardware, painting materials and workshop accessories, etc.
Inventory - Raw Materials	Something bought as raw material and used to manufacture a product.
Inventory - Reversal of Write-down	The amount of any reversal of any write-down that is recognised as a reduction in the amount of inventories recognised as an expense in the period. [GRAP 12.45(f). The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, shall be recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.
<b>Operating Leases</b>	An operating lease is a lease other than a finance lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. Land use portion of a building finance lease must be recorded under Rental of Land.
Operating Leases - Buildings	Classification of payments made for operational leases pertaining to buildings.
Operating Leases - Computer Equipment	Classification of payments made for operational leases pertaining to computer equipment.
Operating Leases - Furniture and Office Equipment	Classification of payments made for operational leases pertaining to furniture and office equipment.
Operating Leases - Intangible Assets	Classification of payments made for operational leases pertaining to infrastructure - Intangible Assets.
Operating Leases - Machinery and Equipment	Classification of payments made for operational leases pertaining to infrastructure - Machinery and Equipment.
<b>Operational Cost</b>	An operating expense is a day-to-day expense such as sales and administration, or research & development, accounting expenses, license fees, advertising, office expenses, utilities such as telephone, insurance, property management, travel and vehicle expenses.
Achievements and Awards	Cost incurred in giving awards in reconnection of achievements.
Advertising: Auctions	Cost incurred in publishing advertisements for auctions to dispose of obsolete assets in compliance with procurement and asset management policies.
Advertising: Corporate and Municipal Activities	Costs incurred relating to the promotion and selling of products or services related to the activities of the municipality by any media, e.g. TV, radio and newspapers. Include in this account would be draft and final budget adverts, council meeting and public participation, notice and town planning on sub-divisions, rezoning town development etc.
Advertising: Customer/Client Information	Advertising to encourage payment of municipal accounts, client and customer payment and service centres or special discounts for settlement of accounts in arrear.
Publicity and Marketing: Gifts and Promotional Items	Costs incurred in providing gifts without charge to the recipient (an individual or entity) or for the promotion of an event carrying the municipality, the states' or projects slogan. Gifts must be of a gratuitous nature and be a token of appreciation. Promotional items should serve the purpose of promoting the image of the municipality, project or state. This item include tracksuits, T-shirts and other promotional items.
Advertising: Mun. Newsletters	Cost incurred for printing and distribution of municipal newsletters.
Advertising, Publicity and Marketing: Signs	Cost incurred in placing poster, signs and boards for municipal activities.
Advertising, Publicity and Marketing: Staff Recruitment	Cost incurred in the publishing of notices in a local or national newspaper for recruiting potential candidates to apply for vacancies on the establishment. Also included in this item are advertisements to recruit interns.



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Advertising, Publicity and Marketing: Tenders	Cost incurred in publishing tender requests for the attention and information of potential providers of goods and service in compliance with procurement policies made to newspapers and other agencies for the placement and design of advertisements for tenders.
Assets less than the Capitalisation Threshold	Plant and equipment procured at less than the asset threshold to be expensed under this item. Capitalisation Threshold is the value above which assets are treated as capital assets and entered into an asset register from which reporting in the financial statements (specifically the Statement of Financial Position) is extracted.
Audit Cost: External	The Constitution of South Africa Section 188 determines that the Auditor-General must audit and report on the accounts, financial statements and financial management of all national and provincial departments and administrations, as well as all municipalities.
Bank Charges, Facility and Card Fees - Bank Accounts	Bank charges and card fees payable to Commercial Banks. Commercial banks are institutions that inter alia, provide basic banking services. Basic banking services entails the opening, maintenance and operation of accounts for money transmission by means of cheque, other payment instrument or savings account, such as FNB, Nedbank, Standard Bank, etc.
Bank Charges, Facility and Card Fees - Third Parties	Bank charges incurred by third party service providers by whom financial transactions are managed on behalf of municipalities, for example third party vending of pre-paid electricity includes both cash handling and debit/credit card bank charges. These costs need to be recorded separately in the municipalities records so as to manage and report accordingly.
Bank Charges, Facility and Card Fees - Fleet Cards	Bank charges and services charged on credit/debit/fleet/charged cards.
Bank Charges, Facility and Card Fees - Investments	Charges levied for the administration of investments held by institutions administrated under the Bank Act, e.g. First National Bank, ABSA, Nedbank, etc. All charges levied are allocated to this account, except for interest paid on bank overdrafts.
Bank Charges, Facility and Card Fees - Lease Payments	Bank charges and services fees charged on finance agreements with banks, etc.
Bank Charges, Facility, Card Fees - L/S Term Borrowings	Bank Fees and other administrative levies charged by financial institutions on providing long and short term loans, borrowings and bonds on property to the municipality.
Bargaining Council	Agency shop fees payable to the South African Local Government Bargaining Council determined by the Collective Agreement as a % of the employee's monthly salary up to a maximum of RX.
Bursaries (Employees)	Bursaries include payments made to provide direct support to employees for studying at universities or other tertiary institutions, where all the conditions and terms have been complied with in terms of the contract with the bursary holder.
Catering Municipal Activities	Expenditure incurred on individuals employed or contracted to the municipality or individuals outside the employee of the municipality, in connection with the activities of the municipality or department within a municipality, that directly relates to the achievement of its objectives. Such expenditure includes but is not limited to catering for Lekgotla, conferences, bosberade, workshops, indabas, courses, forums, hearings and meetings held with the intention to discuss the municipality's activities, launches and public addresses, interviews and training sessions, diner and drinks supplied at function for employees, catering and eatery provided for committee meetings and forums. The reason for the distinction between entertainment and catering is derived from section 17(2)(a)(i) being that municipalities are able to deduct input tax in regard to creating or maintaining those recreational facilities, but where entertainment goods or services are acquired for the purpose of hosting an event at sporting or recreational facilities or public amenities must be considered under section 17(2)(a)(i).
Cleaning Services: Laundry Services	Dry cleaning and laundry services for items other than those that forms part of the building which will be allocated to owned and leasehold expenditure.
Commission: Third Party Vendors	The commission payable to external bodies for the collection of income via for example "easy pay" or other pre-paid systems.

