

*OVERSTRAND MUNICIPALITY*



**BUDGET**

**BEGROTING**

**uHLAHLO LWABIWO MALI**

**2015/2016**

## **MAYORAL SPEECH ON THE BUDGET AT THE COUNCIL MEETING ON 28 MAY 2015**

Mr Speaker  
Deputy Executive Mayor  
Mayoral Committee Member for Finance  
Councillors  
The Municipal Manager  
Officials  
Ladies and gentlemen

**I herewith with a great sense of pride and thankfulness present the 2015/16 budget for the Overstrand Municipality to Council for consideration and approval.**

**The preparation of the 2015/16 budget was informed by the 3<sup>rd</sup> review of our 5 year Integrated Development Plan, which sets the strategic direction of Council.** In the draft 2015/16 IDP review our Vision, Mission and 5 Strategic goals remain unchanged. To refresh your minds I will repeat the Municipality's 5 strategic goals as contained in the draft IDP review:

1. The provision of democratic, accountable and ethical governance
2. The provision and maintenance of municipal services
3. The encouragement of structured community participation in the matters of the municipality
4. The creation and maintenance of a safe and healthy environment
5. The promotion of tourism, economic and social development.

The Municipality involves all citizens in the process of ensuring a people-led government. Encouragement of structured community participation in the matters of the Municipality is a strategic objective. The input received from our ward committees, which we regard as the official channel for community consultation, the voices of our residents and other stakeholders were taken into consideration. This process started in August last year.

**Before I discuss the final outcome of the budget process, I will briefly reflect on the broader economic factors that informed the Budget for 2015/16 -**

We are still in a difficult economic climate, with indications that the year ahead will not bring about any improvement. We are also painfully aware that our pensioners and people whose only form of income is the interest on their life savings, cannot afford sharp increases of municipal rates and tariffs.

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

Our consumers will again this year be negatively affected by the excessive electricity increase approved for Eskom, which will have a huge negative impact on the electricity tariffs of the Municipality, including the reality that load shedding will be part of our lives for the foreseeable future.

At the beginning of the budget process, political guidance was given to the administration that increases in tariffs should be limited to 6% and the increase in property rates should not increase by more than 7%. This excludes electricity where NERSA had given Eskom the right to increase their rates in excess of inflation.

The 6 kℓ free water per 30-day period has since 2014 only been given to residents who are registered for the indigent grant. National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective. The second level of phasing in the increase in the 0 – 6 kℓ category to recover the cost of the production of water was postponed in 2014/15. This has now been implemented, representing an 11.5% increase applicable to the consumption of water between 0 – 6 kℓ per month.

The guideline given for sundry fees, for example building plan approval, will be limited to a 10% increase.

An Independent Financial Assessment of the Overstrand Municipality was prepared for us by the INCA Portfolio Managers.

This included an assessment of the Integrated Development Plan and sector master plans of the municipality. This was done with the purpose of identifying material matters that could impact on the long term financial sustainability of the municipality as well as to inform proposals regarding future policy directions.

It was recommended that the municipality, amongst others –

- avoid excessive overtime and standby time costs by filling critical vacancies;
- optimise the use of internal capacity and external service providers, and;
- explore more sharing of services with other municipalities.

We went out of our way to eliminate non-core spending and we have paid special attention to cost-containing measures. Suffice to say that apart from the administration being called upon to ensure that costs are contained in every possible way, we also need to put in place measures to generate a more substantial surplus from our operating budget.

- As part of the Municipality's cost re-prioritisation and cash management strategy, vacancies have been significantly rationalised downwards. A total of twenty three posts were abolished from the organisational structure.
- The Protection Services directorate has been restructured whereby a shift system has been introduced resulting in substantial savings on overtime and standby allowances.
- From my side, I only appointed one Mayco Member following the retirement of two Mayco members last year. This is in addition to the vacancy that already existed on my Mayco.
- All remuneration increases have been budgeted for at 6,1%, pending the outcome of salary negotiations and determinations.

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

**On the positive side,** I can confirm that -

- All facilities and requirements related to the operating of the Municipal Court are in place, including the proclamation required for the court to become fully operational;
- The Karwyderskraal Landfill Site was officially opened on the 2<sup>nd</sup> of April 2015;
- The municipality has approved participation in a shared service appointment of a Risk Manager, where this appointment will benefit all municipalities in the Overberg District;

- Rebates in terms of the Property Rates Policy have been increased;
- Parking fees at Overstrand beaches have been abolished;
- Cemetery fees have not been increased in the 2015/16 budget;
- The tariffs for Building Line Departures have also not been increased.

The publishing of the regulation on the **Standard Chart of Accounts (SCOA)** on 22<sup>nd</sup> of April 2014 will have 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.

Overstrand municipality was identified as one of the national pilot sites for the early implementation of SCOA and the Bytes financial system. This budget has been compiled according to the SCOA classification framework.

**Total operating revenue** has grown by 10,5% to R895m for the 2015/16 financial year when compared to the 2014/2015 Adjustment Budget. For the two outer years, operational revenue will increase by 8,7 and 5,7% respectively. The higher increase for 2015/16 is informed by increased grant funding, which includes an additional equitable share of R12,5m and housing top structures amounting to R17m.

**Total operating expenditure** for the 2015/16 financial year has been appropriated at R964,5m and translates into a budgeted deficit of R69,5m. When compared to the 2014/2015 Adjustments Budget, operating expenditure has grown by 3,3% in the 2015/16 budget and by 7,6 and 5,9 per cent for each of the respective outer years of the MTREF. The increase of 3,3% for 2015/16 is notwithstanding an additional R17m expenditure for housing top structures.

The negative difference between income and expenses of R69,5 million is represented by non-cash items, one of the biggest items being depreciation. After other cash flows such as the redemption of external loans, we will be left with a cash surplus of R8,1 million.

**The capital budget** of R103,9m for 2015/16 is 15,4% less when compared to the 2014/2015 Adjustment Budget. The reduction is due to the available resources to fund the capital budget. The capital programme decreases to R94,6m in 2015/16 and amounts to R103,6m in the respective outer years. An estimated R100m is required annually to sustain capital infrastructure.

#### **So what are we achieving with this budget?**

- We have managed to limit the overall impact of the tariff increases on household bills below 6,3% and the increase for indigent households to 2,6%. *This excludes the impact of electricity tariff increases.*
- We have budgeted for a small surplus on the operational budget to provide funds from our own resources for capital expenditure during 2017/18 financial year.
- We will continue essential maintenance of our infrastructure.
- We will continue to focus on increasing productivity.
- We will continue to lobby National and Provincial Government to increase our equitable share and to eliminate unfunded mandates.
- We will also continue to lobby the Department of Human Settlements to increase our MIG grant for affordable housing to ensure that this does not put an additional financial burden on the Municipality.

The draft budget was assessed by a technical committee from the Western Cape Provincial Government who found the budget proposals to be credible and sustainable.



**In conclusion:**

Overstrand Municipality takes pride in achieving Clean Audit status for two consecutive years, and in being judged as the most productive local municipality in South Africa by the Municipal IQ during December 2014, as well as coming first in the Back-to-Basics Programme.

I want to conclude by thanking the community of the Overstrand and all role-players for their support and participation in the IDP review and Budget processes to ensure accountability and good governance to all the people of Overstrand.

I want to thank Clr Dudley Coetzee, Chairperson of Finance, the Municipal Manager and all the Directors for their commitment, dedication and support during the budget process, all councillors for studying the documents and their input via the ward committees. With all the assistance, Mr Speaker, I have pleasure in proposing the adoption of the 2015/16 Budget.

ALD NICOLETTE BOTHA-GUTHRIE  
EXECUTIVE MAYOR: OVERSTRAND  
28 May 2015



**ORDINARY MEETING OF THE COUNCIL**

**GEWONE VERGADERING VAN DIE RAAD**

**INTLANGANISO YESIQHELO YEBHUNGA**

**MINUTES / NOTULE /**

**IMIZUZU**

**DATE / DATUM / UMHLA : 28 MAY / MEI / MEYI 2015**

**VENUE / PLEK / INDAWO : BANQUETING HALL,**  
**BANKETSAAL,**  
**CIVIC CENTRE / BURGERSENTRUM / IZIKO LOLUNTU**  
**HERMANUS**

**TIME / TYD / IXESHA: 11:00**

# OVERSTRAND

MUNICIPALITY / MUNISIPALITEIT / U-MASIPALA

## **MINUTES OF THE COUNCIL MEETING HELD IN THE BANQUETING HALL, CIVIC CENTRE, HERMANUS, ON 28 MAY 2015, AT 11:00**

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### **PRESENT/ TEENWOORDIG**

Councillors were present as per attached attendance register.

### **OFFICIALS PRESENT/ AMPTENARE TEENWOORDIG**

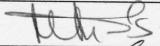
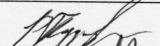


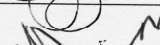

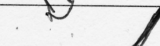
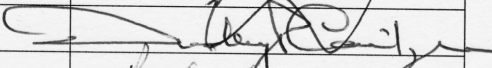
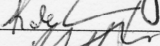

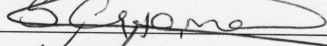
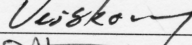
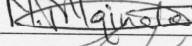
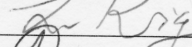
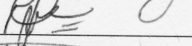
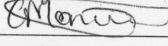
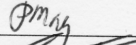
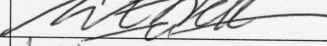
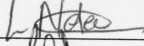
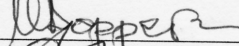

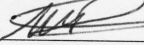
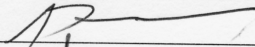
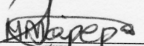

Mr C Groenewald, Municipal Manager  
Ms S Reyneke-Naudé, Director : Finance  
Mr S Müller, Director : Infrastructure & Planning  
Ms D Arrison, Director : Management Services  
Mr N Michaels : Director : Protection Services  
Mr R Williams, Director : Community Services  
Mr H Blignaut, Deputy Director : Engineering Services  
Mr C le Roux, Deputy Director: Finance  
Ms H van der Stoep, Senior Town Planner  
Mr F Myburgh, Senior Manager : Gansbaai Administration  
Ms R Louw, Senior Manager: Strategic Services  
Mr B King, Senior Manager : Financial Services  
Ms E Hooneberg, Senior Manager : Income  
Mr F Frans, Manager: Housing Administration  
Mr G Smit, Manager : Social Development  
Mr J van Taak, Manager: Solid Waste  
Ms N Zweni, Communications Officer  
Ms H van Tonder, Manager: Council Support Services  
Mr L Tait, Accountant : Capital Budget  
Ms V Allen, Manager : Financial Accounting  
Ms E Sales, PA : Director : Infrastructure & Planning  
Ms R Pretorius, PA : Municipal Manager  
Mr P Roux, Town Planner  
Ms S Swart, Administrative Officer : Council Support Services  
Ms G Erasmus, Clerk : Auditorium & Administration  
Interns

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**MINUTES/....**

OVERSTRAND MUNICIPALITY  
ATTENDANCE REGISTER

COUNCIL MEETING  
28 MAY 2015

ALDERMAN/COUNCILLORS	SIGNATURE
ANDREWS, M	
APPELGREIN, P	
BEYERS-CRONJE, L	
BOTHA, D	
BOTHA-GUTHRIE, N	
BRICE, K	
COETSEE, A	
COETZEE, DP	
DE CONING, R	
DYANI, M	
GXAMESI, S	
JANUARIE, JJS	
NQINATA, NNT	
KRIGE, L	
MACOTHA, VC	
MANDINDI, CQ	
MAY, P	
NELL, E	
NDEVU, L	
OPPERMAN, M	
PIE, MT	
PONOANE, MV	
PRINS, A	
SAPEPA, NM	
SMITH, RJ	

**1. OPENING**

The Municipal Manager, Mr C Groenewald, read the notice convening the meeting.

**2. APPLICATIONS FOR LEAVE OF ABSENCE**

**Cllr J J Januarie**

**RESOLVED**

that the above-mentioned application for leave of absence, **be granted.**

**3. CONFIRMATION OF MINUTES**

- 3.1 Minutes of an **Ordinary Meeting** of the Overstrand Municipal **Council** held on **Wednesday, 29 April 2015 at 11:00**

**RESOLVED**

that the Minutes of an **Ordinary Meeting** of the Overstrand Municipal **Council** held on **Wednesday, 29 April 2015 at 11:00, be confirmed.**

**4. STATEMENTS AND COMMUNICATIONS BROUGHT FORWARD BY THE SPEAKER / EXECUTIVE MAYOR**

None

**5. CONSIDERATION OF RECOMMENDATIONS MADE BY THE EXECUTIVE MAYOR TO COUNCIL, IN TERMS OF SECTION 160(2) OF THE CONSTITUTION, 1996, AND SECTION 59(1)(a) OF THE LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT 2000 (ACT 32 OF 2000)**

**5.1**

**WRITING OFF OF IRRECOVERABLE DEBT**

**(ITEM 1, PAGE 1 : FINANCE AND ECONOMIC DEVELOPMENT PORTFOLIO - MAYORAL COMMITTEE MEETING : 28 MAY 2015)**

**RESOLVED (UNANIMOUSLY):**

that the irrecoverable debt to the value of R278,432.53 as listed, **be written off** as bad debt.

**RESPONSIBLE OFFICIAL :**

**E M HOONEBERG**

**TARGET DATE FOR IMPLEMENTATION :**

**30 MAY 2015**

**5.2**

**GRANTS-IN-AID: RECOMMENDATIONS FOR 2015/16 AND FINAL REPORT FOR 2014/15**

**(ITEM 1, PAGE 1 : MANAGEMENT SERVICES PORTFOLIO - MAYORAL COMMITTEE MEETING : 28 MAY 2015)**

**RESOLVED (UNANIMOUSLY):**

that the Grants-in-Aid:

1. Schedule of recommended beneficiaries for the 2015/16 financial year;
2. Schedule of unsuccessful applicants 2015/16; and
3. Final schedule of beneficiaries 2014/15

**be noted.**

**RESPONSIBLE OFFICIAL :**

**G SMIT**

**TARGET DATE FOR IMPLEMENTATION :**

**1 JULY 2015**

**5.3**

**ADDITION TO THE DELEGATION OF POWERS AND DUTIES: LEGAL REQUIREMENTS**

**(ITEM 5, PAGE 1 : MAYORAL COMMITTEE MEETING : 28 MAY 2015)**

**RESOLVED (UNANIMOUSLY):**

that the additions to the Delegation of Powers and Duties: Legal Requirements, **be approved.**

**RESPONSIBLE OFFICIAL :**

**H VAN TONDER**

**TARGET DATE FOR IMPLEMENTATION :**

**28 MAY 2015**



5.4

**MONTHLY REPORT TO COUNCIL ON SUPPLY CHAIN MANAGEMENT (SCM) POLICY: PARAGRAPH 36, 16(1)(B) AND 17(1)(C), FOR APRIL 2015**

**(ITEM 6, PAGE : MAYORAL COMMITTEE MEETING : 28 MAY 2015)**

**THE ANC REQUESTED THE MEETING TO ADJOURN FOR A CAUCUS AT 11:20**

**THE MEETING RESUMED AT 11:32**

**MEMBERS OF THE ANC INDICATED THAT THEY ARE AGAINST THE RECOMMENDATION AND CLLRS V MACOTHA MADE A COUNTER PROPOSAL TO THE EFFECT THAT THE RECOMMENDATION SHOULD READ AS FOLLOWS:**

**RECOMMENDATION TO THE COUNCIL:**

1. that the deviations from the procurement processes, approved in terms of the delegated authority for April 2015, **be noted**;
2. that the awards made in terms of Paragraph 16(1)(b) and 17(1)(c), approved in terms of the delegated authority for April 2015, **be approved**; and
3. that the Schedule of Approvals in terms of Paragraph 17(1) of the SCM Policy : Overstrand Municipality – April 2015 as per Annexure B to the item, be referred to the Section 32 Committee.

**WHEN PUT TO VOTE, 9 MEMBERS VOTED AGAINST THE RECOMMENDATION OF THE EXECUTIVE MAYOR AND 15 MEMBERS VOTED IN FAVOUR OF THE RECOMMENDATION OF THE EXECUTIVE MAYOR. THE RECOMMENDATION OF THE EXECUTIVE MAYOR WAS THUS CARRIED IN TERMS OF MAJORITY VOTE:**

**RESOLVED:**

1. that the deviations from the procurement processes, approved in terms of the delegated authority for April 2015, **be noted**; and
2. that the awards made in terms of Paragraph 16(1)(b) and 17(1)(c), approved in terms of the delegated authority for April 2015, **be noted**.

**RESPONSIBLE OFFICIAL :**

**R LA COCK**

**TARGET DATE FOR IMPLEMENTATION :**

**TO BE NOTED**

**5.5**

**FINAL INTEGRATED DEVELOPMENT PLAN (IDP) REVIEW 2015/16**

**(ITEM 7, PAGE : MAYORAL COMMITTEE MEETING : 28 MAY 2015)**

**RESOLVED (UNANIMOUSLY):**

that the final reviewed Integrated Development Plan (IDP) for 2015/16, **be approved**

**RESPONSIBLE OFFICIAL :**

**R LOUW**

**TARGET DATE FOR IMPLEMENTATION :**

**1 JULY 2015**

**5.6**

**INTEGRATED WASTE MANAGEMENT PLAN 2015/2016**

**(ITEM 8, PAGE : MAYORAL COMMITTEE MEETING : 28 MAY 2015)**

**RESOLVED (UNANIMOUSLY):**

that the Integrated Waste Management Plan for 2015/2016, **be approved.**

**RESPONSIBLE OFFICIAL :**

**J VAN TAAK**

**TARGET DATE FOR IMPLEMENTATION :**

**1 JULY 2015**

5.7

**REVISION OF ALL BUDGET RELATED POLICIES OF THE OVERSTRAND MUNICIPALITY**

**(ITEM 9, PAGE 218 : MAYORAL COMMITTEE MEETING : 28 MAY 2015)**

**RESOLVED (UNANIMOUSLY):**

that the revised policies **be approved** and implemented with effect from 1 July 2015.

**RESPONSIBLE OFFICIAL :**

**S REYNEKE-NAUDE**

**TARGET DATE FOR IMPLEMENTATION :**

**1 JULY 2015**

**(ITEM 10, PAGE 465 : MAYORAL COMMITTEE MEETING : 28 MAY 2015)**

THE SPEAKER REQUESTED THAT IT BE MINUTED THAT HE AFFORDED THE EXECUTIVE MAYOR TIME TO DELIVER HER BUDGET SPEECH IN ACCORDANCE WITH RULE 30

THE EXECUTIVE MAYOR DELIVERED HER BUDGET SPEECH, A COPY OF WHICH IS ATTACHED AS ANNEXURE A TO THE MINUTES

CLLR N SAPEPA RAISED HER DISSATISFACTION ON BEHALF OF THE ANC WITH REGARD TO THE MUNICIPALITY'S CLEAN AUDIT VERSUS SERVICE DELIVERY TO THE PREVIOUS DISADVANTAGED COMMUNITIES. SHE HANDED OVER PHOTOGRAPHS AND WORKS ORDERS TO THIS EFFECT. THE SPEAKER REQUESTED THAT THE MUNICIPAL MANAGER COMPILE A FULL REPORT IN THIS REGARD. THE EXECUTIVE MAYOR REQUESTED THAT THE DETAILED REPORT BE SUBMITTED TO HER OFFICE FOR FURTHER INVESTIGATION.

THE ANC REQUESTED THE MEETING TO ADJOURN FOR A CAUCUS AT 12:26

THE MEETING RESUMED AT 12:35

**RESOLVED (UNANIMOUSLY):**

1. that, in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003), the annual budget of the Municipality for the 2015/16 to 2017/2018 MTREF (Medium Term Revenue and Expenditure Framework) period **be approved** as set out in the following schedules:  
  

<b>Schedule 1:</b>	Budgeted financial performance (revenue & expenditure by municipal vote)
<b>Schedule 2:</b>	Budgeted financial performance (revenue by source & expenditure by type)
<b>Schedule 3:</b>	Budgeted multi- and single year capital appropriations by standard classification (vote) and funding by source
<b>Schedule 4:</b>	Budgeted financial position
<b>Schedule 5:</b>	Budgeted cash flow
<b>Schedule 6:</b>	Cash backed reserves and acc. surplus reconciliation
<b>Schedule 7:</b>	Asset management
<b>Schedule 8:</b>	Basic service delivery measurement
2. that the property rates reflected in **Annexure A to the item, be imposed** for the budget year 2015/16;
3. that tariffs and charges reflected in **Annexure A to the item, be approved** for the budget year 2015/16;

4. that the Municipal Manager be authorised to sign all the necessary agreements and documents to give effect to the three year borrowing programme for external loans amounting to R30 million per annum;
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 Annexures I and J respectively of the budget report; and
7. that **cognisance be taken** of the 2015/2016 Budget Report.

**RESPONSIBLE OFFICIAL :**

**BA KING**

**TARGET DATE FOR IMPLEMENTATION :**

**1 JULY 2015**

**ALD M PONOANE RAISED A MOTION ON A POINT OF ORDER WITH REGARD TO THE REACTION OF MEMBERS IN THE GALLERY AND/OR COUNCILLORS WHEN THE ANC REQUESTED A CAUCUS. THE SPEAKER MENTIONED THAT THE MOTION DID NOT PERTAIN TO THE BUDGET ITEM, BUT THAT HE WILL ALLOW IT AS A POINT OF ORDER IN TERMS OF RULE 19 OF THE STANDARD BY-LAW ON RULES OF ORDER FOR INTERNAL ARRANGEMENTS PERTAINING TO THE CONDUCT OF COUNCILLORS AND MEMBERS OF THE PUBLIC IN THIS COUNCIL CHAMBER. SPEAKER TOOK NOTE OF ALD M PONOANE'S POINT OF ORDER BUT MADE NO RULING THEREON, AS HE HAS DEALT WITH THE MATTER IMMEDIATELY WHEN THE REACTION HAPPENED IN THE CHAMBER.**

6.1

**IRREGULAR EXPENDITURE: SCIE 2015/004 – MULTI CHOICE TELEVISION SERVICES**

3/2/3/8

H van Tonder

(028) 313 8037

Corporate Head Office

6 May 2015

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**EXECUTIVE SUMMARY**

The purpose of the report is to request Council to approve the writing off of irregular expenditure incurred for payment towards Multi Choice Television Services.

**RESOLVED (UNANIMOUSLY):**

that, in view of the municipality having received value for money, the irregular expenditure with regard to payment towards Multi Choice Television Services to the amount of R39 565.00 be certified as irrecoverable and written off in terms of Section 32(2)(b) of the Local Government: Municipal Finance Management Act, Act 56 of 2003.

**RESPONSIBLE OFFICIAL:**

**B KING / R LA COCK**

**TARGET DATE FOR IMPLEMENTATION:**

**8 JUNE 2015**

## 6.2

### IRREGULAR EXPENDITURE: MOBILE TELECOMMUNICATION SERVICES

3/2/3/8

H van Tonder

(028) 313 8037

Corporate Head Office

6 May 2015

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#### EXECUTIVE SUMMARY

The purpose of the report is to request Council to approve the writing off of irregular expenditure incurred for the provision of mobile telecommunication services for use in the operation of Overstrand Municipal Telemetry Systems for a period ending June 2013.

#### RESOLVED (UNANIMOUSLY):

that, in view of the municipality having received value for money, the irregular expenditure in total R5 176,74 (including VAT) with regard to the provision of mobile telecommunication services for use in the operation of Overstrand Municipal Telemetry Systems for a period ending June 2013, be certified as irrecoverable and written off in terms of Section 32(2)(b) of the Local Government: Municipal Finance Management Act, Act 56 of 2003.

**RESPONSIBLE OFFICIAL:**

**B KING / R LA COCK**

**TARGET DATE FOR IMPLEMENTATION:**

**8 JUNE 2015**



**6.3**

**IRREGULAR EXPENDITURE: SCMIE 2014/002: CLEANING CONTRACTS**

**3/2/3/8**

**H van Tonder**

**(028) 313 8037**

**Corporate Head Office**

**6 May 2015**

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**EXECUTIVE SUMMARY**

The purpose of the report is to request Council to approve the writing off of irregular expenditure incurred in respect of tenders 1140/2011 and 1101/2011 for cleaning contracts.

**RESOLVED (UNANIMOUSLY):**

that, in view of the municipality having received value for money, the irregular expenditure to the amount of R72 567,81 for the cleaning contracts tenders 1140/2011 and 1101/2011 be certified as irrecoverable and written off in terms of Section 32(2)(b) of the Local Government: Municipal Finance Management Act, Act 56 of 2003.

**RESPONSIBLE OFFICIAL:**

**B KING / R LA COCK**

**TARGET DATE FOR IMPLEMENTATION:**

**8 JUNE 2015**

6.4

**IRREGULAR EXPENDITURE: SCIE 2015/005 GRABOUW SUZUKI**

3/2/3/8

H van Tonder

(028) 313 8037

Corporate Head Office

6 May 2015

---

**EXECUTIVE SUMMARY**

The purpose of the report is to request Council to approve the writing off of irregular expenditure incurred for the services rendered by Grabouw Suzuki for the servicing of two motorbikes.

**RESOLVED (UNANIMOUSLY):**

that, in view of the municipality having received value for money, the irregular expenditure to the amount of R3 838,69 (VAT inclusive) for services rendered by Grabouw Suzuki be certified as irrecoverable and written off in terms of Section 32(2)(b) of the Local Government: Municipal Finance Management Act, Act 56 of 2003.

**RESPONSIBLE OFFICIAL:**

**B KING / R LA COCK**

**TARGET DATE FOR IMPLEMENTATION:**

**8 JUNE 2015**

6.5

RECESS : JUNE / JULY 2015

3/2/1/4

H van Tonder

(028) 313 8037

Corporate Head Office

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28 April 2015

## EXECUTIVE SUMMARY

The purpose of the report is to obtain confirmation of Council's recess from 24 June 2015 (**immediately after conclusion of the Council Meeting**) to 19 July 2015 and related matters.

### RESOLVED (UNANIMOUSLY):

1. **that the proposed period of recess, i.e. 24 June 2015** (immediately after conclusion of the Council Meeting) **to 19 July 2015** (the latter included) **be approved**; and
2. that during the period of recess all urgent matters/emergency situations be dealt with by the Executive Mayor (or acting) in consultation with the Municipal Manager (or acting), except those reserved by law for full Council.

RESPONSIBLE OFFICIAL :

H VAN TONDER

TARGET DATE FOR IMPLEMENTATION :

NOT APPLICABLE

**7. URGENT MATTERS SUBMITTED BY THE MUNICIPAL MANAGER**

None

**8. CONSIDERATION OF NOTICES OF MOTIONS / QUESTIONS**

None

**9. CONSIDERATION OF MOTIONS OF EXIGENCY**

None

**The meeting adjourned at 12:50**

\_\_\_\_\_  
**DATE**

\_\_\_\_\_  
**THE SPEAKER – A COETSEE**

# *OVERSTRAND MUNICIPALITY*



## **BUDGET REPORT**

# **2015/2016**

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

**Copies of this document can be viewed:**

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

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## Abbreviations and Acronyms

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
mSCOA	Municipal Standard Chart of Accounts		

# 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 IDP 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 2015/2016:

### 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 2015/16 to 2017/18 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- and single year capital appropriations by standard classification (vote) and 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 2015/16;
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 2015/16;
4. that the Municipal Manager be authorised to sign all necessary agreements and documents to give effect to the three year borrowing programme for external loans amounting to R30 million per annum;
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 Annexures I and J respectively of the budget report; and

7. that **cognisance be taken** of the 2015/2016 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 now a strategic objective.

The publishing of the regulation on the Standard chart of Accounts (SCOA) on 22 April 2014 will have 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 SCOA and to pilot the Bytes financial system. This budget has been compiled according to the SCOA classification framework.

National Treasury's MFMA Circulars No. 74 & 75 was used as guidance for the compilation of the 2015/16 MTREF.

The main challenges experienced during the compilation of the 2015/16 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 2015/16 MTREF process; and
- Maintaining a positive cash flow.

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

- The 2014/2015 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 2015/16 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:
  - Restructuring of the personnel corps in protection services and introduction of a shift system;
  - Abolishment of twenty three posts;
  - Reduction in the borrowing programme;
  - Principle of 0% increase in non-core general expenses unless valid motivations dictate.

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

**Table 1 Consolidated Overview of the 2015/16 MTREF**

	Budget Year 2014/15	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18			
Revenue	810 351	895 035	973 222	1 028 409	10.5%	8.7%	5.7%
Expenditure	933 322	964 529	1 037 493	1 098 292	3.3%	7.6%	5.9%
Surplus / (Deficit)	(122 971)	(69 494)	(64 271)	(69 883)			
Capital	122 785	103 914	94 606	103 561	-15.4%	-9.0%	9.5%

Total operating revenue has grown by 10,5 per cent for the 2015/16 financial year when compared to the 2014/2015 Adjustments Budget. For the two outer years, operational revenue will increase by 8,7 and 5,7 per cent respectively. The higher increase for 2015/16 is informed by increased grant funding, which includes additional equitable share of R12,5m and housing top structures amounting to R17m.

Total operating expenditure for the 2015/16 financial year has been appropriated at R964,5m and translates into a budgeted deficit of R69,5m. When compared to the 2014/2015 Adjustments Budget, operating expenditure has grown by 3,3 per cent in the 2015/16 budget and by 7,6 and 5,9 per cent for each of the respective outer years of the MTREF. The increase of 3,3 per cent for 2015/16 is notwithstanding an additional R17m expenditure for housing top structures.

It should be noted that although the 2015/2016 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 R6,1 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 R103,9m for 2015/16 is 15,4 per cent less when compared to the 2014/2015 Adjustments Budget. The reduction is due to the available resources to fund the capital budget. The capital programme decreases to R94,6m in 2016/17 and amounts to R103,6m in the respective outer years. 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 (32%) will be funded from borrowing over the MTREF with anticipated borrowings of R90m. The balance will be funded from internally generated funds (3%) and capital grants (65%). The Municipality had reached its prudential borrowing limit of 60% of operational revenue in 2012 and has embarked on a strategy to manage this rate down by at least 10%. At the current borrowing programme this rate will be managed down to 44% by 2017/18 in this MTREF. National Treasury has recommended an upper limit of 45% in the norms and ratios published in 2014. 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 five years as a result of the aggressive capital infrastructure programme implemented over those five 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 (current collection level is in excess of 99%);
- Electricity tariff increases for Eskom and thus increased bulk purchases tariffs for the municipality, as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating 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.

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

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

Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Revenue By Source</b>									
Property rates	108 913	120 799	134 813	148 640	153 509	153 509	162 730	173 308	184 573
Property rates - penalties & collection charges	925	772	821	1 050	1 050	1 050	891	980	1 078
Service charges - electricity revenue	224 950	247 663	268 362	310 085	310 085	310 085	338 877	371 635	407 747
Service charges - water revenue	83 755	85 243	95 136	95 897	95 897	95 897	102 045	107 700	113 691
Service charges - sanitation revenue	57 212	56 895	62 798	63 455	63 455	63 455	66 375	70 081	74 010
Service charges - refuse revenue	39 498	46 637	52 957	56 130	56 130	56 130	59 488	63 061	66 849
Service charges - other					-	-			
Rental of facilities and equipment	6 743	7 212	7 591	7 966	7 966	7 966	11 859	12 953	14 176
Interest earned - external investments	6 881	7 555	6 352	6 166	6 166	6 166	6 348	6 348	6 348
Interest earned - outstanding debtors	2 331	2 199	2 118	2 288	2 288	2 288	2 437	2 680	2 948
Dividends received				-	-	-			
Fines	5 278	14 244	22 739	7 965	30 875	30 875	31 859	32 766	33 763
Licences and permits	1 786	1 968	1 956	2 229	2 229	2 229	2 190	2 408	2 649
Agency services	1 912	2 025	2 395	2 480	2 480	2 480	2 970	3 267	3 594
Transfers recognised - operational	38 005	41 680	67 835	58 407	61 289	61 289	90 324	107 886	97 173
Other revenue	17 375	68 978	10 504	21 717	16 933	16 933	16 643	18 150	19 812
Gains on disposal of PPE	1 920								
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>597 482</b>	<b>703 871</b>	<b>736 376</b>	<b>784 474</b>	<b>810 351</b>	<b>810 351</b>	<b>895 035</b>	<b>973 222</b>	<b>1 028 409</b>

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

Description R thousand	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework					
		Budget Year 2015/16		Budget Year +1 2016/17		Budget Year +2 2017/18	
<b>Revenue By Source</b>							
Property rates	153 509	162 730	6.01%	173 308	6.50%	184 573	6.50%
Property rates - penalties & collection charges	1 050	891	-15.14%	980	10.00%	1 078	10.00%
Service charges - electricity revenue	310 085	338 877	9.29%	371 635	9.67%	407 747	9.72%
Service charges - water revenue	95 897	102 045	6.41%	107 700	5.54%	113 691	5.56%
Service charges - sanitation revenue	63 455	66 375	4.60%	70 081	5.58%	74 010	5.61%
Service charges - refuse revenue	56 130	59 488	5.98%	63 061	6.01%	66 849	6.01%
Rental of facilities and equipment	7 966	11 859	48.86%	12 953	9.23%	14 176	9.44%
Interest earned - external investments	6 166	6 348	2.94%	6 348	0.00%	6 348	0.00%
Interest earned - outstanding debtors	2 288	2 437	6.49%	2 680	10.00%	2 948	10.00%
Fines	30 875	31 859	3.19%	32 766	2.84%	33 763	3.04%
Licences and permits	2 229	2 190	-1.77%	2 408	10.00%	2 649	10.00%
Agency services	2 480	2 970	19.78%	3 267	10.00%	3 594	10.00%
Transfers recognised - operational	61 289	90 324	47.37%	107 886	19.44%	97 173	-9.93%
Other revenue	16 933	16 643	-1.71%	18 150	9.05%	19 812	9.16%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>810 351</b>	<b>895 035</b>	<b>10.45%</b>	<b>973 222</b>	<b>8.74%</b>	<b>1 028 409</b>	<b>5.67%</b>

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

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. An increase in revenue of 6 per cent represents the tariff increase for rates, water, sanitation and refuses revenue. Rates and service charge revenues comprise 84% of the total operating revenue mix. In the 2014/2015 financial year, revenue from rates and services charges totalled R690m. This increases to R745m, R802m and R865m in the respective financial years of the MTREF. The growth above 6 per cent can mainly 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 94).

After service charges, property rates is 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. Some revenue categories indicate distorted trends between 2014/15 and 2015/16 as indicated by rentals, licenses and other revenue. This is mainly due to reclassification of revenue categories in line with mSCOA.

Operating grants and transfers total R90,3 million in the 2015/16 financial year. This increases to R107,9m in 2016/17 and decreases to R97,1m in 2017/18 of the MTREF. Equitable share increases substantially over the MTREF (53%) 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 increase in the housing allocation is due to the building of top structures for housing development (R53,6m) anticipated over the MTREF. 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 R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year	Budget Year +1	Budget Year +2
<b>RECEIPTS:</b>									
<b>Operating Transfers and Grants</b>									
<b>National Government:</b>	<b>33 973</b>	<b>38 956</b>	<b>45 033</b>	<b>54 673</b>	<b>56 511</b>	<b>56 511</b>	<b>67 709</b>	<b>74 702</b>	<b>82 187</b>
Local Government Equitable Share	31 156	36 146	41 949	52 021	52 021	52 021	64 598	72 270	79 604
Finance Management	1 250	698	1 300	884	1 450	1 450	1 450	1 475	1 550
Municipal Systems Improvement	790	780	540		–	–		957	1 033
EPWP Incentive	777	1 332	1 244	1 768	1 768	1 768	1 661		
Municipal Disaster Recovery Grant					1 272	1 272			
<b>Provincial Government:</b>	<b>10 697</b>	<b>2 703</b>	<b>23 332</b>	<b>3 734</b>	<b>4 174</b>	<b>4 174</b>	<b>22 615</b>	<b>33 184</b>	<b>14 986</b>
Housing	9 914	1 659	18 669	183	91	91	17 141	27 480	8 876
Emergency Housing Programme (EHP)	–	–	–	220	220	220			
Provincial Library Grant	640	691	795	3 182	3 182	3 182	5 288	5 557	5 890
Financial Management Support Grant	–	–	800		514	514			
Community Development Worker Grant	78	70	49	52	70	70	72	76	80
Main Road Subsidy	65	65	2 651	97	97	97	114		
Sport & Recreation Grant	–	–	–						
Nelson Mandela commemoration Grant	–	–	100						
Greenest Municipality	–	–	50						
<b>Other grant providers:</b>	<b>270</b>	<b>652</b>	<b>586</b>	<b>–</b>	<b>185</b>	<b>185</b>	<b>–</b>	<b>–</b>	<b>–</b>
Prov Govt. ICT Projects for Libraries	–	–	27						
Table Mountain Fund	–	–	240						
Samras Usergroup	–	22	–						
Friedrich Naumann Foundation	–	–	319		185	185			
Spaces 4 Sport	270	630	–						
<b>Total Operating Transfers and Grants</b>	<b>44 940</b>	<b>42 311</b>	<b>68 951</b>	<b>58 407</b>	<b>60 870</b>	<b>60 870</b>	<b>90 324</b>	<b>107 886</b>	<b>97 173</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 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in possible higher levels of non-payment.

The increase in property rates has been limited to only 6,85% notwithstanding the lagging of rates increases below inflation over previous years before 2014/15. Furthermore, increases in service charges have been kept at average inflation, with the electricity consumption tariff equal 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 can also be viewed positively as this decreases the level of cross subsidisation. See the table below.

The percentage increases of Eskom bulk tariffs are beyond the 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 erode the Municipality's future financial position and viability, 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 Budget 2014/2015</b>	<b>Original Budget 2015/2016</b>	
<b>Service : 1200 ELECTRICITY</b>			
** SALARIES, WAGES & ALLOWANCES	16 008 002		
** GENERAL EXPENSES	213 578 651		
** REPAIRS & MAINTENANCE	4 560 080		
** CAPITAL CHARGES	38 213 845		
Bulk Purchases		193 573 082	
Contracted Services		2 531 636	
Depreciation and Amortisation		22 144 494	
Employee Related Cost		19 049 774	
Interest Dividends and Rent on Land		15 927 856	
Inventory		3 644 998	
Operational Cost		406 200	
Costing: overheads (dept charges)		43 951 492	
<b>TOTAL EXPENDITURE</b>	<b>272 360 578</b>	<b>301 229 532</b>	<b>10.60%</b>
<b>TOTAL INCOME</b>	<b>-310 085 306</b>	<b>-338 360 730</b>	<b>9.12%</b>
<b>(SURPLUS)/DEFICIT</b>	<b>-37 724 728</b>	<b>-37 131 198</b>	
	<b>13.85%</b>	<b>12.33%</b>	
<b>Service : 1300 WATER</b>			
** SALARIES, WAGES & ALLOWANCES	16 672 866		
** GENERAL EXPENSES	28 603 656		
** REPAIRS & MAINTENANCE	9 909 706		
** CAPITAL CHARGES	37 871 229		
** EMPLOYEE RELATED COST		17 129 257	
** OPERATIONAL COST		203 765	
** BULK PURCHASES		3 263 296	
** CONTRACTED SERVICES		7 968 743	
** INTEREST DIVIDEND RENT ON LAND		18 022 914	
** DEPRECIATION AND AMORTISATION		18 968 693	
** INVENTORY		12 696 587	
Costing: overheads (dept charges)		16 564 152	
<b>TOTAL EXPENDITURE</b>	<b>93 057 457</b>	<b>94 817 407</b>	<b>1.89%</b>
<b>TOTAL INCOME</b>	<b>-96 871 828</b>	<b>-102 644 773</b>	<b>5.96%</b>
<b>(SURPLUS)/DEFICIT</b>	<b>-3 814 371</b>	<b>-7 827 366</b>	
	<b>4.10%</b>	<b>8.26%</b>	
<b>Service : 1400 WASTE WATER MANAGEMENT</b>			
** SALARIES, WAGES & ALLOWANCES	18 433 913		
** GENERAL EXPENSES	9 734 044		
** REPAIRS & MAINTENANCE	8 439 440		
** CAPITAL CHARGES	24 486 603		
Bulk Purchases		720 915	
Contracted Services		6 492 674	
Depreciation and Amortisation		17 060 567	
Employee Related Cost		17 530 796	
Interest Dividends and Rent on Land		7 783 445	
Inventory		4 729 979	
Operational Cost		255 724	
Costing: overheads (dept charges)		9 650 956	
<b>TOTAL EXPENDITURE</b>	<b>61 094 000</b>	<b>64 225 056</b>	<b>5.12%</b>
<b>TOTAL INCOME</b>	<b>-63 324 796</b>	<b>-66 925 990</b>	<b>5.69%</b>
<b>(SURPLUS)/DEFICIT</b>	<b>-2 230 796</b>	<b>-2 700 934</b>	
	<b>3.65%</b>	<b>4.21%</b>	
<b>Service : 1500 WASTE MANAGEMENT</b>			
** SALARIES, WAGES & ALLOWANCES	20 315 436		
** GENERAL EXPENSES	25 859 582		
** REPAIRS & MAINTENANCE	1 789 307		
** CAPITAL CHARGES	5 524 816		
** CONTRIBUTION TO PROVISIONS	3 000 000		
** EMPLOYEE RELATED COST		21 432 276	
** OPERATIONAL COST		4 821 959	
** CONTRACTED SERVICES		18 432 173	
** INTEREST DIVIDEND RENT ON LAND		1 751 952	
** DEPRECIATION AND AMORTISATION		5 159 240	
** INVENTORY		2 666 294	
Costing: overheads (dept charges)		8 545 653	
<b>TOTAL EXPENDITURE</b>	<b>56 489 141</b>	<b>62 809 547</b>	<b>11.19%</b>
<b>TOTAL INCOME</b>	<b>-56 130 000</b>	<b>-59 544 160</b>	<b>6.08%</b>
<b>(SURPLUS)/DEFICIT</b>	<b>359 141</b>	<b>3 265 387</b>	
	<b>-0.64%</b>	<b>-5.20%</b>	
<b>Notes:</b>			
1. Disparity of expenditure categories from implementation of mSCOA.			
2. Increased refuse expenditure resulting from new waste disposal infrastructure			
3. Secondary costs indicated in line with previous allocations + 5%			
4. 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 a good 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 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	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.
<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</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>

The following table sets out the categories of rateable properties for purposes of levying rates and the proposed rates for the 2015/16 financial year, to increase from 1 July 2015.