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Commission: Prepaid Electricity	Commission paid to Vendors for selling "Prepaid Electricity" to consumers.
Cost relating to the Sale of Houses	Cost incurred relating to the selling of municipal property such as houses, Ervin and buildings.
Courier and Delivery Services	Costs incurred in the use of courier services for transporting documents/parcels from one to a specified destination. Examples - Docex, XPS, DHL, etc.
Communication: Cell Contract (Subscription and Calls)	Monthly service provider subscription fees, call costs, itemised billing, CLI, 3G and other operating expenses for cellular phones should be allocated to this item.
Communication: Licences (Radio and Television)	Annual payment made to the SABC and other licensing authorities (SAMRO) for a permit to view television programs and to listen to the radio or "music license's". Annual payment made to obtain a television and radio licence including ICASA Radio licences, alarm systems, etc
Communication: Postage/Stamps/Franking Machines	Postage is the amount payable for the carrying of the article by post, including any special charge or additional fee payable for special services supplied in relation to the carrying of the article. Stamp is the officially issued postage label, often adhesive, attesting that payment has been rendered for mail delivery. Franking Machine is the machine which prints a franked impression on an envelope to record the amount of postage paid. Advance payment is made to the Post Office based on the average usage of the franking machine. Excluded are courier services for delivering of documents and articles, e.g. by DHL Speed Services and XPS.
Communication: Rent Private Bag and Postal Box	Costs incurred in the renting of post boxes and private bags from the Post Office or Post Net usually on an annual basis. This is usually an annual payment.
Communication: Satellite Signals	Cost include monthly subscription for Mnet and DSTV.
Communication: SMS Bulk Message Service	Subscriptions fees or bundle charges for sending bulk or customised SMS messages.
Communication: Telephone, Fax, Telegraph and Telex	Payments for the usages of telephones, faxes, telegraphs and telex for communication purposes, including costs for teleconferences. Communication by telephones and faxes includes the sending of messages electronically i.e. the sending of a message, image or document via a fax machine or a telephone or cell phone. Included in this item are the monthly charges for routers on the current Telkom PABX systems. Telex is a communications system using teleprinters that communicate via telephone lines. Teleconference is a meeting via telecommunications equipment: a meeting held among people in different places by means of telecommunications equipment. Payments include all costs for the usage of telecommunication equipment, including rentals. Telecommunication equipment includes phones, faxes, telegraphs and telex excluding cellular phones.
Communication: Telemetric Systems	Telephone bills for the systems - related to alarm systems used at reservoirs and water lines
Communication: Telephone Installation	Expenditure incurred for the installation of telephone systems excluding any capital outlays. This is usually of a once off nature.
Deeds	Fees payable to the Registrar of Deeds for extraction of information on ownership of property.
Dumping Fees (District Council)	District fees for dumping including the dumping fees and fixed cost.
Eskom Connection Fees	Once-off payment to ESCOM for new substations (Non Capitalised Cost).
Electricity Compliance Certificate	Section 14 of the National Building Regulations and Building Standards Amendment Act require any person licensed or authorized by a local authority to carry out the installation, alteration or repair of any electrical wiring connected or of which connection is desired with the electrical supply or distribution works of such local authority or any statutory body, shall, at the request of the owner of a building of which the erection has been completed or of any person having an interest therein (or of the local authority) issue a certificate if he is satisfied that the electrical wiring and other electrical installations in such building are in accordance with the provisions of all applicable laws. All costs incurred should be allocated to this item even if procured from an external service provider.

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Entertainment: Mayor	Entertainments expenditure incurred for entertainment expenses by the Mayor and Deputy Mayor as determined by the councils policy.
Entertainment: Councillors	Entertainments expenditure incurred for entertainment expenses by the Councillors as determined by the councils policy.
Entertainment: Senior Management	Entertainments expenditure incurred for entertainment expenses by the Senior Manager as determined by the councils policy.
External Computer Service: Data Lines	Communication lines at the municipal control centre and server room and other remote offices where data lines are operational.
External Computer Service: GPS Licence Fees	Licence fees paid for GPS licensing (GIS Information)
External Computer Service: Information Services	Any other computer services provided by external service providers.
External Computer Service: Internet Charge	Costs incurred for internet connectivity to other service providers other than SITA, e.g. Mweb, World online, lafrica, etc.
External Computer Service: Network Extensions	Costs incurred for moving, adding or replacing network extensions and cables as required.
External Computer Service: Remote Server Access	Costs incurred for utilising remote server access.
External Computer Service: Software Licences	Costs incurred to obtain a document granting permission for the use of computer programs to ensure that the operators of materials and resources are acknowledged and rewarded for their work, as well as ensuring that the materials are used legally and without risk of prosecution.
External Computer Service: Spec. Computer Service	Services provided by contractors to promote the effective utilisation of information technology to enhance the efficiency at the municipality.
External Computer Service: System Adviser	Costs incurred for the provision of technical, functional and business advice and support regarding information technology.
External Computer Service: System Development	System development costs incurred for services rendered with regard to developing and establishing network operating systems.
External Computer Service: Wireless Network	Services provided for setting up and maintaining wireless networks.
Freight Services	Costs incurred for the transport of goods in bulk by truck, train, ship or aircraft.
Full Time Union Representative	Compensation paid to "full time union representative" not included in compensation of employees.
Insurance Underwriting: Insurance Aggregation	Insurance aggregation is a process of finding multiple insurance quotes at one time so the buyer can make an accurate comparison of insurance policies based on identical information given to each company.
Insurance Underwriting: Claims paid to Third Parties	Claims paid to third parties.
Insurance Underwriting: Insurance Brokers Fees	Insurance Brokers Fees expenses
Insurance Underwriting: Insurance Claims	Costs paid towards claims incurred for damages to City of Cape Town property and assets, e.g. material, subcontractor costs, etc. [Self insured - pay-outs]
Insurance Underwriting: Excess Payments	An excess payment, also known as a deductible, is a fixed contribution that must be paid each time a car is repaired with the charges billed to an automotive insurance policy. Normally this payment is made directly to the accident repair "garage" when the car is collected. If the accident was the other driver's fault, and this fault is accepted by the third party's insurer, then the vehicle owner may be able to reclaim the excess payment from the other person's insurance company. If the insurance company settles a claim in terms of the insurance contract a fixed agreed amount as determined by the agreement with the insurer are usually deducted from the settlement payment either paid by the municipality when making replacements.
Insurance Underwriting: Risk Management Programs	Risk Management Program expenses.

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Insurance Underwriting: Premiums	Monthly premiums paid towards short term insurance either transfers made to the general insurance fund or self insurance fund.
Land Alienation Costs	Various land related costs
Levies Paid - Water Resource Management Charges	The payment of charges raised by the Department of Water Affairs based on a specified cent value per KI on Bulk Water purchased and include Catchment Management Areas Levy, Water Research Levy and Trans Caledon Tunnel Authority (TCTA) charges.
Licences: Motor Vehicle Licence and Registrations	Expenses incurred in obtaining motor vehicle licence and registration renewals or new issues.
Licences: Performing Arts	SAMRO licences for playing music in community halls.
Registration Fees: Professional and Regulatory Bodies	Registration fees paid to register with professional and regulatory bodies excluding the annual membership or subscription fees. Usually these bodies levy a "once-off" registration fees for enrolling new members.
Registration Fees: Seminars, Conferences: National	Fees paid for the attendance of National congresses/seminars/ symposiums and workshops. Excludes accommodation and transport which must be allocated to travelling and subsistence.
System Access and Information Fees	Cost incurred to get access to data information used for research and analysis purposes and systems for example, ITC, Home Affairs system, AKTEX system, StaticsSA or SARS data information. Also monies payable to the deeds trading account to obtain deeds registration certificates. This is for WAN access to users of this information database and not the software use license fee. The information provided is not seen as an intangible asset of the entity and constitutes the payment for a good or service current payments. This information could be in the form of a DVD, CD or other hardcopy format or directly online.
Travel Agency Fees	Cost incurred for services rendered by Travel Agency. Fees for the administration and management of travel arrangements of employees. It is important to note that any transaction administration fee payable to a service provider is excluded from the scope of the agency fee account. In addition, a fee payable to a car rental service provider in respect of traffic fines should not form part of expenditure, but should be recovered from the employee receiving the traffic fine.
Office Decorations	Cost incurred in procuring office decorations such as flowers, small ornaments, paintings, plants, table clothes, etc of low value and thus not capitalised.
Printing and Publications	All printing and publications, not inventory related and including development of photos, subscriptions to newspapers, magazines and periodic. Law amendments and updates, accounting and tax handbooks only used for limited period and then gets updated. This item includes reference books.
Professional Bodies, Membership and Subscription	Where an employee or official are required to pay fees to an independent institution in order to fulfil the role as required by their employment contract or the position they have been appointed in and fees payable to maintain occupation where maintenance of standards is required for public safety, (e.g. auditors with IRBA) Other examples of items to be included are SAICA, PAAB, CIA, IPFA, SAIGO, Institute of Mechanical Engineers, MASA, etc. Excluded from this item are course registration fees which is allocated under training expense.
Remuneration to Ward Committees	Remuneration to ward committee members [framework]
Resettlement Cost	Cost paid for re-imbursing an employee if transferred from one city to another. This would include transport of household, own transport, temporary accommodation, etc.
Road Worthy Test	"Roadworthy", in relation to a vehicle, means a vehicle which complies with the relevant provisions of the Road Traffic Act (Act) otherwise in a fit condition to be operated on a public road; A roadworthy certificate, is a certificate issued in terms of section 64 of this Act requiring the examination of motor vehicle and issue of roadworthy certificate and roadworthy certificate disc. Upon receipt of an application referred to in section 63, an appropriately graded examiner of vehicles shall test and examine the motor vehicle concerned in the manner and in respect of the features as prescribed.
Skills Development Fund Levy	Employers must pay 1% of their employers pay to the skills development levy.

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Search Fees	Cost incurred in extracting documents from CIPRO, AKTEX, NCA, etc.
Servitudes and Land Surveys	Cost incurred for conducting land surveys and obtaining servitudes to allow land use arrangements.
Signage	The purchasing and erection of all street name signs and name boards
Storage of Files (Archiving)	Cost incurred for archiving of files and documents to kept in terms of the MFMA.
Storage of Assets and Goods	Cost incurred for storage of furniture and equipment or any other movable assets or goods.
Small Differences Tolerances	Small losses on cashier deposits and petty cash floats.
Taking over Contractual Obligations	Taking over of study loan incurred by an employee for full time study before appointed by the municipality. In return the employee agrees to work for the department for a specified period of time. In the event the term of service is not completed a pro-rata refund could be claimed from the employee depending on the agreement with the municipality.
Toll Gate Fees	Toll gates fees paid to SANRAL for making use of National Roads
Uniform and Protective Clothing	Uniform and Protective clothing purchased for issue to employees.
Vehicle Tracking	This is used to record all payments associated with vehicle tracking; including the initial payment of the installation of the tracking device as well as the associated monthly tracking fees.
Warrantees and Guarantees	Warrantees and guarantees form part of the elements of cost at initial purchase price of an asset which should be capitalised. However, once the warrantee has expired and departments need to re-new such warrantee the cost should be expensed against this item.
Wet Fuel	Payment for fuel supplied by vendor (Topping up) when hiring fleet, plant or equipment (externally)
Workmen's Compensation Fund	Workmen's Compensation by to the Commissioner in terms of the Occupational Injuries and Diseases Act of 1993 (COIDA)
<b>Travel and Subsistence: Domestic</b>	Travel and subsistence includes all domestic and foreign travel related expenditure paid for employees and non-employees. This item in specific covers expenditure on accommodation cost, food and beverage, incidental cost, and car rental paid for official travelling purposes. Departmental policies apply when these expenditure are incurred.
Accommodation	If an employee must take an official journey the employer shall meet reasonable actual accommodation costs, if any. Accommodation includes a room, building or space where someone may stay or live. This item includes the accommodation cost either directly paid by the department or reimbursed to the employee.
Daily Allowance	Special daily allowance (smaller tariff) to compensate for incidental expenses where actual expenses are claimed meaning that the actual accommodation and meals cost are paid to a travel agency, or hotel or the claimant be re-imbursed. Those expenses are allocated to the specific items provided for in the chart. Fixed daily subsistence allowance (bigger tariff) is payable in circumstances where actual expenses are not claimed for example a person would stay with family and no accommodation or meals are paid to a third party. Also under this item provision is made for daily allowances payable to camping personnel. The separation allowance should also be allocated to daily allowance.
Food and Beverage (Served)	Actual purchases of food and beverages served over the counter (take always) or in a restaurant.
Incidental Cost	Requisitions of minor, casual or sub-ordinate nature, for example telephone cost, toll fees, parking fees, making of photocopies when on an official trip.

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Transport without Operator: Car Rental	Car hire costs incurred on behalf of an employee required to travel to various locations within South Africa in performing his official duties. Examples of services providers are AVIS, Imperial, Budget, etc.
Transport without Operator: Own Transport	If an employee must use private transport to carry out his/her duties, the employer may: 1) provide an allowance to cover reasonable actual costs, and/or compensate the employee according to tariffs prescribed.
Transport with Operator: Public Transport-Air Transport	Scheduled freight and passenger services, departing from national and international airports within the boundaries of South Africa. Travelling to Cape Town for portfolio committee meetings, SCOPA hearings and any other official business making use of air travel. Include are the airport taxes, luggage handling fees, VAT and cost of the ticket. Excluded is the travel agency fees.
Transport with Operator: Public Transport-Road Transport	Scheduled freight and passenger services, for example bus services and unscheduled taxi and shuttle services outside the South African boundaries.

# OVERSTRAND MUNICIPALITY



## BORROWING POLICY

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## **OVERSTRAND MUNICIPALITY – BORROWING POLICY**

### **1 PURPOSE**

To establish a borrowing framework policy for the Municipality and set out the objectives, policies, statutory requirements and guidelines for the borrowing of funds.

### **2 OBJECTIVES OF POLICY**

The objectives of this Policy are to:-

- a manage interest rate and credit risk exposure;
- b maintain debt within specified limits and ensure adequate provision for the repayment of debt;
- c to ensure compliance with all Legislation and Council policy governing borrowing of funds.

### **3 SCOPE OF THE POLICY**

The primary goal in the borrowing of funds is to ensure that the funds are obtained at the lowest possible interest rates at minimum risk, within the parameters of authorized borrowings.

#### **3.1 Risk Management**

The need to manage interest rate risk, credit risk exposure and to maintain debt within specified limits is the foremost objective of the borrowing policy. To attain this objective, diversification is required to ensure that the Chief Financial Officer prudently manages interest rate and credit risk exposure.