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

RATES TARIFFS 2015/2016					
Tariff Code	Detail	2015/2016		2014/2015	
		Exclude VAT	Include VAT	Exclude VAT	Include VAT
<b>RATES</b>	<b>YEAR OF GENERAL VALUATION: 02 JULY 2011</b>				
<b>RATE1*</b>	Commercial Land with Improvements	0.00670	0.00670	0.00627	0.00627
<b>RATE2*</b>	Residential Land with Improvements	0.00442	0.00442	0.00414	0.00414
	<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
<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)	0.00111	0.00111	0.00104	0.00104
<b>RATE8</b>	Undeveloped erven	0.00605	0.00605	0.00566	0.00566
<b>RATE9</b>	Government Properties: Commercial	0.00670	0.00670	0.00627	0.00627
<b>RATE10</b>	Government Properties: Residential	0.00442	0.00442	0.00414	0.00414
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 2015 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 now been implemented. This is the reason for the higher than 6% 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	2015/2016		2014/2015		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
<b>W1B</b>	<b>CONSUMPTION - HOUSEHOLDS</b>					
	<b>Normal Tariff</b>					
W1B1	0 - 6 kl per kl	3.62	4.13	3.25	3.71	11.50%
W1B2	7 - 18 kl per kl	9.12	10.39	8.60	9.80	6.00%
W1B3	19 - 30 kl per kl	14.79	16.86	13.95	15.90	6.00%
W1B4	31 - 45 kl per kl	22.76	25.95	21.48	24.48	6.00%
W1B5	46 - 60 kl per kl	29.57	33.71	27.90	31.81	6.00%
W1B6	>60kl per kl	39.43	44.95	37.20	42.40	6.00%

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

NERSA announced a revised bulk electricity pricing structure for Eskom during 2013/14 for a three year period. A 14,24 per cent increase in the Eskom bulk electricity tariffs to municipalities will become effective from 1 July 2015. The National Treasury guideline tariff increase to municipalities is 12,2 per cent. During his budget speech on 25 February 2015, the Minister of Finance announced that the electricity levy will be increased by 2 cents per kWh. A special municipal circular will be issued in due course to guide municipalities on the implementation of the 2 cents per kWh electricity levy.

Since the approval of the above increase by NERSA, Eskom launched an application for further increases up to 25,3 per cent. In terms of legislation, the Minister of Finance postponed the finalisation of the further tariff increase application by NERSA until 15 May 2015. This timeframe was set to allow municipalities to still be able to finalise their budget by the end of May. On 13 May 2015 NERSA issued a press statement setting the timeframes for the finalisation of the application on 29 June 2015. National Treasury has not issued any further guidance on the matter. As this puts the municipality at risk for the finalisation of the budget, the original increases have been factored into the budget.

Considering the Eskom increases, the overall tariffs will increase between 9,74 per cent and 12,2 per cent. The basic charge increases by 6 per cent and consumption by 12,2 per cent. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity.

The time-of-use tariff has been restructured to a single tariff per category for the full 12 month period in the daily Off-peak, Standard and Peak categories. 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 will again 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 customers:

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

Tariff Code	Detail		2015/2016		2014/2015		
			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	216.83	247.19	204.56	233.20	6.00%
	kWH Unit cost						
E1A2	IBT BLOCK 1 0 - 350 kWh	c	107.67	122.74	95.96	109.39	12.20%
E1A3	IBT BLOCK 2 351 - 600 kWh	c	145.88	166.30	130.02	148.22	12.20%
E1A4	IBT BLOCK 3 > 600 kWh	c	175.82	200.43	156.70	178.64	12.20%
E1B	Two-Part Tariff: Pre-Paid up to 60 Amp (13.8 kVA BDMD) (Included Resorts)						
E1B1	Basic Monthly charge per meter	R	216.83	247.19	204.56	233.20	6.00%
	kWH Unit cost						
E1B2	IBT BLOCK 1 0 - 350 kWh	c	99.45	113.38	88.64	101.05	12.20%
E1B3	IBT BLOCK 2 351 - 600 kWh	c	137.46	156.71	122.52	139.67	12.20%
E1B4	IBT BLOCK 3 > 600 kWh	c	169.00	192.66	150.62	171.71	12.20%

The stepped tariff for electricity as previously proposed by NERSA has continued. Tariffs have increased across all blocks at the same rate. 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.

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 high increases in Eskom's bulk tariffs, it is clearly 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 2015/16 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 (consumption) and 6 per cent for basic charges is proposed from 1 July 2015. 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	2015/2016		2014/2015		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
SE7A	<b>SEWERAGE - SINGLE AND INTERMEDIATE RESIDENTIAL (Dwelling house and Duplex flats, Conventional Sewers, small bore sewers and conservancy tanks)</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.	10.88	12.40	10.26	11.70	6.00%
SE8	<b>BASIC CHARGE</b>					
SE8A	Basic Monthly Charge Developed sites per erf/unit per month	96.61	110.13	91.14	103.90	6.00%

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

Solid waste removal is operating marginally below breakeven. The Municipality will have to revise 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 in April 2015 by the Overstrand municipality, who will operate the site, has been resolved by the entering into a long term 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. Indications are that the Theewaterskloof municipality will once again opt to utilise this service on a permanent basis. No additional revenue has been budgeted in this regard, pending service agreements. This aspect will be reviewed during the mid-year review for 2015/2016 and revenue adjustments will be considered at that stage.

An increase of 6 per cent in the waste removal tariff is proposed from 1 July 2015. Higher increases will not be viable at this stage owing to the increases implemented in the preceding financial year. 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 later on during the 2015/16 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 2015:

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

Tariff Code	Detail	2015/2016		2014/2015		
		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>	
SAN1A	Residential (All registered erven/unit with approved building plan) 1 x removal per week (R/Month)	137.99	157.30	130.18	148.40	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 medium and small household consumers, as well as an indigent household receiving free basic services.

Note that in all instances the overall impact of the tariff increases on household's bills has been kept below 6,3 per cent and the increase for indigent households at 2,6 per cent, before the impact of the electricity increases. The electricity tariff increase raises this level to 8,44 & 10,11 per cent respectively.

##### Medium Consumption with prepaid elect meter

Valuation	R2 500 000
Rates	
Sewer	<b>SE7A1+SE8A</b>
Infrastructure Basic Charge Water, Electricity & Sewer	
Refuse	<b>1X Per Week</b>
Water	25 kl
VAT	
<b>SUB TOTAL</b>	
Electricity Prep	800 kWh
VAT	
<b>TOTAL</b>	
<i>HPP if applicable</i>	

2014/2015	2015/2016	Amount	%
676.20	722.52	46.32	6.85
270.69	287.01	16.32	6.03
41.70	41.70	0.00	0.00
130.18	137.99	7.81	6.00
322.63	343.11	20.48	6.35
107.13	113.37	6.25	5.83
<b>1 548.53</b>	<b>1 645.70</b>	<b>97.18</b>	<b>6.28</b>
1 122.32	1 246.55	124.24	11.07
157.12	174.52	17.39	11.07
<b>2 827.97</b>	<b>3 066.77</b>	<b>238.81</b>	<b>8.44</b>
67.62	72.25	4.63	6.85

##### Low Consumption with prepaid elect meter

Valuation	R1 000 000
Rates	
Sewer	<b>SE7A1+SE8A</b>
Infrastructure Basic Charge Water, Electricity & Sewer	
Refuse	<b>1X Per Week</b>
Water	15 kl
VAT	
<b>SUB TOTAL</b>	
Electricity Prep	350 kWh
VAT	
<b>TOTAL</b>	
<i>HPP if applicable</i>	

2014/2015	2015/2016	Amount	%
262.20	280.16	17.96	6.85
198.87	210.85	11.98	6.02
41.70	41.70	0.00	0.00
130.18	137.99	7.81	6.00
199.18	212.22	13.04	6.55
79.79	84.39	4.60	5.76
<b>911.92</b>	<b>967.31</b>	<b>55.39</b>	<b>6.07</b>
514.80	564.92	50.12	9.74
72.07	79.09	7.02	9.74
<b>1 498.79</b>	<b>1 611.32</b>	<b>112.52</b>	<b>7.51</b>
26.22	28.02	1.80	6.85

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

Valuation	R50 000
Rates	
Sewer	<b>SE7A1</b>
Infrastructure Basic Charge Water, Electricity & Sewer	
Refuse	<b>1X Per Week</b>
Water	8 kl
VAT	
<b>SUB TOTAL</b>	
Electricity Pre-i	300 kWh
VAT	
<b>TOTAL</b>	

2014/2015	2015/2016	Amount	%
0.00	0.00	0.00	0.00
14.36	15.23	0.87	6.04
41.70	41.70	0.00	0.00
0.00	0.00	0.00	0.00
17.20	18.24	1.04	6.05
10.26	10.52	0.27	2.60
<b>83.52</b>	<b>85.70</b>	<b>2.18</b>	<b>2.60</b>
263.70	295.87	32.17	12.20
36.92	41.42	4.50	12.20
<b>384.14</b>	<b>422.99</b>	<b>38.85</b>	<b>10.11</b>

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

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16 % incr.	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Rand/cent										
<b>Monthly Account for Household - 'Middle Income Range'</b>										
<b>Rates and services charges:</b>										
Property rates	141.26	151.25	156.00	179.40	179.40	179.40	7.0%	191.69	203.19	215.38
Electricity: Basic levy	151.75	157.89	192.98	204.56	204.56	204.56	6.0%	216.83	229.84	243.63
Electricity: Consumption	953.00	1 056.28	1 126.62	1 219.00	1 219.00	1 219.00	11.0%	1 357.95	1 439.43	1 525.79
Water: Basic levy	87.72	92.98	96.49	102.28	102.28	102.28	6.0%	108.42	114.93	121.82
Water: Consumption	168.48	224.44	273.66	290.10	290.10	290.10	6.0%	308.64	332.60	352.55
Sanitation	245.92	264.87	288.62	305.94	305.94	305.94	6.0%	325.09	344.60	365.27
Refuse removal	83.33	113.16	122.81	130.18	130.18	130.18	6.0%	137.99	146.27	155.05
Other										
<b>sub-total</b>	<b>1 831.46</b>	<b>2 060.87</b>	<b>2 257.18</b>	<b>2 431.46</b>	<b>2 431.46</b>	<b>2 431.46</b>	<b>8.8%</b>	<b>2 646.61</b>	<b>2 810.84</b>	<b>2 979.50</b>
VAT on Services	236.63	267.35	294.17	312.99	312.99	312.99		344.41	365.07	386.98
	<b>2 068.09</b>	<b>2 328.22</b>	<b>2 551.35</b>	<b>2 744.44</b>	<b>2 744.44</b>	<b>2 744.44</b>	<b>9.0%</b>	<b>2 991.02</b>	<b>3 175.92</b>	<b>3 366.47</b>
<b>Total large household bill:</b>										
<b>% increase/-decrease</b>		<b>12.6%</b>	<b>9.6%</b>	<b>7.6%</b>	<b>-</b>	<b>-</b>		<b>9.0%</b>	<b>6.2%</b>	<b>6.0%</b>
<b>Monthly Account for Household - 'Affordable Range'</b>										
<b>Rates and services charges:</b>										
Property rates	97.80	104.70	108.00	124.20	124.20	124.20	7.0%	132.71	140.67	149.11
Electricity: Basic levy	151.75	157.89	192.98	204.56	204.56	204.56	6.0%	216.83	229.84	243.63
Electricity: Consumption	399.00	438.62	456.59	494.01	494.01	494.01	11.0%	550.31	583.33	618.33
Water: Basic levy	87.72	92.98	96.49	102.28	102.28	102.28	6.0%	108.42	114.93	121.82
Water: Consumption	133.38	164.44	207.86	222.45	222.45	222.45	6.0%	236.54	250.73	265.78
Sanitation	231.74	234.17	254.84	270.13	270.13	270.13	6.0%	287.01	304.23	322.48
Refuse removal	83.33	113.16	122.81	130.18	130.18	130.18	6.0%	137.99	146.27	155.05
Other										
<b>sub-total</b>	<b>1 184.72</b>	<b>1 305.96</b>	<b>1 439.57</b>	<b>1 547.81</b>	<b>1 547.81</b>	<b>1 547.81</b>	<b>7.9%</b>	<b>1 669.81</b>	<b>1 770.00</b>	<b>1 876.20</b>
VAT on Services	152.17	168.18	186.42	199.01	199.01	199.01		215.19	228.11	241.79
<b>Total small household bill:</b>	<b>1 336.88</b>	<b>1 474.14</b>	<b>1 625.99</b>	<b>1 746.82</b>	<b>1 746.82</b>	<b>1 746.82</b>	<b>7.9%</b>	<b>1 885.00</b>	<b>1 998.10</b>	<b>2 117.99</b>
<b>% increase/-decrease</b>		<b>10.3%</b>	<b>10.3%</b>	<b>7.4%</b>	<b>-</b>	<b>-</b>		<b>7.9%</b>	<b>6.0%</b>	<b>6.0%</b>
<b>Monthly Account for Household - 'Indigent' Household receiving free basic services</b>										
<b>Rates and services charges:</b>										
Property rates	54.33	58.16	60.00	69.00	69.00	69.00	7.0%	73.73	78.15	82.84
Electricity: Basic levy	151.75	157.89	192.98	204.56	204.56	204.56	6.0%	216.83	229.84	243.63
Electricity: Consumption	252.00	278.39	286.75	310.24	310.24	310.24	11.0%	345.59	366.33	388.30
Water: Basic levy	87.72	92.98	96.49	102.28	102.28	102.28	6.0%	108.42	114.93	121.82
Water: Consumption	98.28	104.44	123.67	131.10	131.10	131.10	6.0%	139.02	149.64	158.62
Sanitation	204.15	203.48	221.07	234.33	234.33	234.33	6.0%	248.93	263.87	279.70
Refuse removal	83.33	113.16	122.81	130.18	130.18	130.18	6.0%	137.99	146.27	155.05
Other	(468.47)	(521.33)	(598.16)	(635.06)	(635.06)	(635.06)	7.0%	(676.64)	(717.24)	(760.27)
<b>sub-total</b>	<b>463.09</b>	<b>487.17</b>	<b>505.61</b>	<b>546.63</b>	<b>546.63</b>	<b>546.63</b>	<b>8.6%</b>	<b>593.87</b>	<b>631.78</b>	<b>669.69</b>
VAT on Services	57.23	60.06	64.96	69.60	69.60	69.60		73.12	77.51	82.16
	<b>520.32</b>	<b>547.23</b>	<b>570.57</b>	<b>616.23</b>	<b>616.23</b>	<b>616.23</b>	<b>8.2%</b>	<b>666.99</b>	<b>709.29</b>	<b>751.85</b>
<b>Total small household bill:</b>										
<b>% increase/-decrease</b>		<b>5.2%</b>	<b>4.3%</b>	<b>8.0%</b>	<b>-</b>	<b>-</b>		<b>8.2%</b>	<b>6.3%</b>	<b>6.0%</b>

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)



## 1.5 Operating Expenditure Framework

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

- Balanced budget constraint (cash operating expenditure should not exceed cash operating revenue) unless there are 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;
- 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 2015/16 budget and MTREF (classified per main type of operating expenditure):

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

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year	Budget Year +1	Budget Year +2
<b>Expenditure By Type</b>									
Employee related costs	207 938	231 642	260 645	280 066	276 217	276 217	291 593	305 408	323 583
Remuneration of councillors	6 717	7 084	7 933	8 516	8 516	8 516	8 674	9 192	9 741
Debt impairment	28	6 688	12 526		22 792	22 792	22 792	22 792	22 792
Depreciation & asset impairment	104 041	104 408	99 361	109 265	105 461	105 461	111 362	118 043	125 126
Finance charges	31 727	37 331	39 927	45 162	44 480	44 480	46 895	46 780	47 279
Bulk purchases	126 669	145 022	157 055	169 444	169 444	169 444	193 573	221 138	252 628
Other materials	54 582	12 441	13 595	17 295	17 315	17 315	57 801	69 631	53 593
Contracted services	24 079	67 697	72 754	81 062	82 467	82 467	125 322	128 122	135 442
Transfers and grants	28 454	35 856	38 749	41 370	41 668	41 668	48 497	54 667	62 244
Other expenditure	158 290	102 146	117 460	117 407	164 963	164 963	58 021	61 721	65 866
Loss on disposal of PPE		1 756	12 017						
<b>Total Expenditure</b>	<b>742 525</b>	<b>752 070</b>	<b>832 022</b>	<b>869 588</b>	<b>933 322</b>	<b>933 322</b>	<b>964 529</b>	<b>1 037 493</b>	<b>1 098 292</b>

The budgeted allocation for employee related costs for the 2015/16 financial year totals R291,6m which equals 30,2 per cent of the total operating expenditure and within the NT norm of 25 – 40 per cent. The current three year collective SALGBC agreement comes to an end in 2014/2015. The parties to the bargaining council are currently still in negotiations on salary increases for 2015/2016. Salary increases (inclusive of annual notch increases) have been factored into the budget at a percentage increase of 6,1 per cent for the 2015/16 financial year as well as the two outer years of the MTREF, based on average inflation for 2014.

As part of the Municipality's cost reprioritisation and cash management strategy vacancies have been significantly rationalised downwards. A total of twenty three posts were abolished from the organisational structure. The Protection Services directorate has been restructured whereby a shift system has been introduced resulting in substantial savings on overtime and standby allowances. The outsourcing of the water and waste water treatment plants, in respect of operational efficiencies, are currently being considered.

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 2015/2016 budget. For budgeting purposes, the same increase of 6,1 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 2014/2015 increases was published recently. For budgeting purposes, the same increase of 6,1 per cent, as for other employees has been factored into the budget.

The provision of debt impairment was determined based on an annual collection rate of close to 100 per cent and the Debt Write-off Policy of the Municipality. For the 2015/16 financial year this amount equates to a zero provision as the current provision is set to decrease slightly over the medium term. Impairment for traffic fines, resulting from the implementation of IGRAP1, has been budgeted according to the trends from the 2013/2014 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 R111,4m for the 2015/16 financial year and equates to 11,39 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 4,8 per cent of operating expenditure excluding annual redemption for 2015/16 and increases to R47,3m by 2017/18, down from R49,5m in the previous 2016/2017 budget. 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 4,3 per cent over the MTREF.

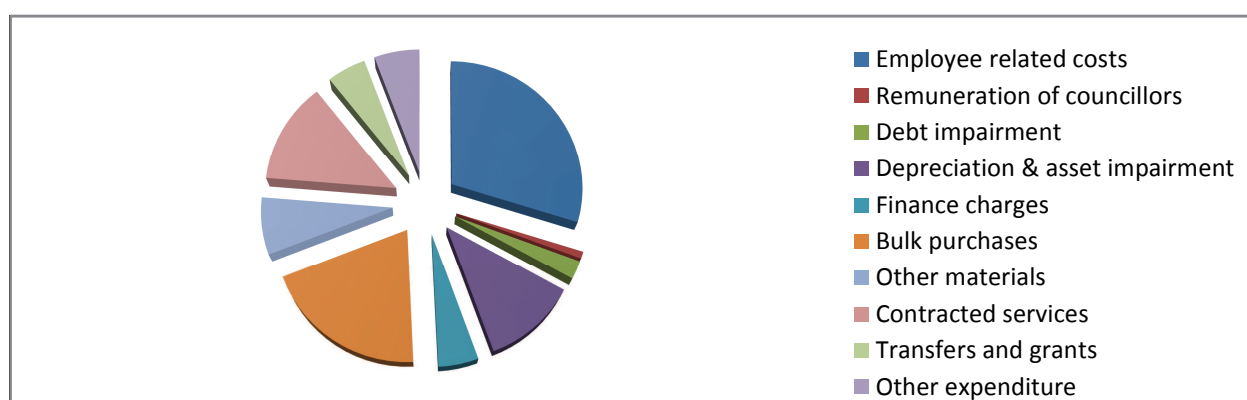
Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases of the already approved tariffs of 14,24 per cent have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures account for distribution losses.

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 a cost saving area for the Municipality. As part of the compilation of the 2015/16 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced. In the 2015/16 financial year, this group of expenditure totals R127m. 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 94).

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 94).

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



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

### 1.5.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2015/16 budget and MTREF provide for growth 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	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>									
<b>by Expenditure Item</b>									
Employee related costs	15 563	27 460	35 905	40 285	40 285	40 285	45 175	47 787	50 645
Other materials	5 188	9 153	8 865	8 807	8 807	8 807	14 541	15 638	16 361
Contracted Services	12 320	21 740	32 675	34 161	34 161	34 161	35 194	37 739	39 865
Other Expenditure	31 774	56 061	72 912	79 016	79 016	79 016	26 167	25 650	43 884
<b>Total Repairs and Maintenance Expenditure</b>	<b>64 845</b>	<b>114 414</b>	<b>150 358</b>	<b>162 268</b>	<b>162 268</b>	<b>162 268</b>	<b>121 077</b>	<b>126 814</b>	<b>150 754</b>

During the compilation of the 2015/16 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality's infrastructure. As part of the 2015/16 MTREF this strategic imperative remains a priority as can be seen by the budget appropriations over the MTREF. In relation to the total operating expenditure, repairs and maintenance comprises on average 12,8 per cent of the budget over the respective financial years of the MTREF.

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 R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>43 120</b>	<b>87 048</b>	<b>129 145</b>	<b>136 752</b>	<b>136 752</b>	<b>136 752</b>	<b>111 449</b>	<b>117 865</b>	<b>133 341</b>
Infrastructure - Road transport	25 843	42 236	63 749	68 540	68 540	68 540	57 090	60 842	64 540
Roads, Pavements & Bridges	25 231	39 790	60 016	62 232	62 232	62 232	51 401	54 748	58 088
Storm water	611	2 446	3 732	6 308	6 308	6 308	5 689	6 094	6 452
Infrastructure - Electricity	4 601	14 105	20 488	25 491	25 491	25 491	16 835	17 340	23 891
Generation					-	-			
Transmission & Reticulation	4 601	14 105	20 488	25 491	25 491	25 491	16 835	17 340	23 891
Street Lighting					-	-			
Infrastructure - Water	6 892	21 502	27 931	26 775	26 775	26 775	22 874	24 001	24 393
Dams & Reservoirs	52	80			-	-			
Water purification	1 709	1 963			-	-			
Reticulation	5 132	19 459	27 931	26 775	26 775	26 775	22 874	24 001	24 393
Infrastructure - Sanitation	4 568	7 708	15 486	14 146	14 146	14 146	12 159	12 963	16 387
Reticulation	3 687	6 623			-	-			
Sewerage purification	882	1 085	15 486	14 146	14 146	14 146	12 159	12 963	16 387
Infrastructure - Other	1 215	1 499	1 491	1 800	1 800	1 800	2 492	2 719	4 130
Waste Management	1 215	1 499	1 491	1 800	1 800	1 800	2 492	2 719	4 130
<b>Community</b>	<b>6 012</b>	<b>5 408</b>	<b>7 349</b>	<b>9 298</b>	<b>9 298</b>	<b>9 298</b>	<b>4 546</b>	<b>4 391</b>	<b>8 211</b>
<b>Investment properties</b>	<b>270</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other assets</b>	<b>15 443</b>	<b>21 958</b>	<b>13 864</b>	<b>16 218</b>	<b>16 218</b>	<b>16 218</b>	<b>5 081</b>	<b>4 559</b>	<b>9 203</b>
<b>Total Repairs and Maintenance Expenditure</b>	<b>64 845</b>	<b>114 414</b>	<b>150 358</b>	<b>162 268</b>	<b>162 268</b>	<b>162 268</b>	<b>121 077</b>	<b>126 814</b>	<b>150 754</b>
<b>R&amp;M as a % of PPE</b>	<b>2.1%</b>	<b>3.7%</b>	<b>4.8%</b>	<b>5.3%</b>	<b>5.2%</b>	<b>5.2%</b>	<b>3.9%</b>	<b>4.1%</b>	<b>4.9%</b>
<b>R&amp;M as % Operating Expenditure</b>	<b>8.7%</b>	<b>15.2%</b>	<b>18.1%</b>	<b>18.7%</b>	<b>17.4%</b>	<b>17.4%</b>	<b>12.4%</b>	<b>12.2%</b>	<b>13.7%</b>

For the 2015/16 financial year, 12,4 per cent or R121m of the total budget will be spent on repairs and maintenance, of which R114,5m is for infrastructure. Roads infrastructure has received a significant proportion of the infrastructure allocation totalling 51,2 per cent (R57m), followed by water at 20,5 per cent (R22,9m) and electricity at 14,7 per cent (R16,8m).

### 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 6 700 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 41.

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.

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

Description  R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Cash Transfers to other municipalities</b> <i>Insert description</i>									
<b>Total Cash Transfers To Municipalities:</b>	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to other Organs of State</b> <i>Insert description</i>									
<b>Total Cash Transfers To Other Organs Of State:</b>	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to Organisations</b>									
<i>Grant-in-aid</i>	370	398	451	-	-	-	278	295	313
Badisa				30	30	30			
Overstrand Association for People with Disabilities				8	8	8			
Ikamva				10	10	10			
Overstrand Conservation Foundation				25	25	25			
Hermanus Botanical Society				20	20	20			
Kleimond Child Welfare				15	15	15			
Overstrand Hospice				28	28	28			
Hangklip Community Care Centre				15	15	15			
Recycle Swap Shop				10	10	10			
Siyazama Service Centre for the Aged				20	20	20			
Overberg Wheelchair Association	-	-	-	20	20	20			
Overstrand Arts				20	20	20			
National Sea Rescue Institute				47	47	47			
S.H.A.R.E				10	10	10			
Tourism Buro's							1 649	1 747	1 852
<b>Total Cash Transfers To Organisations</b>	<b>370</b>	<b>398</b>	<b>451</b>	<b>278</b>	<b>278</b>	<b>278</b>	<b>1 927</b>	<b>2 043</b>	<b>2 165</b>
<b>Cash Transfers to Groups of Individuals</b>									
<b>Low income house-hold subsidies</b>	28 084	35 458	38 298	41 092	41 390	41 390	46 570	52 624	60 079
<b>Total Cash Transfers To Groups Of Individuals:</b>	28 084	35 458	38 298	41 092	41 390	41 390	46 570	52 624	60 079
<b>TOTAL CASH TRANSFERS AND GRANTS</b>	<b>28 454</b>	<b>35 856</b>	<b>38 749</b>	<b>41 370</b>	<b>41 668</b>	<b>41 668</b>	<b>48 497</b>	<b>54 667</b>	<b>62 244</b>

The policy for Grants-in-aid to organisations has been revised and approved by Council. Detailed allocations for the 2015/2016 budget will be reflected after the completion of the application and allocation process.

## 1.6 Capital expenditure

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

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

Vote Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year	Budget Year +1	Budget Year +2
<b>Capital expenditure - Vote</b>									
<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	-	-	5 000	4 939	3 565	3 565	21 911	4 500	4 000
Vote 6 - Local Economic Development	-	-	-	-	-	-	-	-	-
Vote 7 - Infrastructure & Planning	-	-	-	-	-	-	11 451	3 000	3 000
Vote 8 - Protection Services	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	-	-	5 000	4 939	3 565	3 565	33 362	7 500	7 000
<b>Single-year expenditure to be appropriated</b>									
Vote 1 - Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Management Services	928	1 274	1 790	2 548	2 534	2 534	2 528	-	-
Vote 4 - Finance	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services	119 308	110 111	74 622	71 999	92 038	92 038	56 809	72 106	79 561
Vote 6 - Local Economic Development	-	945	-	-	-	-	-	-	-
Vote 7 - Infrastructure & Planning	42 394	31 434	49 518	18 235	19 450	19 450	10 920	15 000	17 000
Vote 8 - Protection Services	645	-	-	-	-	-	295	-	-
<b>Capital single-year expenditure sub-total</b>	163 275	143 764	125 930	92 781	114 022	114 022	70 552	87 106	96 561
<b>Total Capital Expenditure - Vote</b>	163 275	143 764	130 930	97 721	117 588	117 588	103 914	94 606	103 561

For 2015/16 an amount of R91,4m has been appropriated for the development of infrastructure which represents 88 per cent of the total capital budget of R103,9m. In the outer years this amount totals R80m, 84,5 per cent and R92,7m, 89,5 per cent respectively for each of the outer financial years. For services infrastructure, electricity infrastructure receives the highest allocation of R21,7m in 2015/16 followed by water at R16,4 million and roads at R12,1 million. Over the MTREF, capital housing grant expenditure relating to housing provision infrastructure, amounts to R109 million.

Further detail relating to asset classes and proposed capital expenditure is contained in Table 25 MBRR A9 (Asset Management) on page 39. 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 84, 85 and 86). Some of the salient projects to be undertaken during 2015/2016 includes, amongst others:

Project Description	Amount
ZWELIHLE ADMIN SITE - 164 SITES	9 864 644
REPLACEMENT OF OVERSTRAND WATER PIPES	9 652 800
ELECTRIFICATION OF LOW COST HOUSING AREAS (INEP)	8 000 000
ZWELIHLE SITE C2 - 132 SITES	7 939 836
REHABILITATE ROADS AND UPGRADE STORMWATER	6 375 527
ZWELIHLE MANDELA SQUARE -83 SITES	4 685 648
REHABILITATION OF EXISTING PAVE ROAD (LIC)	4 200 000
OVERHILLS:KLEINMOND SOCCERFIELD	4 157 615
NEW 1 ML/S RESERVOIR OHW.B31	3 566 328
UPGRADING OF PUMPSTATIONS	3 547 200
MOUNT PLEASANT IRDP	3 514 600
SWARTDAMROAD IRDP	3 313 558

STANFORD - SEWER NETWORK EXTENSION	3 000 000
KLEINMOND LIBRARY UPGRADE	3 000 000
GANSBAAI: MINISUB AND MV/LV UPGRADE	2 700 000
FRANSKRAAL, KLEINBAAI & BIRKENHEAD: MV/LV AND MINISUB UPGRADE	2 600 000
UPGRADE STORMWATER - INTERNAL & EXTERNAL	2 476 500
REFURBISH BUFFELS RIVER DAM BRIDGE AND TOWER & PALMIET RIVER WEIR	2 000 000

Furthermore, pages 89 to 91 and Annexure E contains a detailed breakdown of the capital budget per project over the medium-term.

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 2015/2016 capital budget.

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

At this point in time information is not readily available to include reliable information in Table 71 MBRR SA35 on page 88. A long term financial plan and implementation policy is in the process of being developed and implemented to encompass costs over the long term. It needs to be noted that as part of the 2015/16 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 2015/16 final budget and MTREF to be considered and 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	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	109 838	121 571	135 633	149 690	154 559	154 559	163 621	174 288	185 651
Service charges	405 415	436 439	479 253	525 567	525 567	525 567	566 784	612 476	662 296
Investment revenue	6 881	7 555	6 352	6 166	6 166	6 166	6 348	6 348	6 348
Transfers recognised - operational	38 005	41 680	67 835	58 407	61 289	61 289	90 324	107 886	97 173
Other own revenue	37 344	96 627	47 302	44 644	62 770	62 770	67 957	72 224	76 942
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>597 482</b>	<b>703 871</b>	<b>736 376</b>	<b>784 474</b>	<b>810 351</b>	<b>810 351</b>	<b>895 035</b>	<b>973 222</b>	<b>1 028 409</b>
Employee costs	207 938	231 642	260 645	280 066	276 217	276 217	291 593	305 408	323 583
Remuneration of councillors	6 717	7 084	7 933	8 516	8 516	8 516	8 674	9 192	9 741
Depreciation & asset impairment	104 041	104 408	99 361	109 265	105 461	105 461	111 362	118 043	125 126
Finance charges	31 727	37 331	39 927	45 162	44 480	44 480	46 895	46 780	47 279
Materials and bulk purchases	181 251	157 462	170 650	186 739	186 759	186 759	251 374	290 769	306 221
Transfers and grants	28 454	35 856	38 749	41 370	41 668	41 668	48 497	54 667	62 244
Other expenditure	182 396	178 287	214 757	198 469	270 222	270 222	206 135	212 634	224 099
<b>Total Expenditure</b>	<b>742 525</b>	<b>752 070</b>	<b>832 022</b>	<b>869 588</b>	<b>933 322</b>	<b>933 322</b>	<b>964 529</b>	<b>1 037 493</b>	<b>1 098 292</b>
<b>Surplus/(Deficit)</b>	<b>(145 043)</b>	<b>(48 199)</b>	<b>(95 646)</b>	<b>(85 115)</b>	<b>(122 971)</b>	<b>(122 971)</b>	<b>(69 494)</b>	<b>(64 271)</b>	<b>(69 883)</b>
Transfers recognised - capital	54 833	53 809	38 090	34 234	55 498	55 498	63 354	60 876	73 561
Contributions recognised - capital & contributed assets	8 603	5 289	12 542	2 134	2 051	2 051	1 000	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(81 607)</b>	<b>10 899</b>	<b>(45 015)</b>	<b>(48 747)</b>	<b>(65 423)</b>	<b>(65 423)</b>	<b>(5 140)</b>	<b>(3 395)</b>	<b>3 679</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>(81 607)</b>	<b>10 899</b>	<b>(45 015)</b>	<b>(48 747)</b>	<b>(65 423)</b>	<b>(65 423)</b>	<b>(5 140)</b>	<b>(3 395)</b>	<b>3 679</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>163 275</b>	<b>143 764</b>	<b>130 930</b>	<b>97 721</b>	<b>122 785</b>	<b>122 785</b>	<b>103 914</b>	<b>94 606</b>	<b>103 561</b>
Transfers recognised - capital	54 833	53 809	38 090	36 368	56 498	56 498	64 354	60 876	73 561
Public contributions & donations	14 300	5 067	7 985	-	1 936	1 936	462	-	-
Borrowing	73 964	67 544	70 634	46 923	48 770	48 770	32 346	30 000	30 000
Internally generated funds	20 178	17 345	14 222	14 430	15 582	15 582	6 753	3 730	-
<b>Total sources of capital funds</b>	<b>163 275</b>	<b>143 764</b>	<b>130 930</b>	<b>97 721</b>	<b>122 785</b>	<b>122 785</b>	<b>103 914</b>	<b>94 606</b>	<b>103 561</b>
<b>Financial position</b>									
Total current assets	230 033	205 668	175 465	197 146	208 517	208 517	207 929	236 802	286 395
Total non current assets	3 209 100	3 290 140	3 302 111	3 316 479	3 332 776	3 332 776	3 320 511	3 302 993	3 287 443
Total current liabilities	137 580	160 331	148 801	153 849	153 113	153 113	174 459	178 435	201 387
Total non current liabilities	452 301	483 951	520 970	549 267	593 707	593 707	617 668	628 376	635 734
Community wealth/Equity	2 849 252	2 851 526	2 807 805	2 810 509	2 794 472	2 794 472	2 736 314	2 732 985	2 736 717
<b>Cash flows</b>									
Net cash from (used) operating	98 981	75 920	76 616	80 014	126 676	126 676	110 861	125 532	152 720
Net cash from (used) investing	(151 774)	(146 955)	(130 368)	(103 533)	(128 597)	(128 597)	(110 144)	(100 523)	(109 575)
Net cash from (used) financing	109 489	28 482	32 764	27 163	28 183	28 183	7 409	4 515	1 659
<b>Cash/cash equivalents at the year end</b>	<b>126 699</b>	<b>84 147</b>	<b>63 158</b>	<b>88 050</b>	<b>89 421</b>	<b>89 421</b>	<b>97 547</b>	<b>127 071</b>	<b>171 875</b>
<b>Cash backing/surplus reconciliation</b>									
Cash and investments available	132 391	95 744	80 123	110 257	111 628	111 628	126 001	161 455	212 284
Application of cash and investments	2 373	6 388	(16 024)	(16 663)	(32 522)	(32 522)	8 224	13 360	30 132
<b>Balance - surplus (shortfall)</b>	<b>130 018</b>	<b>89 356</b>	<b>96 147</b>	<b>126 920</b>	<b>144 149</b>	<b>144 149</b>	<b>117 777</b>	<b>148 095</b>	<b>182 152</b>
<b>Asset management</b>									
Asset register summary (WDV)	3 181 234	3 277 435	3 280 777	3 254 715	3 310 512	3 310 512	3 292 016	3 268 579	3 247 014
Depreciation & asset impairment	104 041	104 408	99 361	109 265	105 461	105 461	111 362	118 043	125 126
Renewal of Existing Assets	-	4 147	47 032	28 139	32 838	32 838	20 758	21 000	6 500
Repairs and Maintenance	64 845	114 414	150 358	162 268	163 071	163 071	121 077	126 814	150 754
<b>Free services</b>									
Cost of Free Basic Services provided	28 084	32 049	34 509	41 716	41 716	41 716	48 296	52 358	56 767
Revenue cost of free services provided	82 641	77 796	74 679	75 253	75 253	75 253	88 909	95 819	103 302
<b>Households below minimum service level</b>									
Water:	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	1	1	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, after excluding non-cash 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)**

Standard Classification Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>									
<b>Revenue - Standard</b>									
<i>Governance and administration</i>	167 928	232 385	199 504	231 071	232 413	232 413	255 994	272 264	292 533
Executive and council	31 483	38 355	42 355	52 442	52 442	52 442	64 861	72 528	79 858
Budget and treasury office	127 745	137 728	150 786	169 095	170 420	170 420	180 339	191 921	204 338
Corporate services	8 700	56 303	6 363	9 534	9 551	9 551	10 795	7 816	8 338
<i>Community and public safety</i>	23 195	50 862	71 418	33 726	78 422	78 422	101 843	124 937	118 869
Community and social services	2 574	2 990	2 574	2 402	2 402	2 402	4 657	9 004	9 508
Sport and recreation	6 609	7 765	11 427	9 565	9 191	9 191	11 942	14 042	14 766
Public safety	10 048	20 142	28 300	13 184	36 094	36 094	37 676	39 164	40 802
Housing	3 965	19 965	29 116	8 576	30 735	30 735	47 567	62 726	53 793
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	12 963	18 567	30 962	13 939	16 496	16 496	20 033	10 931	13 254
Planning and development	8 801	7 907	12 853	8 465	8 550	8 550	9 043	8 120	8 932
Road transport	3 863	10 595	17 790	5 397	7 869	7 869	10 890	2 700	4 200
Environmental protection	299	65	319	76	76	76	101	110	121
<i>Trading services</i>	456 833	461 155	485 124	542 106	540 568	540 568	581 518	625 966	677 315
Electricity	229 488	249 645	270 880	313 388	312 305	312 305	346 361	375 057	413 102
Water	108 189	96 325	96 086	96 872	96 872	96 872	106 211	113 026	120 078
Waste water management	79 550	68 428	65 091	72 155	71 106	71 106	69 402	74 765	77 229
Waste management	39 605	46 758	53 066	59 691	60 286	60 286	59 544	63 118	66 906
<i>Other</i>	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	<b>660 918</b>	<b>762 969</b>	<b>787 007</b>	<b>820 842</b>	<b>867 900</b>	<b>867 900</b>	<b>959 389</b>	<b>1 034 098</b>	<b>1 101 971</b>
<b>Expenditure - Standard</b>									
<i>Governance and administration</i>	190 332	205 348	119 512	127 368	124 670	124 670	237 278	248 313	267 049
Executive and council	58 811	67 621	71 355	66 867	68 003	68 003	92 565	98 337	108 547
Budget and treasury office	48 679	51 399	23 830	24 503	25 398	25 398	69 750	71 154	75 197
Corporate services	82 842	86 328	24 327	35 998	31 269	31 269	74 963	78 822	83 305
<i>Community and public safety</i>	124 992	87 288	134 133	113 536	136 344	136 344	141 933	158 237	146 267
Community and social services	24 079	26 093	30 255	32 563	32 499	32 499	31 368	33 034	35 198
Sport and recreation	15 378	14 271	18 637	22 245	20 744	20 744	18 220	19 390	20 550
Public safety	31 241	42 651	56 923	49 173	73 288	73 288	69 453	72 280	75 270
Housing	54 294	4 273	28 318	9 554	9 812	9 812	22 892	33 533	15 249
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	116 245	113 012	130 335	139 514	138 641	138 641	132 046	137 946	145 918
Planning and development	35 519	36 280	30 370	37 314	36 945	36 945	40 308	40 867	43 282
Road transport	75 715	71 108	92 659	95 166	94 492	94 492	84 786	89 863	94 986
Environmental protection	5 011	5 624	7 306	7 035	7 204	7 204	6 952	7 217	7 651
<i>Trading services</i>	310 956	346 423	448 042	489 171	533 668	533 668	453 273	492 997	539 058
Electricity	177 473	198 933	247 859	272 386	272 466	272 466	257 278	287 386	322 086
Water	53 445	61 422	99 439	93 157	90 979	90 979	78 253	81 294	85 130
Waste water management	42 466	45 965	64 659	67 138	69 170	69 170	63 478	67 214	71 597
Waste management	37 573	40 102	36 085	56 489	101 052	101 052	54 264	57 103	60 245
<i>Other</i>	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	<b>742 525</b>	<b>752 070</b>	<b>832 022</b>	<b>869 588</b>	<b>933 322</b>	<b>933 322</b>	<b>964 529</b>	<b>1 037 493</b>	<b>1 098 292</b>
<b>Surplus/(Deficit) for the year</b>	<b>(81 607)</b>	<b>10 899</b>	<b>(45 015)</b>	<b>(48 747)</b>	<b>(65 423)</b>	<b>(65 423)</b>	<b>(5 140)</b>	<b>(3 395)</b>	<b>3 679</b>

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

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	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>									
<b>Revenue by Vote</b>									
Vote 1 - Council	31 483	38 353	42 274	52 401	52 401	52 401	64 808	72 470	79 794
Vote 2 - Municipal Manager	—	—	—	—	—	—	—	—	—
Vote 3 - Management Services	1 264	1 476	1 286	2 410	1 844	1 844	991	1 018	1 094
Vote 4 - Finance	127 745	137 728	150 786	169 095	170 420	170 420	180 339	191 921	204 338
Vote 5 - Community Services	245 501	253 932	276 626	253 829	286 171	286 171	272 957	284 007	300 538
Vote 6 - Local Economic Development	2 817	3 750	6 431	2 968	2 968	2 968	3 091	1 573	1 730
Vote 7 - Infrastructure & Planning	242 061	307 588	281 304	326 955	318 002	318 002	399 527	443 945	473 675
Vote 8 - Protection Services	10 048	20 142	28 300	13 184	36 094	36 094	37 676	39 164	40 802
<b>Total Revenue by Vote</b>	<b>660 918</b>	<b>762 969</b>	<b>787 007</b>	<b>820 842</b>	<b>867 900</b>	<b>867 900</b>	<b>959 389</b>	<b>1 034 098</b>	<b>1 101 971</b>
<b>Expenditure by Vote to be appropriated</b>									
Vote 1 - Council	55 945	64 385	68 239	63 289	64 228	64 228	71 496	78 840	87 821
Vote 2 - Municipal Manager	2 872	3 243	1 295	1 003	780	780	4 489	3 643	3 865
Vote 3 - Management Services	32 796	30 890	5 492	15 189	13 315	13 315	43 327	45 629	48 384
Vote 4 - Finance	48 679	51 399	23 830	24 503	25 398	25 398	69 750	71 154	75 197
Vote 5 - Community Services	332 230	296 939	394 516	386 685	380 465	380 465	341 492	371 463	392 545
Vote 6 - Local Economic Development	5 845	7 722	9 945	11 140	10 915	10 915	8 731	7 464	7 931
Vote 7 - Infrastructure & Planning	232 916	254 841	271 782	318 607	364 933	364 933	355 793	387 020	407 279
Vote 8 - Protection Services	31 241	42 651	56 923	49 173	73 288	73 288	69 453	72 280	75 270
<b>Total Expenditure by Vote</b>	<b>742 525</b>	<b>752 070</b>	<b>832 022</b>	<b>869 588</b>	<b>933 322</b>	<b>933 322</b>	<b>964 529</b>	<b>1 037 493</b>	<b>1 098 292</b>
<b>Surplus/(Deficit) for the year</b>	<b>(81 607)</b>	<b>10 899</b>	<b>(45 015)</b>	<b>(48 747)</b>	<b>(65 423)</b>	<b>(65 423)</b>	<b>(5 140)</b>	<b>(3 395)</b>	<b>3 679</b>