#### **3.2 Cost of Borrowings**

The borrowings should be structured to obtain the lowest possible interest rate, on the most advantageous terms and conditions, taking cognisance of borrowing risk constraints, infrastructure needs and the borrowing limits determined by Legislation.

#### **3.3 Prudence**

Borrowings shall be made with care, skill, prudence and diligence.

### **4 LEGISLATIVE FRAMEWORK AND DELEGATION OF AUTHORITY**

The relevant Legislation in terms of which borrowing decisions are governed is the Local Government Municipal Finance Management Act, No 56 of 2003.

The Municipal Regulations on Debt Disclosure has been promulgated (Government Gazette no. 29966, 15 June 2007) and has been effective from 01 July 2007 for a municipality or municipal entity. *Refer to Annexure A2, Municipal Finance Management Act: Municipal Regulations on Debt Disclosure.*

## **OVERSTRAND MUNICIPALITY – BORROWING POLICY**

### **5 TYPES OF LOANS AND FINANCING**

#### **5.1 Annuity loans**

Annuity loans are straight forward and uncomplicated. The loan amount, interest rate and repayment period offered by the Financial Institution are fixed. Normally with an annuity loan, the instalment of the loan will be repaid in equal six monthly instalments over the term of the loan. The capital portion of the instalment will increase over the duration of the loan, and conversely, the interest amount charged will decrease over the loan period. Where the interest rate offered by the Financial Institution is on a variable basis, an interest rate swap (IRS) option should be included in the agreement. An IRS agreement will need to be signed with the party agreeing to accept the variable rate and in turn, offer the fixed rate to the Municipality. An Interest Rate Swap Agreement must comply with the terms set out by the International Swap Dealers Association (ISDA). The fixing of debt repayments is an important consideration in meeting the financial requirements of the Municipality, that of annually producing a balanced budget. There are from time to time various options offered by Financial Institutions which need to be treated on their merits and which could invariably result in slightly lower interest rates being offered.

#### **5.2 Bullet payment redemption**

In this instance, the total capital is usually repaid at the end of the term and interest on the total amount borrowed is paid annually or semi annually. The interest rate can be fixed and the interest payable is known for the duration of the loan. Cash has to be set aside to repay the capital at the end of the term.

The lender could require security in the form of an investment (sinking fund).

#### **5.3 Bonds**

A Bond is an instrument used by Government and Parastatals such as Telkom, Eskom, Transnet, Corporates and Municipalities to raise loan capital on the open market. Bond holders have the right to interest, usually paid on a semi annual basis, and the repayment of the capital amount reflected on the stock certificate held on maturity date. The coupon, maturity, principal value and market value are intrinsic features of a Bond. The most critical variable factor in determining Bond rates is the expected long term trend in inflation, in order to provide a return that equals inflation plus a risk premium. The higher the risk attached to a borrower, the higher will be the risk premium investors will demand. During its tenure the Bond will trade on the Bond market at prevailing interest levels. The price of a Bond trading at any given time on the market is a function of prevailing interest rates. Bond prices

## OVERSTRAND MUNICIPALITY – BORROWING POLICY

move inversely to movements in interest rates.

### 5.4 Use of Internal Funds

The Municipality from time to time, will use certain of its surplus funds to fund its Capital programme. The utilisation of surplus funds enables the Municipality to reduce its reliance on external debt financing, thereby allowing it to borrow only funds from external sources when favourable market conditions prevail. The use of internal funds impacts negatively on surplus cash for return of interest and should be within limits to reduce the impact on the Current Ratio, ideally to be at a minimum ratio of 1,5 : 1, and the Cost Coverage, ideally ~~to be between 1—3 months~~ not less than 1 month.

## 6 OTHER CONSIDERATIONS

The Municipality has by the judicious use of surplus funds and external long term debt implemented its Integrated Development Plan, which has facilitated the much needed service delivery program.

### Factors to be considered when borrowing:

- (a) the type and extent of benefits to be obtained from the borrowing;
- (b) the length of time the benefits will be received;
- (c) the beneficiaries of the acquisition or development;
- (d) the impact of interest and redemption payments on both current and forecasted property tax and services revenue;
- (e) the current and future capacity of the property tax base and rendering of services to pay for borrowings and the rate of growth of the property tax base and services;
- (f) likely movements in interest rates for variable rate borrowings;
- (g) other current and projected sources of funds;
- (h) competing demands for funds;
- (i) timing of money market interest rate movements and the long term rates on the interest rate curve.

The Municipality will, in general, seek to limit its dependence on borrowings in order to minimise future revenue committed to debt servicing and redemption charges. The Municipality may only borrow funds, in terms of the Municipal Finance Management Act, for the purpose of acquiring assets, improving facilities or infrastructure to provide service delivery.

Overstrand Municipality may incur long term debt only for the purpose of Capital expenditure on infrastructure, property, plant or equipment to be used for the purpose of achieving the objects of Local Government as set out in section 152 of the Constitution.

The use of external loans should be limited to financing infrastructure where a return

## **OVERSTRAND MUNICIPALITY – BORROWING POLICY**

can be realised from tariffs to service the debt, or major infrastructure exceeding R10 million for a single project, with long term benefits to the community as a whole, where indirect revenue streams are evident.

The gearing for external loans (total outstanding debt to operating revenue, including recurrent operational grants) was fixed at a ceiling of 60% as at 30 June 2012. To reduce the reliance on external long term borrowing this percentage must reduce by at least 1% each year till a level of 50% or less is attained by 30 June 2022.

### **7 REFINANCING DEBT**

Section 46 of the Municipal Finance Management Act provides that the Overstrand Municipality may refinance existing long term debt, if such refinancing is in accordance with the framework as prescribed by the Municipal Finance Management Act, as follows:

- The Municipality may borrow money for the purpose of refinancing existing long term debt, provided the existing long term debt was lawfully incurred and the refinancing will not extend the term of the debt beyond the useful life of the infrastructure, property, plant or equipment for which the money was originally borrowed.

Cognisance must be taken of any early repayment penalty clauses in the initial loan agreement, as part of the financial feasibility assessment. No loans will be prematurely redeemed unless there is a financial benefit to the Municipality.

### **8 DEBT REPAYMENT PERIOD**

Whilst the period for which loan debt may be received will vary from time to time according to the needs of the various Lenders, presently the typical debt repayment period for loans is fifteen years, though not closely matching the underlying asset lives serviced by the loans.

Cognisance is taken of the useful lives of the underlying assets to be financed by the debt, and, moreover, careful consideration is taken of the interest rates on the interest yield curve. Should it be established that it is cost effective to borrow the funds on a shorter duration (as opposed to the life of the asset) as indicated by the interest yield curve, the loan will be negotiated to optimise the most favourable and cost effective benefit to the Municipality.

### **9 SECURITY**

In terms of the Municipal Finance Management Act the Municipality may provide security for any of its debt obligations, including the giving of a lien, pledging, mortgaging or ceding an asset, or giving any other form of collateral. It may cede as security any category of revenue or rights of future revenue. Some Lenders may require the Municipality to agree to restrictions on debt that the Municipality may incur

## **OVERSTRAND MUNICIPALITY – BORROWING POLICY**

in future until the secured debt is settled.