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

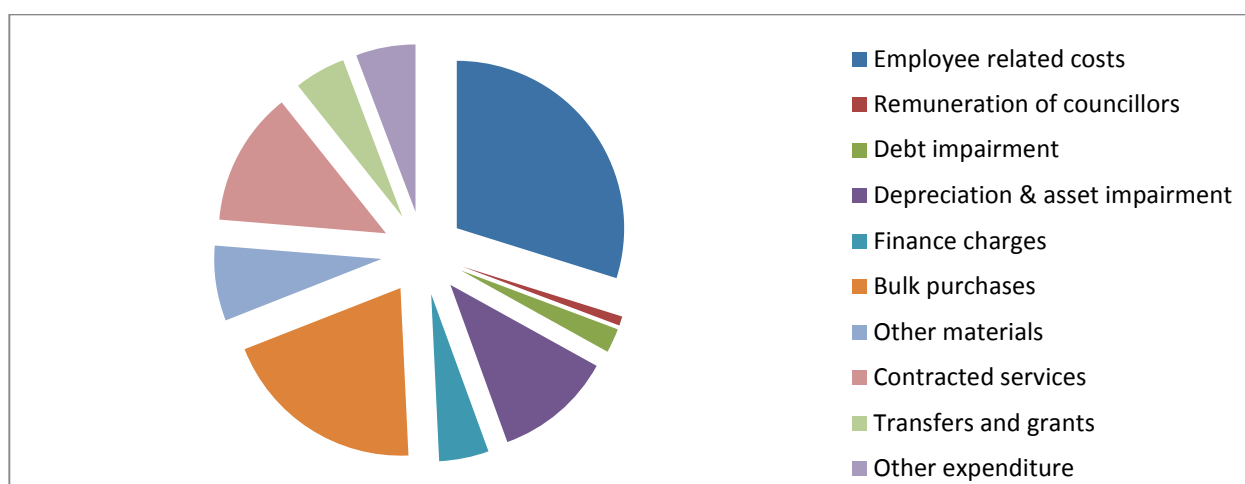
1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote (directorate). This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to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

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

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>									
<b>Revenue By Source</b>									
Property rates	108 913	120 799	134 813	148 640	153 509	153 509	162 730	173 308	184 573
Property rates - penalties & collection charges	925	772	821	1 050	1 050	1 050	891	980	1 078
Service charges - electricity revenue	224 950	247 663	268 362	310 085	310 085	310 085	338 877	371 635	407 747
Service charges - water revenue	83 755	85 243	95 136	95 897	95 897	95 897	102 045	107 700	113 691
Service charges - sanitation revenue	57 212	56 895	62 798	63 455	63 455	63 455	66 375	70 081	74 010
Service charges - refuse revenue	39 498	46 637	52 957	56 130	56 130	56 130	59 488	63 061	66 849
Service charges - other					-	-			
Rental of facilities and equipment	6 743	7 212	7 591	7 966	7 966	7 966	11 859	12 953	14 176
Interest earned - external investments	6 881	7 555	6 352	6 166	6 166	6 166	6 348	6 348	6 348
Interest earned - outstanding debtrs	2 331	2 199	2 118	2 288	2 288	2 288	2 437	2 680	2 948
Dividends received				-	-	-			
Fines	5 278	14 244	22 739	7 965	30 875	30 875	31 859	32 766	33 763
Licences and permits	1 786	1 968	1 956	2 229	2 229	2 229	2 190	2 408	2 649
Agency services	1 912	2 025	2 395	2 480	2 480	2 480	2 970	3 267	3 594
Transfers recognised - operational	38 005	41 680	67 835	58 407	61 289	61 289	90 324	107 886	97 173
Other revenue	17 375	68 978	10 504	21 717	16 933	16 933	16 643	18 150	19 812
Gains on disposal of PPE	1 920								
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>597 482</b>	<b>703 871</b>	<b>736 376</b>	<b>784 474</b>	<b>810 351</b>	<b>810 351</b>	<b>895 035</b>	<b>973 222</b>	<b>1 028 409</b>
<b>Expenditure By Type</b>									
Employee related costs	207 938	231 642	260 645	280 066	276 217	276 217	291 593	305 408	323 583
Remuneration of councillors	6 717	7 084	7 933	8 516	8 516	8 516	8 674	9 192	9 741
Debt impairment	28	6 688	12 526		22 792	22 792	22 792	22 792	22 792
Depreciation & asset impairment	104 041	104 408	99 361	109 265	105 461	105 461	111 362	118 043	125 126
Finance charges	31 727	37 331	39 927	45 162	44 480	44 480	46 895	46 780	47 279
Bulk purchases	126 669	145 022	157 055	169 444	169 444	169 444	193 573	221 138	252 628
Other materials	54 582	12 441	13 595	17 295	17 315	17 315	57 801	69 631	53 593
Contracted services	24 079	67 697	72 754	81 062	82 467	82 467	125 322	128 122	135 442
Transfers and grants	28 454	35 856	38 749	41 370	41 668	41 668	48 497	54 667	62 244
Other expenditure	158 290	102 146	117 460	117 407	164 963	164 963	58 021	61 721	65 866
Loss on disposal of PPE		1 756	12 017						
<b>Total Expenditure</b>	<b>742 525</b>	<b>752 070</b>	<b>832 022</b>	<b>869 588</b>	<b>933 322</b>	<b>933 322</b>	<b>964 529</b>	<b>1 037 493</b>	<b>1 098 292</b>
<b>Surplus/(Deficit)</b>	<b>(145 043)</b>	<b>(48 199)</b>	<b>(95 646)</b>	<b>(85 115)</b>	<b>(122 971)</b>	<b>(122 971)</b>	<b>(69 494)</b>	<b>(64 271)</b>	<b>(69 883)</b>
Transfers recognised - capital	54 833	53 809	38 090	34 234	55 498	55 498	63 354	60 876	73 561
Contributions recognised - capital	8 603	5 289	7 871	2 134	2 051	2 051	1 000	-	-
Contributed assets			4 671						
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(81 607)</b>	<b>10 899</b>	<b>(45 015)</b>	<b>(48 747)</b>	<b>(65 423)</b>	<b>(65 423)</b>	<b>(5 140)</b>	<b>(3 395)</b>	<b>3 679</b>
Taxation									
<b>Surplus/(Deficit) after taxation</b>	<b>(81 607)</b>	<b>10 899</b>	<b>(45 015)</b>	<b>(48 747)</b>	<b>(65 423)</b>	<b>(65 423)</b>	<b>(5 140)</b>	<b>(3 395)</b>	<b>3 679</b>
Attributable to minorities									
<b>Surplus/(Deficit) attributable to municipality</b>	<b>(81 607)</b>	<b>10 899</b>	<b>(45 015)</b>	<b>(48 747)</b>	<b>(65 423)</b>	<b>(65 423)</b>	<b>(5 140)</b>	<b>(3 395)</b>	<b>3 679</b>
Share of surplus/ (deficit) of associate									
<b>Surplus/(Deficit) for the year</b>	<b>(81 607)</b>	<b>10 899</b>	<b>(45 015)</b>	<b>(48 747)</b>	<b>(65 423)</b>	<b>(65 423)</b>	<b>(5 140)</b>	<b>(3 395)</b>	<b>3 679</b>

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

1. Total revenue is R810,4 million in 2014/2015 and increase to R895 million in 2015/16. This represents a year-on-year increase of 10,5 per cent for the 2015/16 financial year.
2. Revenue to be generated from property rates is R153,5 million in the 2014/2015 financial year and increases to R162,7 million by 2015/16 which represents 18,2 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 R525,5 million for the 2014/2015 financial year and increasing to R566,8 million by 2015/16. For the 2015/16 financial year services charges amount to 63,3 per cent of the total 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 by type.



**Figure 2 Expenditure by major type**

6. Bulk purchases have significantly increased over the 2011/12 to 2017/18 period escalating from R127 million to R253 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	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<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	-	-	-	-	-	-	-	-	-
Vote 4 - Finance	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services	-	-	5 000	4 939	3 565	3 565	21 911	4 500	4 000
Vote 6 - Local Economic Development	-	-	-	-	-	-	-	-	-
Vote 7 - Infrastructure & Planning	-	-	-	-	-	-	11 451	3 000	3 000
Vote 8 - Protection Services	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	-	-	5 000	4 939	3 565	3 565	33 362	7 500	7 000
<b>Single-year expenditure to be appropriated</b>									
Vote 1 - Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Management Services	928	1 274	1 790	2 548	2 534	2 534	2 528	-	-
Vote 4 - Finance	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services	119 308	110 111	74 622	71 999	92 038	92 038	56 809	72 106	79 561
Vote 6 - Local Economic Development	-	945	-	-	-	-	-	-	-
Vote 7 - Infrastructure & Planning	42 394	31 434	49 518	18 235	19 450	19 450	10 920	15 000	17 000
Vote 8 - Protection Services	645	-	-	-	-	-	295	-	-
<b>Capital single-year expenditure sub-total</b>	163 275	143 764	125 930	92 781	114 022	114 022	70 552	87 106	96 561
<b>Total Capital Expenditure - Vote</b>	163 275	143 764	130 930	97 721	117 588	117 588	103 914	94 606	103 561
<b>Capital Expenditure - Standard</b>									
<b>Governance and administration</b>	24 047	7 154	21 308	16 815	17 776	17 776	2 648	3 730	-
Executive and council					-	-			
Budget and treasury office					-	-			
Corporate services	24 047	7 154	21 308	16 815	17 776	17 776	2 648	3 730	
<b>Community and public safety</b>	3 319	7 268	19 582	21 205	42 622	42 622	39 768	45 550	55 174
Community and social services	327	4 666	3 482	5 635	5 595	5 595	3 520	4 000	4 000
Sport and recreation	1 531	2 601	5 696	3 090	2 616	2 616	5 981	6 800	6 800
Public safety	645	-	-	-	-	-	295	-	-
Housing	817	-	10 404	12 480	34 410	34 410	29 973	34 750	44 374
Health					-	-			
<b>Economic and environmental services</b>	8 340	25 552	16 051	5 400	6 300	6 300	12 128	4 000	4 000
Planning and development	2 863	945	-	-	-	-	25	-	-
Road transport	5 477	24 607	16 051	5 400	6 300	6 300	12 103	4 000	4 000
Environmental protection					-	-			
<b>Trading services</b>	127 569	103 790	73 989	54 300	56 087	56 087	49 370	41 326	44 387
Electricity	30 061	26 768	37 115	17 000	17 000	17 000	21 726	14 000	16 000
Water	57 384	50 766	23 631	12 800	16 384	16 384	16 390	14 726	15 787
Waste water management	39 927	20 728	10 202	14 300	13 403	13 403	11 244	12 600	12 600
Waste management	196	5 528	3 041	10 200	9 300	9 300	10	-	-
<b>Other</b>					-	-			
<b>Total Capital Expenditure - Standard</b>	163 275	143 764	130 930	97 721	122 785	122 785	103 914	94 606	103 561
<b>Funded by:</b>									
National Government	40 212	36 911	6 339	24 174	23 608	23 608	30 347	26 126	29 187
Provincial Government	14 621	16 898	31 751	10 060	31 890	31 890	33 007	34 750	44 374
District Municipality					-	-			
Other transfers and grants				2 134	1 000	1 000	1 000		
<b>Transfers recognised - capital</b>	54 833	53 809	38 090	36 368	56 498	56 498	64 354	60 876	73 561
<b>Public contributions &amp; donations</b>	14 300	5 067	7 985	-	1 936	1 936	462	-	-
<b>Borrowing</b>	73 964	67 544	70 634	46 923	48 770	48 770	32 346	30 000	30 000
<b>Internally generated funds</b>	20 178	17 345	14 222	14 430	15 582	15 582	6 753	3 730	-
<b>Total Capital Funding</b>	163 275	143 764	130 930	97 721	122 785	122 785	103 914	94 606	103 561



**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 R103,9 million in 2015/16.
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 2015/16, capital transfers totals R64,3 million. Borrowing has been provided at R30 million, finance leases (nil), internally generated funding totaling R6,7 million and roll over funding amounting to R5,4 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	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>									
<b>ASSETS</b>									
<b>Current assets</b>									
Cash	51 699	29 106	13 119	88 050	89 421	89 421	97 547	127 071	171 875
Call investment deposits	75 000	55 042	50 039	–	–	–	–	–	–
Consumer debtors	50 361	49 025	47 451	52 591	52 591	52 591	51 774	56 341	61 151
Other debtors	36 501	52 222	51 704	44 398	55 398	55 398	44 112	38 172	37 391
Current portion of long-term receivables	25	17	15	14	14	14	13	11	10
Inventory	16 446	20 257	13 137	12 092	11 092	11 092	14 483	15 207	15 968
<b>Total current assets</b>	<b>230 033</b>	<b>205 668</b>	<b>175 465</b>	<b>197 146</b>	<b>208 517</b>	<b>208 517</b>	<b>207 929</b>	<b>236 802</b>	<b>286 395</b>
<b>Non current assets</b>									
Long-term receivables	126	84	68	57	57	57	41	30	20
Investments	5 691	11 597	16 965	22 207	22 207	22 207	28 455	34 384	40 409
Investment property	104 673	175 866	164 501	175 866	164 501	164 501	164 501	164 501	164 501
Investment in Associate					–	–			
Property, plant and equipment	3 073 014	3 097 120	3 111 056	3 072 423	3 140 791	3 140 791	3 122 147	3 099 677	3 079 080
Agricultural					–	–			
Biological					–	–			
Intangible	3 547	4 449	5 220	6 426	5 220	5 220	5 368	4 401	3 433
Other non-current assets	22 049	1 025	4 301	39 500	–	–			
<b>Total non current assets</b>	<b>3 209 100</b>	<b>3 290 140</b>	<b>3 302 111</b>	<b>3 316 479</b>	<b>3 332 776</b>	<b>3 332 776</b>	<b>3 320 511</b>	<b>3 302 993</b>	<b>3 287 443</b>
<b>TOTAL ASSETS</b>	<b>3 439 132</b>	<b>3 495 808</b>	<b>3 477 576</b>	<b>3 513 625</b>	<b>3 541 293</b>	<b>3 541 293</b>	<b>3 528 441</b>	<b>3 539 795</b>	<b>3 573 838</b>
<b>LIABILITIES</b>									
<b>Current liabilities</b>									
Bank overdraft					–				
Borrowing	16 798	18 241	20 443	25 105	25 064	25 064	28 113	30 730	34 370
Consumer deposits	31 206	34 932	37 751	41 321	41 321	41 321	43 801	46 429	49 215
Trade and other payables	67 728	79 489	64 943	55 831	50 563	50 563	74 229	70 679	84 789
Provisions	21 847	27 670	25 663	31 592	36 166	36 166	28 317	30 597	33 013
<b>Total current liabilities</b>	<b>137 580</b>	<b>160 331</b>	<b>148 801</b>	<b>153 849</b>	<b>153 113</b>	<b>153 113</b>	<b>174 459</b>	<b>178 435</b>	<b>201 387</b>
<b>Non current liabilities</b>									
Borrowing	341 204	364 632	392 444	411 766	412 829	412 829	415 999	415 269	410 503
Provisions	111 097	119 319	128 527	137 501	180 879	180 879	201 669	213 107	225 231
<b>Total non current liabilities</b>	<b>452 301</b>	<b>483 951</b>	<b>520 970</b>	<b>549 267</b>	<b>593 707</b>	<b>593 707</b>	<b>617 668</b>	<b>628 376</b>	<b>635 734</b>
<b>TOTAL LIABILITIES</b>	<b>589 880</b>	<b>644 282</b>	<b>669 772</b>	<b>703 116</b>	<b>746 820</b>	<b>746 820</b>	<b>792 127</b>	<b>806 811</b>	<b>837 121</b>
<b>NET ASSETS</b>	<b>2 849 252</b>	<b>2 851 526</b>	<b>2 807 805</b>	<b>2 810 509</b>	<b>2 794 472</b>	<b>2 794 472</b>	<b>2 736 314</b>	<b>2 732 985</b>	<b>2 736 717</b>
<b>COMMUNITY WEALTH/EQUITY</b>									
Accumulated Surplus/(Deficit)	2 847 332	2 849 634	2 805 240	2 808 575	2 791 899	2 791 899	2 733 677	2 730 282	2 733 960
Reserves	1 920	1 891	2 565	1 934	2 573	2 573	2 637	2 703	2 757
Minorities' interests									
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2 849 252</b>	<b>2 851 526</b>	<b>2 807 805</b>	<b>2 810 509</b>	<b>2 794 472</b>	<b>2 794 472</b>	<b>2 736 314</b>	<b>2 732 985</b>	<b>2 736 717</b>

## **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 98) 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 R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates, penalties & collection charges	110 347	120 273	135 875	148 254	154 165	154 165	163 800	173 297	184 620
Service charges	397 229	437 061	483 167	522 072	524 216	524 216	567 409	608 975	658 596
Other revenue	69 894	41 689	63 976	46 516	63 257	63 257	76 884	75 476	74 750
Government - operating	37 750	44 140	63 477	58 407	61 289	61 289	90 324	107 886	97 173
Government - capital	54 833	54 577	38 090	36 368	57 549	57 549	64 354	60 876	73 561
Interest	9 211	9 754	8 470	8 454	8 454	8 454	8 784	9 028	9 296
Dividends							-	-	-
<b>Payments</b>									
Suppliers and employees	(520 159)	(558 519)	(637 833)	(653 525)	(656 105)	(656 105)	(765 303)	(808 560)	(835 753)
Finance charges	(31 669)	(37 199)	(39 858)	(45 162)	(44 480)	(44 480)	(46 895)	(46 780)	(47 279)
Transfers and Grants	(28 454)	(35 856)	(38 749)	(41 370)	(41 668)	(41 668)	(48 497)	(54 667)	(62 244)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>98 981</b>	<b>75 920</b>	<b>76 616</b>	<b>80 014</b>	<b>126 676</b>	<b>126 676</b>	<b>110 861</b>	<b>125 532</b>	<b>152 720</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	13 722	1 725	5 073	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	2 189	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	20	45	18	15	15	15	18	13	11
Decrease (increase) in non-current investments	(4 430)	(4 960)	(4 529)	(5 827)	(5 827)	(5 827)	(6 248)	(5 930)	(6 025)
<b>Payments</b>									
Capital assets	(163 275)	(143 764)	(130 930)	(97 721)	(122 785)	(122 785)	(103 914)	(94 606)	(103 561)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(151 774)</b>	<b>(146 955)</b>	<b>(130 368)</b>	<b>(103 533)</b>	<b>(128 597)</b>	<b>(128 597)</b>	<b>(110 144)</b>	<b>(100 523)</b>	<b>(109 575)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans	940	(389)	(730)	5 520	6 541	6 541	(1 135)	(1 271)	(1 352)
Borrowing long term/refinancing	110 000	38 700	51 300	40 000	40 000	40 000	30 000	30 000	30 000
Increase (decrease) in consumer deposits	12 844	3 726	2 819	2 703	2 703	2 703	2 479	2 628	2 786
<b>Payments</b>									
Repayment of borrowing	(14 295)	(13 554)	(20 626)	(21 061)	(21 061)	(21 061)	(23 936)	(26 841)	(29 775)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>109 489</b>	<b>28 482</b>	<b>32 764</b>	<b>27 163</b>	<b>28 183</b>	<b>28 183</b>	<b>7 409</b>	<b>4 515</b>	<b>1 659</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>56 696</b>	<b>(42 552)</b>	<b>(20 989)</b>	<b>3 644</b>	<b>26 262</b>	<b>26 262</b>	<b>8 126</b>	<b>29 524</b>	<b>44 804</b>
Cash/cash equivalents at the year begin:	70 004	126 699	84 147	84 406	63 158	63 158	89 421	97 547	127 071
Cash/cash equivalents at the year end:	126 699	84 147	63 158	88 050	89 421	89 421	97 547	127 071	171 875

### **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 expected cash levels of the Municipality increase steadily over the 2015/2016 to 2017/18 period.
4. The 2015/16 MTREF has been informed by the planning principle of ensuring adequate cash over the medium-term.
5. Cash and cash equivalents totals R97,5 million as at the end of the 2015/2016 financial year and increases to R171,8 million by 2017/18.

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

Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b><u>Cash and investments available</u></b>									
Cash/cash equivalents at the year end	126 699	84 147	63 158	88 050	89 421	89 421	97 547	127 071	171 875
Other current investments > 90 days	0	–	0	–	–	–	0	(0)	0
Non current assets - Investments	5 691	11 597	16 965	22 207	22 207	22 207	28 455	34 384	40 409
<b>Cash and investments available:</b>	<b>132 391</b>	<b>95 744</b>	<b>80 123</b>	<b>110 257</b>	<b>111 628</b>	<b>111 628</b>	<b>126 001</b>	<b>161 455</b>	<b>212 284</b>
<b><u>Application of cash and investments</u></b>									
Unspent conditional transfers	4 555	7 783	3 425	–	–	–	–	–	–
Unspent borrowing	18 255	6 133	1 847	–	–	–	–	–	–
Statutory requirements									
Other working capital requirements	(28 049)	(21 016)	(40 826)	(40 803)	(57 301)	(57 301)	(22 868)	(23 728)	(13 035)
Other provisions									
Long term investments committed	5 691	11 597	16 965	22 207	22 207	22 207	28 455	34 384	40 409
Reserves to be backed by cash/investments	1 920	1 891	2 565	1 934	2 573	2 573	2 637	2 703	2 757
<b>Total Application of cash and investments:</b>	<b>2 373</b>	<b>6 388</b>	<b>(16 024)</b>	<b>(16 663)</b>	<b>(32 522)</b>	<b>(32 522)</b>	<b>8 224</b>	<b>13 360</b>	<b>30 132</b>
<b>Surplus(shortfall)</b>	<b>130 018</b>	<b>89 356</b>	<b>96 147</b>	<b>126 920</b>	<b>144 149</b>	<b>144 149</b>	<b>117 777</b>	<b>148 095</b>	<b>182 152</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 2015/16 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.
5. As can be seen the budget has been modelled to ensure that the budget is funded.

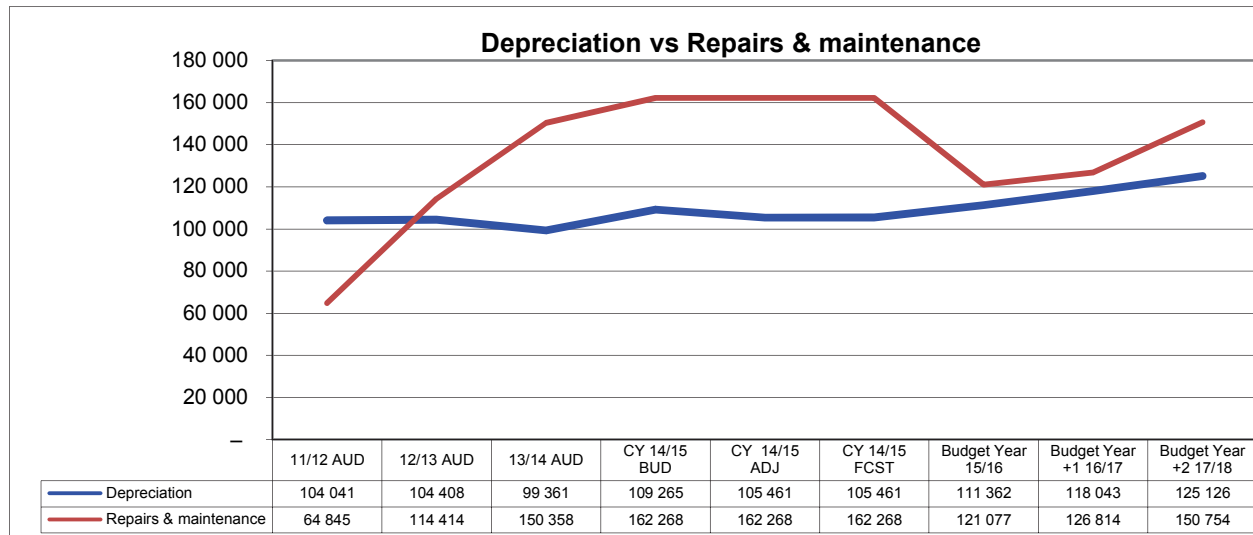
**Table 25 MBRR Table A9 - Asset Management**

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>									
<b>CAPITAL EXPENDITURE</b>									
<b>Total New Assets</b>	<b>163 275</b>	<b>139 617</b>	<b>83 899</b>	<b>69 581</b>	<b>89 946</b>	<b>89 946</b>	<b>83 156</b>	<b>73 606</b>	<b>97 061</b>
Infrastructure - Road transport	12 754	15 578	9 203	800	1 332	1 332	14 979	5 000	5 000
Infrastructure - Electricity	30 061	22 203	24 160	13 900	13 900	13 900	21 726	8 500	14 500
Infrastructure - Water	57 384	48 634	7 300	—	580	580	4 737	4 726	11 787
Infrastructure - Sanitation	32 650	16 478	8 449	9 600	8 892	8 892	3 420	6 100	10 600
Infrastructure - Other	196	5 359	1 400	10 200	9 300	9 300	10	—	—
Infrastructure	133 045	108 252	50 511	34 500	34 003	34 003	44 873	24 326	41 887
Community	6 183	20 997	13 896	18 266	38 167	38 167	35 611	45 550	55 174
Heritage assets	—	—	—	—	—	—	—	—	—
Investment properties	—	—	795	—	—	—	—	—	—
Other assets	23 118	9 038	18 697	16 815	17 776	17 776	2 673	3 730	—
Agricultural Assets	—	—	—	—	—	—	—	—	—
Biological assets	—	—	—	—	—	—	—	—	—
Intangibles	928	1 330	—	—	—	—	—	—	—
<b>Total Renewal of Existing Assets</b>	<b>—</b>	<b>4 147</b>	<b>47 032</b>	<b>28 139</b>	<b>32 838</b>	<b>32 838</b>	<b>20 758</b>	<b>21 000</b>	<b>6 500</b>
Infrastructure - Road transport	—	131	6 892	5 400	6 300	6 300	—	—	—
Infrastructure - Electricity	—	—	12 955	3 100	3 100	3 100	—	5 500	1 500
Infrastructure - Water	—	—	16 331	12 800	15 805	15 805	11 653	10 000	4 000
Infrastructure - Sanitation	—	—	1 711	3 900	3 179	3 179	4 947	5 500	1 000
Infrastructure - Other	—	—	1 641	—	—	—	—	—	—
Infrastructure	—	131	39 529	25 200	28 384	28 384	16 600	21 000	6 500
Community	—	756	5 686	2 939	4 454	4 454	4 158	—	—
Heritage assets	—	—	—	—	—	—	—	—	—
Investment properties	—	—	—	—	—	—	—	—	—
Other assets	—	3 260	1 817	—	—	—	—	—	—
Agricultural Assets	—	—	—	—	—	—	—	—	—
Biological assets	—	—	—	—	—	—	—	—	—
Intangibles	—	—	—	—	—	—	—	—	—
<b>Total Capital Expenditure</b>	<b>12 754</b>	<b>15 709</b>	<b>16 094</b>	<b>6 200</b>	<b>7 632</b>	<b>7 632</b>	<b>14 979</b>	<b>5 000</b>	<b>5 000</b>
Infrastructure - Road transport	30 061	22 203	37 115	17 000	17 000	17 000	21 726	14 000	16 000
Infrastructure - Water	57 384	48 634	23 631	12 800	16 384	16 384	16 390	14 726	15 787
Infrastructure - Sanitation	32 650	16 478	10 159	13 500	12 071	12 071	8 367	11 600	11 600
Infrastructure - Other	196	5 359	3 041	10 200	9 300	9 300	10	—	—
Infrastructure	133 045	108 383	90 040	59 700	62 387	62 387	61 473	45 326	48 387
Community	6 183	21 753	19 582	21 205	42 622	42 622	39 768	45 550	55 174
Heritage assets	—	—	—	—	—	—	—	—	—
Investment properties	—	—	795	—	—	—	—	—	—
Other assets	23 118	12 298	20 513	16 815	17 776	17 776	2 673	3 730	—
Agricultural Assets	—	—	—	—	—	—	—	—	—
Biological assets	—	—	—	—	—	—	—	—	—
Intangibles	928	1 330	—	—	—	—	—	—	—
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	<b>163 275</b>	<b>143 764</b>	<b>130 930</b>	<b>97 721</b>	<b>122 785</b>	<b>122 785</b>	<b>103 914</b>	<b>94 606</b>	<b>103 561</b>
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>									
Infrastructure - Road transport	946 061	947 141	942 269	906 551	907 352	907 352	925 642	915 933	909 563
Infrastructure - Electricity	600 736	609 815	619 999	620 545	621 764	621 764	620 094	612 727	606 077
Infrastructure - Water	419 500	458 648	459 954	453 857	459 276	459 276	453 842	450 864	448 638
Infrastructure - Sanitation	379 653	381 194	377 248	376 342	373 384	373 384	382 220	387 578	395 126
Infrastructure - Other	37 051	39 059	39 501	70 579	76 287	76 287	59 232	54 202	48 869
Infrastructure	2 383 001	2 435 858	2 438 970	2 427 874	2 438 064	2 438 064	2 441 031	2 421 303	2 408 273
Community	81 364	58 783	62 814	88 257	106 034	106 034	63 654	66 637	69 391
Heritage assets	108 552	99 573	99 572	99 322	99 322	99 322	99 572	99 572	99 572
Investment properties	104 673	175 866	164 501	175 866	164 501	164 501	164 501	164 501	164 501
Other assets	500 097	502 906	509 700	456 970	497 371	497 371	517 890	512 165	501 844
Agricultural Assets	—	—	—	—	—	—	—	—	—
Biological assets	—	—	—	—	—	—	—	—	—
Intangibles	3 547	4 449	5 220	6 426	5 220	5 220	5 368	4 401	3 433
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>3 181 234</b>	<b>3 277 435</b>	<b>3 280 777</b>	<b>3 254 715</b>	<b>3 310 512</b>	<b>3 310 512</b>	<b>3 292 016</b>	<b>3 268 579</b>	<b>3 247 014</b>
<b>EXPENDITURE OTHER ITEMS</b>									
<b>Depreciation &amp; asset impairment</b>	<b>104 041</b>	<b>104 408</b>	<b>99 361</b>	<b>109 265</b>	<b>105 461</b>	<b>105 461</b>	<b>111 362</b>	<b>118 043</b>	<b>125 126</b>
<b>Repairs and Maintenance by Asset Class</b>	<b>64 845</b>	<b>114 414</b>	<b>150 358</b>	<b>162 268</b>	<b>163 071</b>	<b>163 071</b>	<b>121 077</b>	<b>126 814</b>	<b>150 754</b>
Infrastructure - Road transport	25 843	42 236	63 749	68 540	68 540	68 540	57 090	60 842	64 540
Infrastructure - Electricity	4 601	14 105	20 488	25 491	25 491	25 491	16 835	17 340	23 891
Infrastructure - Water	6 892	21 502	27 931	26 775	26 775	26 775	22 874	24 001	24 393
Infrastructure - Sanitation	4 568	7 708	15 486	14 146	14 146	14 146	12 159	12 963	16 387
Infrastructure - Other	1 215	1 499	1 491	1 800	1 800	1 800	2 492	2 719	4 130
Infrastructure	43 120	87 048	129 145	136 752	136 752	136 752	111 449	117 865	133 341
Community	6 012	5 408	7 349	9 298	9 298	9 298	4 546	4 391	8 211
Heritage assets	—	—	—	—	—	—	—	—	—
Investment properties	270	—	—	—	—	—	—	—	—
Other assets	15 443	21 958	13 864	16 218	17 021	17 021	5 081	4 559	9 203
<b>TOTAL EXPENDITURE OTHER ITEMS</b>	<b>168 886</b>	<b>218 821</b>	<b>249 719</b>	<b>271 533</b>	<b>268 532</b>	<b>268 532</b>	<b>232 439</b>	<b>244 857</b>	<b>275 880</b>
<b>Renewal of Existing Assets as % of total capex</b>	<b>0.0%</b>	<b>2.9%</b>	<b>35.9%</b>	<b>28.8%</b>	<b>26.7%</b>	<b>26.7%</b>	<b>20.0%</b>	<b>22.2%</b>	<b>6.3%</b>
<b>Renewal of Existing Assets as % of deprecn</b>	<b>0.0%</b>	<b>4.0%</b>	<b>47.3%</b>	<b>25.8%</b>	<b>31.1%</b>	<b>31.1%</b>	<b>18.6%</b>	<b>17.8%</b>	<b>5.2%</b>
<b>R&amp;M as a % of PPE</b>	<b>2.1%</b>	<b>3.7%</b>	<b>4.8%</b>	<b>5.3%</b>	<b>5.2%</b>	<b>5.2%</b>	<b>3.9%</b>	<b>4.1%</b>	<b>4.9%</b>
<b>Renewal and R&amp;M as a % of PPE</b>	<b>2.0%</b>	<b>4.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>4.0%</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 3 Depreciation in relation to repairs and maintenance over the MTREF**

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

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Household service targets</b>									
<b>Water:</b>									
Piped water inside dwelling	27 203	27 295	32 032	28 100	28 100	28 100	29 295	30 400	31 370
Piped water inside yard (but not in dwelling)	—	—	—	—	—	—	—	—	—
Using public tap (at least min.service level)	3 449	3 436	3 334	3 350	3 350	3 350	3 188	3 138	3 068
Other water supply (at least min.service level)	199	199	155	—	—	—	—	—	—
<i>Minimum Service Level and Above sub-total</i>	30 851	30 930	35 521	31 450	31 450	31 450	32 483	33 538	34 438
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>30 851</b>	<b>30 930</b>	<b>35 521</b>	<b>31 450</b>	<b>31 450</b>	<b>31 450</b>	<b>32 483</b>	<b>33 538</b>	<b>34 438</b>
<b>Sanitation/sewerage:</b>									
Flush toilet (connected to sewerage)	21 205	21 284	21 632	20 030	20 030	20 030	20 818	21 413	21 973
Flush toilet (with septic tank)	9 646	9 646	9 799	11 420	11 420	11 420	11 665	12 410	12 730
Chemical toilet	—	—	—	—	—	—	—	—	—
Pit toilet (v entilated)	—	—	—	—	—	—	—	—	—
Other toilet provisions (> min.service level)	—	—	—	—	—	—	—	—	—
<i>Minimum Service Level and Above sub-total</i>	30 851	30 930	31 431	31 450	31 450	31 450	32 483	33 823	34 703
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>30 851</b>	<b>30 930</b>	<b>31 431</b>	<b>31 450</b>	<b>31 450</b>	<b>31 450</b>	<b>32 483</b>	<b>33 823</b>	<b>34 703</b>
<b>Energy:</b>									
Electricity (at least min.service level)	8 420	7 918	7 136	8 700	6 625	6 625	6 114	5 603	5 092
Electricity - prepaid (min.service level)	13 478	14 080	16 458	17 700	18 379	18 379	19 240	20 132	21 024
<i>Minimum Service Level and Above sub-total</i>	21 898	21 998	23 594	26 400	25 004	25 004	25 354	25 735	26 116
Electricity (< min.service level)	—	—	—	—	—	—	—	—	—
Electricity - prepaid (< min. service level)	—	—	—	1 000	1 000	1 000	—	—	—
Other energy sources	—	—	—	—	—	—	—	—	—
<i>Below Minimum Service Level sub-total</i>	—	—	—	1 000	1 000	1 000	—	—	—
<b>Total number of households</b>	<b>21 898</b>	<b>21 998</b>	<b>23 594</b>	<b>27 400</b>	<b>26 004</b>	<b>26 004</b>	<b>25 354</b>	<b>25 735</b>	<b>26 116</b>
<b>Refuse:</b>									
Removed at least once a week	31 373	31 739	31 829	32 691	32 691	32 691	33 094	34 085	35 105
<i>Minimum Service Level and Above sub-total</i>	31 373	31 739	31 829	32 691	32 691	32 691	33 094	34 085	35 105
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>31 373</b>	<b>31 739</b>	<b>31 829</b>	<b>32 691</b>	<b>32 691</b>	<b>32 691</b>	<b>33 094</b>	<b>34 085</b>	<b>35 105</b>
<b>Households receiving Free Basic Service</b>									
Water (6 kilolitres per household per month)	25 310	25 406	6 543	6 700	6 700	6 700	6 650	6 650	6 650
Sanitation (free minimum level service)	5 852	6 423	6 543	6 700	6 700	6 700	6 650	6 650	6 650
Electricity/other energy (50kwh per household per month)	5 852	6 423	6 543	4 785	4 785	4 785	6 650	6 650	6 650
Refuse (removed at least once a week)	5 852	6 423	6 543	6 700	6 700	6 700	6 650	6 650	6 650
<b>Cost of Free Basic Services provided (R'000)</b>									
Water (6 kilolitres per household per month)	5 470	6 020	6 502	7 723	7 723	7 723	9 231	9 926	10 672
Sanitation (free sanitation service)	5 046	5 349	5 670	6 010	6 010	6 010	6 370	6 753	7 158
Electricity/other energy (50kwh per household per month)	11 665	13 482	14 562	18 809	18 809	18 809	21 104	23 214	25 536
Refuse (removed once a week)	5 903	7 198	7 775	9 174	9 174	9 174	11 591	12 465	13 401
<b>Total cost of FBS provided (minimum social package)</b>	<b>28 084</b>	<b>32 049</b>	<b>34 509</b>	<b>41 716</b>	<b>41 716</b>	<b>41 716</b>	<b>48 296</b>	<b>52 358</b>	<b>56 767</b>
<b>Highest level of free service provided</b>									
Property rates (R value threshold)	50 000	100 000	100 000	100 000	100 000	100 000	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)	51	54	58	61	61	61	65	69	73
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 free services provided (R'000)</b>									
Property rates (R15 000 threshold rebate)	1 712	1 824	1 537	1 965	1 965	1 965	1 872	1 984	2 103
Property rates (other exemptions, reductions and rebates)	27 813	30 454	29 590	26 522	26 522	26 522	35 960	38 118	40 405
Water	13 295	15 549	9 010	9 791	9 791	9 791	10 776	11 588	12 458
Sanitation	4 094	4 779	5 182	6 420	6 420	6 420	6 805	7 214	7 646
Electricity/other energy	13 880	15 256	18 368	20 010	20 010	20 010	22 071	24 630	27 480
Refuse	6 671	9 934	10 992	10 545	10 545	10 545	11 426	12 287	13 210
Municipal Housing - rental rebates	15 176	—	—	—	—	—	—	—	—
Housing - top structure subsidies	—	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—	—
<b>Total revenue cost of free services provided (total social package)</b>	<b>82 641</b>	<b>77 796</b>	<b>74 679</b>	<b>75 253</b>	<b>75 253</b>	<b>75 253</b>	<b>88 909</b>	<b>95 819</b>	<b>103 302</b>

### **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 should be eliminated in two years.
3. The budget provides for 6 650 households to be registered as indigent in 2015/16, 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 R48,2 million in 2015/16. 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 Executive Mayor, Mayoral Committee members, 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 2014) 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 27 August 2014. Key dates applicable to the process are:

- **26 September 2014** – 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 2015/16 MTREF;
- **29 October 2014** – Mayoral directional IDP/Budget speech;
- **September/October 2014** – IDP consultation sessions were held with the ward committees and broader stakeholders (service organisations) to gather information on the “community needs” per ward. This initiative was executed as part of the municipality's 2015/16 IDP review process consultation meetings with ward committees to identify community needs;
- **September/October 2014** – Review of the draft capital budget with reference to the 2015/2016 MTREF and ward committees submit draft ward specific projects;
- **October 2014** – Top management meeting to discuss budget proposals and affordability;
- **November 2014** – Submission of tariff proposals and tariff workshops
- **November 2014** – Workshop on tariffs and tariff related policies;
- **December 2014** – Mid-year review by the BSC of the 2014/2015 progress and review of 2015-2018 draft operational expenditure including financial forecasting and scenario considerations;
- **January 2015** – Tariff finalisation, review budget related policies, discussions on draft 2015/2016 Capex & Opex;
- **23 January 2015** - Council considered the 2014/2015 Mid-year Review;
- **29 January 2015** – Final tariffs and adjustments budget review;

- **2-13 February 2015** – Finalisation of adjustments budget;
- **18 February 2015** – OMAF;
- **12 February 2015** – BSC finalises draft Capex/Opex;
- **March 2015** – Budget office finalises budget report;
- **25 March 2015** - Tabling in Council of the draft 2015/16 IDP and 2015/16 MTREF for public consultation;
- **1-30 April 2015** – Draft Budget open to public scrutiny
- **7 – 23 April 2015** – Public consultation – Public meetings for all the wards in the municipal area to present the draft budget to the community.
- **28 April 2015** – LG MTEC3 engagement;
- **30 April 2015** - Closing date for written comments;
- **2 to 11 May 2015** – finalisation of the 2015/16 IDP and 2015/16 MTREF, taking into consideration comments received from the public, comments from National and Provincial Treasury, and updated information from the most recent Division of Revenue Bill and financial framework;
- **4-15 May 2015** – Budget Office compiles final report and schedules
- **14 May 2015** – Re-advertise for budget comments, if applicable
- **18-19 May 2015** – Final review of budget report and schedules
- **21-22 May 2015** – Final budget distribution; and
- **27 May 2015** - Tabling of the 2015/16 MTREF in Council for consideration and approval.

**Revised programme to accommodate the further application by Eskom for additional electricity tariff increases:**

- **18-22 May 2015** – Budget Office compiles final report and schedules
- **23-24 May 2015** – Final review of budget report and schedules
- **25 May 2015** – Final budget distribution; and
- **28 May 2015** - Tabling of the 2015/16 MTREF in Council for consideration and approval.

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

This was the further review of the five year (2012/2017) IDP as adopted by Council in May 2012. The review process started in September 2014 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2015/16 MTREF in August 2014.

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 was taken into a business and financial planning process leading up to the 2015/16 MTREF, based on the approved 2014/2015 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 2015/16 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2014/2015 Departmental Service Delivery and Budget

Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

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

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

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate (trends, inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2014/2015 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

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

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

The draft 2015/16 MTREF was tabled in Council on 25 March 2015 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 was advertised in local newspapers and a copy of the advertisement was placed on the notice boards at municipal offices and libraries. All documents in the appropriate format (electronic and printed) were 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, held public meetings for all the wards in the municipal area to present the draft budget to the community. Eleven public meetings were held over the period 7 to 23 April 2015.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and capital projects were considered by the Budget Steering Committee at a meeting held on 5 May 2015 for the finalisation of the 2015/2016 Budget.

Comments from the community and the municipality's responses thereto are included as Annexure I to the final report.

Details of proposed amendments to the draft budget are 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 2015/16 MTREF and further planning refinements that have directly informed the compilation of the budget:

**Table 27 IDP Strategic Objectives**

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

**Table 28 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue**

Strategic Objective	Goal	Goal Code	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
The provision of democratic, accountable and ethical governance	Good Governance	1	167 928	232 385	199 504	183 397	232 413	232 413	255 994	272 264	292 533
The provision and maintenance of municipal services	Basic Service Delivery	2	456 833	461 155	485 124	559 189	540 568	540 568	601 451	636 786	690 447
The encouragement of structured community participation in the matters of	Good Governance	3	19 203	41 457	62 333	53 339	44 557	44 557			
The creation and maintenance of a safe and healthy environment	Safe and Healthy Environment	4	10 346	20 206	28 620	13 260	36 170	36 170	37 777	39 275	40 923
The promotion of tourism, economic and social development	Economic Development and Social upliftment	5	6 609	7 765	11 427	11 658	14 191	14 191	64 167	85 773	78 067
Total Revenue (excluding capital transfers and contributions)			660 918	762 969	787 007	820 842	867 900	867 900	959 389	1 034 098	1 101 971

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

Strategic Objective	Goal	Goal Code	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
The provision of democratic, accountable and ethical governance	Good Governance	1	190 332	205 348	119 512	93 256	124 670	124 670	235 543	248 313	267 049
The provision and maintenance of municipal services	Basic Service Delivery	2	310 956	346 423	448 042	627 915	533 668	533 668	578 367	623 726	677 325
The encouragement of structured community participation in the matters of the municipality	Good Governance	3	189 607	137 754	181 602	63 289	63 253	63 253	1 735		
The creation and maintenance of a safe and healthy environment	Safe and Healthy Environment	4	36 252	48 275	64 229	56 208	79 097	79 097	76 405	79 497	82 921
The promotion of tourism, economic and social development	Economic Development and Social upliftment	5	15 378	14 271	18 637	28 920	132 634	132 634	72 480	85 957	70 997
Total Expenditure			742 525	752 070	832 022	869 588	933 322	933 322	964 529	1 037 493	1 098 292

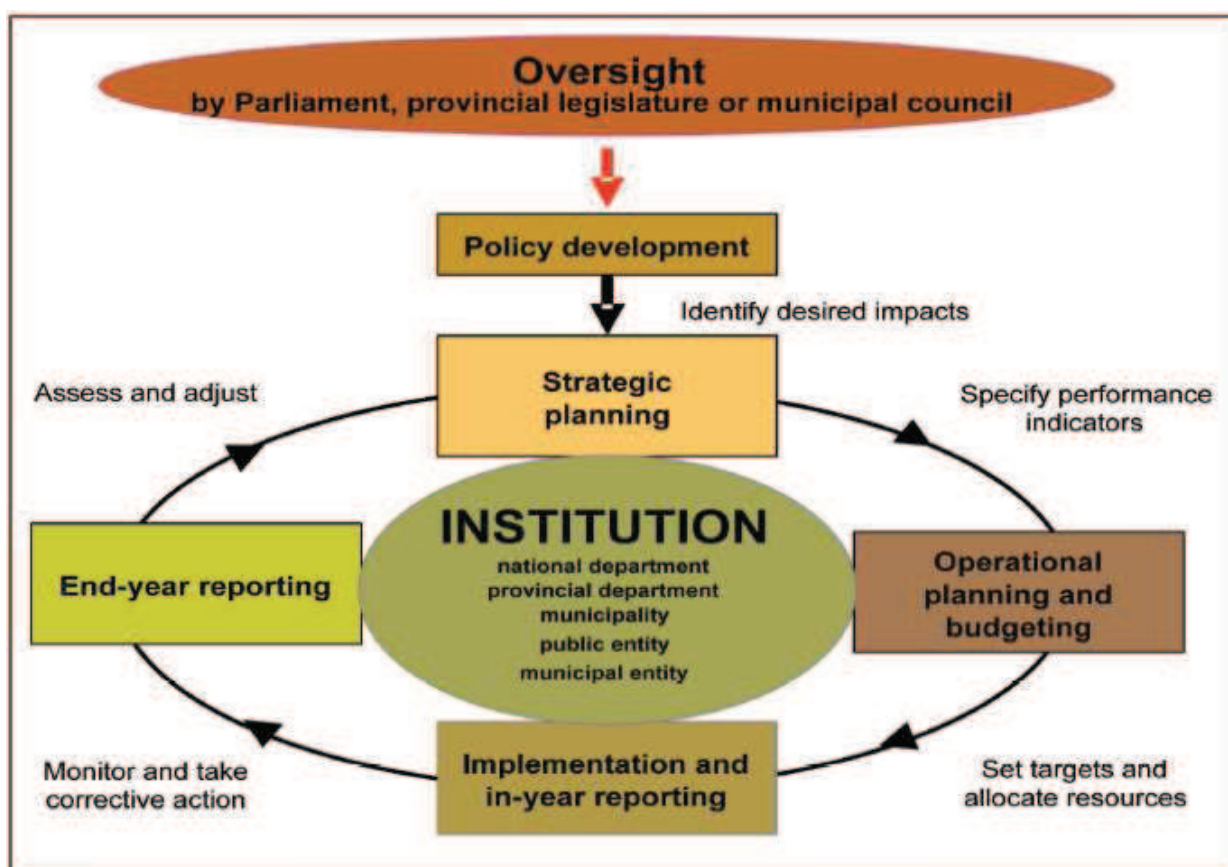
**Table 30 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure**

Strategic Objective	Goal	Goal Code	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
The provision of democratic, accountable and ethical governance	Good Governance	1	24 047	7 154	21 308	16 815	17 776	17 776	2 648	3 730	–
The provision and maintenance of municipal services	Basic Service Delivery	2	127 569	103 790	73 989	54 300	56 087	56 087	58 033	45 326	48 387
The encouragement of structured community participation in the matters of the municipality	Good Governance	3	9 484	30 219	29 937	23 515	37 425	37 425	3 465		
The creation and maintenance of a safe and healthy environment	Safe and Healthy Environment	4	645	–	–	–			295	–	–
The promotion of tourism, economic and social development	Economic Development and Social upliftment	5	1 531	2 601	5 696	3 090	6 300	6 300	39 473	45 550	55 174
Total Capital Expenditure			163 275	143 764	130 930	97 721	117 588	117 588	103 914	94 606	103 561

## 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:

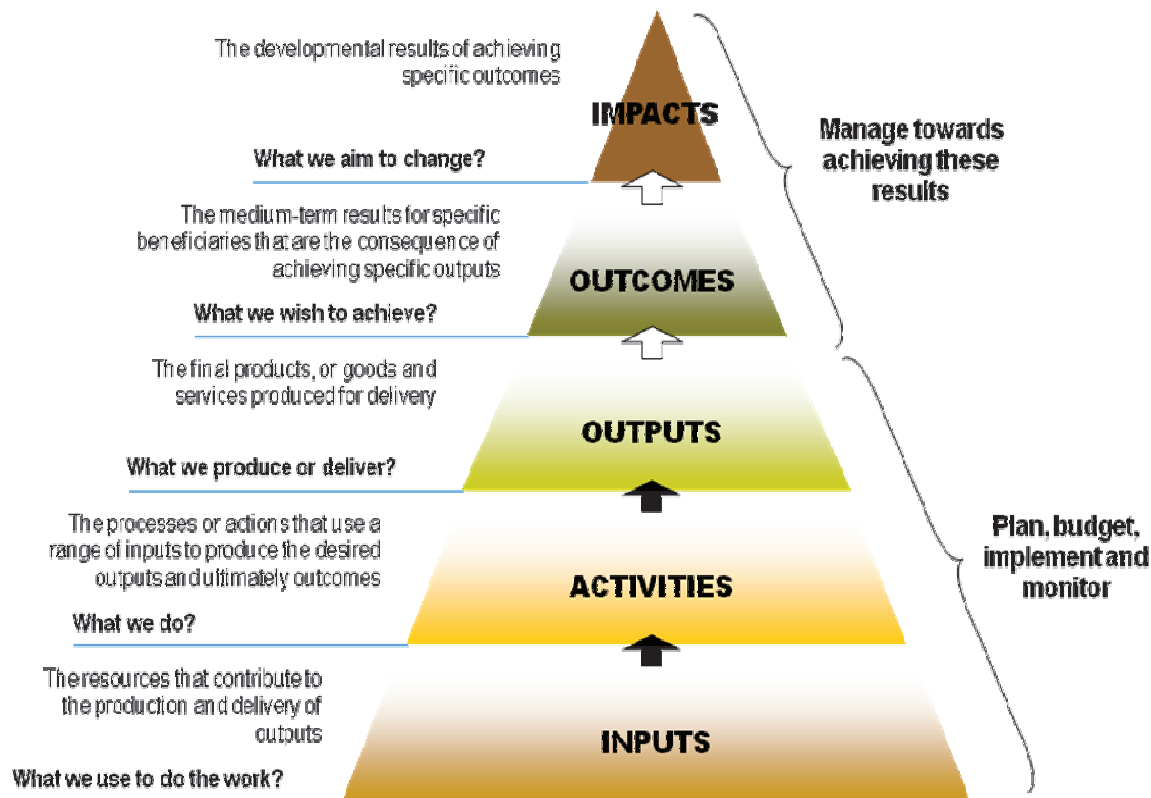


**Figure 4 Planning, budgeting and reporting cycle**

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 5 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	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Council</b>										
<b>Council and Municipal Manager</b>										
<b>Municipal Manager</b>										
Plan approved	Plan approved	1	1	1	1	1	1	1	1	1
Risk based audit plan approved by the Audit Committee by the end of June 2016										
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 on achievement of committed dates	1	1	1	4	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	1	4	4	4	4	4	4
Percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year 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	91.80%	98.00%	93.77%	98%	98%	98%	98%	98%	98%
<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) x 100)	% filled	91.25%	92.86%	92.41%	90%	90%	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	4	2	no kpi set	54	54	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%	100%	100%	100%	100%	100%	100%
Review the Municipal Organisational Staff Structure by the end of June	Structure reviewed	no kpi set	no kpi set	1%	100%	100%	100%	100%	100%	100%
Revise the Section 14 Access to Information Manual by the end of June to ensure compliant and up to date policies	Policy revised	100%	100%	100%	100%	100%	100%	100%	100%	100%
Provide legal assistance and input on policies, contracts, agreements, legislation, and other legal matters	Number of responses to legal matters	no kpi set	no kpi set	no kpi set	no kpi set	no kpi set	no kpi set	120	120	120
Monthly Report on additional court matters	Number of reports on court matter	no kpi set	no kpi set	no kpi set	no kpi set	no kpi set	no kpi set	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	no kpi set	no kpi set	no kpi set	1	0	0
<b>Finance</b>										
<b>Director: Finance</b>										
<b>Director Finance</b>										
operating expenditure ((Available cash+ investments)/ Monthly fixed operating expenditure)	Ratio achieved	5.17%	3.49%	2.30%	1.2	1.2	1.2	1	1	1
service debt obligations ((Total operating revenue-operating grants received)/debt service payments due within the year) (%)	Ratio achieved	18.60%	17.46%	16.90%	17	17	17	17	17	17
Financial viability measured in terms of the outstanding service debtors (Total outstanding service debtors/ revenue received for services)	% achieved	11.60%	11.90%	10.40%	12	12	12	12.2	12.2	12.2
Appointment of a service provider to submit a reviewed long term financial plan by the end of June 2016	Reviewed plan approved	no kpi set	no kpi set	no kpi set	1	1	1	1	0	0
Financial statements submitted to the Auditor General by 31 August 2015	Financial statements submitted	1	1	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	5477	6523	6536	6580	6580	6580	6650	6650	6650
<b>Revenue</b>										
Achieve a debt recovery rate not less than 95%	% Recovered	no kpi set	100.44%	100.33%	95%	95%	95%	96.0%	96.0%	96.0%
<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	1	1
Arrange public awareness sessions on Protection Services	Number of sessions held	57	60	55	32	32	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	Reviewed plan submitted	1	1	1	1	1	1	1	1	1
Annually review the Fire Management Plan by the end of June	Plan reviewed	1	1	1	1	1	1	1	1	1
<b>Traffic</b>										
Optimal collection of public safety income for the financial year	R-value of public safety	4 893 128	5 730 902	5 154 575	10 000 000	10 000 000	10 000 000	8 000 000	8 000 000	8 000 000

Description	Unit of measurement	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<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	8	9	8	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%	100.0%	100.45%	98%	98%	98%	98%	98%	98%
m <sup>2</sup> of roads patched (works orders) and resealed according to approved Paveman Management System within available budget	m <sup>2</sup> of roads patched (works orders) and resealed	171344	216162	101560	120000	120000	120000	100000	100000	100000
Quality of effluent comply 90% with SANS 241	% compliance	88.60%	86.02%	82.78%	90%	90%	90%	90%	90%	90%
Quality of potable water comply 95% with SANS 241	% compliance	no kpi set	no kpi set	95.38%	95%	95%	95%	95%	95%	95%
Limit unaccounted water to less than 25% ((Number of kiloliter water purified - Number of kiloliter water sold)/Number of kiloliter sold x 100))	% of water unaccounted for	27.25%	25.57%	21.5%	25%	25%	25%	25%	25%	25%
Provision of water to informal households with access within a 200 m radius	No of informal households that have access to water within a 200 m radius	3565	no kpi set	no kpi set	3406	3406	3406	3152	3152	3152
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	25066	25426	27373	28077	28077	28077	32483	33538	34438
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	32265	no kpi set	34299	32697	32697	32697	33094	34085	35105
Provision of refuse removal, refuse dumps and solid waste disposal to all informal households at least once a week	Number of informal households for which refuse is removed at least once a week	3565	no kpi set	no kpi set	3406	3406	3406	3152	3152	3152
The provision of sanitation services to informal households based on the standard of 1 toilet to 5 households	No of informal households that have access to sanitation based on the standard of 1 toilet to 5 households	3565	no kpi set	no kpi set	3406	3406	3406	3152	3152	3152
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	30016	31221	31231	31202	31202	31202	32483	33538	34438
<b>Local Economic Development</b>										
<b>Director: LED</b>										
<b>LED</b>										
Report bi-annually to the Portfolio committee on LED and Tourism initiatives	Quarterly report on marketing tools	no kpi set	no kpi set	no kpi set	4	4	4	2	2	2
Report on Grants to festival organisers through Service Level Agreements (SLA) by end August 2015	Number of reports submitted	no kpi set	no kpi set	no kpi set	no kpi set	no kpi set	no kpi set	1	1	1
Develop and implement an SMME Development Programme	Number of SMME's supported	55	23	45	no kpi set	no kpi set	no kpi set	30	30	30
Financial and non-financial resources mobilised	Number of MOU's entered into and amount generated	no kpi set	no kpi set	no kpi set	2	2	2	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	Quarterly report on linkages established	no kpi set	no kpi set	no kpi set	4	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 396 work opportunities)	Number of temporary jobs created	204	609	517	287	287	287	396	396	396
Monthly operate the LED Walk Centre for outreach & referral purposes	Number of registers on LED outreach statistics (walk in centre)	no kpi set	no kpi set	no kpi set	no kpi set	no kpi set	no kpi set	12	12	12
Compile an action plan to improve on the LED maturity	Plan completed	no kpi set	no kpi set	no kpi set	2	2	2	2	2	2
<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) x 100)	% of electricity unaccounted for	7.10%	6.88%	5.95%	8.5%	8.5%	8.5%	8%	8%	8%
Provision of Electricity: Number of metered electrical connections in formal area (Eskom Areas excluded)	Number of formal households that meet agreed service standards	20604	no kpi set	25751	21998	21998	21998	25354	25735	26116
<b>Waste Water Management</b>										
Achieve two Green Drop awards	Number of awards	no kpi set	0	4	2	2	2	2	2	2
Achieve 5 Blue drop awards	Number of awards	no kpi set	no kpi set	no kpi set	6	6	6	5	5	5
<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	1	1
<b>Planning and Development</b>										
Municipal Infrastructure Grant (MIG)- % expenditure	% expenditure of allocated grant	no kpi set	no kpi set	no kpi set	no kpi set	no kpi set	no kpi set	100%	100%	100%

The following table sets out the municipalities main performance objectives and benchmarks for the 2015/16 MTREF.

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

Description of financial indicator	Basis of calculation	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b><u>Borrowing Management</u></b>										
Credit Rating										
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	6.2%	6.8%	7.3%	7.6%	7.0%	7.0%	7.3%	7.1%	7.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	8.2%	7.7%	9.1%	9.1%	8.7%	8.7%	8.8%	8.5%	8.3%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	117.8%	45.1%	59.6%	74.2%	78.7%	78.7%	73.8%	85.2%	95.5%
<b><u>Safety of Capital</u></b>										
Gearing	Long Term Borrowing/ Funds & Reserves	17772.6%	19277.5%	15300.9%	21294.4%	16045.6%	16045.6%	15774.5%	15362.7%	14888.6%
<b><u>Liquidity</u></b>										
Current Ratio	Current assets/current liabilities	1.7	1.3	1.2	1.3	1.4	1.4	1.2	1.3	1.4
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.7	1.3	1.0	1.1	1.2	1.2	1.1	1.2	1.3
Liquidity Ratio	Monetary Assets/Current Liabilities	0.9	0.5	0.4	0.6	0.6	0.6	0.6	0.7	0.9
<b><u>Revenue Management</u></b>										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		105.3%	91.5%	103.1%	99.6%	99.8%	0.0%	101.2%	99.9%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		104.9%	91.5%	103.1%	99.6%	99.8%	99.8%	101.2%	99.9%	99.3%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	14.6%	14.4%	13.5%	12.4%	13.3%	13.3%	10.7%	9.7%	9.6%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	86.7%	90.3%	97.2%	100.3%	100.3%	100.3%	99.5%	99.5%	99.5%
<b><u>Creditors Management</u></b>										
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	99.8%	100.0%	97.8%	95.0%	95.0%	95.0%	98.0%	98.0%	98.0%
Creditors to Cash and Investments		49.9%	85.2%	97.4%	63.4%	56.5%	56.5%	76.1%	55.6%	49.3%
<b><u>Other Indicators</u></b>										
Electricity Distribution Losses (2)	Total Volume Losses (kW)	16012859	15831477	13668967	15896000	15896000	15896000	13 667 000	13 665 499	13 664 000
	Total Cost of Losses (Rand '000)	6 513	7 101	7 028	9 127	9 127	9 127	7 927	7 926	7 925
	% Volume (units purchased and generated less units sold)/units purchased and generated	7.12%	6.91%	5.95%	6.67%	6.67%	6.67%	5.95%	5.94%	5.93%
	Total Volume Losses (k€)	1 429	1 445	1 455	1 476	1 476	1 476	1 453	1 451	1 449
Water Distribution Losses (2)	Total Cost of Losses (Rand '000)	2891622	3829726	5726220	3085	3085	3085	4272	4264	4260
	% Volume (units purchased and generated less units sold)/units purchased and generated	20.36%	20.01%	21.47%	20.23%	20.23%	20.23%	20.19%	20.05%	20.00%
Employee costs	Employee costs/(Total Revenue - capital revenue)	34.8%	32.9%	35.4%	35.7%	34.1%	34.1%	32.6%	31.4%	31.5%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	35.9%	33.9%	36.5%	36.8%	35.1%	35.1%	33.5%	32.3%	32.4%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	10.9%	16.3%	20.4%	20.7%	20.1%	20.1%	13.5%	13.0%	14.7%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	22.7%	20.1%	18.9%	19.7%	18.5%	18.5%	17.7%	16.9%	16.8%
<b><u>IDP regulation financial viability indicators</u></b>										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	24.0	22.8	22.7	24.6	24.6	24.6	22.4	22.1	23.8
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	16.6%	17.9%	15.9%	14.2%	15.7%	15.7%	12.9%	11.8%	11.4%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	3.1	1.8	1.2	1.6	1.5	1.5	1.5	1.9	2.4

### 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 2015/16 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 7 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 prudential borrowing limits 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 85 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.

#### 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 2015/16 MTREF the current ratio is 1.3. 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 0.73 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 1.1 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.



#### 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.

#### 2.3.1.4 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.

#### 2.3.1.5 Other Indicators

- The electricity distribution losses have been managed downwards from 8.3 per cent in the 2010/2011 financial year to 5,9 per cent over the MTREF. This includes measureable technical 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 2014/2015. 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 2015/16 financial year 6900 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 41.

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 exceptional 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 2015/16 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 report has been compiled in 2014/15, after a service provider had 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;
- Petty Cash

## **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 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 2015/16 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 2015/16 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 99,5 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 collective agreement regarding salaries/wages ends at 30 June 2015. Wage negotiations for 2015/16 are still underway in the Bargaining Council.

### 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 2015/16 MTREF.

## 2.6 Overview of budget funding

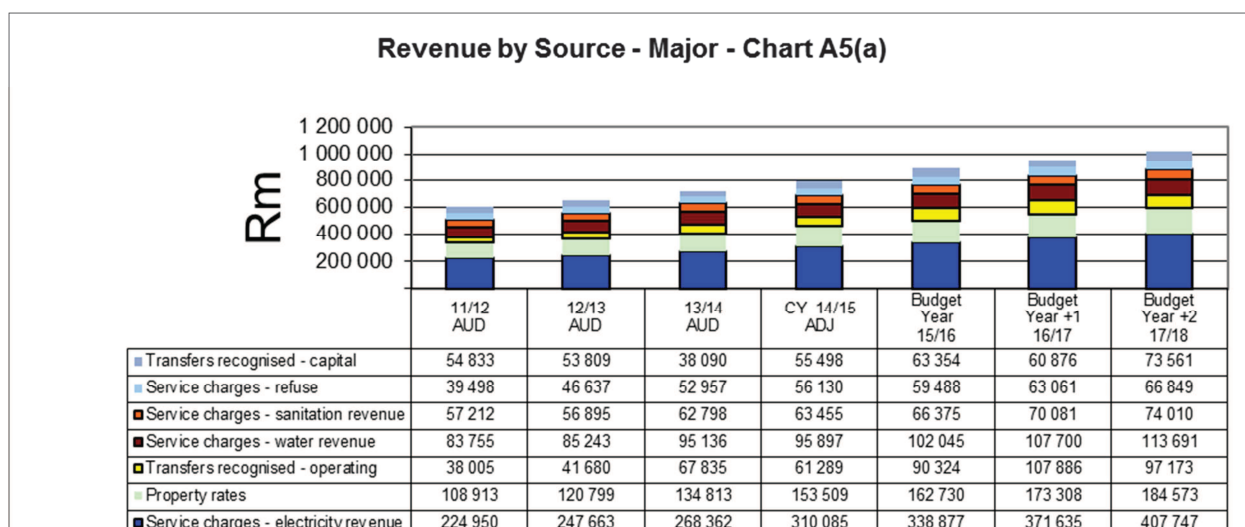
### 2.6.1 Medium-term outlook: operating revenue

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  R thousand	2015/16 Medium Term Revenue & Expenditure Framework		
	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Revenue By Source</b>			
Property rates	162 730	173 308	184 573
Service charges	566 784	612 476	662 296
Rental of facilities and equipment	11 859	12 953	14 176
Interest earned	8 784	9 028	9 296
Transfers recognised - operational	90 278	107 886	97 173
Other revenue	54 599	57 571	60 896
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>895 035</b>	<b>973 222</b>	<b>1 028 409</b>

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



**Figure 6 Breakdown of operating revenue over the 2015/16 MTREF**

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The 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 2015/2016**

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

Description	Current Year 2014/15	Budget Year 2015/16 % incr.	Budget Year 2015/16
<b>Rand/cent</b>			
<b>Monthly Account for Household - 'Middle Income Range'</b>			
<b>Rates and services charges:</b>			
Property rates	179.40	7.0%	191.69
Electricity: Basic levy	204.56	6.0%	216.83
Electricity: Consumption	1 219.00	11.0%	1 357.95
Water: Basic levy	102.28	6.0%	108.42
Water: Consumption	290.10	6.0%	308.64
Sanitation	305.94	6.0%	325.09
Refuse removal	130.18	6.0%	137.99
Other			
<b>sub-total</b>	<b>2 431.46</b>	<b>8.8%</b>	<b>2 646.61</b>
VAT on Services	312.99		344.41
<b>Total large household bill:</b>	<b>2 744.44</b>	<b>9.0%</b>	<b>2 991.02</b>
<b>% increase/-decrease</b>	<b>-</b>		<b>9.0%</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	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>									
<b>Parent municipality</b>									
Securities - National Government									
Listed Corporate Bonds									
Deposits - Bank	75 000	55 042	50 039						
Deposits - Public Investment Commissioners									
Guaranteed Endowment Policies (sinking)	5 691	11 597	16 965	22 207	22 207	22 207	28 455	34 384	40 409
Municipal Bonds									
<b>Consolidated total:</b>	<b>80 691</b>	<b>66 638</b>	<b>67 004</b>	<b>22 207</b>	<b>22 207</b>	<b>22 207</b>	<b>28 455</b>	<b>34 384</b>	<b>40 409</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
	Yrs/Months												
<b>Parent municipality</b>													
LIBERTY 15934476	15 YEARS	POLICY	YES	VARIABLE	Fair Value Adjustment			01/09/2025	6 425	256		1 500	8 181
LIBERTY 21196964	14 YEARS	POLICY	YES	VARIABLE	Fair Value Adjustment			01/09/2025	9 389	29		3 120	12 538
MOMENTUM 3853776	15 YEARS	POLICY	YES	VARIABLE	Fair Value Adjustment			01/07/2026	1 151	(23)		360	1 488
													-
<b>TOTAL INVESTMENTS AND INTEREST</b>									<b>16 965</b>		<b>-</b>	<b>4 980</b>	<b>22 207</b>

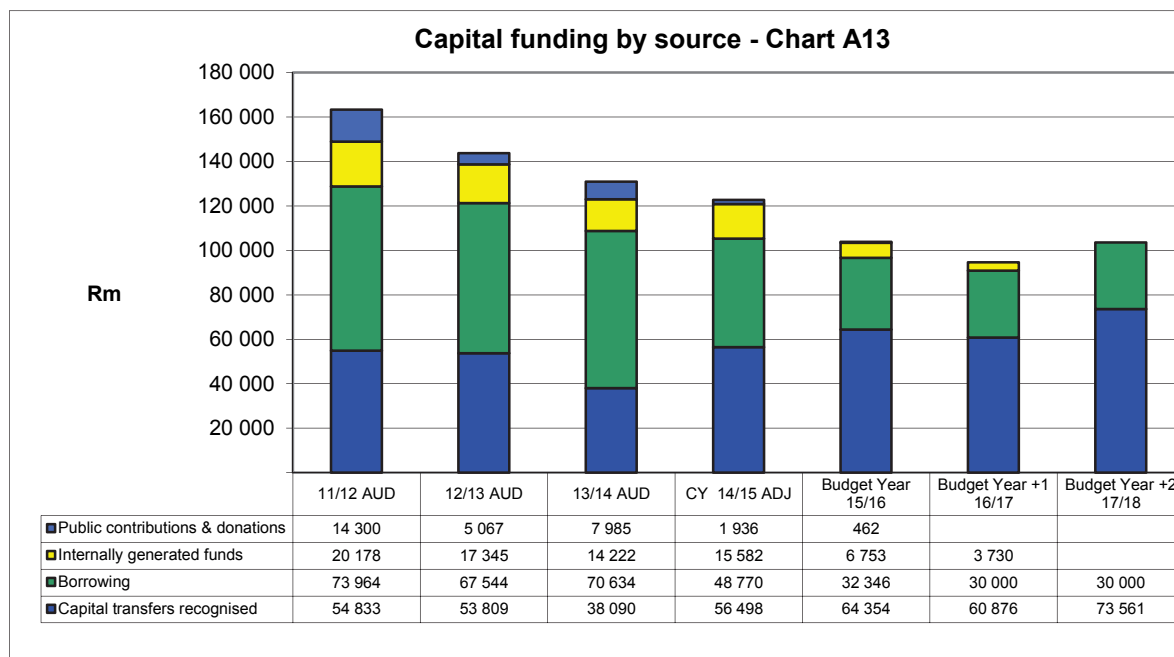
For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The surplus is intended to partly fund capital expenditure from own sources as well as ensure adequate cash backing of reserves and funds.

## 2.6.2 Medium-term outlook: capital revenue

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

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

Vote Description	2015/16 Medium Term Revenue & Expenditure Framework		
	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Funded by:</b>			
National Government	30 347	26 126	29 187
Provincial Government	33 007	34 750	44 374
District Municipality			
Other transfers and grants	1 000		
<b>Transfers recognised - capital</b>	<b>64 354</b>	<b>60 876</b>	<b>73 561</b>
<b>Public contributions &amp; donations</b>	<b>462</b>		
<b>Borrowing</b>	<b>32 346</b>	<b>30 000</b>	<b>30 000</b>
<b>Internally generated funds</b>	<b>6 753</b>	<b>3 730</b>	
<b>Total Capital Funding</b>	<b>103 914</b>	<b>94 606</b>	<b>103 561</b>



**Figure 7 Sources of capital revenue for the 2015/16 financial year**

Capital grants and receipts equates to 61,9 per cent of the total funding source which represents R64,3 million for the 2015/16

Borrowing still remains a significant funding source for the own capital programme over the medium-term with an estimated R90 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.

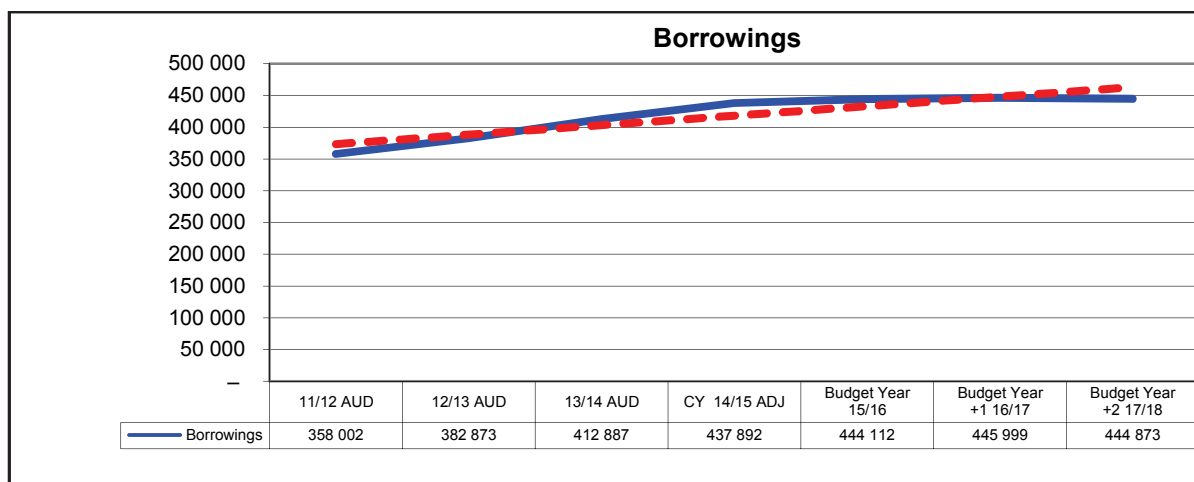


**Table 38 MBRR Table SA 17 - Detail of borrowings**

Borrowing - Categorised by type	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Long-Term Loans (annuity/reducing balance)	250 581	274 394	292 444	307 225	307 225	307 225	311 667	312 288	309 060
Long-Term Loans (non-annuity)	90 000	90 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000
Instalment Credit				4 541	5 520	5 520	4 333	2 981	1 443
Financial Leases	623	238			84	84	-	-	-
<b>Total Borrowing</b>	<b>341 204</b>	<b>364 632</b>	<b>392 444</b>	<b>411 766</b>	<b>412 829</b>	<b>412 829</b>	<b>415 999</b>	<b>415 269</b>	<b>410 503</b>
<b>Unspent Borrowing - Categorised by type</b>									
Long-Term Loans (annuity/reducing balance)	18 255	6 133	1 847						
<b>Total Unspent Borrowing</b>	<b>18 255</b>	<b>6 133</b>	<b>1 847</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 R6,7 million in 2015/2016 and R3,7 million in 2016/17.

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

**Figure 8 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 SA 18 - Capital transfers and grant receipts**

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>									
<b>RECEIPTS:</b>									
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>	54 183	36 911	26 068	24 174	23 608	23 608	30 347	26 126	29 187
Municipal Infrastructure Grant (MIG)	13 971	16 947	18 755	20 674	20 674	20 674	21 417	22 126	23 187
Public Transport and Systems									
Regional Bulk Infrastructure	36 212	15 174	-						
Neighbourhood Development Partnership	2 000	2 418	3 963						
Finance Management	-	552	-	566	-	-			
Municipal Systems Improvement	-	20	350	934	934	934	930		
INEP	2 000	1 800	3 000	2 000	2 000	2 000	8 000	4 000	6 000
<b>Provincial Government:</b>	-	20 217	8 819	10 060	30 516	30 516	33 007	34 750	44 374
Housing	-	18 693	7 727	7 810	28 366	28 366	29 973	34 750	44 374
Sport & Recreation Grant	-	-	100	100	-	-			
Provincial Library Grant	-	13	10	2 150	2 150	2 150	3 034		
Provincial Transport Infrastructure Grant		1 500	982						
Community Development Worker Grant	-	11	-						
<b>Other grant providers:</b>	500	-	-	2 134	2 051	2 051	1 000	-	-
DWA ACIP				1 000	1 000	1 000			
Spaces 4 Sport				51	51	51			
Eskom Rebate/National Lotto	500			1 083	1 000	1 000	1 000		
<b>Total Capital Transfers and Grants</b>	<b>54 683</b>	<b>57 128</b>	<b>34 887</b>	<b>36 368</b>	<b>56 175</b>	<b>56 175</b>	<b>64 354</b>	<b>60 876</b>	<b>73 561</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 R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates, penalties & collection charges	110 347	120 273	135 875	148 254	154 165	154 165	163 800	173 297	184 620
Service charges	397 229	437 061	483 167	522 072	524 216	524 216	567 409	608 975	658 596
Other revenue	69 894	41 689	63 976	46 516	63 257	63 257	76 884	75 476	74 750
Government - operating	37 750	44 140	63 477	58 407	61 289	61 289	90 324	107 886	97 173
Government - capital	54 833	54 577	38 090	36 368	57 549	57 549	64 354	60 876	73 561
Interest	9 211	9 754	8 470	8 454	8 454	8 454	8 784	9 028	9 296
Dividends							-	-	-
<b>Payments</b>									
Suppliers and employees	(520 159)	(558 519)	(637 833)	(653 525)	(656 105)	(656 105)	(765 303)	(808 560)	(835 753)
Finance charges	(31 669)	(37 199)	(39 858)	(45 162)	(44 480)	(44 480)	(46 895)	(46 780)	(47 279)
Transfers and Grants	(28 454)	(35 856)	(38 749)	(41 370)	(41 668)	(41 668)	(48 497)	(54 667)	(62 244)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>98 981</b>	<b>75 920</b>	<b>76 616</b>	<b>80 014</b>	<b>126 676</b>	<b>126 676</b>	<b>110 861</b>	<b>125 532</b>	<b>152 720</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	13 722	1 725	5 073	-	-	-	-	-	-
Decrease (increase) in non-current debtors	2 189	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	20	45	18	15	15	15	18	13	11
Decrease (increase) in non-current investments	(4 430)	(4 960)	(4 529)	(5 827)	(5 827)	(5 827)	(6 248)	(5 930)	(6 025)
<b>Payments</b>									
Capital assets	(163 275)	(143 764)	(130 930)	(97 721)	(122 785)	(122 785)	(103 914)	(94 606)	(103 561)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(151 774)</b>	<b>(146 955)</b>	<b>(130 368)</b>	<b>(103 533)</b>	<b>(128 597)</b>	<b>(128 597)</b>	<b>(110 144)</b>	<b>(100 523)</b>	<b>(109 575)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans	940	(389)	(730)	5 520	6 541	6 541	(1 135)	(1 271)	(1 352)
Borrowing long term/refinancing	110 000	38 700	51 300	40 000	40 000	40 000	30 000	30 000	30 000
Increase (decrease) in consumer deposits	12 844	3 726	2 819	2 703	2 703	2 703	2 479	2 628	2 786
<b>Payments</b>									
Repayment of borrowing	(14 295)	(13 554)	(20 626)	(21 061)	(21 061)	(21 061)	(23 936)	(26 841)	(29 775)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>109 489</b>	<b>28 482</b>	<b>32 764</b>	<b>27 163</b>	<b>28 183</b>	<b>28 183</b>	<b>7 409</b>	<b>4 515</b>	<b>1 659</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>56 696</b>	<b>(42 552)</b>	<b>(20 989)</b>	<b>3 644</b>	<b>26 262</b>	<b>26 262</b>	<b>8 126</b>	<b>29 524</b>	<b>44 804</b>
Cash/cash equivalents at the year begin:	70 004	126 699	84 147	84 406	63 158	63 158	89 421	97 547	127 071
Cash/cash equivalents at the year end:	126 699	84 147	63 158	88 050	89 421	89 421	97 547	127 071	171 875

The above table shows that cash and cash equivalents of the Municipality increases steadily for the 2015/16 to 2017/2018 financial years. For the 2015/16 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 R97,5 million by 2015/16 and steadily increasing to R171,8 million by 2017/18.