### **10 SHORT TERM DEBT**

The Municipal Finance Management Act provides that the Municipality may incur short term debt only when necessary to bridge shortfalls within a financial year during which the debt is incurred, in expectation of specific and realistic anticipated income to be received within that financial year; or capital needs within a financial year, to be repaid from specific funds to be received from enforceable allocations or long term debt commitments.

The municipal council may approve an individual transaction or a credit facility for a line of credit or overdraft facility.

The Municipality must pay off short term debt within the same financial year and may not renew or refinance its short term debt if it will have the effect of extending the short term debt into a new financial year.

### **11 DISCLOSURE**

The Municipality must, when interacting with a prospective Lender or when preparing documentation for consideration by a prospective Investor, disclose all relevant information that may be requested or that may be material to the decision of the prospective Lender or Investor. Reasonable care must be taken to ensure the accuracy of any information disclosed. Whilst this is a standard and acceptable business practice, it is also in compliance with section 49 of the Municipal Finance Management Act.

### **12 GUARANTEES**

The Municipal Finance Management Act provides that the Municipality may not guarantee any debt of any entity unless the entity is a Municipal entity under its sole ownership control. The debt must be reflected in the approved business plan of the entity. The guarantee must be authorised by the Municipality. This must be done in the same manner and subject to the same conditions applicable to any other borrowings. Neither the National nor Provincial Government may guarantee the debt of any Municipality.

### **13 APPROVAL OF LOANS BY THE MUNICIPALITY**

Section 46 of the Municipal Finance Management Act stipulates that the Municipality may incur long-term debt only if a resolution of the Council, signed by the mayor, has approved the debt agreement and the Accounting Officer has signed the agreement or other document which acknowledges the debt. At least 21 days prior to the meeting of the Council at which approval for the debt is to be considered, the Municipality must make public an information statement setting out particulars of the

## **OVERSTRAND MUNICIPALITY – BORROWING POLICY**

proposed debt, including the amount of the proposed debt, the purposes for which the debt is to be incurred and particulars of any security to be provided. The Public, the National Treasury and Provincial Treasury must be invited to submit written comments or representations to the council in respect of the proposed debt.

A copy of the information statement submitted to Council at least 21 days prior to the meeting to approve the loan agreement must contain particulars of -

- (a) the essential repayment terms, including the anticipated debt repayment schedule; and
- (b) the anticipated total cost in connection with such debt over the repayment period.

### **14 PROVISION FOR REDEMPTION OF LOANS**

Overstrand Municipality may borrow from Institutions and set up sinking funds to facilitate loan repayments, when the repayment is to be met by a bullet payment on the maturity date of the loan. These sinking funds may also be invested directly with the Lender's Bank. The maturity date and accumulated value of such investment must coincide with the maturity date and amount of the intended loan that is to be repaid.

### **15 NON-REPAYMENT OR NON-SERVICING OF LOAN**

Overstrand Municipality must honour all its loan obligations timeously. Failure to effect prompt payment will adversely affect the raising of future loans at favourable costs of borrowing.

Failure to pay any loan instalment, even by one day, and even if only through administrative oversight, will have severe repercussions, and may jeopardise the Municipality's credit rating.

In addition to the timeous payment of the loans, the Municipality must adhere to the covenants stipulated in the loan agreements.

### **16 PROHIBITED BORROWING PRACTICES**

Overstrand Municipality shall not borrow for investment purposes, with the sole purpose of investing to earn a return. The cost of debt is almost always more expensive than the return that the Municipality can derive by investing in permitted investments.

## OVERSTRAND MUNICIPALITY – BORROWING POLICY

### 17 FOREIGN BORROWINGS

Foreign Borrowing is permitted in terms of section 47 of the Municipal Finance Management Act, whereby the debt must be denominated in Rand and is not indexed to, or affected by, fluctuations in the value of the Rand against any foreign currency.

### 18 NATIONAL TREASURY AND OTHER REPORTING AND MONITORING REQUIREMENTS

The Municipality submits returns to National Treasury quarterly and annually, as well as submissions to Council. It is mainly coordinated by the Financial Services Department.

### 19 IMPLEMENTATION AND REVIEW PROCESS

This policy shall be implemented on 1 July ~~2015~~ 2016 and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.

POLICY SECTION:	SENIOR MANAGER: FINANCIAL SERVICES
CURRENT UPDATE:	<del>28 May 2015</del> <u>30 MARCH 2016</u>
<u>PREVIOUS REVIEW:</u>	<u>28 May 2015</u>
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APPROVAL BY COUNCIL:	27 June 2012

# **OVERSTRAND MUNICIPALITY**



## **FUNDING, RESERVES AND PROVISIONS POLICY**



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## **OVERSTRAND MUNICIPALITY – FUNDING, RESERVES AND PROVISIONS POLICY**

### **1. INTRODUCTION AND OBJECTIVE**

The Council sets as objective a long term financially sustainable municipality with acceptable levels of service delivery to the community.

This policy aims to set standards and guidelines towards ensuring financial viability over both the short- and long term and includes funding as well as reserves requirements.

### **2. SECTION A: FUNDING POLICY**

#### **2.1 LEGISLATIVE REQUIREMENTS**

In terms of Sections 18 and 19 of the Municipal Finance Management Act (Act No 56 of 2003) (MFMA), an annual budget may only be funded from:

2.1.1 Realistically anticipated revenues to be collected, including grants;

2.1.2 Cash backed accumulated funds from previous years' surpluses not committed for other purposes, and

2.1.3 Borrowed funds, but only for capital projects.

Furthermore, spending on a capital project may only be commenced once the funding sources have been considered, are available and have not been committed for other purposes.

The requirements of the MFMA are clear in that the budget must be cash – funded, i.e. cash receipts inclusive of prior period cash surpluses committed to this specific budget, must equal or be more than cash paid.

In determining whether the budget is actually cash funded and in addition ensuring long term financial sustainability, the municipality will use analytical processes, including those specified by National Treasury from time to time.

#### **2.2 STANDARD OF CARE**

Each functionary in the budgeting and accounting process must do so with judgment and care with the primary objective of ensuring that the objectives of this policy are achieved.

#### **2.3 STATEMENT OF INTENT**

The municipality will not pass a budget which is not cash – funded or where any of the indicators as listed in this document are negative, unless acceptable reasons can be provided for non-compliance and provided that the requirements of the MFMA must at all times be adhered to.

## **OVERSTRAND MUNICIPALITY – FUNDING, RESERVES AND PROVISIONS POLICY**

### **2.4 CASH MANAGEMENT**

Cash must be managed in terms of the municipality's Investment and Cash Management Policy.

### **2.5 LIABILITY MANAGEMENT**

Debt must be managed in terms of the municipality's Borrowing Policy, together with any requirements in this policy.

### **2.6 FUNDING THE OPERATING BUDGET**

#### **2.6.1 INTRODUCTION**

The municipality's objective is that the user of municipal resources must pay for such usage in the period in which it will occur.

The municipality recognises the plight of the poor, and in line with national and provincial objectives, commits itself to subsidising services to the poor. This may necessitate cross- subsidisation in some tariffs to be calculated in the budget process.

#### **2.6.2 GENERAL PRINCIPLE WHEN COMPILING THE OPERATING BUDGET**

The following specific principles apply when compiling the budget:

- a) The budget must be cash – funded, i.e. revenue and expenditure projections must be realistic and the provision for impairment of receivables must be calculated on proven recovery rates;
- b) Growth parameters must be realistic and be based on historic patterns adjusted for current reliable information;
- c) Tariff adjustments must be fair, taking into consideration general inflation indicators as well as the geographic region's ability to pay;
- d) Revenue from Government Grants and Subsidies must be in accordance with the amounts promulgated in the Division of Revenue Act, proven provincial transfers and any transfers from other municipalities.
- e) Projected revenue from services charges must be reflected as net (i.e. all billing less revenue foregone, including free basic services).
- f) Projected revenue from property rates must include all rates to be levied.
- g) For the purpose of the Cash flow Budget all rebates and discounts must be deducted from the projected revenue.
- h) Only changes in fair values related to cash may be included in the cash

## **OVERSTRAND MUNICIPALITY – FUNDING, RESERVES AND PROVISIONS POLICY**

flow budget. Changes to unamortized discount must be included in the Operating Budget. Employee related costs include contributions to non-current and current employee benefits. It is acknowledged that the non-current benefits' requirements are well above the initial cash capabilities of the municipality. It is therefore determined that the short term expenditure portion of employee benefits be funded from the current year operating cash surplus.

- i) Depreciation must be fully budgeted for in the operating budget.
- j) Contributions to provisions (non-current and current) do not form part of the cash flow for provisions with a non-current portion, except for the current portion of post retirement benefits relating to continued members for medical aid and long service awards. It is necessary to provide for an increase in cash resources in order to comply with the conditions of the provision at the time when it is needed.

### **2.7 FUNDING THE CAPITAL BUDGET**

#### **2.7.1 INTRODUCTION**

The municipality's objective is to maintain, through proper maintenance and replacement measures, existing levels of service and to improve and implement services which are neglected or non-existent.

In order to achieve this objective the municipality must annually, within financial means, budget for the replacement of redundant assets as well as new assets.

#### **2.7.2 FUNDING SOURCES FOR CAPITAL EXPENDITURE**

The capital budget can be funded by way of own cash, grants, public contributions as well as external loans.

##### **Cash**

The capital budget or portions thereof may also be funded from surplus cash generated in previous financial years. The cash must already be available and not be committed for other purposes or expected to be generated in the current or future years. The allocations of the funding sources from own contributions will be determined during the budget process.

##### **Grants (Including Public Contributions)**

Grants for capital expenditure have become a common practice, especially in order to extend service delivery to previously disadvantaged areas. While such grants are welcomed, care should also be taken that grant funding does not place an unreasonable burden on the residents for future maintenance costs which may be higher than their ability to pay.

## **OVERSTRAND MUNICIPALITY – FUNDING, RESERVES AND PROVISIONS POLICY**

The accounting officer will annually evaluate the long term effect of unusual capital grants on future tariffs, and if deemed necessary, report on such to Council.

Depreciation charges on assets financed from grants and donations must not have a negative effect on tariffs charged to the users of such assets. The Accounting Officer will put such accounting measures in place as to comply with this requirement as far as possible.

MFMA Circular 48, read with MFMA Circular 58 and 75, states that municipalities may treat the 'reclaimed VAT' into the expenditure from conditional grant funds as 'own revenue'. The municipality opts to utilise the full grant funding for the grant related projects.

### **External Loans**

The municipality may only raise loans in accordance with its Borrowing Policy.

The Accounting Officer must also put such accounting measures in place to ensure that no unspent portions of loans raised, be included in the cash surplus for the year.

## **2.8 FUNDING COMPLIANCE MEASUREMENT**

### **2.8.1 INTRODUCTION**

The municipality must ensure that the annual budget or any subsequent adjustments budget complies with the requirements of the MFMA and this policy. For this purpose a set of indicators must be used as part of the budget process and be submitted with the budget. These indicators include all the indicators as recommended by National Treasury as well as any additional indicators detailed in this policy.

If any of the indicators are negative during the compilation or approval process of the budget, the budget may not be approved until all the indicators provide a positive return, unless those negative indicators can be reasonably explained and any future budget projections address the turn-around of these indicators to within acceptable levels.

### **2.8.2 CASH AND CASH EQUIVALENTS AND INVESTMENTS**

A positive Cash and Cash Equivalents position should be maintained throughout the year.

### **2.8.3 CASH PLUS INVESTMENTS LESS APPLICATION OF FUNDS**

The overall cash position of the municipality must be sufficient to include:

- a) unspent conditional grants;
- b) unspent conditional public contributions;

## OVERSTRAND MUNICIPALITY – FUNDING, RESERVES AND PROVISIONS POLICY

- c) unspent borrowings;
- d) VAT due to SARS;
- e) ceded investments;
- f) the cash portion of statutory funds such as the Housing Development Fund;
- g) other working capital requirements; and
- h) the cash position must be sufficient to back reserves as approved by the municipality and those portions of provisions as indicated elsewhere in this policy.

### INDICATORS

#### 2.8.4 MONTHLY AVERAGE PAYMENT COVERED BY CASH AND CASH EQUIVALENTS (“CASH/COST COVERAGE”)

This indicator shows the level of risk should the municipality experience financial stress.

Cost coverage, ideally not less than 1 month.

#### 2.8.5 SURPLUS/DEFICIT EXCLUDING DEPRECIATION OFFSETS AND OTHER NON-CASH ITEMS

It is probable that the operating budget including depreciation charges on assets funded by grants and public contributions, as well as on revalued assets, will result in a deficit.

As determined elsewhere in this policy it is not the intention that residents be burdened with tariff increases to provide for such depreciation charges. In order to ensure a “balanced” budget, the cash position must be determined.

Should a budget result in a deficit cash position, the budget will be deemed unfunded and must be revised.

#### 2.8.6 PROPERTY RATES/SERVICE CHARGE REVENUE PERCENTAGE INCREASE LESS MACRO INFLATION TARGET

The intention of this indicator is to ensure that tariff increases are in line with macro economic targets, but also to ensure that revenue increases for the expected growth in the geographic area are realistically calculated.

#### 2.8.7 CASH COLLECTION % RATE (MINIMUM 95%)P

The object of the indicator is to establish whether the projected cash to be collected is realistic and complies with section 18 of the MFMA.

The collection rate for calculating the provision for impairment of receivables must be based on past and present experience. Past experience refers to the collection rates of the prior years and present experience refers to the collection rate of the current financial year as from 1 July.

## **OVERSTRAND MUNICIPALITY – FUNDING, RESERVES AND PROVISIONS POLICY**

It is not permissible to project a collection rate higher than the current rate. Any improvement in collection rates during the budget year may be appropriated in an Adjustments Budget.