### 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**

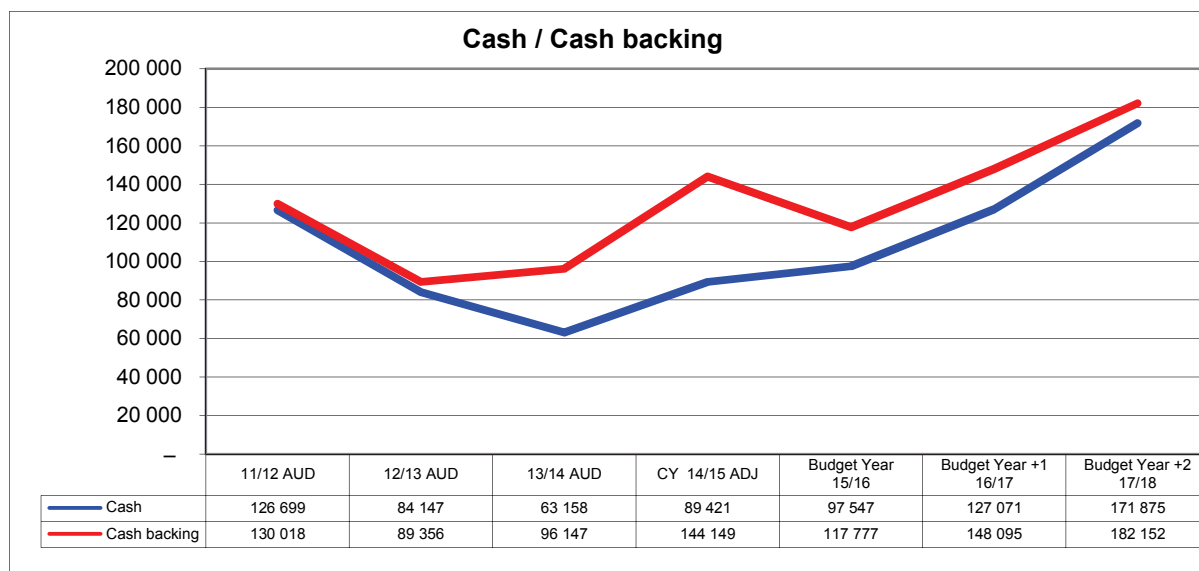
Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>									
<b>Cash and investments available</b>									
Cash/cash equivalents at the year end	126 699	84 147	63 158	88 050	89 421	89 421	97 547	127 071	171 875
Other current investments > 90 days	0	-	0	-	-	-	0	(0)	0
Non current assets - Investments	5 691	11 597	16 965	22 207	22 207	22 207	28 455	34 384	40 409
<b>Cash and investments available:</b>	<b>132 391</b>	<b>95 744</b>	<b>80 123</b>	<b>110 257</b>	<b>111 628</b>	<b>111 628</b>	<b>126 001</b>	<b>161 455</b>	<b>212 284</b>
<b>Application of cash and investments</b>									
Unspent conditional transfers	4 555	7 783	3 425	-	-	-	-	-	-
Unspent borrowing	18 255	6 133	1 847	-	-	-	-	-	-
Statutory requirements									
Other working capital requirements	(28 049)	(21 016)	(40 826)	(40 803)	(57 301)	(57 301)	(22 868)	(23 728)	(13 035)
Other provisions									
Long term investments committed	5 691	11 597	16 965	22 207	22 207	22 207	28 455	34 384	40 409
Reserves to be backed by cash/investments	1 920	1 891	2 565	1 934	2 573	2 573	2 637	2 703	2 757
<b>Total Application of cash and investments:</b>	<b>2 373</b>	<b>6 388</b>	<b>(16 024)</b>	<b>(16 663)</b>	<b>(32 522)</b>	<b>(32 522)</b>	<b>8 224</b>	<b>13 360</b>	<b>30 132</b>
<b>Surplus(shortfall)</b>	<b>130 018</b>	<b>89 356</b>	<b>96 147</b>	<b>126 920</b>	<b>144 149</b>	<b>144 149</b>	<b>117 777</b>	<b>148 095</b>	<b>182 152</b>

From the above table it can be seen that the cash and investments total R111,6 million in the 2014/2015 financial year and increase to R126 million by 2015/16, 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 R117,7 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 2015/2016 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 9 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	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Funding measures</b>										
Cash/cash equivalents at the year end - R'000	18(1)b	126 699	84 147	63 158	88 050	89 421	89 421	97 547	127 071	171 875
Cash + investments at the yr end less applications - R'000	18(1)b	130 018	89 356	96 147	126 920	144 149	144 149	117 777	148 095	182 152
Cash year end/monthly employee/supplier payments	18(1)b	3.1	1.8	1.2	1.6	1.5	1.5	1.5	1.9	2.4
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	(81 607)	10 899	(45 015)	(48 747)	(65 423)	(65 423)	(5 140)	(3 395)	3 679
Service charge rev % change - macro CPI target exclusive	18(1)a,(2)	N.A.	2.3%	4.2%	3.8%	(5.3%)	(6.0%)	1.4%	1.7%	1.8%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	104.9%	91.5%	103.1%	99.6%	99.8%	99.8%	101.2%	99.9%	99.3%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	0.0%	1.2%	2.0%	0.0%	3.4%	3.4%	3.1%	2.9%	2.7%
Capital payments % of capital expenditure	18(1)c;19	100.0%	100.0%	100.0%	100.0%	104.4%	104.4%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	101.4%	43.0%	55.3%	65.2%	65.5%	65.5%	75.8%	88.9%	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.	16.5%	(2.1%)	(2.2%)	11.3%	0.0%	(11.2%)	(1.4%)	4.3%
Long term receivables % change - incr(decr)	18(1)a	N.A.	(33.7%)	(18.4%)	(16.1%)	0.0%	0.0%	(28.3%)	(26.0%)	(33.9%)
R&M % of Property Plant & Equipment	20(1)(vi)	2.1%	3.7%	4.8%	5.3%	5.2%	5.2%	3.9%	4.1%	4.9%
Asset renewal al % of capital budget	20(1)(vi)	0.0%	2.9%	35.9%	28.8%	27.9%	27.9%	20.0%	22.2%	6.3%
<b>Total Operating Revenue</b>		597 482	703 871	736 376	784 474	810 351	810 351	895 035	973 222	1 028 409
<b>Total Operating Expenditure</b>		742 525	752 070	832 022	869 588	933 322	933 322	964 529	1 037 493	1 098 292
<b>Operating Performance Surplus/(Deficit)</b>		(145 043)	(48 199)	(95 646)	(85 115)	(122 971)	(122 971)	(69 494)	(64 271)	(69 883)
<b>Cash and Cash Equivalents (30 June 2012)</b>		126 699	84 147	63 158	88 050	89 421	89 421	97 547	127 071	171 875
<b>Revenue</b>										
% Increase in Total Operating Revenue			17.8%	4.6%	6.5%	3.3%	0.0%	10.5%	8.7%	5.7%
% Increase in Property Rates Revenue			10.9%	11.6%	10.3%	3.3%	0.0%	6.0%	6.5%	6.5%
% Increase in Electricity Revenue			10.1%	8.4%	15.5%	0.0%	0.0%	9.3%	9.7%	9.7%
% Increase in Property Rates & Services Charges			8.3%	10.2%	9.8%	0.7%	0.0%	7.4%	7.7%	7.8%
<b>Expenditure</b>										
% Increase in Total Operating Expenditure			1.3%	10.6%	4.5%	7.3%	0.0%	3.3%	7.6%	5.9%
% Increase in Employee Costs			11.4%	12.5%	7.5%	(1.4%)	0.0%	5.6%	4.7%	6.0%
% Increase in Electricity Bulk Purchases			14.5%	8.3%	7.9%	0.0%	0.0%	14.2%	14.2%	14.2%
R&M % of PPE		2.1%	3.7%	4.8%	5.3%	5.2%	5.2%	3.9%	4.1%	4.9%
Asset Renewal and R&M as a % of PPE		2.0%	4.0%	6.0%	6.0%	6.0%	6.0%	4.0%	5.0%	5.0%
Debt Impairment % of Total Billable Revenue		0.0%	1.2%	2.0%	0.0%	3.4%	3.4%	3.1%	2.9%	2.7%
<b>Capital Revenue</b>										
Internally Funded & Other (R'000)		34 478	22 412	22 207	14 430	17 517	17 517	7 215	3 730	–
Borrowing (R'000)		73 964	67 544	70 634	46 923	48 770	48 770	32 346	30 000	30 000
Grant Funding and Other (R'000)		54 833	53 809	38 090	36 368	56 498	56 498	64 354	60 876	73 561
Internally Generated funds % of Non Grant Funding		31.8%	24.9%	23.9%	23.5%	26.4%	26.4%	18.2%	11.1%	0.0%
Borrowing % of Non Grant Funding		68.2%	75.1%	76.1%	76.5%	73.6%	73.6%	81.8%	88.9%	100.0%
Grant Funding % of Total Funding		33.6%	37.4%	29.1%	37.2%	46.0%	46.0%	61.9%	64.3%	71.0%
<b>Capital Expenditure</b>										
Total Capital Programme (R'000)		163 275	143 764	130 930	97 721	122 785	122 785	103 914	94 606	103 561
Asset Renewal		–	4 147	47 032	28 139	32 838	32 838	20 758	21 000	6 500
Asset Renewal % of Total Capital Expenditure		0.0%	2.9%	35.9%	28.8%	26.7%	26.7%	20.0%	22.2%	6.3%
<b>Cash</b>										
Cash Receipts % of Rate Payer & Other		104.9%	91.5%	103.1%	99.6%	99.8%	99.8%	101.2%	99.9%	99.3%
Cash Coverage Ratio		3.1	1.8	1.2	1.6	1.5	1.5	1.5	1.9	2.4
<b>Borrowing</b>										
Capital Charges to Operating		6.2%	6.8%	7.3%	7.6%	7.0%	7.0%	7.3%	7.1%	7.0%
Borrowing Receipts % of Capital Expenditure		101.4%	43.0%	55.3%	65.2%	65.5%	65.5%	75.8%	88.9%	100.0%
<b>Reserves</b>										
Surplus/(Deficit)		130 018	89 356	96 147	126 920	144 149	144 149	117 777	148 095	182 152
<b>Free Services</b>										
Free Basic Services as a % of Equitable Share		90.1%	88.7%	82.3%	80.2%	80.2%	80.2%	74.8%	72.4%	71.3%
Free Services as a % of Operating Revenue (excl operational transfers)		14.8%	11.7%	11.2%	10.4%	10.0%	10.0%	11.0%	11.1%	11.1%
<b>High Level Outcome of Funding Compliance</b>										
Total Operating Revenue		597 482	703 871	736 376	784 474	810 351	810 351	895 035	973 222	1 028 409
Total Operating Expenditure		742 525	752 070	832 022	869 588	933 322	933 322	964 529	1 037 493	1 098 292
Surplus/(Deficit) Budgeted Operating Statement		(145 043)	(48 199)	(95 646)	(85 115)	(122 971)	(122 971)	(69 494)	(64 271)	(69 883)
Surplus/(Deficit) Considering Reserves and Cash Backing		130 018	89 356	96 147	126 920	144 149	144 149	117 777	148 095	182 152
<b>MTREF Funded (1) / Unfunded (0)</b>		1	1	1	1	1	1	1	1	1
<b>MTREF Funded ü / Unfunded ü</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 2015/16 MTREF shows R97,5 million, R127 million and R171,8 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 67. 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 1.5 for the 2015/2016 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 per cent). Refer to Annexure C for Tariff List and Increases.

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

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 101.2, 99.9, and 99.3 per cent for each of the respective financial years. 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.

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

Overstrand Municipality did not provide for Debt impairment under the Financial performance as the methodology for determining the provision for debt impairment will result in a decrease in the provision. The provision is set to decrease.

#### *2.6.4.7 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.

#### *2.6.4.8 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 85, 89 and 100 per cent of own funded capital.

### **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.

#### *2.6.4.9 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.

#### *2.6.4.10 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 86.

#### *2.6.4.11 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 85.



## 2.7 Expenditure on grants and reconciliations of unspent funds

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

Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>EXPENDITURE:</b>									
<b>Operating expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>33 973</b>	<b>38 956</b>	<b>45 033</b>	<b>54 673</b>	<b>3 218</b>	<b>3 218</b>	<b>67 709</b>	<b>74 702</b>	<b>82 187</b>
Local Government Equitable Share	31 156	36 146	41 949	52 021	–	–	64 598	72 270	79 604
Finance Management	1 250	698	1 300	884	1 450	1 450	1 450	1 475	1 550
Municipal Systems Improvement	790	780	540	–	–	–	–	957	1 033
EPWP Incentive	777	1 332	1 244	1 768	1 768	1 768	1 661	–	–
Municipal Disaster Recovery Grant	–	–	–	–	–	–	–	–	–
<b>Provincial Government:</b>	<b>4 032</b>	<b>2 724</b>	<b>22 802</b>	<b>3 734</b>	<b>4 778</b>	<b>4 778</b>	<b>22 615</b>	<b>33 184</b>	<b>14 986</b>
Housing	3 186	1 659	18 669	183	412	412	17 141	27 480	8 876
Community Development Worker Grant	78	70	49	52	70	70	72	76	80
Main Road Subsidy	65	65	2 651	97	97	97	114	–	–
Sport & Recreation Grant	–	–	–	–	–	–	–	–	–
Provincial Library Grant	640	691	795	3 182	3 182	3 182	5 288	5 557	5 890
Emergency Housing Programme (EHP)	–	–	–	220	220	220	–	–	–
Financial Management Support Grant	–	–	155	–	759	759	–	–	–
Nelson Mandela commemoration Grant	–	–	100	–	–	–	–	–	–
Greenest Municipality	–	–	12	–	38	38	–	–	–
HCE	63	19	47	–	–	–	–	–	–
Mobility Strategy	–	2	106	–	–	–	–	–	–
Tusong Service Centre Grant	–	218	218	–	–	–	–	71	140
<b>Other grant providers:</b>	<b>156</b>	<b>222</b>	<b>894</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Spaces 4 Sport/Friedrich Naumann Foundation	156	200	627	–	–	–	–	–	–
ICT Projects for Libraries/Samras Usergroup	–	22	267	–	–	–	–	–	–
<b>Total operating expenditure of Transfers and Grants</b>	<b>38 161</b>	<b>41 902</b>	<b>68 730</b>	<b>58 407</b>	<b>7 996</b>	<b>7 996</b>	<b>90 324</b>	<b>107 886</b>	<b>97 173</b>
<b>Capital expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>54 183</b>	<b>36 911</b>	<b>25 094</b>	<b>24 174</b>	<b>24 174</b>	<b>24 174</b>	<b>30 347</b>	<b>26 126</b>	<b>29 187</b>
Municipal Infrastructure Grant (MIG)	13 971	16 947	18 755	20 674	20 674	20 674	21 417	22 126	23 187
Public Transport and Systems	–	–	–	–	–	–	–	–	–
Regional Bulk Infrastructure	36 212	15 174	–	–	–	–	–	–	–
Municipal Systems Improvement	–	20	350	934	934	934	930	–	–
INEP	2 000	1 800	2 026	2 000	2 000	2 000	8 000	4 000	6 000
Finance Management	–	552	–	566	566	566	–	–	–
Neighbourhood Development Partnership	2 000	2 418	3 963	–	–	–	–	–	–
<b>Provincial Government:</b>	<b>650</b>	<b>16 898</b>	<b>12 996</b>	<b>10 060</b>	<b>31 990</b>	<b>31 990</b>	<b>33 007</b>	<b>34 750</b>	<b>44 374</b>
Housing	–	16 651	10 404	7 810	29 740	29 740	29 973	34 750	44 374
Sport & Recreation Grant	–	–	100	100	100	100	–	–	–
Public transport non-motorised infrastructure grant	–	–	2 482	–	–	–	–	–	–
Provincial Library Grant	–	13	10	2 150	2 150	2 150	3 034	–	–
Mobility strategy (pound)/ CDW	650	234	–	–	–	–	–	–	–
<b>Other grant providers:</b>	<b>–</b>	<b>500</b>	<b>–</b>	<b>2 134</b>	<b>2 051</b>	<b>2 051</b>	<b>1 000</b>	<b>–</b>	<b>–</b>
'DWA ACIP	–	–	–	1 000	1 000	1 000	–	–	–
'Spaces 4 Sport	–	–	–	51	51	51	–	–	–
National Lotto	–	500	–	1 083	1 000	1 000	1 000	–	–
<b>Total capital expenditure of Transfers and Grants</b>	<b>54 833</b>	<b>54 309</b>	<b>38 090</b>	<b>36 368</b>	<b>58 215</b>	<b>58 215</b>	<b>64 354</b>	<b>60 876</b>	<b>73 561</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>92 993</b>	<b>96 211</b>	<b>106 820</b>	<b>94 775</b>	<b>66 211</b>	<b>66 211</b>	<b>154 678</b>	<b>168 762</b>	<b>170 734</b>

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

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

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>									
<b>Operating transfers and grants:</b>									
<b>National Government:</b>									
Balance unspent at beginning of the year	–	–	–		–	–			
Current year receipts	33 973	38 956	45 033	54 673	56 511	56 511	67 709	74 702	82 187
<b>Conditions met - transferred to revenue</b>	<b>33 973</b>	<b>38 956</b>	<b>45 033</b>	<b>54 673</b>	<b>56 511</b>	<b>56 511</b>	<b>67 709</b>	<b>74 702</b>	<b>82 187</b>
Conditions still to be met - transferred to liabilities									
<b>Provincial Government:</b>									
Balance unspent at beginning of the year	129	174	153	–	683	683			
Current year receipts	10 697	2 703	23 332	3 734	4 174	4 174	22 615	33 184	14 986
Transfer to creditor/debtor	(3 310)	–	–	–	(79)	(79)			
<b>Conditions met - transferred to revenue</b>	<b>4 032</b>	<b>2 724</b>	<b>22 802</b>	<b>3 734</b>	<b>4 778</b>	<b>4 778</b>	<b>22 615</b>	<b>33 184</b>	<b>14 986</b>
Conditions still to be met - transferred to liabilities	3 485	153	683						
<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	125	240	669	–	361	361			
Current year receipts	270	652	586	–	185	185			
<b>Conditions met - transferred to revenue</b>	<b>156</b>	<b>222</b>	<b>894</b>	<b>–</b>	<b>546</b>	<b>546</b>	<b>–</b>	<b>–</b>	<b>–</b>
Conditions still to be met - transferred to liabilities	240	669	361						
<b>Total operating transfers and grants revenue</b>	<b>38 161</b>	<b>41 902</b>	<b>68 730</b>	<b>58 407</b>	<b>61 835</b>	<b>61 835</b>	<b>90 324</b>	<b>107 886</b>	<b>97 173</b>
<b>Total operating transfers and grants - CTBM</b>	<b>3 725</b>	<b>822</b>	<b>1 044</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	54 183	36 911	26 068	24 174	23 608	23 608	30 347	26 126	29 187
Transfer to creditor/debtor	–	–	(974)						
<b>Conditions met - transferred to revenue</b>	<b>54 183</b>	<b>36 911</b>	<b>25 094</b>	<b>24 174</b>	<b>23 608</b>	<b>23 608</b>	<b>30 347</b>	<b>26 126</b>	<b>29 187</b>
Conditions still to be met - transferred to liabilities	–	–	–						
<b>Provincial Government:</b>									
Balance unspent at beginning of the year	981	3 642	6 961		2 382	2 382			
Current year receipts	–	20 217	8 819	10 060	30 516	30 516	33 007	34 750	44 374
Transfer to creditor/debtor	–	–	(402)		(8)	(8)			
<b>Conditions met - transferred to revenue</b>	<b>650</b>	<b>16 898</b>	<b>12 996</b>	<b>10 060</b>	<b>32 890</b>	<b>32 890</b>	<b>33 007</b>	<b>34 750</b>	<b>44 374</b>
Conditions still to be met - transferred to liabilities	331	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	–	500	–						
Current year receipts	500	–	–	2 134	2 051	2 051	1 000		
<b>Conditions met - transferred to revenue</b>	<b>–</b>	<b>500</b>	<b>–</b>	<b>2 134</b>	<b>2 051</b>	<b>2 051</b>	<b>1 000</b>	<b>–</b>	<b>–</b>
Conditions still to be met - transferred to liabilities	500	–	–						
<b>Total capital transfers and grants revenue</b>	<b>54 833</b>	<b>54 309</b>	<b>38 090</b>	<b>36 368</b>	<b>58 549</b>	<b>58 549</b>	<b>64 354</b>	<b>60 876</b>	<b>73 561</b>
<b>Total capital transfers and grants - CTBM</b>	<b>831</b>	<b>6 961</b>	<b>2 382</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	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages	6 717	7 084	7 415	7 968	7 911	7 911	8 037	8 527	9 047
Pension and UIF Contributions					-	-			
Medical Aid Contributions					-	-			
Motor Vehicle Allowance					-	-			
Cellphone Allowance			518	548	605	605	638	665	694
Housing Allowances					-	-			
Other benefits and allowances					-	-			
<b>Sub Total - Councillors</b>	<b>6 717</b>	<b>7 084</b>	<b>7 933</b>	<b>8 516</b>	<b>8 516</b>	<b>8 516</b>	<b>8 674</b>	<b>9 192</b>	<b>9 741</b>
<b>% increase</b>		<b>5.5%</b>	<b>12.0%</b>	<b>7.3%</b>	<b>-</b>	<b>-</b>	<b>1.9%</b>	<b>6.0%</b>	<b>6.0%</b>
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages	7 082	8 100	8 566	9 190	9 190	9 190	9 735	10 311	10 938
Pension and UIF Contributions					-	-			
Medical Aid Contributions					-	-			
Overtime					-	-			
Performance Bonus					-	-			
Motor Vehicle Allowance					-	-			
Cellphone Allowance	128	139	139	163	163	163	154	163	172
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>7 210</b>	<b>8 324</b>	<b>8 706</b>	<b>9 354</b>	<b>9 354</b>	<b>9 354</b>	<b>9 889</b>	<b>10 473</b>	<b>11 110</b>
<b>% increase</b>		<b>15.5%</b>	<b>4.6%</b>	<b>7.4%</b>	<b>-</b>	<b>-</b>	<b>5.7%</b>	<b>5.9%</b>	<b>6.1%</b>
<b>Other Municipal Staff</b>									
Basic Salaries and Wages	126 414	143 857	158 389	175 220	170 729	170 729	189 457	198 284	210 347
Pension and UIF Contributions	21 014	24 051	25 104	29 321	29 321	29 321	31 735	33 672	35 725
Medical Aid Contributions	7 354	8 176	8 828	11 463	11 463	11 463	11 618	12 327	13 079
Overtime	12 030	12 428	14 370	13 913	13 913	13 913	15 046	15 963	16 937
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	8 240	9 178	9 750	11 760	11 760	11 760	11 314	11 025	11 174
Cellphone Allowance	725	1 785	1 402	1 474	1 474	1 474	1 348	1 434	1 434
Housing Allowances	1 023	1 046	967	1 018	1 018	1 018	1 002	1 008	1 008
Other benefits and allowances	10 461	9 254	10 083	11 118	11 118	11 118	10 621	10 965	11 233
Provision for Accrued Leave		2 056	1 659	2 350	2 350	2 350	729	773	819
Provision for Long service awards		690	3 587	1 200	1 291	1 291	1 802	2 028	2 815
Provision for Bonus		-	-		500	500	455	482	511
Post-retirement benefit obligations	13 467	10 795	17 799	11 875	11 925	11 925	6 578	6 973	7 391
<b>Sub Total - Other Municipal Staff</b>	<b>200 729</b>	<b>223 317</b>	<b>251 939</b>	<b>270 713</b>	<b>266 863</b>	<b>266 863</b>	<b>281 705</b>	<b>294 934</b>	<b>312 473</b>
<b>% increase</b>		<b>11.3%</b>	<b>12.8%</b>	<b>7.5%</b>	<b>(1.4%)</b>	<b>-</b>	<b>5.6%</b>	<b>4.7%</b>	<b>5.9%</b>
<b>Total Parent Municipality</b>	<b>214 656</b>	<b>238 726</b>	<b>268 577</b>	<b>288 582</b>	<b>284 732</b>	<b>284 732</b>	<b>300 268</b>	<b>314 600</b>	<b>333 324</b>
		<b>11.2%</b>	<b>12.5%</b>	<b>7.4%</b>	<b>(1.3%)</b>	<b>-</b>	<b>5.5%</b>	<b>4.8%</b>	<b>6.0%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>214 656</b>	<b>238 726</b>	<b>268 577</b>	<b>288 582</b>	<b>284 732</b>	<b>284 732</b>	<b>300 268</b>	<b>314 600</b>	<b>333 324</b>
<b>% increase</b>		<b>11.2%</b>	<b>12.5%</b>	<b>7.4%</b>	<b>(1.3%)</b>	<b>-</b>	<b>5.5%</b>	<b>4.8%</b>	<b>6.0%</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		609 285		25 512			634 797
Chief Whip							–
Executive Mayor		761 605		25 512			787 117
Deputy Executive Mayor		609 285		25 512			634 797
Executive Committee		1 713 615		76 536			1 790 151
Total for all other councillors		4 342 886		484 728			4 827 614
<b>Total Councillors</b>	<b>–</b>	<b>8 036 676</b>	<b>–</b>	<b>637 800</b>			<b>8 674 476</b>
<b><u>Senior Managers of the Municipality</u></b>							
Municipal Manager (MM)		1 768 175		22 872			1 791 047
Chief Finance Officer		1 613 208		19 872			1 633 080
Management Services		1 212 924		22 872			1 235 796
Community Services		1 345 353		22 872			1 368 225
Infrastructure & Planning		1 624 404		22 872			1 647 276
LED		1 100 164		19 872			1 120 036
Protection Services		1 070 390		22 872			1 093 262
<b>Total Senior Managers of the Municipality</b>	<b>–</b>	<b>9 734 618</b>	<b>–</b>	<b>154 104</b>	<b>–</b>		<b>9 888 722</b>
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	<b>–</b>	<b>17 771 294</b>	<b>–</b>	<b>791 904</b>	<b>–</b>		<b>18 563 198</b>

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

WC032 Overstrand - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers Number	2013/14			Current Year 2014/15			Budget Year 2015/16		
	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<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		57	49		61	54	-
Professionals	53	52	-	54	52	-	54	40	-
<i>Finance</i>	22	21		22	21		23	15	-
<i>Spatial/town planning</i>	8	8		9	8		8	7	
<i>Information Technology</i>									
<i>Roads</i>	8	8		8	8		8	8	-
<i>Electricity</i>	5	5		5	5		5	1	-
<i>Water</i>	4	4		4	4		4	3	-
<i>Sanitation</i>	3	3		3	3		3	3	-
<i>Refuse</i>	3	3		3	3		3	3	-
<i>Other</i>									
Technicians	213	203	-	213	203	-	215	194	-
<i>Finance</i>									
<i>Spatial/town planning</i>	6	6		6	6		6	5	-
<i>Information Technology</i>	3	3		3	3		4	3	-
<i>Roads</i>	3	2		3	2		3	3	-
<i>Electricity</i>	22	18		22	18		22	15	-
<i>Water</i>	4	2		4	2		5	4	-
<i>Sanitation</i>	6	4		6	4		6	5	-
<i>Refuse</i>	3	3		3	3		3	3	-
<i>Other</i>	166	165		166	165		166	156	-
Clerks (Clerical and administrative)	189	177		189	177		186	162	-
Service and sales workers	54	51		54	51		114	106	-
Skilled agricultural and fishery workers									
Craft and related trades									
Plant and Machine Operators	42	23		42	23		45	40	-
Elementary Occupations	487	474		487	474		492	477	-
<b>TOTAL PERSONNEL NUMBERS</b>	<b>1 127</b>	<b>1 043</b>	<b>-</b>	<b>1 128</b>	<b>1 043</b>	<b>-</b>	<b>1 199</b>	<b>1 087</b>	<b>-</b>
<b>% increase</b>				0.1%	-	-	6.3%	4.2%	-
<b>Total municipal employees headcount</b>	<b>1 102</b>	<b>1 036</b>		<b>1 102</b>	<b>1 036</b>		<b>1 174</b>	<b>1 080</b>	
Finance personnel headcount	126	116		126	11		111	116	
Human Resources personnel headcount	19	18		19	18		18	18	

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

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

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>															
<b>Revenue By Source</b>															
Property rates	15 127	12 905	12 889	12 999	12 895	12 999	12 945	13 047	12 958	13 174	12 904	17 889	162 730	173 308	184 573
Property rates - penalties & collection charges	69	84	79	67	68	66	66	67	66	65	62	132	891	980	1 078
Service charges - electricity revenue	33 517	32 583	30 465	27 574	26 424	26 403	23 222	20 417	26 941	28 802	29 980	32 547	338 877	371 635	407 747
Service charges - water revenue	7 011	5 878	7 016	7 037	9 158	10 198	12 449	9 788	9 644	9 144	7 133	7 588	102 045	107 700	113 691
Service charges - sanitation revenue	4 635	4 571	4 977	4 821	5 307	5 968	7 389	5 799	6 106	5 305	5 270	6 226	66 375	70 081	74 010
Service charges - refuse revenue	5 026	4 939	4 996	5 019	5 032	5 020	4 791	4 978	4 982	4 992	4 965	4 748	59 488	63 061	66 849
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	993	736	662	765	1 565	1 375	993	705	989	511	412	2 152	11 859	12 953	14 176
Interest earned - external investments	578	536	594	627	598	603	480	556	438	558	623	156	6 348	6 348	6 348
Interest earned - outstanding debtors	205	227	209	210	189	200	203	210	203	204	200	177	2 437	2 680	2 948
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	514	445	607	514	428	959	643	1 022	656	901	626	24 544	31 859	32 766	33 763
Licences and permits	182	201	141	165	157	142	213	201	162	192	200	234	2 190	2 408	2 649
Agency services	208	196	170	246	253	217	274	207	204	237	239	519	2 970	3 267	3 594
Transfers recognised - operational	22 503	188	402	154	409	29 324	578	3 753	14 359	13 542	1 427	3 684	90 324	107 886	97 173
Other revenue	891	1 192	1 394	1 510	1 678	1 833	1 440	1 237	1 567	1 678	1 342	880	16 643	18 150	19 812
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and cont</b>	<b>91 459</b>	<b>64 680</b>	<b>64 601</b>	<b>61 709</b>	<b>64 161</b>	<b>95 308</b>	<b>65 687</b>	<b>61 987</b>	<b>79 277</b>	<b>79 306</b>	<b>65 384</b>	<b>101 477</b>	<b>895 035</b>	<b>973 222</b>	<b>1 028 409</b>
<b>Expenditure By Type</b>															
Employee related costs	19 682	20 717	21 109	20 529	32 182	31 168	24 611	25 983	22 955	26 850	21 292	24 516	291 593	305 408	323 583
Remuneration of councillors	722	722	722	722	722	722	722	722	722	722	722	730	8 674	9 192	9 741
Debt impairment	-	-	-	-	-	-	-	-	-	-	-	22 792	22 792	22 792	22 792
Depreciation & asset impairment	10 128	10 128	10 128	10 128	10 128	10 128	10 054	10 054	10 119	10 119	10 119	130	111 362	118 043	125 126
Finance charges	149	-	-	5 174	-	9 992	-	-	127	8 569	-	22 883	46 895	46 780	47 279
Bulk purchases	3 175	24 350	24 722	10 697	12 885	21 139	16 105	14 933	17 768	21 239	15 642	10 915	193 573	221 138	252 628
Other materials	2 191	3 026	4 536	5 035	4 985	6 375	4 334	4 334	3 857	4 276	6 059	8 793	57 801	69 631	53 593
Contracted services	981	6 285	3 716	6 644	5 451	4 660	5 709	8 076	9 559	21 376	12 831	40 034	125 322	128 122	135 442
Transfers and grants	3 871	3 960	3 941	3 829	3 745	4 148	1 560	1 560	3 276	3 299	3 286	12 020	48 497	54 667	62 244
Other expenditure	2 044	4 311	4 621	5 277	6 177	5 106	9 355	4 887	3 263	4 886	3 925	4 170	58 021	61 721	65 866
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>42 943</b>	<b>73 499</b>	<b>73 496</b>	<b>68 034</b>	<b>76 274</b>	<b>93 439</b>	<b>72 451</b>	<b>70 551</b>	<b>71 646</b>	<b>101 336</b>	<b>73 877</b>	<b>146 983</b>	<b>964 529</b>	<b>1 037 493</b>	<b>1 098 292</b>
<b>Surplus/(Deficit)</b>	<b>48 516</b>	<b>(8 819)</b>	<b>(8 895)</b>	<b>(6 325)</b>	<b>(12 114)</b>	<b>1 869</b>	<b>(6 764)</b>	<b>(8 563)</b>	<b>7 632</b>	<b>(22 030)</b>	<b>(8 493)</b>	<b>(45 506)</b>	<b>(69 494)</b>	<b>(64 271)</b>	<b>(69 883)</b>
Transfers recognised - capital	2 890	2 024	1 534	3 010	4 634	7 266	3 555	2 505	4 399	7 412	5 313	18 813	63 354	60 876	73 561
Contributions recognised - capital	-	-	-	-	-	-	-	-	-	-	-	1 000	1 000	-	-
Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>51 406</b>	<b>(6 795)</b>	<b>(7 361)</b>	<b>(3 315)</b>	<b>(7 480)</b>	<b>9 136</b>	<b>(3 210)</b>	<b>(6 059)</b>	<b>12 031</b>	<b>(14 618)</b>	<b>(3 181)</b>	<b>(25 694)</b>	<b>(5 140)</b>	<b>(3 395)</b>	<b>3 679</b>
<b>Surplus/(Deficit)</b>	<b>51 406</b>	<b>(6 795)</b>	<b>(7 361)</b>	<b>(3 315)</b>	<b>(7 480)</b>	<b>9 136</b>	<b>(3 210)</b>	<b>(6 059)</b>	<b>12 031</b>	<b>(14 618)</b>	<b>(3 181)</b>	<b>(25 694)</b>	<b>(5 140)</b>	<b>(3 395)</b>	<b>3 679</b>

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

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>															
<b>Revenue by Vote</b>															
Vote 1 - Council	22 355	34	28	493	55	19 038	34	31	16 545	6 117	36	41	64 808	72 470	79 794
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Management Services	62	25	4	114	35	5	61	21	19	60	32	553	991	1 018	1 094
Vote 4 - Finance	19 076	16 454	16 619	16 766	16 435	16 456	16 509	7 810	13 489	13 980	14 022	12 722	180 339	191 921	204 338
Vote 5 - Community Services	17 193	23 302	18 451	17 090	7 592	23 856	22 821	21 132	23 031	27 834	24 744	45 911	272 957	284 007	300 538
Vote 6 - Local Economic Development	25	331	227	355	36	546	126	67	83	521	260	514	3 091	1 573	1 730
Vote 7 - Infrastructure & Planning	31 871	23 776	28 663	25 890	39 016	34 600	24 854	31 474	24 930	29 341	25 064	80 048	399 527	443 945	473 675
Vote 8 - Protection Services	879	758	609	1 001	992	806	1 281	1 451	1 181	1 453	1 225	26 040	37 676	39 164	40 802
<b>Total Revenue by Vote</b>	<b>91 459</b>	<b>64 680</b>	<b>64 601</b>	<b>61 709</b>	<b>64 161</b>	<b>95 308</b>	<b>65 687</b>	<b>61 987</b>	<b>79 277</b>	<b>79 306</b>	<b>65 384</b>	<b>165 831</b>	<b>959 389</b>	<b>1 034 098</b>	<b>1 101 971</b>
<b>Expenditure by Vote to be appropriated</b>															
Vote 1 - Council	4 837	4 958	4 924	5 211	6 080	6 642	4 970	3 456	5 108	5 997	4 464	14 850	71 496	78 840	87 821
Vote 2 - Municipal Manager	274	143	284	504	357	584	449	429	316	449	383	317	4 489	3 643	3 865
Vote 3 - Management Services	4 416	4 813	4 778	2 458	3 095	4 931	2 611	3 496	4 467	656	2 986	4 621	43 327	45 629	48 384
Vote 4 - Finance	2 592	3 857	10 100	10 038	8 768	8 271	6 188	4 929	2 350	3 679	3 497	5 479	69 750	71 154	75 197
Vote 5 - Community Services	10 130	27 005	21 285	25 954	32 279	46 063	34 431	33 147	21 856	42 037	32 495	14 809	341 492	371 463	392 545
Vote 6 - Local Economic Development	306	638	498	402	519	415	549	529	1 383	611	892	1 988	8 731	7 464	7 931
Vote 7 - Infrastructure & Planning	18 078	29 032	28 346	19 820	21 015	23 492	18 878	20 738	32 383	42 756	25 711	75 545	355 793	387 020	407 279
Vote 8 - Protection Services	2 310	3 053	3 281	3 647	4 161	3 041	4 375	3 827	3 782	5 153	3 450	29 373	69 453	72 280	75 270
<b>Total Expenditure by Vote</b>	<b>42 943</b>	<b>73 499</b>	<b>73 496</b>	<b>68 034</b>	<b>76 274</b>	<b>93 439</b>	<b>72 451</b>	<b>70 551</b>	<b>71 646</b>	<b>101 336</b>	<b>73 877</b>	<b>146 983</b>	<b>964 529</b>	<b>1 037 493</b>	<b>1 098 292</b>
<b>Surplus/(Deficit) before assoc.</b>	<b>48 516</b>	<b>(8 819)</b>	<b>(8 895)</b>	<b>(6 325)</b>	<b>(12 114)</b>	<b>1 869</b>	<b>(6 764)</b>	<b>(8 563)</b>	<b>7 632</b>	<b>(22 030)</b>	<b>(8 493)</b>	<b>18 847</b>	<b>(5 140)</b>	<b>(3 395)</b>	<b>3 679</b>
<b>Surplus/(Deficit)</b>	<b>48 516</b>	<b>(8 819)</b>	<b>(8 895)</b>	<b>(6 325)</b>	<b>(12 114)</b>	<b>1 869</b>	<b>(6 764)</b>	<b>(8 563)</b>	<b>7 632</b>	<b>(22 030)</b>	<b>(8 493)</b>	<b>18 847</b>	<b>(5 140)</b>	<b>(3 395)</b>	<b>3 679</b>

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

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Revenue - Standard</b>															
<b>Governance and administration</b>	<b>42 002</b>	<b>16 842</b>	<b>17 078</b>	<b>18 356</b>	<b>17 434</b>	<b>29 373</b>	<b>17 412</b>	<b>8 403</b>	<b>27 833</b>	<b>21 068</b>	<b>14 673</b>	<b>25 520</b>	<b>255 994</b>	<b>272 264</b>	<b>292 533</b>
Executive and council	22 335	38	31	499	55	12 434	36	74	13 902	6 113	37	9 306	64 861	72 528	79 858
Budget and treasury office	19 076	16 454	16 619	16 766	16 435	16 456	16 509	7 810	13 489	13 980	14 022	12 722	180 339	191 921	204 338
Corporate services	591	349	429	1 091	943	482	867	519	442	974	614	3 492	10 795	7 816	8 338
<b>Community and public safety</b>	<b>9 099</b>	<b>2 257</b>	<b>1 731</b>	<b>4 296</b>	<b>2 693</b>	<b>4 796</b>	<b>3 426</b>	<b>8 773</b>	<b>9 633</b>	<b>9 243</b>	<b>10 594</b>	<b>35 301</b>	<b>101 843</b>	<b>124 937</b>	<b>118 869</b>
Community and social services	432	425	337	358	321	293	268	135	654	379	781	274	4 657	9 004	9 508
Sport and recreation	314	354	340	425	963	939	665	1 048	414	607	577	5 296	11 942	14 042	14 766
Public safety	879	758	609	1 001	992	806	1 281	1 451	1 181	1 453	1 225	26 040	37 676	39 164	40 802
Housing	7 474	720	444	2 512	417	2 758	1 213	6 139	7 385	6 804	8 010	3 690	47 567	62 726	53 793
Health															
<b>Economic and environmental services</b>	<b>275</b>	<b>1 179</b>	<b>1 039</b>	<b>1 607</b>	<b>301</b>	<b>1 687</b>	<b>583</b>	<b>1 376</b>	<b>818</b>	<b>1 622</b>	<b>1 797</b>	<b>7 748</b>	<b>20 033</b>	<b>10 931</b>	<b>13 254</b>
Planning and development	252	703	540	808	267	1 296	398	308	518	735	494	2 725	9 043	8 120	8 932
Road transport	12	469	492	792	27	367	173	1 043	300	886	1 303	5 024	10 890	2 700	4 200
Environmental protection	11	7	7	7	7	24	12	25	0	0	0	0	101	110	121
<b>Trading services</b>	<b>40 083</b>	<b>44 402</b>	<b>44 753</b>	<b>37 450</b>	<b>43 732</b>	<b>59 452</b>	<b>44 265</b>	<b>43 435</b>	<b>40 993</b>	<b>47 373</b>	<b>38 320</b>	<b>97 261</b>	<b>581 518</b>	<b>625 966</b>	<b>677 315</b>
Electricity	23 647	26 578	27 135	16 597	18 978	34 379	20 352	30 099	21 513	28 209	20 998	77 876	346 361	375 057	413 102
Water	7 326	8 591	8 004	10 148	13 759	12 643	12 841	1 179	8 881	8 465	7 336	7 039	106 211	113 026	120 078
Waste water management	4 721	4 932	5 254	6 323	6 418	7 995	6 905	7 817	6 259	6 340	5 662	776	69 402	74 765	77 229
Waste management	4 388	4 300	4 360	4 383	4 578	4 435	4 167	4 339	4 340	4 360	4 324	11 571	59 544	63 118	66 906
<b>Other</b>															
<b>Total Revenue - Standard</b>	<b>91 459</b>	<b>64 680</b>	<b>64 601</b>	<b>61 709</b>	<b>64 161</b>	<b>95 308</b>	<b>65 687</b>	<b>61 987</b>	<b>79 277</b>	<b>79 306</b>	<b>65 384</b>	<b>165 831</b>	<b>959 389</b>	<b>1 034 098</b>	<b>1 101 971</b>
<b>Expenditure - Standard</b>															
<b>Governance and administration</b>	<b>9 306</b>	<b>21 846</b>	<b>19 275</b>	<b>21 209</b>	<b>23 504</b>	<b>26 680</b>	<b>14 258</b>	<b>14 397</b>	<b>12 648</b>	<b>13 679</b>	<b>16 018</b>	<b>44 459</b>	<b>237 278</b>	<b>248 313</b>	<b>267 049</b>
Executive and council	5 823	6 254	6 370	6 696	8 268	15 206	6 623	4 773	7 280	8 603	6 684	9 985	92 565	98 337	108 547
Budget and treasury office	2 592	3 857	10 100	10 038	8 768	8 271	6 188	4 929	2 350	3 679	3 497	5 479	69 750	71 154	75 197
Corporate services	891	11 736	2 805	4 475	6 467	3 203	1 446	4 694	3 018	1 397	5 837	28 995	74 963	78 822	83 305
<b>Community and public safety</b>	<b>5 765</b>	<b>7 365</b>	<b>7 355</b>	<b>8 408</b>	<b>10 154</b>	<b>7 828</b>	<b>8 009</b>	<b>11 321</b>	<b>7 821</b>	<b>35 076</b>	<b>7 508</b>	<b>25 323</b>	<b>141 933</b>	<b>158 237</b>	<b>146 267</b>
Community and social services	2 017	2 391	2 330	2 550	3 552	2 417	1 209	5 172	2 190	2 620	2 330	2 589	31 368	33 034	35 198
Sport and recreation	1 140	1 412	1 416	1 553	1 764	1 972	2 062	1 626	1 479	1 671	1 334	791	18 220	19 390	20 550
Public safety	2 310	3 053	3 281	3 647	4 161	3 041	4 375	3 827	3 782	5 153	3 450	29 373	69 453	72 280	75 270
Housing	298	509	328	657	678	397	363	695	370	25 633	394	(7 431)	22 892	33 533	15 249
Health															
<b>Economic and environmental services</b>	<b>6 909</b>	<b>8 171</b>	<b>9 260</b>	<b>10 158</b>	<b>10 933</b>	<b>12 270</b>	<b>11 027</b>	<b>11 033</b>	<b>15 997</b>	<b>16 282</b>	<b>14 668</b>	<b>5 339</b>	<b>132 046</b>	<b>137 946</b>	<b>145 918</b>
Planning and development	1 717	2 553	3 314	2 772	4 274	3 017	2 362	3 015	9 423	3 330	3 151	1 381	40 308	40 867	43 282
Road transport	4 865	5 287	5 579	7 050	5 951	8 761	8 213	7 549	6 082	12 570	10 919	1 962	84 786	89 863	94 986
Environmental protection	327	330	367	336	709	492	453	469	492	382	598	1 996	6 952	7 217	7 651
<b>Trading services</b>	<b>20 964</b>	<b>36 117</b>	<b>37 607</b>	<b>28 260</b>	<b>31 683</b>	<b>46 661</b>	<b>39 157</b>	<b>33 800</b>	<b>35 180</b>	<b>36 299</b>	<b>35 684</b>	<b>71 862</b>	<b>453 273</b>	<b>492 997</b>	<b>539 058</b>
Electricity	12 108	25 285	26 526	14 822	17 865	29 699	28 003	22 534	19 075	20 917	18 779	21 664	257 278	287 386	322 086
Water	3 976	4 723	4 821	6 711	5 807	7 970	5 566	5 199	10 257	7 781	10 104	5 340	78 253	81 294	85 130
Waste water management	3 405	4 034	4 043	4 604	5 046	6 653	2 932	4 063	3 603	4 731	4 489	15 874	63 478	67 214	71 597
Waste management	1 474	2 074	2 217	2 124	2 965	2 339	2 656	2 004	2 244	2 870	2 313	28 984	54 264	57 103	60 245
<b>Other</b>															
<b>Total Expenditure - Standard</b>	<b>42 943</b>	<b>73 499</b>	<b>73 496</b>	<b>68 034</b>	<b>76 274</b>	<b>93 439</b>	<b>72 451</b>	<b>70 551</b>	<b>71 646</b>	<b>101 336</b>	<b>73 877</b>	<b>146 983</b>	<b>964 529</b>	<b>1 037 493</b>	<b>1 098 292</b>
<b>Surplus/(Deficit)</b>	<b>48 516</b>	<b>(8 819)</b>	<b>(8 895)</b>	<b>(6 325)</b>	<b>(12 114)</b>	<b>1 869</b>	<b>(6 764)</b>	<b>(8 563)</b>	<b>7 632</b>	<b>(22 030)</b>	<b>(8 493)</b>	<b>18 847</b>	<b>(5 140)</b>	<b>(3 395)</b>	<b>3 679</b>



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

Description R thousand	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<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		366	400	4 850	3 850	4 850	116	1 700	1 450	700	700	2 928	21 911	4 500	4 000
Vote 6 - Local Economic Development												-	-	-	-
Vote 7 - Infrastructure & Planning				410	821	410	410	821	821	821	821	6 117	11 451	3 000	3 000
Vote 8 - Protection Services												-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	-	366	400	5 261	4 671	5 260	526	2 521	2 271	1 521	1 521	9 045	33 362	7 500	7 000
<b>Single-year expenditure to be appropriated</b>															
Vote 1 - Council												-	-	-	-
Vote 2 - Municipal Manager												-	-	-	-
Vote 3 - Management Services	-	126	267	-	-	-	28	77	20	429	1 444	137	2 528	-	-
Vote 4 - Finance												-	-	-	-
Vote 5 - Community Services	100	192	1 157	4 223	4 760	3 671	421	4 413	5 290	4 526	5 933	22 123	56 809	72 106	79 561
Vote 6 - Local Economic Development												-	-	-	-
Vote 7 - Infrastructure & Planning		35	630	230	500		30	140	2 090	2 110	2 100	3 055	10 920	15 000	17 000
Vote 8 - Protection Services											50	245	295	-	-
<b>Capital single-year expenditure sub-total</b>	100	353	2 054	4 453	5 260	3 671	479	4 630	7 400	7 065	9 527	25 560	70 552	87 106	96 561
<b>Total Capital Expenditure</b>	100	719	2 454	9 714	9 931	8 931	1 005	7 151	9 671	8 585	11 048	34 604	103 914	94 606	103 561