### **2.8.8 DEBT IMPAIRMENT EXPENSE AS A PERCENTAGE OF BILLABLE REVENUE**

This indicator provides information as to whether the contribution to the provision for impairment of receivables is adequate. In theory it should be equal to the difference between 100% and the cash collection rate, but other factors such as past performance can have an influence on it. Any aberration must be motivated in the budget report.

### **2.8.9 BORROWING AS A PERCENTAGE OF CAPITAL EXPENDITURE (EXCLUDING GRANTS AND CONTRIBUTIONS)**

This indicator provides information as to compliance with the MFMA in determining borrowing needs. The Accounting Officer must ensure compliance with the Municipality's Borrowing Policy.

### **2.8.10 GRANT REVENUE AS A PERCENTAGE OF GRANTS AVAILABLE**

The percentage attained should never be less than 100% and the recognition of expected unspent grants at the current year-end as revenue in the next financial year must be substantiated in a report.

### **2.8.11 CONSUMER DEBTORS CHANGE (CURRENT AND NON-CURRENT)**

The object of the indicator is to determine whether budgeted reductions in outstanding debtors are realistic.

Any unacceptably high increase in either current or non-current debtors' balances should be investigated and reported.

### **2.8.12 REPAIRS AND MAINTENANCE EXPENDITURE LEVEL**

Property Plant and Equipment should be maintained properly at all times in order to ensure sustainable service delivery. The budget should allocate sufficient resources to maintain assets and care should be exercised not to allow a declining maintenance program in order to fund other less important expenditure requirements.

Similarly, if the maintenance requirements become excessive, it could indicate that a capital renewal strategy should be implemented or reviewed.

### **2.8.13 ASSET RENEWAL/REHABILITATION EXPENDITURE LEVEL**

This indicator supports further the indicator for repairs and maintenance.

The Accounting Officer must, as part of the capital budget, indicate whether each project is a new asset or a replacement/renewal asset in order to determine whether the renewal program is sufficient or needs revision.

## OVERSTRAND MUNICIPALITY – FUNDING, RESERVES AND PROVISIONS POLICY

### 3 SECTION B: RESERVES AND PROVISIONS POLICY

#### 3.1 INTRODUCTION

Fund accounting historically formed the major component of municipal finance in the IMFO standards.

After the change to General Recognised Accounting Practices (GRAP), fund accounting is no longer allowed.

The municipality, however, recognizes the importance of providing to the municipality itself, as well as its creditors, financiers, staff, and general public a measure of protection for future losses, as well as providing the necessary cash resources for future capital replacements and other current and non-current liabilities.

This policy therefore aims to provide for a measure of protection by creating certain reserves and provisions.

#### 3.2 LEGAL REQUIREMENTS

There are specific legal requirements for the creation of reserves, such as the Housing Development Fund. The GRAP Standards themselves do not provide for reserves, although certain provisions are required in terms of GRAP.

#### 3.3 TYPES OF RESERVES/PROVISIONS

Reserves/Provisions can be classified into two main categories being “cash funded” and “non–cash funded”.

##### 3.3.1 CASH FUNDED RESERVES

In order to provide for sufficient cash resources for future expenditure, the municipality hereby approves the establishment of the following reserves:

##### a) Statutory reserves

It may be necessary to create reserves prescribed by law, such as the Housing Development Fund. The Accounting Officer must create such reserves according to the directives in the relevant laws.

##### b) Self-Insurance reserves

The Municipality has a Self-Insurance Reserve to set aside amounts to offset potential losses or claims that cannot be insured externally. This Reserve is ring-fenced within the accumulated surplus. Contributions to the Fund are considered annually during the Budget process.

##### 3.3.2 NON – CASH FUNDED RESERVES / PROVISIONS

On occasion it is necessary to create non – cash funded reserves. The Accounting



## OVERSTRAND MUNICIPALITY – FUNDING, RESERVES AND PROVISIONS POLICY

Officer must create any reserves prescribed by the accounting standards, such as the Revaluation Reserve, if required and provisions such as post-retirement benefits and rehabilitation of land fill sites.

### 3.4 ACCOUNTING FOR RESERVES AND PROVISIONS

#### 3.4.1 REVALUATION RESERVE

The accounting for the Revaluation Reserve must be done in accordance with the requirements of GRAP 17.

#### 3.4.2 OTHER RESERVES

The accounting for all other reserves must be processed through the Statement of Financial Performance. The required transfer to or from the reserves must be processed in the Statement of Net Assets to or from the accumulated surplus.

In terms of GRAP1 transactions may be directly appropriated against these reserves.

#### 3.4.3 PROVISIONS

Provisions are established from contributions appropriated in the annual budget. Currently, the long term portions of provisions are non-cash funded and are covered by non-current assets.

### 4. SECTION C: REVIEW OF THE POLICY

This policy shall be implemented on 1 July ~~2015~~2016 and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.

POLICY SECTION:	SENIOR MANAGER: FINANCIAL
CURRENT UPDATE:	<del>28 May 2015</del> 30 MARCH 2016
PREVIOUS REVIEW:	28 MAY 2015
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PREVIOUS REVIEW:	30 MAY 2012
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# **OVERSTRAND MUNICIPALITY**



## **LONG TERM FINANCIAL PLANNING AND IMPLEMENTATION POLICY**

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**OVERSTRAND MUNICIPALITY**  
**LONG TERM FINANCIAL PLANNING AND IMPLEMENTATION POLICY**

**1. INTRODUCTION**

- 1.1 In essence a financial plan encompasses the development, implementation and evaluation of a plan for the provision of basic municipal services and capital assets. Such a plan aims to help Municipal Councillors and other decision makers make informed choices about the provision of basic services and capital assets and to promote stakeholder participation in the process.
- 1.2 The financial plan should set out the Municipality's estimated expenditure over the medium- term, based on its goals and objectives, as well as the resources necessary to achieve this. In addition, the financial plan must set out where funding for the planned expenditure will come from.
- 1.3 The compilation of a financial plan is a core component of an Integrated Development Plan(IDP). The envisaged timeframe allocations for a long term financial plan are:-
  - 1.3.1 Immediate (12 months).
  - 1.3.2 Medium term (3 years).
  - 1.3.3 Long term (4 years onwards).

**2. PURPOSE**

- 2.1 The Policy on Long Term Financial Planning is aimed at ensuring that the Municipality has sufficient and cost-effective funding in order to achieve its long term objectives through the implementation of the medium term operating and capital budgets. The purpose of the Policy on Long Term Financial Planning is therefore to:-
  - 2.1.1 Ensure that all long term financial planning is based on a structured and consistent methodology in order to ensure the long term financial sustainability of Overstrand Municipality.
  - 2.1.2 Identify capital investment requirements and associated funding sources to ensure the future sustainability of the Municipality;
  - 2.1.3 Identify revenue enhancement and cost saving strategies in order to improve service delivery at affordable rates; and
  - 2.1.4 Identify new revenue sources as funding for future years.