**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 2015/16												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Capital Expenditure - Standard</b>															
<i><b>Governance and administration</b></i>	-	126	267	40	-	40	28	77	20	429	1 444	177	2 648	3 730	-
Executive and council													-	-	-
Budget and treasury office													-	-	-
Corporate services		126	267	40		40	28	77	20	429	1 444	177	2 648	3 730	-
<i><b>Community and public safety</b></i>	-	451	580	2 733	2 871	2 731	36	2 533	2 363	1 663	1 701	22 105	39 768	45 550	55 174
Community and social services		301	430	580	648	500	36	430	60	110	138	287	3 520	4 000	4 000
Sport and recreation		150	150	650	720	728	-	600	800	50	10	2 123	5 981	6 800	6 800
Public safety											50	245	295	-	-
Housing				1 503	1 503	1 503	-	1 503	1 503	1 503	1 503	19 451	29 973	34 750	44 374
Health												-	-	-	-
<i><b>Economic and environmental services</b></i>	100	-	900	1 430	1 537	1 500	371	780	1 243	1 653	1 697	918	12 128	4 000	4 000
Planning and development									5	-	15	5	25	-	-
Road transport	100	-	900	1 430	1 537	1 500	371	780	1 238	1 653	1 683	913	12 103	4 000	4 000
Environmental protection												-	-	-	-
<i><b>Trading services</b></i>	-	142	707	5 511	5 523	4 660	570	3 761	6 045	5 541	6 206	10 704	49 370	41 326	44 387
Electricity			500	510	1 321	410	420	931	2 851	2 841	2 821	9 122	21 726	14 000	16 000
Water		142	207	4 400	3 252	3 600	50	1 430	1 194	800	1 250	64	16 390	14 726	15 787
Waste water management				600	950	650	100	1 400	2 000	1 900	2 125	1 519	11 244	12 600	12 600
Waste management											10	-	10	-	-
<i><b>Other</b></i>												-	-	-	-
<b>Total Capital Expenditure - Standard</b>	<b>100</b>	<b>719</b>	<b>2 454</b>	<b>9 714</b>	<b>9 931</b>	<b>8 931</b>	<b>1 005</b>	<b>7 151</b>	<b>9 671</b>	<b>9 285</b>	<b>11 048</b>	<b>33 904</b>	<b>103 914</b>	<b>94 606</b>	<b>103 561</b>

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

MONTHLY CASH FLOWS	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>															
<b>Cash Receipts By Source</b>															
Property rates	15 142	12 919	12 904	13 015	12 909	13 014	12 959	13 063	12 972	13 189	12 918	17 906	162 909	172 317	183 542
Property rates - penalties & collection charges	69	84	79	67	68	66	66	67	66	65	62	132	891	980	1 078
Service charges - electricity revenue	33 552	32 619	30 499	27 607	26 454	26 432	23 247	20 443	26 971	28 834	30 014	32 578	339 249	369 510	405 469
Service charges - water revenue	7 019	5 884	7 024	7 045	9 168	10 209	12 463	9 800	9 655	9 154	7 141	7 596	102 158	107 084	113 055
Service charges - sanitation revenue	4 640	4 576	4 982	4 826	5 313	5 974	7 397	5 806	6 113	5 311	5 276	6 232	66 448	69 680	73 596
Service charges - refuse revenue	5 031	4 945	5 001	5 025	5 038	5 025	4 797	4 984	4 987	4 998	4 970	4 752	59 554	62 701	66 475
Service charges - other	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Rental of facilities and equipment	994	737	663	766	1 567	1 376	994	705	991	512	412	2 154	11 872	12 879	14 097
Interest earned - external investments	578	536	594	627	598	603	480	556	438	558	623	156	6 348	6 348	6 348
Interest earned - outstanding debtors	205	227	209	210	189	200	203	210	203	204	200	177	2 437	2 680	2 948
Dividends received	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fines	514	445	607	514	428	959	643	1 022	656	901	626	24 544	31 859	32 766	33 763
Licences and permits	182	201	141	165	157	142	213	201	162	192	200	234	2 190	2 408	2 649
Agency services	208	196	170	246	253	217	274	207	204	237	239	519	2 970	3 267	3 594
Transfer receipts - operational	22 503	188	402	154	409	29 324	578	3 753	14 359	13 542	1 427	3 684	90 324	107 886	97 173
Other revenue	1 837	2 138	2 340	2 456	2 624	2 779	2 386	2 183	2 513	2 624	2 288	1 826	27 993	24 156	20 648
<b>Cash Receipts by Source</b>	<b>92 473</b>	<b>65 694</b>	<b>65 615</b>	<b>62 723</b>	<b>65 175</b>	<b>96 322</b>	<b>66 701</b>	<b>63 001</b>	<b>80 291</b>	<b>80 320</b>	<b>66 398</b>	<b>102 491</b>	<b>907 202</b>	<b>974 662</b>	<b>1 024 434</b>
<b>Other Cash Flows by Source</b>															
Transfer receipts - capital	2 890	2 024	1 534	3 010	4 634	7 266	3 555	2 505	4 399	7 412	5 313	18 813	63 354	60 876	73 561
Contributions recognised - capital & Contributed assets	—	—	—	—	—	—	—	—	—	—	—	1 000	1 000	—	—
Proceeds on disposal of PPE	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Short term loans	(88)	(89)	(90)	(92)	(93)	(94)	(95)	(96)	(97)	(99)	(100)	(101)	(1 135)	(1 271)	(1 352)
Borrowing long term/refinancing	—	—	—	—	—	—	30 000	—	—	—	—	—	30 000	30 000	30 000
Increase (decrease) in consumer deposits	207	207	207	207	207	207	207	207	207	207	207	207	2 479	2 628	2 786
Decrease (Increase) in non-current debtors	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Decrease (increase) other non-current receivables	1	1	1	1	1	1	1	1	1	1	1	1	18	13	11
Decrease (increase) in non-current investments	(521)	(521)	(521)	(521)	(521)	(521)	(521)	(521)	(521)	(521)	(521)	(521)	(6 248)	(5 930)	(6 025)
<b>Total Cash Receipts by Source</b>	<b>94 962</b>	<b>67 316</b>	<b>66 745</b>	<b>65 329</b>	<b>69 403</b>	<b>103 182</b>	<b>99 848</b>	<b>65 097</b>	<b>84 280</b>	<b>87 320</b>	<b>71 298</b>	<b>121 890</b>	<b>996 671</b>	<b>1 060 977</b>	<b>1 123 416</b>
<b>Cash Payments by Type</b>															
Employee related costs	19 134	20 169	20 561	19 980	31 633	30 620	24 063	25 435	22 407	26 301	20 744	23 968	285 015	298 435	316 191
Remuneration of councillors	722	722	722	722	722	722	722	722	722	722	722	730	8 674	9 192	9 741
Finance charges	149	—	—	5 174	—	9 992	—	—	127	8 569	—	22 883	46 895	46 780	47 279
Bulk purchases - Electricity	3 175	24 350	24 722	10 697	12 885	21 139	16 105	14 933	17 768	21 239	15 642	10 915	193 573	221 138	252 628
Bulk purchases - Water & Sewer	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other materials	2 191	3 026	4 536	5 035	4 985	6 375	4 334	4 334	3 857	4 276	6 059	8 793	57 801	69 631	53 593
Contracted services	981	6 285	3 716	6 644	5 451	4 660	5 709	8 076	9 559	21 376	12 831	40 034	125 322	128 122	135 442
Transfers and grants - other municipalities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfers and grants - other	3 871	3 960	3 941	3 829	3 745	4 148	1 560	1 560	3 276	3 299	3 286	12 020	48 497	54 667	62 244
Other expenditure	3 219	5 487	5 796	6 452	7 352	6 281	10 530	6 062	4 438	6 061	5 101	28 138	94 919	82 042	68 158
<b>Cash Payments by Type</b>	<b>33 443</b>	<b>63 999</b>	<b>63 995</b>	<b>58 534</b>	<b>66 774</b>	<b>83 938</b>	<b>63 024</b>	<b>61 124</b>	<b>62 154</b>	<b>91 845</b>	<b>64 386</b>	<b>147 481</b>	<b>860 695</b>	<b>910 006</b>	<b>945 276</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	100	719	2 454	9 714	9 931	8 931	1 005	7 151	9 671	9 285	11 048	33 904	103 914	94 606	103 561
Repayment of borrowing	1 081	743	755	4 882	1 052	2 980	1 508	844	797	5 167	1 114	—	23 936	26 841	29 775
Other Cash Flows/Payments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total Cash Payments by Type</b>	<b>34 624</b>	<b>65 461</b>	<b>67 205</b>	<b>73 129</b>	<b>77 757</b>	<b>95 849</b>	<b>65 537</b>	<b>69 119</b>	<b>72 621</b>	<b>106 297</b>	<b>76 548</b>	<b>184 398</b>	<b>988 545</b>	<b>1 031 453</b>	<b>1 078 612</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>60 339</b>	<b>1 855</b>	<b>(459)</b>	<b>(7 800)</b>	<b>(8 354)</b>	<b>7 333</b>	<b>34 311</b>	<b>(4 022)</b>	<b>11 659</b>	<b>(18 977)</b>	<b>(5 250)</b>	<b>(62 508)</b>	<b>8 126</b>	<b>29 524</b>	<b>44 804</b>
Cash/cash equivalents at the month/year begin:	89 421	149 759	151 614	151 155	143 355	135 001	142 333	176 644	172 622	184 281	165 305	160 054	89 421	97 547	127 071
Cash/cash equivalents at the month/year end:	149 759	151 614	151 155	143 355	135 001	142 333	176 644	172 622	184 281	165 305	160 054	97 547	97 547	127 071	171 875

## **2.10 Annual budgets and SDBIP**

The SDBIP must be approved by the Executive Mayor no later than 28 days after the approval of the budget.

## **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 105. 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	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>133 045</b>	<b>108 252</b>	<b>50 511</b>	<b>34 500</b>	<b>34 003</b>	<b>34 003</b>	<b>44 873</b>	<b>24 326</b>	<b>41 887</b>
Infrastructure - Road transport	12 754	15 578	9 203	800	1 332	1 332	14 979	5 000	5 000
Roads, Pavements & Bridges	5 477	10 720	9 160	-	-	-	12 103	4 000	4 000
Storm water	7 278	4 858	43	800	1 332	1 332	2 877	1 000	1 000
Infrastructure - Electricity	30 061	22 203	24 160	13 900	13 900	13 900	21 726	8 500	14 500
Generation	-	-	-	-	-	-	-	-	-
Transmission & Reticulation	30 061	22 203	24 160	13 900	13 900	13 900	21 726	8 500	14 500
Street Lighting	-	-	-	-	-	-	-	-	-
Infrastructure - Water	57 384	48 634	7 300	-	580	580	4 737	4 726	11 787
Dams & Reservoirs	-	-	-	-	-	-	-	-	6 000
Water purification	57 384	48 634	-	-	-	-	-	-	-
Reticulation	-	-	7 300	-	580	580	4 737	4 726	5 787
Infrastructure - Sanitation	32 650	16 478	8 449	9 600	8 892	8 892	3 420	6 100	10 600
Reticulation	-	-	-	-	-	-	-	-	-
Sewerage purification	32 650	16 478	8 449	9 600	8 892	8 892	3 420	6 100	10 600
Infrastructure - Other	196	5 359	1 400	10 200	9 300	9 300	10	-	-
Waste Management	196	5 359	1 400	10 200	9 300	9 300	10	-	-
Transportation	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Community</b>	<b>6 183</b>	<b>20 997</b>	<b>13 896</b>	<b>18 266</b>	<b>38 167</b>	<b>38 167</b>	<b>35 611</b>	<b>45 550</b>	<b>55 174</b>
Parks & gardens	-	2 156	-	-	-	-	-	-	-
Sportsfields & stadia	5 538	1 964	5 471	151	1 051	1 051	1 823	6 800	6 800
Swimming pools	-	-	-	-	-	-	-	-	-
Community halls	-	-	-	-	-	-	-	-	-
Libraries	-	3	-	2 000	2 000	2 000	3 080	-	-
Recreational facilities	-	-	-	-	-	-	-	-	-
Fire, safety & emergency	-	-	-	-	-	-	295	-	-
Security and policing	645	223	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-	-	-
Museums & Art Galleries	-	-	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-	-	-
Social rental housing	-	16 651	4 943	12 480	31 521	31 521	29 973	34 750	44 374
Other	-	-	3 482	3 635	3 595	3 595	440	4 000	4 000
<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>795</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing development	-	-	-	-	-	-	-	-	-
Other	-	-	795	-	-	-	-	-	-
<b>Other assets</b>	<b>23 118</b>	<b>9 038</b>	<b>18 697</b>	<b>16 815</b>	<b>17 776</b>	<b>17 776</b>	<b>2 673</b>	<b>3 730</b>	<b>-</b>
General vehicles	6 800	-	4 690	10 525	10 525	10 525	120	3 000	-
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	-	-	-	-	-	-	-	-	-
Computers - hardware/equipment	3 838	-	961	2 548	2 682	2 682	2 528	-	-
Furniture and other office equipment	148	-	-	2 508	2 369	2 369	-	730	-
Abattoirs	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Civic Land and Buildings	-	-	-	-	-	-	-	-	-
Other Buildings	12 332	-	510	-	-	-	-	-	-
Other Land	-	-	9 075	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	9 038	-	-	-	-	-	-	-
Other	-	-	3 461	1 235	2 200	2 200	25	-	-
<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>928</b>	<b>1 330</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Computers - software & programming	928	1 330	-	-	-	-	-	-	-
Other (list sub-class)	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on new assets</b>	<b>163 275</b>	<b>139 617</b>	<b>83 899</b>	<b>69 581</b>	<b>89 946</b>	<b>89 946</b>	<b>83 156</b>	<b>73 606</b>	<b>97 061</b>

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

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>									
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	-	131	39 529	25 200	28 384	28 384	16 600	21 000	6 500
Infrastructure - Road transport	-	131	6 892	5 400	6 300	6 300	-	-	-
Roads, Pavements & Bridges			6 892	5 400	6 300	6 300			
Storm water		131			-	-			
Infrastructure - Electricity	-	-	12 955	3 100	3 100	3 100	-	5 500	1 500
Generation					-	-			
Transmission & Reticulation			12 955	3 100	3 100	3 100		5 500	1 500
Street Lighting					-	-			
Infrastructure - Water	-	-	16 331	12 800	15 805	15 805	11 653	10 000	4 000
Dams & Reservoirs					-	-			
Water purification					-	-			
Reticulation			16 331	12 800	15 805	15 805	11 653	10 000	4 000
Infrastructure - Sanitation	-	-	1 711	3 900	3 179	3 179	4 947	5 500	1 000
Reticulation					-	-			
Sewerage purification			1 711	3 900	3 179	3 179	4 947	5 500	1 000
Infrastructure - Other	-	-	1 641	-	-	-	-	-	-
Waste Management			1 641						
Transportation									
Gas									
Other									
<b>Community</b>	-	756	5 686	2 939	4 454	4 454	4 158	-	-
Parks & gardens					-	-			
Sportsfields & stadia			225	2 939	1 565	1 565	4 158		
Swimming pools					-	-			
Community halls					-	-			
Libraries					-	-			
Recreational facilities					-	-			
Fire, safety & emergency					-	-			
Security and policing					-	-			
Buses					-	-			
Clinics					-	-			
Museums & Art Galleries					-	-			
Cemeteries		756			-	-			
Social rental housing			5 461		2 889	2 889			
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 assets</b>	-	4 147	47 032	28 139	32 838	32 838	20 758	21 000	6 500
<b>Renewal of Existing Assets as % of total capex</b>	0.0%	2.9%	35.9%	28.8%	27.9%	27.9%	24.3%	22.2%	6.3%
<b>Renewal of Existing Assets as % of deprecn"</b>	0.0%	4.0%	47.3%	25.8%	31.1%	31.1%	18.6%	17.8%	5.2%

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

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>43 120</b>	<b>87 048</b>	<b>129 145</b>	<b>136 752</b>	<b>136 752</b>	<b>136 752</b>	<b>111 449</b>	<b>117 865</b>	<b>133 341</b>
Infrastructure - Road transport	25 843	42 236	63 749	68 540	68 540	68 540	57 090	60 842	64 540
Roads, Pavements & Bridges	25 231	39 790	60 016	62 232	62 232	62 232	51 401	54 748	58 088
Storm water	611	2 446	3 732	6 308	6 308	6 308	5 689	6 094	6 452
Infrastructure - Electricity	4 601	14 105	20 488	25 491	25 491	25 491	16 835	17 340	23 891
Generation					-	-			
Transmission & Reticulation	4 601	14 105	20 488	25 491	25 491	25 491	16 835	17 340	23 891
Street Lighting					-	-			
Infrastructure - Water	6 892	21 502	27 931	26 775	26 775	26 775	22 874	24 001	24 393
Dams & Reservoirs	52	80			-	-			
Water purification	1 709	1 963			-	-			
Reticulation	5 132	19 459	27 931	26 775	26 775	26 775	22 874	24 001	24 393
Infrastructure - Sanitation	4 568	7 708	15 486	14 146	14 146	14 146	12 159	12 963	16 387
Reticulation	3 687	6 623			-	-			
Sewerage purification	882	1 085	15 486	14 146	14 146	14 146	12 159	12 963	16 387
Infrastructure - Other	1 215	1 499	1 491	1 800	1 800	1 800	2 492	2 719	4 130
Waste Management	1 215	1 499	1 491	1 800	1 800	1 800	2 492	2 719	4 130
Transportation									
Gas									
Other									
<b>Community</b>	<b>6 012</b>	<b>5 408</b>	<b>7 349</b>	<b>9 298</b>	<b>9 298</b>	<b>9 298</b>	<b>4 546</b>	<b>4 391</b>	<b>8 211</b>
Parks & gardens	1 410	1 503	2 504	2 819	2 819	2 819	2 084	2 218	3 501
Sportsfields & stadia	456	956	853	1 023	1 023	1 023	588	642	1 205
Swimming pools	228	289	279	302	302	302	483	513	823
Community halls	734	916	814	906	906	906	564	599	1 076
Libraries	180	161	194	171	171	171	99	105	174
Recreational facilities					-	-			
Fire, safety & emergency	538	848	787	1 185	1 185	1 185			
Security and policing	524	546	575	781	781	781			
Buses					-	-			
Clinics					-	-			
Museums & Art Galleries					-	-			
Cemeteries	37	62	53	53	53	53	27	29	51
Social rental housing			224	335	335	335			
Other	1 905	125	1 066	1 724	1 724	1 724	701	286	1 382
<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>270</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing development	270	-							
Other									
<b>Other assets</b>	<b>15 443</b>	<b>21 958</b>	<b>13 864</b>	<b>16 218</b>	<b>16 218</b>	<b>16 218</b>	<b>5 081</b>	<b>4 559</b>	<b>9 203</b>
General vehicles	4 682	5 399							
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment					-	-			
Computers - hardware/equipment	4 309	5 035	4 441	6 157	6 157	6 157			
Furniture and other office equipment					-	-			
Abattoirs					-	-			
Markets					-	-			
Civic Land and Buildings					-	-			
Other Buildings	1 023	1 368	824	1 214	1 214	1 214	661	701	1 249
Other Land					-	-			
Surplus Assets - (Investment or Inventory)					-	-			
Other	5 429	10 156	8 599	8 846	8 846	8 846	4 420	3 858	7 953
<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>64 845</b>	<b>114 414</b>	<b>150 358</b>	<b>162 268</b>	<b>162 268</b>	<b>162 268</b>	<b>121 077</b>	<b>126 814</b>	<b>150 754</b>
<b>R&amp;M as a % of PPE</b>	<b>2.1%</b>	<b>3.7%</b>	<b>4.8%</b>	<b>5.3%</b>	<b>5.2%</b>	<b>5.2%</b>	<b>3.9%</b>	<b>4.1%</b>	<b>4.9%</b>
<b>R&amp;M as % Operating Expenditure</b>	<b>8.7%</b>	<b>15.2%</b>	<b>18.1%</b>	<b>18.7%</b>	<b>17.4%</b>	<b>17.4%</b>	<b>12.4%</b>	<b>12.2%</b>	<b>13.7%</b>

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

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>									
<b>Depreciation by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>87 037</b>	<b>81 931</b>	<b>85 101</b>	<b>93 344</b>	<b>91 038</b>	<b>91 038</b>	<b>94 154</b>	<b>99 803</b>	<b>105 792</b>
Infrastructure - Road transport	36 340	29 992	30 210	31 514	31 612	31 612	32 235	34 169	36 219
Roads, Pavements & Bridges	34 105	27 959	27 965	29 493	29 367	29 367	29 645	31 424	33 309
Storm water	2 235	2 033	2 245	2 021	2 245	2 245	2 590	2 745	2 910
Infrastructure - Electricity	18 441	18 779	18 887	22 789	21 569	21 569	20 158	21 368	22 650
Generation					–	–			
Transmission & Reticulation	18 441	18 779	18 887	22 789	21 569	21 569	20 158	21 368	22 650
Street Lighting					–	–			
Infrastructure - Water	16 029	16 865	18 974	20 368	18 533	18 533	19 981	21 179	22 450
Dams & Reservoirs	16 029	16 865	18 974	20 368	–	–			
Water purification					–	–			
Reticulation					18 533	18 533	19 981	21 179	22 450
Infrastructure - Sanitation	13 422	13 420	14 103	15 067	17 128	17 128	17 034	18 056	19 140
Reticulation	13 422	13 420	14 103	15 067	15 067	15 067	17 034	18 056	19 140
Sewerage purification					2 061	2 061			
Infrastructure - Other	2 804	2 874	2 928	3 607	2 196	2 196	4 746	5 031	5 332
Waste Management	2 168	2 256	2 928	3 607	2 196	2 196	3 930	4 166	4 416
Transportation					–	–			
Gas					–	–			
Other	637	618			–	–	816	865	917
<b>Community</b>	<b>4 359</b>	<b>2 851</b>	<b>2 961</b>	<b>4 822</b>	<b>3 305</b>	<b>3 305</b>	<b>3 601</b>	<b>3 817</b>	<b>4 046</b>
Parks & gardens					–	–			
Sportsfields & stadia					–	–			
Swimming pools					–	–			
Community halls					–	–			
Libraries					–	–			
Recreational facilities	4 359	2 851	2 961	4 822	3 305	3 305	3 601	3 817	4 046
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>12 427</b>	<b>19 253</b>	<b>10 670</b>	<b>10 216</b>	<b>10 236</b>	<b>10 236</b>	<b>12 481</b>	<b>13 230</b>	<b>14 023</b>
General vehicles	2 077	2 360	2 588	2 360	2 360	2 360			
Specialised vehicles	–	–	–	–	–	–	–	–	–
Plant & equipment					–	–			
Computers - hardware/equipment	1 334	1 948	2 213	1 948	2 002	2 002			
Furniture and other office equipment	244	254	261	254	322	322			
Abattoirs					–	–			
Markets					–	–			
Civic Land and Buildings					–	–	5 685	6 026	6 388
Other Buildings	5 660	5 467	5 608	5 654	5 551	5 551			
Other Land					–	–			
Surplus Assets - (Investment or Inventory)					–	–			
Other	3 111	9 224			–	–	6 796	7 204	7 636
<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>219</b>	<b>373</b>	<b>629</b>	<b>883</b>	<b>883</b>	<b>883</b>	<b>1 126</b>	<b>1 193</b>	<b>1 265</b>
Computers - software & programming	219	373	629	883	883	883			
Other (list sub-class)					–	–	1 126	1 193	1 265
<b>Total Depreciation</b>	<b>104 041</b>	<b>104 408</b>	<b>99 361</b>	<b>109 265</b>	<b>105 461</b>	<b>105 461</b>	<b>111 362</b>	<b>118 043</b>	<b>125 126</b>



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

Vote Description	2015/16 Medium Term Revenue & Expenditure Framework			Forecasts			
	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Present value
<b>R thousand</b>							
<b>Capital expenditure</b>							
Vote 1 - Council	–	–	–				
Vote 2 - Municipal Manager	–	–	–				
Vote 3 - Management Services	2 528	–	–				
Vote 4 - Finance	–	–	–				
Vote 5 - Community Services	64 467	76 606	83 561	5 000			
Vote 6 - Local Economic Development	–	–	–				
Vote 7 - Infrastructure & Planning	18 420	18 000	20 000	15 500	5 000		
Vote 8 - Protection Services	100	–	–				
<b>Total Capital Expenditure</b>	<b>85 515</b>	<b>94 606</b>	<b>103 561</b>	<b>20 500</b>	<b>5 000</b>	<b>–</b>	<b>–</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		2014/15 Medium Term Revenue & Expenditure Framework			Project information	
R thousand							Audited Outcome 2013/14	Current Year 2014/15 Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Ward location	New or renewal
List all capital projects grouped by Municipal Vote													
FINANCE AND ADMINISTRATION													
UPGRADE RF NETWORK (HAWSTON,STANFORD,SECTORS)	1	Yes	Other	Other	34°24'45.16S / 19°10'21.22E		21 308	17 776	900			Overstrand	New
TERMINAL SERVER UPGRADE	1	Yes	Other	Other	34°23'52.01S / 19°06'38.72E				100			Overstrand	New
INTEGRATED ASSET MANAGEMENT & MAINTENANCE SYSTEM	1	Yes	Other	Other	Overstrand wide				930			Overstrand	New
PMU BUILDING	1	Yes	Other	Other	19°12'25"E34°24'28"S				341			Ward 03	New
MINOR ASSETS:INFORMATION TECHNOLOGY	1	Yes	Other	Buildings	34°23'52.01S / 19°06'38.72E				157			Overstrand	New
MINOR ASSETS:INFORMATION TECHNOLOGY	1	Yes	Other	Furniture and other office equipment	34°23'52.01S / 19°06'38.72E				15			Overstrand	New
MINOR ASSETS:LEGAL SERVICES	1	Yes	Other	Furniture and other office equipment	Overstrand wide				20			Overstrand	New
MINOR ASSETS:HUMAN RESOURCES	1	Yes	Other	Furniture and other office equipment	Overstrand wide				10			Overstrand	New
MINOR ASSETS:FINANCE	1	Yes	Other	Furniture and other office equipment	Overstrand wide				30			Overstrand	New
MINOR ASSETS:PROPERTY SERVICES	1	Yes	Other	Furniture and other office equipment	Overstrand wide				5			Overstrand	New
MINOR ASSETS:FLEET MANAGEMENT	1	Yes	Other	Furniture and other office equipment	Overstrand wide				20	3 000		Overstrand	New
VEHICLES -REFURBISHMENT/REBUILD ENGINES	1	Yes	Other	Furniture and other office equipment	Overstrand wide				120	730		Overstrand	New
VEHICLES	1	Yes	Other	General vehicles	Overstrand wide								
MINOR ASSETS	1	Yes		Furniture and other office equipment	Overstrand wide								
COMMUNITY AND SOCIAL SERVICES													
EXTENSION OF COMMUNITY HALL	3	Yes	Community	Community halls	19.349477 -34.607311		3 482	5 595	150			Ward 01	New
UPGRADING OF MOFFAT HALL KITCHEN	3	Yes	Community	Community halls	19°12'25"E34°24'28"S				200			Ward 04	New
EXTENSION OF THUSONG CENTRE	3	Yes	Community	Community halls	19°08'03"E34°23'29"S				100	4 000	4 000	Ward 08	New
LIBRARIES													
KLEINMOND LIBRARY UPGRADE	3	Yes	Community	Libraries	19° 01' 54 E 34° 20' 25" S				3 000			Ward 09	New
MINOR ASSETS -LIBRARIES AND ARCHIVES	3	Yes	Community	Furniture and other office equipment	Overstrand wide				34			Overstrand	New
EXECUTIVE AND COUNCIL													
SUNDIALS	3	Yes	Other	Other	19°12'25"E34°24'28"S				20			Ward 03	New
MINOR ASSETS:AREA MANAGER	3	Yes	Other	Furniture and other office equipment	Overstrand wide				16			Overstrand	New
PLANNING AND DEVELOPMENT													
MINOR ASSETS:BUILDING REGULATIONS AND ENFORCEMENT	3	Yes	Other	Furniture and other office equipment	Overstrand wide				5			Overstrand	New
MINOR ASSETS:ECONOMIC DEVELOPMENT/PLANNING	3	Yes	Other	Furniture and other office equipment	Overstrand wide				11			Overstrand	New
MINOR ASSETS:ECONOMIC DEVELOPMENT/PLANNING	3	Yes	Other	Furniture and other office equipment	Overstrand wide				10			Overstrand	New
PUBLIC SAFETY													
MINOR ASSETS:FIRE FIGHTING AND PROTECTION	4	Yes	Other	Plant & equipment	Overstrand wide				100			Overstrand	New
COMPLETION OF FIRE STATION & PARKING AREA - PRINGLE BAY	4	Yes	Community	Fire, safety & emergency	19° 01' 54 E 34° 20' 25" S				195			Ward 10	New
SPORT & RECREATION													
OVERHILLS:KLEINMOND SOCCER FIELD	3	Yes	Other	Sportsfields & stadia	19°00'21"E34°20'08"S		5 696	2 616	4 158			Ward 09	Renew al
TURF SOCCERFIELD	3	Yes	Other	Sportsfields & stadia	19°13'01"E34°25'56"S				200	2 800	2 800	Ward 12	New
SPORT FACILITIES	3	Yes	Other	Sportsfields & stadia	Overstrand wide					4 000	4 000	Overstrand	New
MINOR ASSETS :SPORT AND RECREATION	3	Yes	Other	Furniture and other office equipment	Overstrand wide				20			Overstrand	New
MINOR ASSETS :RECREATIONAL FACILITIES	3	Yes	Other	Furniture and other office equipment	Overstrand wide				10			Overstrand	New
PLAY PARK -WESTDENE	3	Yes	Other	Other	19°12'25"E34°24'28"S				100			Ward 04	New
PLAY PARK	3	Yes	Other	Other	19°12'25"E34°24'28"S				10			Ward 10	New
FLOODLIGHTS -HAWSTON SPORT GROUNDS	3	Yes	Other	Sportsfields & stadia	19°7'37.2"E 34°22'58.8"S				650			Ward 08	New
FLOODLIGHTS -ZWELIHLI SPORT GROUNDS	3	Yes	Other	Sportsfields & stadia	19°12'25"E34°24'28"S				655			Ward 05	New
FLOODLIGHTS-ZWELIHLI SPORTS GROUND	3	Yes	Other	Sportsfields & stadia	19°12'25"E34°24'28"S				150			Ward 12	New
MINOR ASSETS :RECREATIONAL FACILITIES	3	Yes	Other	Furniture and other office equipment	Overstrand wide				28			Overstrand	New

## 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		2014/15 Medium Term Revenue & Expenditure Framework			Project information	
							Audited Outcome 2013/14	Current Year 2014/15 Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Ward location	New or renewal
<b>HOUSING</b>							10 404	34 410					
ZWELIHLE MANDELA SQUARE -83 SITES	3	Yes	Infrastructure - Other	Social rental housing	34.428927 19.209706				4 686			Ward 06	New
ZWELIHLE ADMIN SITE - 164 SITES	3	Yes	Infrastructure - Other	Social rental housing	34.431056 19.219688				9 865			Ward 05	New
ZWELIHLE SITE C2 - 132 SITES	3	Yes	Infrastructure - Other	Social rental housing	34.427645 19.219046				7 940			Ward 05	New
MOUNT PLEASANT IRDP	3	Yes	Infrastructure - Other	Social rental housing	34.414663 19.214140				3 515			Ward 04	New
SWARTDAMROAD IRDP	3	Yes	Infrastructure - Other	Social rental housing	34.422824 19.218703				3 314			Ward 04	New
MASAKHANE	3	Yes	Infrastructure - Other	Social rental housing	Lat:-34.591481 / Long:19.360578					15 269	15 537	Ward 01	New
BEVERLY HILLS PROJECT	3	Yes	Infrastructure - Other	Social rental housing	Lat:-34.596490 / Long:19.342096				4 953			Ward 02	New
ZWELIHLE PROJECT - TRANSIT CAMP	3	Yes	Infrastructure - Other	Social rental housing	34.426228 19.216456				7 984			Ward 06	New
BUFFELJAGSBAAI	3	Yes	Infrastructure - Other	Social rental housing	34.445860 19.448758				2 181			Ward 11	New
HAWSTON PROJECT - IRDP	3	Yes	Infrastructure - Other	Social rental housing	34.387826 19.138307				4 363		10 121	Ward 08	New
ZWELIHLE -TAMBO SQUARE PROJECT	3	Yes	Infrastructure - Other	Social rental housing	-34.429049 19.215701						4 973	Ward 05	New
STANFORD IRDP	3	Yes	Infrastructure - Other	Social rental housing	34.445860 19.448758			654			6 544	Ward 11	New
BLOMPARK PROJECT	3	Yes	Infrastructure - Other	Social rental housing	Lat:-34.597053 / Long:19.347458						2 836	Ward 02	New
KLEINMOND OVERHILLS	3	Yes	Infrastructure - Other	Social rental housing	34.336437 19.006527						4 363	Ward 10	New
<b>ROADS</b>							16 051	6 300					
REHABILITATION OF EXISTING PAVE ROAD (LIC)	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19 °12'46"E34 °25'48"S				4 200		2 000	Ward 06	New
REHABILITATE ROADS AND UPGRADE STORMWATER	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19 °12'59"E34 °25'20"S				6 376	1 500	1 500	Ward 04	New
REHABILITATE ROADS - ANGELIER STREET	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19 °12'47"E34 °25'07"S					500	500	Ward 04	New
SIDEWALKS	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19.349477 -34.607311				100			Ward 01	New
TARRING OF ROADS	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19 °12'25"E34 °24'28"S				400			Ward 07	New
UPGRADING OF ROADS & STORMWATER	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19 °12'25"E34 °24'28"S				200			Ward 08	New
PAVING OF CIRCLES (INCL. STORMWATER)	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19 °12'25"E34 °24'28"S				50			Ward 08	New
EXTENSION OF HEUNINGKLOOF FOOTPATH	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19 °01'54 E 34 °20'25" S				200			Ward 09	New
ADDITIONAL PARKING & GRAVEL STRIP - PRINGLE BAY HALL	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19 °01'54 E 34 °20'25" S				60			Ward 10	New
TARRING OF ROADS - PEARLY BEACH	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	S34°39,744 / E19°32,346				80			Ward 11	New
PAVEMENT IN MORTON-/BEZUIDENHOUT STREET	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19.349477 -34.607311				130			Ward 11	New
PAVING OF SIDEWALK - SHORTMARKET STREET (BETWEEN DE BRUYN & MORTON)	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19.349477 -34.607311				100			Ward 11	New
ATLANTIC DRIVE WALKWAY	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19 °12'25"E34 °24'28"S				200			Ward 13	New
MINOR ASSETS :ROADS	5	Yes	Other	Furniture and other office equipment	Overstrand wide				7			Overstrand	New
<b>ELECTRICITY</b>							37 115	17 000					
FRANSKRAAL,KLEINBAAI & BIRKENHEAD: MV/LV AND MINISUB UPGRADE	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	19.349477 -34.607311				2 600			Ward 01	New
GANSBAAI: MINISUB AND MV/LV UPGRADE	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	19.351879 -34.585351				2 700	3 000	3 000	Ward 02	New
BLOMPARK: LOW VOLTAGE UPGRADE	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	19.348154 -34.594590				1 000			Ward 02	New
STANFORD: MV UPGRADE	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	19.459117 -34.436799				1 200			Ward 11	New
ELECTRIFICATION OF LOW COST HOUSING AREAS (INEP)	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	34 °25' 38.87"S 19 °13' 09.52" E				8 000	4 000	10 000	Ward 10	New
HERMANUS: LV UPGRADE/REPLACEMENT	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	34 °25' 03.44"S 19 °12' 47.88" E					4 000		Ward 03	Renewal
KLEINMOND: MV & LV NETWORK UPGRADE	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	34 °20' 33.67"S 19 °01' 19.94" E				1 500	1 500		Ward 09	New
HAWSTON: LV UPGRADE/REPLACEMENT	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	34 °23' 27.10"S 19 °08' 10.12" E					1 500	1 500	Ward 08	Renewal
ELECTRICITY TRANSFORMERS(CAPITAL REPLACEMENT CONTINGENCY)	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	Overstrand wide				1 500			Overstrand	New
MINOR ASSETS :ELECTRICITY	2	Yes	Other	Plant & equipment	Overstrand wide				6			Overstrand	New
MINOR ASSETS :ELECTRICITY	2	Yes	Other	Plant & equipment	Overstrand wide				16			Overstrand	New
MINOR ASSETS :ELECTRICITY	2	Yes	Other	Plant & equipment	Overstrand wide				24			Overstrand	New
MINOR ASSETS :ELECTRICITY	2	Yes	Other	Plant & equipment	Overstrand wide				5			Overstrand	New
ELECTRIFICATION OF ZIPHUNZANA & THAMBO SQUARE INFORMAL SETTLEMENT	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	19 °12'25"E34 °24'28"S				400			Ward 06	New
STREET LIGHTS	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	19 °01'54 E 34 °20'25" S				40			Ward 09	New
STREET LIGHTS (6)	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	19 °12'25"E34 °24'28"S				30			Ward 13	New
HERMANUS: MAIN STR TO ROYAL 2ND SUPPLY FEEDER	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	34 °25' 08.54"S 19 °14' 16.34" E				471			Ward 03	New
ELECTRIFICATION IN INFORMAL AREAS	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	34 °25' 57.30"S 19 °12' 50.73" E				462			Overstrand	New
KLEINMOND: MV & LV NETWORK UPGRADE	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	34 °20' 33.67"S 19 °01' 19.94" E				960			Ward 09	New
HERMANUS: LV UPGRADE/REPLACEMENT	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	34 °25' 03.44"S 19 °12' 47.88" E				462			Ward 03	New
HAWSTON: LV UPGRADE/REPLACEMENT	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	34 °23' 27.10"S 19 °08' 10.12" E				288			Ward 08	New
ELECTRIFICATION OF HOUSING PROJECTS	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	19 °13'09"E34 °25'30"S				1 558			Ward 05,06	New
MINOR ASSETS :ELECTRICITY	2	Yes	Other	Plant & equipment	Overstrand wide				4			Overstrand	New

## 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		2014/15 Medium Term Revenue & Expenditure Framework			Project information	
							Audited Outcome 2013/14	Current Year 2014/15 Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Ward location	New or renewal
<b>WATER</b>							23 631	16 384					
REPLACEMENT OF OVERSTRAND WATER PIPES	2	Yes	Infrastructure - Water	Reticulation	Overstrand wide				9 653		4 000	Overstrand	Renewal
UPGRADING OF "DIE OOG" PUMP STATION	2	Yes	Infrastructure - Water	Reticulation	19.27.221154 -34.27.111652					500		Ward 11	Renewal
NEW BULK WATER RESERVOIR -SANDBAAI	2	Yes	Infrastructure - Water	Dams & Reservoirs	S34°25.210' / E19°12.063'						6 000	Ward 07	New
UPGRADING OF FRANSKRAAL-KLEINBAAI -GANSBAAI PIPELINES	2	Yes	Infrastructure - Water	Reticulation	S34°36.417' / E19°23.650'					9 500		Ward 01	Renewal
PEARLY BEACH WTW PRE-TREATMENT	2	Yes	Infrastructure - Water	Water purification	S34°39.744' / E19°32.346'				900			Ward 11	New
REFURBISH BUFFELS RIVER DAM BRIDGE AND TOWER & PALMIET RIVER WEIR	2	Yes	Infrastructure - Water	Dams & Reservoirs	S34°19.96' / E18°50.26'				2 000			Ward 09	Renewal
WATER PUMPS (CONTINGENCY)	2	Yes	Infrastructure - Water	Reticulation	Overstrand wide				200			Overstrand	New
NEW 1 ML/S RESERVOIR OHW.B31	2	Yes	Infrastructure - Water	Reticulation	19°12'43"E34°24'46"S				3 566			Ward 04	New
160 MM Ø LINK WATERMAIN OHW9.10	2	Yes	Infrastructure - Water	Reticulation	19°12'39"E34°25'49"S					200	200	Ward 12	New
HAWSTON: BULK WATER	2	Yes	Infrastructure - Water	Reticulation	19°08'29"E34°23'24"S					2 000	2 000	Ward 08	New
HAWSTON: BULK WATER UPGRADE FOR HOUSING PROJECT	2	Yes	Infrastructure - Water	Reticulation	19°08'30"E34°23'23"S					1 000	1 000	Ward 08	New
NEW 500 MM -WATER PIPE LINE	2	Yes	Infrastructure - Water	Reticulation	19°08'28"E34°23'24"S					1 526	2 587	Ward 08	New
BAARDSKEERDERSBOS BULK WATER SUPPLY UPGRADE	2	Yes	Infrastructure - Water	Reticulation	S34°34.870' / E19°34.140'				64			Ward 11	New
MINOR ASSETS :WATER DISTRIBUTION	2	Yes	Other	Plant & equipment	Overstrand wide				4			Overstrand	New
MINOR ASSETS :WATER DISTRIBUTION	2	Yes	Other	Plant & equipment	Overstrand wide				3			Overstrand	New
<b>SEWERAGE</b>							10 159	12 071					
UPGRADING OF PUMPSTATIONS	2	Yes	Infrastructure - Sanitation	Other	19°12'51"E 34°25'56"S				3 547	4 500		Overstrand	Renewal
STANFORD - SEWER NETWORK EXTENSION	2	Yes	Infrastructure - Sanitation	Other	S34°439.75' / E19°455.90'				3 000	5 500		Ward 11	New
SEWERAGE PUMPS (CONTINGENCY)	2	Yes	Infrastructure - Sanitation	Other	Overstrand wide				300			Overstrand	New
KLEINMOND - SEWER NETWORK EXTENSION	2	Yes	Infrastructure - Sanitation	Other	S34°20.44' / E19°1.91'						4 000	Ward 09	New
GANSBAAI - CBD SEWER NETWORK EXTENSION	2	Yes	Infrastructure - Sanitation	Other	S34°35.377' / E19°21.087'						6 000	Ward 09	New
UPGRADING OF KIDBROOKE PIPELINE	2	Yes	Infrastructure - Sanitation	Other	S34°24.810' / E19°10.001'				1 400			Ward 13	Renewal
WWTW UPGRADE - STANFORD	2	Yes	Infrastructure - Sanitation	Other	S34°26.518' / E19°26.929'					1 000	1 000	Ward 11	Renewal
BULK SEWERAGE OUTFALL LINE 525 MM Ø OHS13.2	2	Yes	Infrastructure - Sanitation	Other	19°12'45"E34°25'26"S					600	600	Ward 12	New
UPGRADING OF KIDBROOKE PIPELINE	2	Yes	Infrastructure - Sanitation	Other	S34°24.810' / E19°10.001'				100			Ward 13	New
MINOR ASSETS : SEWERAGE	2	Yes	Other	Plant & equipment	Overstrand wide				20			Overstrand	New
<b>STORMWATER</b>							43	1 332					
STORMWATER -AD HOC	2	Yes	Other	Storm water	34°35'41.17"S 19°21'37.57"E				50			Ward 01	New
STORMWATER DRAINAGE CHANNELS - PHASE 2	2	Yes	Other	Storm water	34°35'41.17"S 19°21'37.57"E				100			Ward 01	New
STORMWATER	2	Yes	Other	Storm water	19.349477 -34.607311				200			Ward 02	New
STORMWATER	2	Yes	Other	Storm water	S34°34.870' / E19°34.140'				50			Ward 11	New
UPGRADE STORMWATER - INTERNAL & EXTERNAL	2	Yes	Other	Storm water	19°12'48"E34°25'32"S				2 477	1 000	1 000	Ward 05	New
<b>WASTE MANAGEMENT</b>							3 041	9 300					
MINOR ASSETS.SOLID WASTE DISPOSAL	2	Yes	Other	Waste Management	Overstrand wide				10			Overstrand	New

**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					
R thousand									
Floodlights-Zwelihle Sport grounds	Community	Sportsfields & stadia	19°12'25"E34°24'28"S	2015	555		555		
Floodlights-Hawston Sport grounds	Community	Sportsfields & stadia	19°7'37.2"E 34°22'58.8"S	2015	500		500		
Electrification of housing projects	Infrastructure - Electricity	Transmission & Reticulation	19°13'09"E34°25'30"S	2015	4 671	3 112	1 558		
Hermanus: Main Str to Royal 2nd supply feeder	Infrastructure - Electricity	Transmission & Reticulation	34°25' 08.54"S 19°14' 16.34" E	2015	1 500	1 029	471		
Electrification in informal areas	Infrastructure - Electricity	Transmission & Reticulation	34°25' 57.30"S 19°12' 50.73" E	2015	1 083	622	462		
Hermanus: LV Upgrade/Replacement	Infrastructure - Electricity	Transmission & Reticulation	34°25' 03.44"S 19°12' 47.88" E	2015	2 100	1 638	462		
Kleinmond: MV & LV network upgrade	Infrastructure - Electricity	Transmission & Reticulation	34°20' 33.67"S 19°01' 19.94" E	2015	2 500	1 540	960		
Hawston: LV Upgrade/Replacement	Infrastructure - Electricity	Transmission & Reticulation	34°23' 27.10"S 19°08' 10.12" E	2015	1 000	712	288		
Baardskeedersbos Bulk water supply upgrade	Infrastructure - Water	Dams & Reservoirs	S34°34.870' / E19°34.140'	2015	297	233	64		
Upgrading of Kidbrooke Pipeline	Infrastructure - Other	Other	S34°24.810' / E19°10.001	2015	1 500	1 400	100		

## **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 seven 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 Budget Implementation Plan  
A draft SDBIP was tabled in Council on 25 March 2015. The SDBIP must be approved by the Executive Mayor no later than 28 days after the approval of the budget
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 on 28 May 2015 for approval.

## 2.14 Other supporting documents

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

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>									
<b>REVENUE ITEMS:</b>									
<b>Property rates</b>									
Total Property Rates	138 437	153 077	165 939	184 330	189 199	189 199	200 857	213 090	226 085
less Revenue Foregone	29 525	32 278	31 127	35 690	35 690	35 690	38 126	39 782	41 512
<b>Net Property Rates</b>	<b>108 913</b>	<b>120 799</b>	<b>134 813</b>	<b>148 640</b>	<b>153 509</b>	<b>153 509</b>	<b>162 730</b>	<b>173 308</b>	<b>184 573</b>
<b>Service charges - electricity revenue</b>									
Total Service charges - electricity revenue	224 950	247 663	268 362	323 104	323 104	323 104	341 092	373 983	410 237
less Revenue Foregone				13 018	13 018	13 018	2 215	2 348	2 489
<b>Net Service charges - electricity revenue</b>	<b>224 950</b>	<b>247 663</b>	<b>268 362</b>	<b>310 085</b>	<b>310 085</b>	<b>310 085</b>	<b>338 877</b>	<b>371 635</b>	<b>407 747</b>
<b>Service charges - water revenue</b>									
Total Service charges - water revenue	83 755	85 243	95 136	101 149	101 149	101 149	103 365	109 152	115 288
less Revenue Foregone				5 252	5 252	5 252	1 320	1 452	1 597
<b>Net Service charges - water revenue</b>	<b>83 755</b>	<b>85 243</b>	<b>95 136</b>	<b>95 897</b>	<b>95 897</b>	<b>95 897</b>	<b>102 045</b>	<b>107 700</b>	<b>113 691</b>
<b>Service charges - sanitation revenue</b>									
Total Service charges - sanitation revenue	57 212	56 895	62 798	63 455	63 554	63 554	66 375	70 081	74 010
less Revenue Foregone					99	99			
<b>Net Service charges - sanitation revenue</b>	<b>57 212</b>	<b>56 895</b>	<b>62 798</b>	<b>63 455</b>	<b>63 455</b>	<b>63 455</b>	<b>66 375</b>	<b>70 081</b>	<b>74 010</b>
<b>Service charges - refuse revenue</b>									
Total refuse removal revenue	39 498	46 637	52 957	56 130	56 549	56 549	59 488	63 061	66 849
Total landfill revenue					-	-			
less Revenue Foregone					419	419			
<b>Net Service charges - refuse revenue</b>	<b>39 498</b>	<b>46 637</b>	<b>52 957</b>	<b>56 130</b>	<b>56 130</b>	<b>56 130</b>	<b>59 488</b>	<b>63 061</b>	<b>66 849</b>
<b>Other Revenue by source</b>									
Building plan fees	3 252	2 880	3 439	3 300	3 300	3 300	4 500	4 950	5 445
Collection charges	2 071	2 542	2 288	2 805	2 805	2 805	3 850	4 235	4 659
Developers contributions	1 719	2 615	2 766	1 995	1 995	1 995	1 451	1 484	1 519
Central improvement district	3 663	-	-	4 869	-	-			
Sundry income	599	2 637	1 330	669	669	669			
Townplanning fees	756	793	908	803	803	803	1 013	1 114	1 225
Admission fees	661	707	714	770	770	770	562	589	620
Valuation and clearance certificates	335	388	400	504	504	504	495	545	599
Fair value adjustments	-	49 649	(7 021)						
Roadworthy certificates	453	463	493	578	578	578	630	693	762
SETA claims	1 046	1 058	133	848	848	848			
Ex change Revenue (SCOA) / Other Income	2 819	5 247	5 054	4 577	4 662	4 662	4 142	4 540	4 983
<b>Total 'Other' Revenue</b>	<b>17 375</b>	<b>68 978</b>	<b>10 504</b>	<b>21 717</b>	<b>16 933</b>	<b>16 933</b>	<b>16 643</b>	<b>18 150</b>	<b>19 812</b>
<b>EXPENDITURE ITEMS:</b>									
<b>Employee related costs</b>									
Basic Salaries and Wages	131 998	151 957	166 955	184 410	180 419	180 419	199 643	209 073	221 793
Pension and UIF Contributions	25 219	24 051	25 104	29 321	29 321	29 321	31 736	33 673	35 726
Medical Aid Contributions	7 521	8 176	8 828	11 463	11 463	11 463	11 618	12 327	13 079
Overtime	12 030	12 428	14 370	13 913	13 913	13 913	15 295	16 228	16 938
Performance Bonus									
Motor Vehicle Allowance	8 299	9 178	9 750	11 760	11 760	11 760	12 164	11 881	12 029
Cellphone Allowance				1 638	1 638	1 638	1 502	1 597	1 606
Housing Allowances	1 025	1 046	967	1 018	1 018	1 018	153	153	153
Other benefits and allowances	9 693	11 182	11 624	11 118	11 118	11 118	10 373	10 703	11 234
Payments in lieu of leave	1 327	2 138	1 659	2 350	2 350	2 350	729	773	819
Long service awards	759	690	3 587	1 200	1 291	1 291	1 802	2 028	2 815
Post-retirement benefit obligations	10 068	10 795	17 799	11 875	11 925	11 925	6 578	6 973	7 391
<b>sub-total</b>	<b>207 938</b>	<b>231 642</b>	<b>260 645</b>	<b>280 066</b>	<b>276 217</b>	<b>276 217</b>	<b>291 593</b>	<b>305 408</b>	<b>323 583</b>
Less: Employees costs capitalised to PPE									
<b>Total Employee related costs</b>	<b>207 938</b>	<b>231 642</b>	<b>260 645</b>	<b>280 066</b>	<b>276 217</b>	<b>276 217</b>	<b>291 593</b>	<b>305 408</b>	<b>323 583</b>

## Supporting detail to budgeted financial performance (Continued)

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>									
<b>Contributions recognised - capital</b>									
Public contribution - non cash - assets	4 471	4 387	7 871						
DWA ACIP project	1 302	–		1 000	1 000	1 000			
Government contribution - non cash - assets	–	180							
KM CSIR	395	–							
Spaces for sport/Lotto	156	200		51	1 134	1 134	1 000		
Eskom Solar Rebate/ Stony Point Eco Centre etc	2 280	522		1 083	(83)	(83)			
<b>Total Contributions recognised - capital</b>	<b>8 603</b>	<b>5 289</b>	<b>7 871</b>	<b>2 134</b>	<b>2 051</b>	<b>2 051</b>	<b>1 000</b>	<b>–</b>	<b>–</b>
<b>Depreciation &amp; asset impairment</b>									
Depreciation of Property, Plant & Equipment	100 930	94 948	99 130	109 265	105 461	105 461	111 362	118 043	125 126
Lease amortisation		235	231						
Capital asset impairment	3 111	9 224							
Depreciation resulting from revaluation of PPE									
<b>Total Depreciation &amp; asset impairment</b>	<b>104 041</b>	<b>104 408</b>	<b>99 361</b>	<b>109 265</b>	<b>105 461</b>	<b>105 461</b>	<b>111 362</b>	<b>118 043</b>	<b>125 126</b>
<b>Bulk purchases</b>									
Electricity Bulk Purchases	126 669	145 022	157 055	169 444	169 444	169 444	193 573	221 138	252 628
Water Bulk Purchases									
<b>Total bulk purchases</b>	<b>126 669</b>	<b>145 022</b>	<b>157 055</b>	<b>169 444</b>	<b>169 444</b>	<b>169 444</b>	<b>193 573</b>	<b>221 138</b>	<b>252 628</b>
<b>Transfers and grants</b>									
Cash transfers and grants	28 454	35 856	38 749	41 370	41 668	41 668	48 497	54 667	62 244
Non-cash transfers and grants	–	–	–	–	–	–	–	–	–
<b>Total transfers and grants</b>	<b>28 454</b>	<b>35 856</b>	<b>38 749</b>	<b>41 370</b>	<b>41 668</b>	<b>41 668</b>	<b>48 497</b>	<b>54 667</b>	<b>62 244</b>
<b>Contracted services</b>									
Specialist services									
Other contractors									
Ward projects	5 247	5 679	2 129	1 566	1 566	1 566			
Vehicle maintenance	4 732	4 925	5 665	6 198	6 676	6 676			
Maintenance contractors	41	45 380	49 471	55 483	55 451	55 451			
Contracted services	14 059	11 713	15 488	17 816	18 773	18 773			
Maintenance Of Unspecified Assets							25 439	26 465	28 088
Maintenance Of Buildings & Facilities							15 463	16 286	17 241
Haulage							7 698	8 004	8 331
Civil							6 828	7 156	7 586
Litter Picking & Street Cleaning							6 430	6 835	7 281
Security Servs							5 219	5 905	6 260
Safeguard & Security							5 028	5 305	5 598
Business & Advisory - Valuer							4 488	1 541	1 279
Meter Management							4 367	4 588	4 854
Maintenance Of Equip							4 177	3 537	3 757
Business & Advisory - Project Management							4 017	4 115	4 417
Traffic Fines Management							3 968	4 206	4 458
Dumping Sites							3 423	3 763	4 127
Infrastructure & Planning - Ecological							2 640	2 796	2 964
Legal Cost - Legal Advice & Litigation							2 597	2 752	2 916
Chipping							2 490	2 639	2 798
Management Of Informal Settlements							1 981	2 100	2 226
Laboratory Servs - Water							1 802	1 910	2 025
Sewerage Servs							1 772	1 878	1 991
Infrastructure & Planning - Town Planner							1 700	1 802	1 910
Electrical							1 060	1 036	1 013
Other contractors							12 734	13 502	14 322
<b>sub-total</b>	<b>24 079</b>	<b>67 697</b>	<b>72 754</b>	<b>81 062</b>	<b>82 467</b>	<b>82 467</b>	<b>125 322</b>	<b>128 122</b>	<b>135 442</b>
<b>Allocations to organs of state:</b>									
Electricity									
Water									
Sanitation									
Other									
<b>Total contracted services</b>	<b>24 079</b>	<b>67 697</b>	<b>72 754</b>	<b>81 062</b>	<b>82 467</b>	<b>82 467</b>	<b>125 322</b>	<b>128 122</b>	<b>135 442</b>



## Supporting detail to budgeted financial performance (Continued)

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>									
<b>Other Expenditure By Type</b>									
Collection costs									
Contributions to 'other' provisions	3 601	3 246	(12 399)	3 010	49 216	49 216			
Consultant fees	10 766	9 376	9 431	12 858	12 858	12 858			
Audit fees (External)	2 501	2 869	3 559	4 104	4 104	4 104	4 514	4 786	5 073
General expenses	22 505	16 384	19 600	13 244	14 678	14 678	5 302	5 810	6 450
Conditional receipts expenses	54 612	4 133	28 072	3 382	5 189	5 189			
Property valuation charges	2 418	1 030	442	1 100	1 000	1 000			
Water catchment, research and testing	5 648	5 295	4 266	4 260	4 260	4 260			
Fuel and oil	9 042	9 903	11 477	12 506	12 514	12 514			
Chemicals	6 411	8 488	10 553	9 664	9 649	9 649			
Legal fees	2 766	1 669	3 017	1 700	1 940	1 940			
Telephone and fax	3 912	2 934	2 839	3 342	3 142	3 142	3 048	3 221	3 431
Tourism development	2 824	2 732	2 796	2 618	1 649	1 649			
Security services	3 435	3 759	4 262	4 325	4 495	4 495			
Solid waste dumping fees	1 375	-	-						
Solid waste haulage	4 345	6 318	7 742	8 217	8 136	8 136			
Hermanus public protection	3 603	3 921	4 251	5 029	5 029	5 029			
Training	2 748	2 363	1 804	2 300	2 299	2 299	2 000	2 120	2 247
Prepaid Electricity	2 575	3 248	3 652	4 672	4 494	4 494	3 804	4 032	4 274
Commission paid	3 416	4 014	1 019	1 145	1 145	1 145	1 213	1 286	1 363
Advertising	1 366	1 511	1 905	1 623	1 668	1 668			
Management of informal settlements	1 475	1 513	1 982	1 869	1 869	1 869	1 981	2 100	2 226
Insurance	1 651	2 145	2 363	2 750	2 500	2 500	2 350	2 696	2 798
Printing and stationery	1 868	1 875	2 035	2 309	2 309	2 309			
Solid waste chipping	2 369	2 151	2 076	2 809	2 583	2 583			
Special projects	1 059	1 270	714	868	868	868			
Workmen's Compensation Assurance				1 650	1 650	1 650	1 750	1 802	1 910
SALGA Membership Fees				2 505	2 505	2 505			
Rentals (Equipment & Offices)				1 731	1 426	1 426			
Postage & Courier Services				1 818	1 788	1 788			
Decommissioning Cost							1 571	1 860	2 181
Op Cst - Prof Bodies Memb & Subs							4 619	4 896	5 190
Specialised Computer Service							3 365	3 416	3 617
Op Cst - Uniform & Protective Clothing							2 452	2 611	2 781
Operational Cost - Skills Dev Fund Lev							2 395	2 433	2 577
Infrastructure & Planning - Town Plann							2 082	2 231	2 367
Software Licences							1 700	1 747	1 852
Dumping Fees (District Council)							2 051	2 184	2 326
Bank Chgs Fac & Card Fees - Bank Account							1 724	1 831	1 942
Op Cst - Printing & Publications							1 639	1 738	1 842
Third Party Vendors							1 471	1 543	1 636
Operating Lease							1 213	1 286	1 363
Wireless Network							1 170	1 245	1 325
Corporate Municipal Activities							937	998	1 063
Op Cst - Remuneration To Ward Commts							721	767	807
System Adviser							689	689	689
Tenders							634	685	740
Op Cst - Levies Paid - H2O Res Man Chrg							612	648	687
Municipal Newsletters							560	575	594
							454	483	515
<b>Total 'Other' Expenditure</b>	<b>158 290</b>	<b>102 146</b>	<b>117 460</b>	<b>117 407</b>	<b>164 963</b>	<b>164 963</b>	<b>58 021</b>	<b>61 721</b>	<b>65 866</b>
<b>Repairs and Maintenance</b>									
Employee related costs	15 563	27 460	35 905	40 285	40 285	40 285	45 175	47 787	50 645
Other materials	5 188	9 153	8 865	8 807	8 807	8 807	14 541	15 638	16 361
Contracted Services	12 320	21 740	32 675	34 161	34 964	34 964	35 194	37 739	39 865
Other Expenditure	31 774	56 061	72 912	79 016	79 016	79 016	26 167	25 650	43 884

**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	–	–	–	162 730		–	–	–	162 730
Property rates - penalties & collection charges	–	–	–	891		–	–	–	891
Service charges - electricity revenue	–	–	–	616		–	338 261	–	338 877
Service charges - water revenue	–	–	–	–	102 045	–	–	–	102 045
Service charges - sanitation revenue	–	–	–	–	66 375	–	–	–	66 375
Service charges - refuse revenue	–	–	–	–	59 488	–	–	–	59 488
Service charges - other	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	–	–	–	–	11 815	–	43	–	11 859
Interest earned - external investments	–	–	–	6 348	–	–	–	–	6 348
Interest earned - outstanding debtors	–	–	–	2 437	–	–	–	–	2 437
Dividends received	–	–	–	–	–	–	–	–	–
Fines	–	–	–	–	67	–	–	31 792	31 859
Licences and permits	–	–	–	–	484	–	–	1 706	2 190
Agency services	–	–	–	–	–	–	–	2 970	2 970
Other revenue	210	–	61	5 868	1 749	1 430	6 117	1 209	16 643
Transfers recognised - operational	64 598	–	–	1 450	5 474	1 661	17 141	–	90 324
Gains on disposal of PPE	–	–	–	–	–	–	–	–	–
<b>Total Revenue (excluding capital transfers and</b>	<b>64 808</b>	<b>–</b>	<b>61</b>	<b>180 339</b>	<b>247 498</b>	<b>3 091</b>	<b>361 563</b>	<b>37 676</b>	<b>895 035</b>
<b>Expenditure By Type</b>									
Employee related costs	8 330	4 026	19 897	37 335	141 871	4 813	44 590	30 731	291 593
Remuneration of councillors	8 674	–	–	–	–	–	–	–	8 674
Debt impairment	–	–	–	–	–	–	–	22 792	22 792
Depreciation & asset impairment	22	18	2 267	298	79 250	126	28 206	1 175	111 362
Finance charges	–	–	54	119	30 030	–	16 692	–	46 895
Bulk purchases	–	–	–	–	–	–	193 573	–	193 573
Other materials	20	34	309	377	24 070	128	30 566	2 298	57 801
Contracted services	–	–	7 403	2 408	57 475	423	47 038	10 573	125 322
Transfers and grants	46 570	–	278	–	–	1 649	–	–	48 497
Other expenditure	7 671	411	1 380	29 197	8 920	3 241	5 318	1 884	58 021
Loss on disposal of PPE	–	–	–	–	–	–	–	–	–
<b>Total Expenditure</b>	<b>71 287</b>	<b>4 489</b>	<b>31 588</b>	<b>69 733</b>	<b>341 618</b>	<b>10 379</b>	<b>365 982</b>	<b>69 453</b>	<b>964 529</b>
<b>Surplus/(Deficit)</b>	<b>(6 479)</b>	<b>(4 489)</b>	<b>(31 527)</b>	<b>110 606</b>	<b>(94 120)</b>	<b>(7 288)</b>	<b>(4 420)</b>	<b>(31 777)</b>	<b>(69 494)</b>
Transfers recognised - capital	–	–	930	–	24 451	–	37 973	–	63 354
Contributions recognised - capital	–	–	–	–	1 000	–	–	–	1 000
Contributed assets	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(6 479)</b>	<b>(4 489)</b>	<b>(30 597)</b>	<b>110 606</b>	<b>(68 669)</b>	<b>(7 288)</b>	<b>33 553</b>	<b>(31 777)</b>	<b>(5 140)</b>

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

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>									
<b>ASSETS</b>									
<b>Call investment deposits</b>									
Call deposits < 90 days	75 000	55 042	50 039						
Other current investments > 90 days									
<b>Total Call investment deposits</b>	<b>75 000</b>	<b>55 042</b>	<b>50 039</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Consumer debtors</b>									
Consumer debtors	68 475	65 941	63 810	69 091	69 091	69 091	67 774	71 841	76 151
Less: Provision for debt impairment	(18 114)	(16 916)	(16 359)	(16 500)	(16 500)	(16 500)	(16 000)	(15 500)	(15 000)
<b>Total Consumer debtors</b>	<b>50 361</b>	<b>49 025</b>	<b>47 451</b>	<b>52 591</b>	<b>52 591</b>	<b>52 591</b>	<b>51 774</b>	<b>56 341</b>	<b>61 151</b>
<b>Debt impairment provision</b>									
Balance at the beginning of the year	20 232	18 114	16 916	17 000	17 000	17 000	16 500	16 000	15 500
Contributions to the provision	(190)	594	(107)						
Bad debts written off	(1 928)	(1 792)	(449)	(500)	(500)	(500)	(500)	(500)	(500)
<b>Balance at end of year</b>	<b>18 114</b>	<b>16 916</b>	<b>16 359</b>	<b>16 500</b>	<b>16 500</b>	<b>16 500</b>	<b>16 000</b>	<b>15 500</b>	<b>15 000</b>
<b>Property, plant and equipment (PPE)</b>									
PPE at cost/valuation (excl. finance leases)	5 709 629	5 819 933	5 900 309	6 061 941	6 126 505	6 126 505	6 120 657	6 215 263	6 318 825
Leases recognised as PPE	1 208	1 379	139	1 406	1 406	1 406	6 923	6 923	6 923
Less: Accumulated depreciation	2 637 823	2 724 192	2 789 392	2 990 924	2 987 120	2 987 120	3 005 433	3 122 509	3 246 667
<b>Total Property, plant and equipment (PPE)</b>	<b>3 073 014</b>	<b>3 097 120</b>	<b>3 111 056</b>	<b>3 072 423</b>	<b>3 140 791</b>	<b>3 140 791</b>	<b>3 122 147</b>	<b>3 099 677</b>	<b>3 079 080</b>
<b>LIABILITIES</b>									
<b>Current liabilities - Borrowing</b>									
Short term loans (other than bank overdraft)	374	485	63	1 176	1 135	1 135	1 271	1 352	1 538
Current portion of long-term liabilities	16 424	17 756	20 381	23 929	23 929	23 929	26 841	29 378	32 831
<b>Total Current liabilities - Borrowing</b>	<b>16 798</b>	<b>18 241</b>	<b>20 443</b>	<b>25 105</b>	<b>25 064</b>	<b>25 064</b>	<b>28 113</b>	<b>30 730</b>	<b>34 370</b>
<b>Trade and other payables</b>									
Trade and other creditors	63 172	71 706	61 518	55 831	50 563	50 563	74 229	70 679	84 789
Unspent conditional transfers	4 555	7 783	3 425	-					
VAT									
<b>Total Trade and other payables</b>	<b>67 728</b>	<b>79 489</b>	<b>64 943</b>	<b>55 831</b>	<b>50 563</b>	<b>50 563</b>	<b>74 229</b>	<b>70 679</b>	<b>84 789</b>
<b>Non current liabilities - Borrowing</b>									
Borrowing	340 581	364 394	392 444	407 225	407 225	407 225	411 667	412 288	409 060
Finance leases (including PPP asset element)	623	238	-	4 541	5 604	5 604	4 333	2 981	1 443
<b>Total Non current liabilities - Borrowing</b>	<b>341 204</b>	<b>364 632</b>	<b>392 444</b>	<b>411 766</b>	<b>412 829</b>	<b>412 829</b>	<b>415 999</b>	<b>415 269</b>	<b>410 503</b>
<b>Provisions - non-current</b>									
Retirement benefits	71 562	79 887	95 535	92 875	107 290	107 290	113 727	120 551	127 784
List other major provision items									
Refuse landfill site rehabilitation	32 057	31 933	24 054	36 617	64 550	64 550	78 422	82 528	86 880
Other	7 478	7 498	8 938	8 008	9 040	9 040	9 520	10 028	10 568
<b>Total Provisions - non-current</b>	<b>111 097</b>	<b>119 319</b>	<b>128 527</b>	<b>137 501</b>	<b>180 879</b>	<b>180 879</b>	<b>201 669</b>	<b>213 107</b>	<b>225 231</b>
<b>CHANGES IN NET ASSETS</b>									
<b>Accumulated Surplus/(Deficit)</b>									
Accumulated Surplus/(Deficit) - opening balance	2 564 679	2 847 332	2 855 854	2 857 322	2 857 322	2 857 322	2 738 817	2 733 677	2 730 282
GRAP adjustments	364 261	(9 929)	(6 220)						
Restated balance	2 928 940	2 837 403	2 849 634	2 857 322	2 857 322	2 857 322	2 738 817	2 733 677	2 730 282
Surplus/(Deficit)	(81 607)	10 899	(45 015)	(48 747)	(65 423)	(65 423)	(5 140)	(3 395)	3 679
Appropriations to Reserves									
Transfers from Reserves		1 333	620						
Depreciation offsets									
Other adjustments									
<b>Accumulated Surplus/(Deficit)</b>	<b>2 847 332</b>	<b>2 849 634</b>	<b>2 805 240</b>	<b>2 808 575</b>	<b>2 791 899</b>	<b>2 791 899</b>	<b>2 733 677</b>	<b>2 730 282</b>	<b>2 733 960</b>
<b>Reserves</b>									
Housing Development Fund	1 920	1 891	2 565	1 934	2 573	2 573	2 637	2 703	2 757
Capital replacement									
Self-insurance									
Other reserves									
Revaluation	-	-							
<b>Total Reserves</b>	<b>1 920</b>	<b>1 891</b>	<b>2 565</b>	<b>1 934</b>	<b>2 573</b>	<b>2 573</b>	<b>2 637</b>	<b>2 703</b>	<b>2 757</b>
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2 849 252</b>	<b>2 851 526</b>	<b>2 807 805</b>	<b>2 810 509</b>	<b>2 794 472</b>	<b>2 794 472</b>	<b>2 736 314</b>	<b>2 732 985</b>	<b>2 736 717</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	2011/12	2012/13	2013/14	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
					Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
<b>Demographics</b>											
Population		55	75	80	83	87	90	93	97	101	108
Females aged 5 - 14		3	6	5	5	6	6	6	6	7	7
Males aged 5 - 14		3	6	5	5	6	6	6	6	7	7
Females aged 15 - 34		6	12	13	14	14	15	15	16	16	18
Males aged 15 - 34		6	11	14	14	15	15	16	16	17	18
Unemployment		5	8	4	4	5	5	5	5	5	6
<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	6 149	5 307	5 326	5528.00	5738.00	5957.00	6183.00	6418.00	6662.00	6915.00
Insert description											
<b>Household/demographics (000)</b>											
Number of people in municipal area	Stats SA	55 012	74 546	80 432	83 488	86 661	89 954	93 372	96 920	100 603	108 249
Number of poor people in municipal area				37 433	38 856	40 332	41 865	43 456	45 107	46 821	48 600
Number of households in municipal area	Stats SA		21 953	28 008							
Number of poor households in municipal area			8 439	16 317	17 277	18 285	19 469	20 651	21 968	23 390	24 891
Definition of poor household (R per month)			2 201	4 561	4 561	4 801	5 121	5 401	5 725	6 069	6 433
<b>Housing statistics</b>											
Formal				22 692	22 938	23 152	23 599	23 812	24 415	24 913	25 293
Informal				2 538	3 421	3 407	3 330	3 188	3 188	3 188	3 188
<b>Total number of households</b>		-	-	25 230	26 359	26 559	26 929	27 000	27 603	28 101	28 481
Dwellings provided by municipality			88	410	-	-	183	-	333	218	80
Dwellings provided by province/s		-	-	-	-	-	-	-	-	-	-
Dwellings provided by private sector		116	470	209	246	214	264	213	270	280	300
<b>Total new housing dwellings</b>		116	558	619	246	214	447	213	603	498	380

**Table 65 MBRR SA11 – Property rates summary**
**WC032 Overstrand - Supporting Table SA11 Property rates summary**

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Valuation:</b>									
Date of valuation:	02/07/2007	02/07/2011	02/07/2011						
Financial year valuation used	2008/2009	2012/2013	2012/2013	2012/2013			2012/2013		
Municipal by-laws s6 in place? (Y/N)	Yes		Yes				Yes		
Municipal/assistant valuer appointed? (Y/N)	Yes		Yes				Yes		
Municipal partnership s38 used? (Y/N)	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	12	12	12	6	6	6
No. of internal valuers (FTE)	-	-	-	-	-	-	-	-	-
No. of external valuers (FTE)	4	4	3	3	3	3	3	3	3
No. of additional valuers (FTE)	-	-	-	1	1	1	-	-	-
Valuation appeal board established? (Y/N)	Yes		Yes				Yes		
Implementation time of new valuation roll (mths)		36	24	12			-		
No. of properties	40 907	40 801	41 025	41 230	41 230	41 230	41 848	41 492	41 492
No. of sectional title values	2 396	2 383	2 623	2 636	2 636	2 636	2 634	2 647	2 661
No. of unreasonably difficult properties s7(2)	-	-	-	-	-	-	-	-	-
No. of supplementary valuations	1	2	3	2	2	2	1	1	1
No. of valuation roll amendments	2	3	3	2	2	2	12	12	12
No. of objections by rate payers	24	830	103	100	100	100	1 500	400	400
No. of appeals by rate payers	1	53	5	10	10	10	150	40	40
No. of successful objections	5		24	20	20	20	750	200	200
No. of successful objections > 10%	-	137	14	10	10	10	75	20	20
Supplementary valuation	3 323	4 998	4 233	4 487	4 487	4 487	3 610	3 628	3 646
Public service infrastructure value (Rm)	38	40	40	43	43	43	83	83	83
Municipality owned property value (Rm)	701	694	694	736	736	736	737	741	745
<b>Valuation reductions:</b>									
Valuation reductions-public infrastructure (Rm)	41	40	40	43	43	43	85	85	86
Valuation reductions-nature reserves/park (Rm)	-	-	-	-	-	-	276	277	279
Valuation reductions-mineral rights (Rm)	-	-	-	-	-	-	-	-	-
Valuation reductions-R15,000 threshold (Rm)	458	453	453	480	480	480	434	436	438
Valuation reductions-public worship (Rm)	211	209	209	222	222	222	258	259	260
Valuation reductions-other (Rm)	2 067	2 046	2 046	2 169	2 169	2 169	2 254	2 265	2 276
<b>Total valuation reductions:</b>	<b>2 776</b>	<b>2 749</b>	<b>2 749</b>	<b>2 913</b>	<b>2 913</b>	<b>2 913</b>	<b>3 306</b>	<b>3 323</b>	<b>3 339</b>
Total value used for rating (Rm)	39 491	39 152	39 152	41 501	41 501	41 501	39 998	40 198	40 399
Total land value (Rm)	22 148	21 360	21 360	22 642	22 642	22 642	22 151	<b>22 262</b>	<b>22 373</b>
Total value of improvements (Rm)	20 119	20 540	20 540	21 772	21 772	21 772	21 153	21 259	21 365
Total market value (Rm)	42 267	41 900	41 900	44 414	44 414	44 414	43 304	43 521	43 739
<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	No	No	No
Rates policy accompanying budget? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Fixed amount minimum value (R'000)				100			220		
Non-residential prescribed ratio s19? (%)	46.0%	48.6%	51.4%	51.5%			51.0%		
<b>Rate revenue:</b>									
Rate revenue budget (R '000)	112 600	120 278	134 994	148 520	148 520	148 520	157 847	165 259	175 174
Rate revenue expected to collect (R'000)	112 600	120 278	134 994	148 520	148 520	148 520	157 847	165 259	175 174
Expected cash collection rate (%)	87.6%	99.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Special rating areas (R'000)	-	-	-	-	-	-	-	-	-
Rebates, exemptions - indigent (R'000)	-	-	-	-	-	-	-	-	-
Rebates, exemptions - pensioners (R'000)	205	319487	353	401	401	401	425	450	477
Rebates, exemptions - bona fide farm. (R'000)	634	1 652 839	69	79	79	79	83	89	94
Rebates, exemptions - other (R'000)	2 190	3 707 751	3 410	3 875	3 875	3 875	4 108	4 354	4 615
Phase-in reductions/discounts (R'000)									
<b>Total rebates, exemptns, reductns, discs (R'000)</b>	<b>3</b>	<b>5 680</b>	<b>3 833</b>	<b>4 355</b>	<b>4 355</b>	<b>4 355</b>	<b>4 616</b>	<b>4 893</b>	<b>5 187</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 2014/15</b>																
<b>Valuation:</b>																
No. of properties	36 825	–	1 628	288	190	1 866	582	–	–	–	–	–	113	–	138	–
No. of sectional title property values	2 242	–	384	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of unreasonably difficult properties s7(2)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of supplementary valuations	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Supplementary valuation (Rm)	TOTAL: 3592															
No. of valuation roll amendments	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
No. of objections by rate-payers	IN PROCESS															
No. of appeals by rate-payers	IN PROCESS															
No. of appeals by rate-payers finalised	IN PROCESS															
No. of successful objections	IN PROCESS															
No. of successful objections > 10%	IN PROCESS															
Estimated no. of properties not valued	100 TOTAL															
Years since last valuation (select)	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
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)	–	–	–	–	–	–	82	–	–	–	–	–	–	–	–	–
Valuation reductions-nature reserves/park (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	274	–	–	–
Valuation reductions-mineral rights (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)	432	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-public worship (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	221	–
Valuation reductions-other (Rm)	2 242	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total valuation reductions:</b>																
Total value used for rating (Rm)	35 584	–	3 630	701	316	–	–	–	–	–	–	–	–	–	–	–
Total land value (Rm)	18 632	–	1 555	561	149	561	78	–	–	–	–	–	197	–	90	–
Total value of improvements (Rm)	17 978	–	2 104	183	175	173	7	–	–	–	–	–	75	–	166	–
Total market value (Rm)	<b>36 610</b>	–	<b>3 659</b>	<b>743</b>	<b>324</b>	<b>733</b>	<b>85</b>	–	–	–	–	–	<b>272</b>	–	<b>256</b>	–
<b>Rating:</b>																
Average rate	0.004140		0.006700	0.001040	0.006270				0.004140	0.006270						
Rate revenue budget (R'000)	109 920		20 877	597	17 126											
Rate revenue expected to collect (R'000)	109 920		20 877	597	17 126											
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)	401															
Rebates, exemptions - bona fide farm. (R'000)				79												
Rebates, exemptions - other (R'000)				3 875												
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 2015/16</b>																
<b>Valuation:</b>																
No. of properties	37 009	–	1 636	289	191	1 875	585	–	–	–	–	–	114	–	139	–
No. of sectional title property values	2 253	–	386	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of unreasonably difficult properties s7(2)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of supplementary valuations	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Supplementary valuation (Rm)	TOTAL: 3808															
No. of valuation roll amendments	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12
No. of objections by rate-payers	1 200	–	200	100	–	–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers	300	–	50	50	–	–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers finalised	300	–	50	50	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections	600	–	100	50	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections > 10%	60	–	10	5	–	–	–	–	–	–	–	–	–	–	–	–
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)	–	–	–	–	–	–	83	–	–	–	–	–	–	–	–	–
Valuation reductions-nature reserves/park (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	276	–	–	–
Valuation reductions-mineral rights (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)	434	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-public worship (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	222	–
Valuation reductions-other (Rm)	2 254	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total valuation reductions:</b>																
Total value used for rating (Rm)	35 762	–	3 648	704	318	–	–	–	–	–	–	–	–	–	–	–
Total land value (Rm)	18 725	–	1 563	563	149	564	78	–	–	–	–	–	198	–	90	–
Total value of improvements (Rm)	18 068	–	2 115	184	176	174	7	–	–	–	–	–	75	–	167	–
Total market value (Rm)	<b>36 793</b>	–	<b>3 678</b>	<b>747</b>	<b>326</b>	<b>737</b>	<b>85</b>	–	–	–	–	–	<b>273</b>	–	<b>258</b>	–
<b>Rating:</b>																
Average rate	0.004420		0.006700	0.001110	0.006700				0.004420	0.006700					0.004140	
Rate revenue budget (R '000)	116 824		22 188	634	18 201				–						–	
Rate revenue expected to collect (R'000)	116 824		22 188	634	18 201											
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)	425															
Rebates, exemptions - bona fide farm. (R'000)				83												
Rebates, exemptions - other (R'000)				4 108												
Phase-in reductions/discounts (R'000)																
<b>Total rebates, exemptns, reductns, discs (R'000)</b>																

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

Description	Provide description of tariff structure where appropriate	2011/12	2012/13	2013/14	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
						Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Property rates (rate in the Rand)</b>								
Residential properties		94 852 280	100 066 700	91 896 000	107 622 000	97 925 000	102 523 000	108 674 380
Residential properties - vacant land						18 899 000	19 786 000	20 973 160
Formal/informal settlements								
Small holdings								
Farm properties - used		186 487	287 327	221 000	259 000	634 000	664 000	703 840
Farm properties - not used								
Industrial properties								
Business and commercial properties		17 562 116	19 923 518	18 416 000	21 567 000	22 188 000	23 230 000	24 623 800
Communal land - residential								
Communal land - small holdings								
Communal land - farm property								
Communal land - business and commercial								
Communal land - other								
State-owned properties				16 285 000	19 072 000	18 201 000	19 056 000	20 199 360
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	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		35 000	100 000	100 000	100 000	220 000	220 000	220 000
Pensioners/social grants rebate or exemption		50 000	100 000	100 000	100 000	220 000	220 000	220 000
Temporary relief rebate or exemption		30-100%	30-100%	30-100%	30-100%	40-100%	40-100%	40-100%
Bona fide farmers rebate or exemption								
<b>Other rebates or exemptions</b>		85%	75%	75%	75%	75%	75%	75%
<b>Water tariffs</b>								
<b>Domestic</b>								
Basic charge/fixd fee (Rands/month)		88	93	96	102	102	111	118
Service point - vacant land (Rands/month)		88	93	96	102	102	111	118
Water usage - flat rate tariff (c/kl)								
Water usage - life line tariff	Consumption - Households			307	325	325	345	365
Water usage - Block 1 (c/kl)	0 - 6 kl per kl	-	-	811	1 005	1 005	1 065	1 129
Water usage - Block 2 (c/kl)	7 - 20kl per kl	702	746	1 316	1 631	1 631	1 729	1 833
Water usage - Block 3 (c/kl)	21 - 30 kl per kl	702	1 200	2 026	2 512	2 512	2 663	2 822
Water usage - Block 4 (c/kl)	31 - 60 kl per kl	1 755	1 860	2 632	3 263	3 263	3 459	3 666
Water usage - Block 4 (c/kl)	> 60 kl	2 369	2 518	3 509	4 351	4 351	4 612	4 889
<b>Other</b>								
<b>Waste water tariffs</b>								
<b>Domestic</b>								
Basic charge/fixd fee (Rands/month)		76	81	86	91	91	96	102
Service point - vacant land (Rands/month)		161	123	130	109	109	116	122
Waste water - flat rate tariff (c/kl)		811	877	965	1 026	1 026	1 088	1 153
Volumetric charge - Block 1 (c/kl)	Basic charge - pumps	51	54	58	61	61	65	69
Volumetric charge - Block 2 (c/kl)	Service per pump	351	373	396	419	419	444	471
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/fixd fee (Rands/month)		152	158	193	204	204	216	229
Service point - vacant land (Rands/month)		152	158	193	204	204	216	229
FBE	Qualify for indigent (describe structure)							
Life-line tariff - meter	<30 Amp	720	795	795	886	886	939	996
Life-line tariff - prepaid								
Flat rate tariff - meter (c/kwh)	Credit meter							
Flat rate tariff - prepaid (c/kwh)	0 - 350 kWh	720	861	886	959	959	1 017	1 078
Meter - IBT Block 1 (c/kwh)	351 - 600 kWh	980	1 133	1 201	1 300	1 300	1 378	1 461
Meter - IBT Block 2 (c/kwh)	> 600 kWh	1 140	1 328	1 448	1 567	1 567	1 661	1 761
Meter - IBT Block 3 (c/kwh)	(fill in thresholds)							
Meter - IBT Block 4 (c/kwh)	Prepaid meter							
Meter - IBT Block 5 (c/kwh)	0 - 350 kWh	720	795	819	886	886	939	996
Prepaid - IBT Block 1 (c/kwh)	351 - 600 kWh	980	1 068	1 132	1 225	1 225	1 299	1 376
Prepaid - IBT Block 2 (c/kwh)	> 600 kWh	1 140	1 277	1 392	1 506	1 506	1 596	1 692
Prepaid - IBT Block 3 (c/kwh)	(fill in thresholds)							
Prepaid - IBT Block 4 (c/kwh)	(fill in thresholds)							
Prepaid - IBT Block 5 (c/kwh)								
<b>Other</b>								
<b>Waste management tariffs</b>								
<b>Domestic</b>								
Street cleaning charge								
Basic charge/fixd fee		83	113	123	130	130	138	146
80l bin - once a week								
250l bin - once a week		284	113	123	130	130	138	146