**3. GUIDING PRINCIPLES**

- 3.1 The policy on Long Term Financial Planning is based on the following principles:-
  - 3.1.1 Future financial sustainability;
  - 3.1.2 Annual growth in population and consumer base;

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- 3.1.3 Optimal collection of revenue, taking into consideration the socio economic environment;
- 3.1.4 Optimal utilisation of grant funding and public donations; and
- 3.1.5 Continuous improvement and expansion in service delivery framework.

**4. DEVELOPMENT OF A FINANCIAL PLAN**

- 4.1 The phases for development of the Financial Plan are set out below.

<b>Phase One</b>	→	<b>Compile a Status Quo assessment of the municipality's current financial status and key challenges</b>
<b>Phase Two</b>	→	<b>Conduct financial modelling to determine financial viability</b>
<b>Phase Three</b>	→	<b>Analyse outcomes and ratios</b>
<b>Phase Four</b>	→	<b>Prepare a long term financial plan policy</b>

**4.2 Phase One: Status Quo Assessment**

- 4.2.1 Perform a Status Quo assessment under the following criteria:-

- (a) The Municipality's current financial status;
- (b) Current revenue sources, internal and external;
- (c) Main cost drivers impacting on the sustainability of the municipality
- (d) Status of municipal infrastructure;
- (e) Ability to finance capital expenditure; and
- (f) Municipal service delivery backlogs.

- 4.2.2 The financial viability and creditworthiness of the Municipality is measured against a number of nationally recognised key ratios. These key ratios should include for example the following:-

- a) Gross debtors to annual revenue;
- b) Gross Debtors Collection Period (Days);

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- c) Net debtors to annual revenue;
- d) Net Debtors Collection Period (Days);
- e) Annual Collection Rate;
- f) Service Charges and Property Rates Revenue Budget Implementation Indicator;
- g) Cash Coverage Ratio;
- h) Personnel Costs to Total Operating Expenditure;
- i) Repairs and Maintenance to PPE;
- j) Liquidity Ratio (Current Ratio); and
- k) Net Asset Position.

4.2.3 The objective of the status quo report is to assess the current financial position and to identify the key challenges faced by the Municipality. The status quo report will aim to identify issues which impact on the overall financial stability of the Municipality and will include a historical analysis and assessment of financial results (based on financial statements).

4.2.4 The first phase has been completed.

#### **4.3 Phase Two: Planned Finance and Financial Modelling**

4.3.1 Upon completion of the status quo assessment, resulting in an understanding of the Municipality's financial position, the next phase is to determine the Municipality's financing need over the medium-term.

4.3.2 This entails determining what expenditure the Municipality plans to undertake over the medium-term and what its financing requirements are likely to be and how these can be funded either internally or externally.

4.3.3 As the Municipality evolves and expands its service delivery framework, so do those of the National Government. Long term community development and economic development projects will therefore also be included under this phase.

4.3.4 The second phase has been completed.

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**4.4 Phase Three: Analyse Outcomes and Ratios**

**4.4.1 Evaluate the short-term financial viability (6 months to 12 months):-**

- (a) Develop a financial forecast model to identify immediate opportunities and risks;
- (b) Perform scenario planning to identify the optimum balance between revenue collection and municipal spending; taking into account the following:-
- (c) Potential revenue enhancement strategies which may have an immediate impact on the revenue base of the Municipality;
- (d) Evaluate cost saving mechanisms to minimise the cost of effective service delivery;
- (e) Current infrastructure investments and maintenance programs which may influence revenue streams or the cost of service delivery;

**4.4.2 Evaluate the medium and long term financial viability (1 year to 10 years):-**

- (a) Develop a financial forecast model to identify future opportunities and risks;
- (b) Perform scenario planning to identify the optimum balance between revenue collection and municipal spending, taking into account the following:-
  - i. The impact each scenario has on the financial viability ratios of the Municipality;
  - ii. Potential revenue enhancement strategies which may have a long term impact on the revenue base of the Municipality;
  - iii. Cost saving mechanisms to minimise the cost of effective service delivery; taking into account potential infrastructure developments and renewals;
  - iv. The impact of current infrastructure investments and maintenance programs on future revenue streams or cost of service delivery;
  - v. The impact of envisaged future infrastructure investments on the revenue stream and cost of service delivery; and
  - vi. The impact of national and municipal priorities over the medium and long term.

**4.5 Phase Four: Develop a Long Term Financial Plan Policy**

**4.5.1 Once the Municipality has finalised the prioritisation of initiatives and projects; a comprehensive long term financial plan will have to be developed to**

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indicate the envisaged impact it will have on the financial status of the Municipality. An overall financial forecast will then have to be done in order to illustrate the projected result of the implementations throughout the five year period.

- 4.5.2 Although a long term financial plan provides a forecast of potential outcomes, it has to be emphasised that the success of the financial plan remains in continuous revision. As is the case with any forecast model, the financial plan should be seen as a moving target and should be subject to honest and realistic assessments of successes and failures on a regular basis.
- 4.5.3 The fourth phase involves finalising a medium-term income and expenditure plan based on the various alternative service delivery options.
- 4.5.4 A key component in determining future options, potential problems and opportunities is the forecast of revenues and expenditures. The revenue and expenditure plan essentially involves combining the forecasting of revenues and the forecasting of expenditures into a single financial forecast.
- 4.5.5 Finalisation of the Financial Plan includes collating all short, medium and long term financial data and develop a long term financial plan that:-
  - (a) Identifies future revenue projections based on current and projected revenue streams, as well as those projects required to achieve these projections;
  - (b) Identifies future expenditure frameworks and cost of service delivery based on current and projected expenditure patterns;
  - (c) Identifies the level of infrastructure development required to achieve the municipal priorities, within the funding restrictions; and
  - (d) Identifies external funding requirements required for capital investment.

## **5. ANNUAL REVIEW**

- 5.1 The financial plan must be reviewed on an annual basis as part of the annual review of the IDP and updated with at least the following information:-
  - 5.1.1 any direct change in financial status or internal factors, other than previously predicted, which may influence the financial status and viability of the Municipality;
  - 5.1.2 any changes in the economic and socio economic environment, other than previously predicted, which may influence the financial status of the Municipality;
  - 5.1.3 any changes in the revenue base or composition which may have an impact on the financial viability of the Municipality;
  - 5.1.4 any changes in the national or municipal priorities as previously identified; and



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5.1.5 any factors which may have an impact on the ability to implement previously identified projects.

**6. IMPLEMENTATION AND REVIEW OF THIS POLICY**

This policy shall be implemented on 1 July 2016 and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.

<b>POLICY SECTION:</b>	<b>SENIOR MANAGER: FINANCIAL SERVICES</b>
<b>CURRENT UPDATE:</b>	25 MAY 2016
<b>PREVIOUS REVIEW:</b>	28 MAY 2015
<b>PREVIOUS REVIEW:</b>	28 MAY 2014
<b>APPROVAL BY COUNCIL:</b>	29 MAY 2013