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

Description	Provide description of tariff structure where appropriate	2011/12	2012/13	2013/14	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
						Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Exemptions, reductions and rebates (Rands)</b> <i>[Insert lines as applicable]</i>	RESIDENTIAL	0.00326	0.00360	0.00360	0.00414	0.00442	0.00438	0.00465
	BUSINESS & COMMERCIAL	0.00476	0.00545	0.00545	0.00626	0.00670	0.00664	0.00700
	FARM PROPERTIES	0.00326	0.00090	0.00090	0.00103	0.00111	0.00109	0.00116
	VACANT					0.00605	0.00641	0.00680
<b>Water tariffs</b> <i>[Insert blocks as applicable]</i>	Basic charge/ fixed fee			96	102	102	108	115
	Service point - vacant land			96	102	102	108	115
	0 - 6 kl	-	-	307	325	325	345	365
	7 - 18 kl	702	746	811	1 005	1 005	1 065	1 129
	19 - 30 kl	702	1 200	1 316	1 631	1 631	1 729	1 833
	31 - 45 kl	1 755	1 860	2 026	2 512	2 512	2 663	2 822
	46 - 60 kl	1 755	1 860	2 632	3 263	3 263	3 459	3 666
	> 60 kl	2 369	2 518	3 509	4 351	4 351	4 612	4 889
	(fill in thresholds)							
	(fill in thresholds)							
<b>Waste water tariffs</b> <i>[Insert blocks as applicable]</i>	Basic charge per month	76	80	86	91	91	97	102
	Basic charge - vacant land	161	122	130	109	109	116	122
	Flat rate per kl	811	877	965	1 026	1 026	1 088	1 153
	Basic charge - pumps	51	54	58	61	61	65	69
	Service per pump	351	372	396	419	419	445	471
	(fill in structure)							
	(fill in structure)							
	(fill in structure)							
	(fill in structure)							
<b>Electricity tariffs</b> <i>[Insert blocks as applicable]</i>	Basic charge - monthly	152	158	193	204	204	216	229
	Basic charge - vacant land	152	158	193	204	204	216	229
	Flat rate - Lifeline	720	795	795	886	886	939	996
	Credit meter							
	0 - 350 kWh	720	861	861	959	959	1 017	1 078
	351 - 600 kWh	980	1 133	1 190	1 300	1 300	1 378	1 461
	> 600 kWh	1 140	1 328	1 435	1 567	1 567	1 661	1 761
	Prepaid meter							
	0 - 350 kWh	720	795	795	886	886	939	996
	351 - 600 kWh	980	1 068	1 121	1 225	1 225	1 299	1 376
	> 600 kWh	1 140	1 277	1 379	1 506	1 506	1 596	1 692
	(fill in thresholds)							
	(fill in thresholds)							

**Table 70 MBRR SA32 – List of external mechanisms**

External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand
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
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					
Outsourcing of sub function: Waste water treatment	Yrs	15	Outsourcing of sub function waste water treatment	estimated date June 203	To be determined

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

Description	Preceding Years	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework			Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Total Contract Value
	Total	Original Budget	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	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		194	204	214	224	236	247	260	273	263			2 114
Contract 2													-
Contract 3 etc													-
<b>Total Operating Revenue Implication</b>	-	194	204	214	224	236	247	260	273	263	-	-	2 114
<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		1 130	1 216	1 309	1 409	1 519	1 639	1 770	1 912				11 904
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		3 388	2 949	3 323	3 697	1 738							15 095
Contract 3 etc													-
<b>Total Operating Expenditure Implication</b>	-	4 518	4 165	4 631	5 107	3 258	1 639	1 770	1 912	-	-	-	26 999
<b><u>Capital Expenditure Obligation By Contract</u></b>													
													-
													-
													-
<b>Total Capital Expenditure Implication</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Parent Expenditure Implication</b>	-	4 518	4 165	4 631	5 107	3 258	1 639	1 770	1 912	-	-	-	26 999

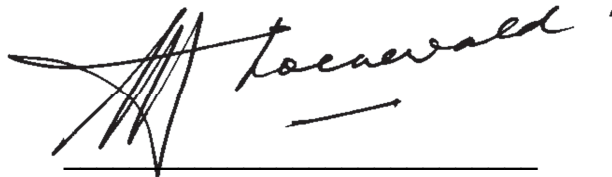
## 2.15 Municipal manager's quality certificate

I, Coenraad Cornelius Groenewald, Municipal Manager of Overstrand Municipality, hereby certify that the annual budget and supporting documentation for the 2015/2016 MTREF has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name C C GROENEWALD

Municipal Manager of Overstrand Municipality (WC032)

Signature

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

Date 25 May 2015

## **ANNEXURE A**

# **PROPOSED AMENDMENTS TO DRAFT BUDGET**

## 2015/2016 SUMMARY OF CHANGES FOR FINAL BUDGET:

### OPEX

			2015/2016	2016/2017	2017/2018
Cost Account	Unique Key	Item Description	Original Bud.	Original Bud.	Original Bud.
<b>1. WARD SPECIFIC PROJECTS AMENDMENTS:</b>					
1.1	10 540 201 430 000	20150306122134 ContrServ:Maint. Build&Facilities (Upgrading of Sidewalks -WSP -Ward 3)	60 000		
1.2	10 540 201 430 000	20150306122311 ContrServ:Maint. Build&Facilities (Hermanus -Upgrading of Taxi Rank Toilets -WSP -Ward 3)	-60 000		
1.3	10 540 201 430 000	20150306122134 ContrServ:Maint. Build&Facilities (Upgrading of Sidewalks -WSP -Ward 3)	60 000		
1.4					
1.5					
1.6					
1.7	10 560 203 300 000 10 560 201 360 000	20150306132211 Inventory:Materials&Supplies 20150306132300 ContrServ:Gardening Servs (Village Garden Furniture)	-7 500 -7 500		
1.8		CHANGE DESCRIPTION TO (Village Garden)	15 000		
<b>2. ROLL OVER PROJECTS IDENTIFIED:</b>					
2.1		Revenue/Transfers and Subsidies/Capital/National Departmental Agencies/National Lotteries Board	-1 000 000		
2.2					
2.3					
<b>3. LIBRARY GRANT AMENDMENTS :</b>					
<b>EXPENDITURE:</b>					
3.1	1 1000 2 038100 00	OPERATIONAL COST: ASSETS LESS THAN THE CAPITALISATION THRESHOLD	46 000		
<b>REVENUE:</b>					
		CAP - MONETAR:WC-LIBRARY	46 000		
		OPER - MONETR:WC-LIBRARY	-46 000		
<b>4. REVENUE AMENDMENTS :</b>					
	11 610 102 660 000	20150212020260 SALESSERVICES:PARKING FEES	67 000	73 700	81 070
	11 600 100 550 000	20150212020120 RENTONLAND:LAND - UNDEVELOPED LAND	43 000	47 300	52 030
	12 500 102 420 000	20150212024397 SALESSERVICES:CEMETRIES&BURIALS	100	110	120
	12 510 102 420 000	20150212024498 SALESSERVICES:CEMETRIES&BURIALS	14 000	15 000	10 500
	12 520 102 420 000	20150212024563 SALESSERVICES:CEMETRIES&BURIALS	1 500	1 650	1 800

### CAPEX

#### PROJECT DESCRIPTION:

#### FINANCE SOURCE:

#### 1. WARD SPECIFIC PROJECTS AMENDMENTS:

PURCHASE OF SCULPTURE (WSP) -HERMANUS WARD 3	OPERATING -CASH	-60 000
PAVING OF CIRCLES (INCL. STORMWATER) -WSP -WARD 8 FLOODLIGHTS -HAWSTON SPORT GROUNDS -WSP-WARD 8	OPERATING -CASH OPERATING -CASH	-150 000 150 000
UPGRADING OF ROADS-WSP -WARD 8 UPGRADING OF STORMWATER SYSTEMS-WSP -WARD 8	OPERATING -CASH OPERATING -CASH	100 000 -100 000
COIN-OPERATED TELESCOPE (CHARLIE VAN BREDA) -WARD 11 TARRING OF ROADS - PEARLY BEACH -WARD 11	OPERATING -CASH OPERATING -CASH	-80 000 80 000
<b>FROM ELECTRICITY TO SPORT &amp; RECREATION:</b>		
FLOOD LIGHTS FOR ZWELIHLE SPORTS GROUND -WARD 5		-100 000
FLOOD LIGHTS FOR ZWELIHLE SPORTS GROUND -WARD 5		100 000
FLOOD LIGHTS FOR ZWELIHLE SPORTS GROUND -WARD 12		-150 000
FLOOD LIGHTS FOR ZWELIHLE SPORTS GROUND -WARD 12		150 000

#### 2. ROLL OVER PROJECTS IDENTIFIED:

FLOODLIGHTS -ZWELIHLE SPORT GROUNDS FLOODLIGHTS -HAWSTON SPORT GROUNDS	LOTTO LOTTO	5 01 0502 778 1 5 01 0502 779 1	500 000 500 000
NEW FLOOD LIGHTS : ZWELIHLE SPORTS GROUND	SURPLUS-WSP	5 01 0502 759 1	55 000
BAARDSKEERDESBOS BULK WATER SUPPLY UPGRADE UPGRADING OF KIDBROOKE PIPELINE HERMANUS: MAIN STR TO ROYAL 2ND SUPPLY FEEDER ELECTRIFICATION IN INFORMAL AREAS KLEINMOND: MV & LV NETWORK UPGRADE HERMANUS: LV UPGRADE/REPLACEMENT HAWSTON: LV UPGRADE/REPLACEMENT ELECTRIFICATION OF HOUSING PROJECTS	EL5/7-EL4 EL5 EL5 Solar Rebate EL5/6/7 EL5/6/7 EL5/6/7 Surplus-Dev Contr.	5 01 0502 616 1 5 01 0502 774 1 5 01 0502 770 1 5 01 0503 921 1 5 01 0502 772 1 5 01 0502 771 1 5 01 0502 773 1 5 01 0502 762 1	64 056 100 000 471 398 461 517 959 741 462 322 288 079 1 558 374

#### 3. LIBRARY GRANT :

MINOR ASSETS -LIBRARIES AND ARCHIVES	Prov-Library Gr	-46 000
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**OPEX**

Cost Account	Unique Key	Item Description	2015/2016	2016/2017	2017/2018
			Original Bud.	Original Bud.	Original Bud.
12 530 102 420 000	20150212024649	SALESSERVICES:CEMETRIES&BURIALS	4 000	4 400	4 800
12 200 102 700 000	20150212023416	SALESSERVICES:PLAN&DEV-APPLIC LAND USE	8 000	8 700	9 500

**5. SALARY AMENDMENTS :**

14 810 202 530 000	20150212029856	STAFF:BASIC SALARY&WAGES	-85 338		
14 810 202 740 000	20150212029858	STAFF:OVERTIME-NON STRUCTURED	-12 010		
14 810 202 810 000	20150212029860	STAFF:ANNUAL BONUS	-7 139		
14 810 202 970 000	20150212029879	STAFF:UNEMPLOYMENT INSURANCE FUND	-925		
14 810 202 960 000	20150212029878	STAFF:PENSION	-15 361		
14 810 202 940 000	20150212029874	STAFF:GROUP LIFE INSURANCE	-631		
14 810 202 930 000	20150212029875	STAFF:BARGAINING COUNCIL	-81		
14 070 202 530 000	20150212027860	STAFF:BASIC SALARY&WAGES	85 338		
14 070 202 740 000	20150212027862	STAFF:OVERTIME-NON STRUCTURED	12 010		
14 070 202 810 000	20150212027864	STAFF:ANNUAL BONUS	7 139		
14 070 202 970 000	20150212027880	STAFF:UNEMPLOYMENT INSURANCE FUND	925		
14 070 202 960 000	20150212027879	STAFF:PENSION	15 361		
14 070 202 940 000	20150212027875	STAFF:GROUP LIFE INSURANCE	631		
14 070 202 930 000	20150212027876	STAFF:BARGAINING COUNCIL	81		

**6. HOUSING AMENDMENTS :****REVENUE:**

12 990 129 430 000	20150212025568	CAP - MONETR:WC-HOUSING	-13 084 350		
12 990 155 280 000	20150212025566	OPER - MONETR:WC-HOUSING	13 084 350		

**EXPENDITURE:**

1 2990 2032800 00	20150309165154	INVENTORY - FINISHED GOODS	-13 084 350		
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**6. WASTE MANAGEMENT AMENDMENTS :**

13640201400000	20150212026662	Contracted Services :Haulage	-5 996 805	-6 512 809	-7 056 805
		Expenditure /Contracted Services /Outsourced Services / Mini Dumping Sites	3 422 786	3 763 001	4 127 246
		Expenditure /Operational Cost /Dumping Fees (District Council)	1 724 021	1 831 013	1 941 963
		Expenditure /Contracted Services /Business and Advisory/ Project Management	849 998	918 795	987 596

<b>TOTAL OPEX ADJUSTMENTS</b>	<b>-13 840 750</b>	<b>150 860</b>	<b>159 820</b>
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<b>DRAFT BUDGET BOTTOMLINE ADJUSTMENTS</b>	<b>-18 981 233</b>	<b>-3 244 191</b>	<b>3 838 334</b>
	<b>13 840 750</b>	<b>-150 860</b>	<b>-159 820</b>
<b>FINAL BUDGET BOTTOMLINE</b>	<b>-5 140 483</b>	<b>-3 395 051</b>	<b>3 678 514</b>

**CAPEX****PROJECT DESRCPTION:****FINANCE SOURCE:****6. HOUSING AMENDMENTS :**

ZWELIHLE MANDELA SQUARE -83 SITES	PROV-HOUSING	1 064 690
ZWELIHLE ADMIN SITE - 164 SITES	PROV-HOUSING	2 709 980
ZWELIHLE SITE C2 - 132 SITES	PROV-HOUSING	2 181 204
MOUNT PLEASANT IRDP	PROV-HOUSING	3 160 600
SWARTDAMROAD IRDP	PROV-HOUSING	3 313 558
STANFORD IRDP	PROV-HOUSING	654 318

<b>TOTAL CAPEX ADJUSTMENTS</b>	<b>18 398 837</b>
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<b>DRAFT CAPITAL BUDGET TOTAL</b>	<b>85 515 254</b>
<b>TOTAL CAPEX ADJUSTMENTS</b>	<b>18 398 837</b>
<b>FINAL CAPITAL BUDGET TOTAL</b>	<b>103 914 091</b>

### **TARIFF LIST IMPROVEMENTS AND AMENDMENTS FROM THE DRAFT BUDGET**

1.	Tariff Codes: S15A1 – S15A5	Cemetery Fees: Plot Cost <ul style="list-style-type: none"><li>• No increase</li></ul>
2.	Tariff Codes: S32A – S32E	Parking Fee Beaches: Grotto & Kleinmond <ul style="list-style-type: none"><li>• Scrap Tariff Codes S32A – S32E</li></ul>
3.	Tariff Codes: S72K2A & S72K2B	Application for Departure (Building Lines) <ul style="list-style-type: none"><li>• No increase</li></ul>
4.	Refuse	SA2A2A: Change and correction of wording <ul style="list-style-type: none"><li>• Reference to SA2B1-SASB11 should be SA2B-SA2B11</li></ul> SAN3A : Change in wording <ul style="list-style-type: none"><li>• “Load weigh per ton or part of”, should be “As per tariff SA2B - SA2B11 per weighed load”</li></ul>



## **ANNEXURE B**

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

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

Version 2.7.1

*Munisipaliteit • U-Masipala • Municipality*

**OVERSTRAND**



Municipality Name: WC032 Overstrand ▼

CFO Name: SANTIE REYNEKE-NAUDE

Tel: 028 3138040 Fax: 028 3138128

E-Mail: cfo@overstrand.gov.za

Budget for MTREF starting: 2015 ▼ Budget Year: 2015/16

Does this municipality have Entities? No ▼

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
	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

<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>	
Name	ANTON COETSEE
Telephone number	028 3138018
Cell number	083 2835 237
Fax number	028 3138067
E-mail address	acoetsee@overstrand.gov.za
<b>Secretary/PA to the Speaker:</b>	
Name	RENE DU PLOOY
Telephone number	028 313 8002
Cell number	
Fax number	028 313 8067
E-mail address	maycomsec@overstrand.gov.za
<b>Mayor/Executive Mayor:</b>	
Name	NICOLETTE BOTHA -GUTHRIE
Telephone number	028 3138011
Cell number	082 3766 265
Fax number	028 3138067
E-mail address	nbotha-guthrie@overstrand.gov.za
<b>Secretary/PA to the Mayor/Executive Mayor:</b>	
Name	ELIZE VERRIJ
Telephone number	028 3138058
Cell number	083 9255 404
Fax number	028 3138067
E-mail address	everij@overstrand.gov.za
<b>Deputy Mayor/Executive Mayor:</b>	
Name	RUDOLPH SMITH
Telephone number	028 313 8191
Cell number	082 514 6411
Fax number	028 313 8067
E-mail address	rsmith@overstrand.gov.za
<b>Secretary/PA to the Deputy Mayor/Executive Mayor:</b>	
Name	RENE DU PLOOY
Telephone number	028 313 8002
Cell number	
Fax number	028 313 8067
E-mail address	maycomsec@overstrand.gov.za
<b>D. MANAGEMENT LEADERSHIP</b>	
<b>Municipal Manager:</b>	
Name	COENIE GROENEWALD
Telephone number	028 3138003
Cell number	082 5529 555
Fax number	0865689726
E-mail address	cgroenewald@overstrand.gov.za
<b>Secretary/PA to the Municipal Manager:</b>	
Name	RENTIA PRETORIUS
Telephone number	028 3138909
Cell number	
Fax number	0865689726
E-mail address	rpretorius@overstrand.gov.za
<b>Chief Financial Officer</b>	
Name	SANTIE REYNEKE-NAUDE
Telephone number	028 3138040
Cell number	082 551 4499
Fax number	028 3138128
E-mail address	cfo@overstrand.gov.za
<b>Secretary/PA to the Chief Financial Officer</b>	
Name	RITA LE ROUX
Telephone number	028 313 8074
Cell number	
Fax number	028 313 8128
E-mail address	rleroux@overstrand.gov.za
<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>	
Name	VERONICA ALLEN
Telephone number	028 3138131
Cell number	
Fax number	028 313 8128
E-mail address	vallen@overstrand.gov.za

**WC032 Overstrand - Table A1 Budget Summary**

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousands</b>									
<b><u>Financial Performance</u></b>									
Property rates	109 838	121 571	135 633	149 690	154 559	154 559	163 621	174 288	185 651
Service charges	405 415	436 439	479 253	525 567	525 567	525 567	566 784	612 476	662 296
Investment revenue	6 881	7 555	6 352	6 166	6 166	6 166	6 348	6 348	6 348
Transfers recognised - operational	38 005	41 680	67 835	58 407	61 289	61 289	90 324	107 886	97 173
Other own revenue	37 344	96 627	47 302	44 644	62 770	62 770	67 957	72 224	76 942
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>597 482</b>	<b>703 871</b>	<b>736 376</b>	<b>784 474</b>	<b>810 351</b>	<b>810 351</b>	<b>895 035</b>	<b>973 222</b>	<b>1 028 409</b>
Employee costs	207 938	231 642	260 645	280 066	276 217	276 217	291 593	305 408	323 583
Remuneration of councillors	6 717	7 084	7 933	8 516	8 516	8 516	8 674	9 192	9 741
Depreciation & asset impairment	104 041	104 408	99 361	109 265	105 461	105 461	111 362	118 043	125 126
Finance charges	31 727	37 331	39 927	45 162	44 480	44 480	46 895	46 780	47 279
Materials and bulk purchases	181 251	157 462	170 650	186 739	186 759	186 759	251 374	290 769	306 221
Transfers and grants	28 454	35 856	38 749	41 370	41 668	41 668	48 497	54 667	62 244
Other expenditure	182 396	178 287	214 757	198 469	270 222	270 222	206 135	212 634	224 099
<b>Total Expenditure</b>	<b>742 525</b>	<b>752 070</b>	<b>832 022</b>	<b>869 588</b>	<b>933 322</b>	<b>933 322</b>	<b>964 529</b>	<b>1 037 493</b>	<b>1 098 292</b>
<b>Surplus/(Deficit)</b>	<b>(145 043)</b>	<b>(48 199)</b>	<b>(95 646)</b>	<b>(85 115)</b>	<b>(122 971)</b>	<b>(122 971)</b>	<b>(69 494)</b>	<b>(64 271)</b>	<b>(69 883)</b>
Transfers recognised - capital	54 833	53 809	38 090	34 234	55 498	55 498	63 354	60 876	73 561
Contributions recognised - capital & contributed assets	8 603	5 289	12 542	2 134	2 051	2 051	1 000	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(81 607)</b>	<b>10 899</b>	<b>(45 015)</b>	<b>(48 747)</b>	<b>(65 423)</b>	<b>(65 423)</b>	<b>(5 140)</b>	<b>(3 395)</b>	<b>3 679</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>(81 607)</b>	<b>10 899</b>	<b>(45 015)</b>	<b>(48 747)</b>	<b>(65 423)</b>	<b>(65 423)</b>	<b>(5 140)</b>	<b>(3 395)</b>	<b>3 679</b>
<b><u>Capital expenditure &amp; funds sources</u></b>									
<b>Capital expenditure</b>	<b>163 275</b>	<b>143 764</b>	<b>130 930</b>	<b>97 721</b>	<b>122 785</b>	<b>122 785</b>	<b>103 914</b>	<b>94 606</b>	<b>103 561</b>
Transfers recognised - capital	54 833	53 809	38 090	36 368	56 498	56 498	64 354	60 876	73 561
Public contributions & donations	14 300	5 067	7 985	-	1 936	1 936	462	-	-
Borrowing	73 964	67 544	70 634	46 923	48 770	48 770	32 346	30 000	30 000
Internally generated funds	20 178	17 345	14 222	14 430	15 582	15 582	6 753	3 730	-
<b>Total sources of capital funds</b>	<b>163 275</b>	<b>143 764</b>	<b>130 930</b>	<b>97 721</b>	<b>122 785</b>	<b>122 785</b>	<b>103 914</b>	<b>94 606</b>	<b>103 561</b>
<b><u>Financial position</u></b>									
Total current assets	230 033	205 668	175 465	197 146	208 517	208 517	207 929	236 802	286 395
Total non current assets	3 209 100	3 290 140	3 302 111	3 316 479	3 332 776	3 332 776	3 320 511	3 302 993	3 287 443
Total current liabilities	137 580	160 331	148 801	153 849	153 113	153 113	174 459	178 435	201 387
Total non current liabilities	452 301	483 951	520 970	549 267	593 707	593 707	617 668	628 376	635 734
Community wealth/Equity	2 849 252	2 851 526	2 807 805	2 810 509	2 794 472	2 794 472	2 736 314	2 732 985	2 736 717
<b><u>Cash flows</u></b>									
Net cash from (used) operating	98 981	75 920	76 616	80 014	126 676	126 676	110 861	125 532	152 720
Net cash from (used) investing	(151 774)	(146 955)	(130 368)	(103 533)	(128 597)	(128 597)	(110 144)	(100 523)	(109 575)
Net cash from (used) financing	109 489	28 482	32 764	27 163	28 183	28 183	7 409	4 515	1 659
<b>Cash/cash equivalents at the year end</b>	<b>126 699</b>	<b>84 147</b>	<b>63 158</b>	<b>88 050</b>	<b>89 421</b>	<b>89 421</b>	<b>97 547</b>	<b>127 071</b>	<b>171 875</b>
<b><u>Cash backing/surplus reconciliation</u></b>									
Cash and investments available	132 391	95 744	80 123	110 257	111 628	111 628	126 001	161 455	212 284
Application of cash and investments	2 373	6 388	(16 024)	(16 663)	(32 522)	(32 522)	8 224	13 360	30 132
<b>Balance - surplus (shortfall)</b>	<b>130 018</b>	<b>89 356</b>	<b>96 147</b>	<b>126 920</b>	<b>144 149</b>	<b>144 149</b>	<b>117 777</b>	<b>148 095</b>	<b>182 152</b>
<b><u>Asset management</u></b>									
Asset register summary (WDV)	3 181 234	3 277 435	3 280 777	3 254 715	3 310 512	3 310 512	3 292 016	3 268 579	3 247 014
Depreciation & asset impairment	104 041	104 408	99 361	109 265	105 461	105 461	111 362	118 043	125 126
Renewal of Existing Assets	-	4 147	47 032	28 139	32 838	32 838	20 758	21 000	6 500
Repairs and Maintenance	64 845	114 414	150 358	162 268	163 071	163 071	121 077	126 814	150 754
<b><u>Free services</u></b>									
Cost of Free Basic Services provided	28 084	32 049	34 509	41 716	41 716	41 716	48 296	52 358	56 767
Revenue cost of free services provided	82 641	77 796	74 679	75 253	75 253	75 253	88 909	95 819	103 302
<b><u>Households below minimum service level</u></b>									
Water:	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	1	1	1	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-

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

Standard Classification Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Revenue - Standard</b>									
<i><b>Governance and administration</b></i>	<b>167 928</b>	<b>232 385</b>	<b>199 504</b>	<b>231 071</b>	<b>232 413</b>	<b>232 413</b>	<b>255 994</b>	<b>272 264</b>	<b>292 533</b>
Executive and council	31 483	38 355	42 355	52 442	52 442	52 442	64 861	72 528	79 858
Budget and treasury office	127 745	137 728	150 786	169 095	170 420	170 420	180 339	191 921	204 338
Corporate services	8 700	56 303	6 363	9 534	9 551	9 551	10 795	7 816	8 338
<i><b>Community and public safety</b></i>	<b>23 195</b>	<b>50 862</b>	<b>71 418</b>	<b>33 726</b>	<b>78 422</b>	<b>78 422</b>	<b>101 843</b>	<b>124 937</b>	<b>118 869</b>
Community and social services	2 574	2 990	2 574	2 402	2 402	2 402	4 657	9 004	9 508
Sport and recreation	6 609	7 765	11 427	9 565	9 191	9 191	11 942	14 042	14 766
Public safety	10 048	20 142	28 300	13 184	36 094	36 094	37 676	39 164	40 802
Housing	3 965	19 965	29 116	8 576	30 735	30 735	47 567	62 726	53 793
Health	-	-	-	-	-	-	-	-	-
<i><b>Economic and environmental services</b></i>	<b>12 963</b>	<b>18 567</b>	<b>30 962</b>	<b>13 939</b>	<b>16 496</b>	<b>16 496</b>	<b>20 033</b>	<b>10 931</b>	<b>13 254</b>
Planning and development	8 801	7 907	12 853	8 465	8 550	8 550	9 043	8 120	8 932
Road transport	3 863	10 595	17 790	5 397	7 869	7 869	10 890	2 700	4 200
Environmental protection	299	65	319	76	76	76	101	110	121
<i><b>Trading services</b></i>	<b>456 833</b>	<b>461 155</b>	<b>485 124</b>	<b>542 106</b>	<b>540 568</b>	<b>540 568</b>	<b>581 518</b>	<b>625 966</b>	<b>677 315</b>
Electricity	229 488	249 645	270 880	313 388	312 305	312 305	346 361	375 057	413 102
Water	108 189	96 325	96 086	96 872	96 872	96 872	106 211	113 026	120 078
Waste water management	79 550	68 428	65 091	72 155	71 106	71 106	69 402	74 765	77 229
Waste management	39 605	46 758	53 066	59 691	60 286	60 286	59 544	63 118	66 906
<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>660 918</b>	<b>762 969</b>	<b>787 007</b>	<b>820 842</b>	<b>867 900</b>	<b>867 900</b>	<b>959 389</b>	<b>1 034 098</b>	<b>1 101 971</b>
<b>Expenditure - Standard</b>									
<i><b>Governance and administration</b></i>	<b>190 332</b>	<b>205 348</b>	<b>119 512</b>	<b>127 368</b>	<b>124 670</b>	<b>124 670</b>	<b>237 278</b>	<b>248 313</b>	<b>267 049</b>
Executive and council	58 811	67 621	71 355	66 867	68 003	68 003	92 565	98 337	108 547
Budget and treasury office	48 679	51 399	23 830	24 503	25 398	25 398	69 750	71 154	75 197
Corporate services	82 842	86 328	24 327	35 998	31 269	31 269	74 963	78 822	83 305
<i><b>Community and public safety</b></i>	<b>124 992</b>	<b>87 288</b>	<b>134 133</b>	<b>113 536</b>	<b>136 344</b>	<b>136 344</b>	<b>141 933</b>	<b>158 237</b>	<b>146 267</b>
Community and social services	24 079	26 093	30 255	32 563	32 499	32 499	31 368	33 034	35 198
Sport and recreation	15 378	14 271	18 637	22 245	20 744	20 744	18 220	19 390	20 550
Public safety	31 241	42 651	56 923	49 173	73 288	73 288	69 453	72 280	75 270
Housing	54 294	4 273	28 318	9 554	9 812	9 812	22 892	33 533	15 249
Health	-	-	-	-	-	-	-	-	-
<i><b>Economic and environmental services</b></i>	<b>116 245</b>	<b>113 012</b>	<b>130 335</b>	<b>139 514</b>	<b>138 641</b>	<b>138 641</b>	<b>132 046</b>	<b>137 946</b>	<b>145 918</b>
Planning and development	35 519	36 280	30 370	37 314	36 945	36 945	40 308	40 867	43 282
Road transport	75 715	71 108	92 659	95 166	94 492	94 492	84 786	89 863	94 986
Environmental protection	5 011	5 624	7 306	7 035	7 204	7 204	6 952	7 217	7 651
<i><b>Trading services</b></i>	<b>310 956</b>	<b>346 423</b>	<b>448 042</b>	<b>489 171</b>	<b>533 668</b>	<b>533 668</b>	<b>453 273</b>	<b>492 997</b>	<b>539 058</b>
Electricity	177 473	198 933	247 859	272 386	272 466	272 466	257 278	287 386	322 086
Water	53 445	61 422	99 439	93 157	90 979	90 979	78 253	81 294	85 130
Waste water management	42 466	45 965	64 659	67 138	69 170	69 170	63 478	67 214	71 597
Waste management	37 573	40 102	36 085	56 489	101 052	101 052	54 264	57 103	60 245
<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>742 525</b>	<b>752 070</b>	<b>832 022</b>	<b>869 588</b>	<b>933 322</b>	<b>933 322</b>	<b>964 529</b>	<b>1 037 493</b>	<b>1 098 292</b>
<b>Surplus/(Deficit) for the year</b>	<b>(81 607)</b>	<b>10 899</b>	<b>(45 015)</b>	<b>(48 747)</b>	<b>(65 423)</b>	<b>(65 423)</b>	<b>(5 140)</b>	<b>(3 395)</b>	<b>3 679</b>

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

Standard Classification Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Revenue - Standard</b>									
<b>Municipal governance and administration</b>	<b>167 928</b>	<b>232 385</b>	<b>199 504</b>	<b>231 071</b>	<b>232 413</b>	<b>232 413</b>	<b>255 994</b>	<b>272 264</b>	<b>292 533</b>
Executive and council	31 483	38 355	42 355	52 442	52 442	52 442	64 861	72 528	79 858
Mayor and Council	31 483	38 355	42 355	52 442	52 442	52 442	64 861	72 528	79 858
Municipal Manager	–	–	–	–	–	–	–	–	–
Budget and treasury office	127 745	137 728	150 786	169 095	170 420	170 420	180 339	191 921	204 338
Corporate services	8 700	56 303	6 363	9 534	9 551	9 551	10 795	7 816	8 338
Human Resources	1 217	1 158	305	908	908	908	60	60	60
Information Technology	45	150	350	1 500	1 500	1 500	930	957	1 033
Property Services	6 290	53 722	3 670	–	–	–	–	–	–
Other Admin	1 148	1 273	2 037	7 126	7 143	7 143	9 805	6 799	7 245
<b>Community and public safety</b>	<b>23 195</b>	<b>50 862</b>	<b>71 418</b>	<b>33 726</b>	<b>78 422</b>	<b>78 422</b>	<b>101 843</b>	<b>124 937</b>	<b>118 869</b>
Community and social services	2 574	2 990	2 574	2 402	2 402	2 402	4 657	9 004	9 508
Libraries and Archives	230	129	233	118	118	118	123	134	146
Museums & Art Galleries etc	–	–	–	–	–	–	–	–	–
Community halls and Facilities	2 153	2 692	2 180	2 099	2 099	2 099	4 341	8 657	9 121
Cemeteries & Crematoriums	191	169	161	185	185	185	194	214	242
Child Care	–	–	–	–	–	–	–	–	–
Aged Care	–	–	–	–	–	–	–	–	–
Other Community	–	–	–	–	–	–	–	–	–
Other Social	–	–	–	–	–	–	–	–	–
Sport and recreation	6 609	7 765	11 427	9 565	9 191	9 191	11 942	14 042	14 766
Public safety	10 048	20 142	28 300	13 184	36 094	36 094	37 676	39 164	40 802
Police	119	115	79	42	42	42	97	106	117
Fire	228	307	684	250	250	250	325	358	393
Civil Defence	–	–	–	–	–	–	–	–	–
Street Lighting	–	–	–	–	–	–	–	–	–
Other	9 701	19 719	27 537	12 892	35 802	35 802	37 255	38 701	40 292
Housing	3 965	19 965	29 116	8 576	30 735	30 735	47 567	62 726	53 793
Health	–	–	–	–	–	–	–	–	–
Clinics	–	–	–	–	–	–	–	–	–
Ambulance	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
<b>Economic and environmental services</b>	<b>12 963</b>	<b>18 567</b>	<b>30 962</b>	<b>13 939</b>	<b>16 496</b>	<b>16 496</b>	<b>20 033</b>	<b>10 931</b>	<b>13 254</b>
Planning and development	8 801	7 907	12 853	8 465	8 550	8 550	9 043	8 120	8 932
Economic Development/Planning	4 558	4 150	8 191	4 068	4 153	4 153	3 091	1 573	1 730
Town Planning/Building enforcement	4 243	3 757	4 662	4 397	4 397	4 397	5 952	6 547	7 202
Licensing & Regulation	–	–	–	–	–	–	–	–	–
Road transport	3 863	10 595	17 790	5 397	7 869	7 869	10 890	2 700	4 200
Roads	3 863	10 595	17 790	5 397	7 869	7 869	10 890	2 700	4 200
Public Buses	–	–	–	–	–	–	–	–	–
Parking Garages	–	–	–	–	–	–	–	–	–
Vehicle Licensing and Testing	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
Environmental protection	299	65	319	76	76	76	101	110	121
Pollution Control	–	–	–	–	–	–	–	–	–
Biodiversity & Landscape	299	65	319	76	76	76	101	110	121
Other	–	–	–	–	–	–	–	–	–
<b>Trading services</b>	<b>456 833</b>	<b>461 155</b>	<b>485 124</b>	<b>542 106</b>	<b>540 568</b>	<b>540 568</b>	<b>581 518</b>	<b>625 966</b>	<b>677 315</b>
Electricity	229 488	249 645	270 880	313 388	312 305	312 305	346 361	375 057	413 102
Electricity Distribution	229 488	249 645	270 880	313 388	312 305	312 305	346 361	375 057	413 102
Electricity Generation	–	–	–	–	–	–	–	–	–
Water	108 189	96 325	96 086	96 872	96 872	96 872	106 211	113 026	120 078
Water Distribution	108 189	96 325	96 086	96 872	96 872	96 872	106 211	113 026	120 078
Water Storage	–	–	–	–	–	–	–	–	–
Waste water management	79 550	68 428	65 091	72 155	71 106	71 106	69 402	74 765	77 229
Sewerage	78 665	63 963	65 032	71 055	69 906	69 906	66 926	72 265	76 229
Storm Water Management	885	4 465	59	1 100	1 200	1 200	2 477	2 500	1 000
Public Toilets	–	–	–	–	–	–	–	–	–
Waste management	39 605	46 758	53 066	59 691	60 286	60 286	59 544	63 118	66 906
Solid Waste	39 605	46 758	53 066	59 691	60 286	60 286	59 544	63 118	66 906
<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>660 918</b>	<b>762 969</b>	<b>787 007</b>	<b>820 842</b>	<b>867 900</b>	<b>867 900</b>	<b>959 389</b>	<b>1 034 098</b>	<b>1 101 971</b>



<b>Expenditure - Standard</b>									
<b>Municipal governance and administration</b>	<b>190 332</b>	<b>205 348</b>	<b>119 512</b>	<b>127 368</b>	<b>124 670</b>	<b>124 670</b>	<b>237 278</b>	<b>248 313</b>	<b>267 049</b>
Executive and council	58 811	67 621	71 355	66 867	68 003	68 003	92 565	98 337	108 547
<i>Mayor and Council</i>	55 939	64 378	70 977	66 289	67 425	67 425	90 290	97 002	107 121
<i>Municipal Manager</i>	2 872	3 243	378	579	578	578	2 275	1 335	1 426
Budget and treasury office	48 679	51 399	23 830	24 503	25 398	25 398	69 750	71 154	75 197
Corporate services	82 842	86 328	24 327	35 998	31 269	31 269	74 963	78 822	83 305
<i>Human Resources</i>	8 288	8 333	1 928	3 696	3 679	3 679	9 594	10 145	10 853
<i>Information Technology</i>	12 282	10 698	(732)	4 590	3 762	3 762	15 509	16 418	17 451
<i>Property Services</i>	16 066	17 074	6 440	6 484	6 484	6 484	5 690	6 032	6 394
<i>Other Admin</i>	46 206	50 223	16 691	21 228	17 344	17 344	44 170	46 228	48 607
<b>Community and public safety</b>	<b>124 992</b>	<b>87 288</b>	<b>134 133</b>	<b>113 536</b>	<b>136 344</b>	<b>136 344</b>	<b>141 933</b>	<b>158 237</b>	<b>146 267</b>
Community and social services	24 079	26 093	30 255	32 563	32 499	32 499	31 368	33 034	35 198
<i>Libraries and Archives</i>	4 257	4 649	6 218	7 074	7 028	7 028	6 542	6 889	7 400
<i>Museums &amp; Art Galleries etc</i>									
<i>Community halls and Facilities</i>	19 538	21 120	23 607	25 072	25 053	25 053	24 407	25 700	27 318
<i>Cemeteries &amp; Crematoriums</i>	284	325	430	418	418	418	419	445	480
<i>Child Care</i>									
<i>Aged Care</i>									
<i>Other Community</i>									
<i>Other Social</i>									
Sport and recreation	15 378	14 271	18 637	22 245	20 744	20 744	18 220	19 390	20 550
Public safety	31 241	42 651	56 923	49 173	73 288	73 288	69 453	72 280	75 270
<i>Police</i>	9 438	10 668	13 606	14 428	14 042	14 042	12 795	13 682	14 534
<i>Fire</i>	8 441	9 619	11 187	12 707	14 408	14 408	12 277	12 886	13 648
<i>Civil Defence</i>									
<i>Street Lighting</i>									
<i>Other</i>	13 361	22 364	32 129	22 038	44 839	44 839	44 381	45 712	47 088
Housing	54 294	4 273	28 318	9 554	9 812	9 812	22 892	33 533	15 249
Health	-	-	-	-	-	-	-	-	-
<i>Clinics</i>									
<i>Ambulance</i>									
<i>Other</i>									
<b>Economic and environmental services</b>	<b>116 245</b>	<b>113 012</b>	<b>130 335</b>	<b>139 514</b>	<b>138 641</b>	<b>138 641</b>	<b>132 046</b>	<b>137 946</b>	<b>145 918</b>
Planning and development	35 519	36 280	30 370	37 314	36 945	36 945	40 308	40 867	43 282
<i>Economic Development/Planning</i>	22 139	22 758	14 781	19 046	18 618	18 618	24 086	23 639	25 058
<i>Town Planning/Building enforcement</i>	13 380	13 522	15 589	18 267	18 327	18 327	16 221	17 227	18 224
<i>Licensing &amp; Regulation</i>									
Road transport	75 715	71 108	92 659	95 166	94 492	94 492	84 786	89 863	94 986
<i>Roads</i>	75 715	71 108	92 659	95 166	94 492	94 492	84 786	89 863	94 986
<i>Public Buses</i>									
<i>Parking Garages</i>									
<i>Vehicle Licensing and Testing</i>									
<i>Other</i>									
Environmental protection	5 011	5 624	7 306	7 035	7 204	7 204	6 952	7 217	7 651
<i>Pollution Control</i>									
<i>Biodiversity &amp; Landscape</i>	5 011	5 624	7 306	7 035	7 204	7 204	6 952	7 217	7 651
<i>Other</i>									
<b>Trading services</b>	<b>310 956</b>	<b>346 423</b>	<b>448 042</b>	<b>489 171</b>	<b>533 668</b>	<b>533 668</b>	<b>453 273</b>	<b>492 997</b>	<b>539 058</b>
Electricity	177 473	198 933	247 859	272 386	272 466	272 466	257 278	287 386	322 086
<i>Electricity Distribution</i>	177 473	198 933	247 859	272 386	272 466	272 466	257 278	287 386	322 086
<i>Electricity Generation</i>									
Water	53 445	61 422	99 439	93 157	90 979	90 979	78 253	81 294	85 130
<i>Water Distribution</i>	53 445	61 422	99 439	93 157	90 979	90 979	78 253	81 294	85 130
<i>Water Storage</i>									
Waste water management	42 466	45 965	64 659	67 138	69 170	69 170	63 478	67 214	71 597
<i>Sewerage</i>	38 378	41 565	58 276	58 197	60 066	60 066	54 574	57 749	61 608
<i>Storm Water Management</i>	4 088	4 400	6 024	8 548	8 772	8 772	8 478	9 015	9 514
<i>Public Toilets</i>			359	394	333	333	426	450	475
Waste management	37 573	40 102	36 085	56 489	101 052	101 052	54 264	57 103	60 245
<i>Solid Waste</i>	37 573	40 102	36 085	56 489	101 052	101 052	54 264	57 103	60 245
<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>742 525</b>	<b>752 070</b>	<b>832 022</b>	<b>869 588</b>	<b>933 322</b>	<b>933 322</b>	<b>964 529</b>	<b>1 037 493</b>	<b>1 098 292</b>
<b>Surplus/(Deficit) for the year</b>	<b>(81 607)</b>	<b>10 899</b>	<b>(45 015)</b>	<b>(48 747)</b>	<b>(65 423)</b>	<b>(65 423)</b>	<b>(5 140)</b>	<b>(3 395)</b>	<b>3 679</b>

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

Vote Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Revenue by Vote</b>									
Vote 1 - Council	31 483	38 353	42 274	52 401	52 401	52 401	64 808	72 470	79 794
Vote 2 - Municipal Manager	–	–	–	–	–	–	–	–	–
Vote 3 - Management Services	1 264	1 476	1 286	2 410	1 844	1 844	991	1 018	1 094
Vote 4 - Finance	127 745	137 728	150 786	169 095	170 420	170 420	180 339	191 921	204 338
Vote 5 - Community Services	245 501	253 932	276 626	253 829	286 171	286 171	272 957	284 007	300 538
Vote 6 - Local Economic Development	2 817	3 750	6 431	2 968	2 968	2 968	3 091	1 573	1 730
Vote 7 - Infrastructure & Planning	242 061	307 588	281 304	326 955	318 002	318 002	399 527	443 945	473 675
Vote 8 - Protection Services	10 048	20 142	28 300	13 184	36 094	36 094	37 676	39 164	40 802
<b>Total Revenue by Vote</b>	<b>660 918</b>	<b>762 969</b>	<b>787 007</b>	<b>820 842</b>	<b>867 900</b>	<b>867 900</b>	<b>959 389</b>	<b>1 034 098</b>	<b>1 101 971</b>
<b>Expenditure by Vote to be appropriated</b>									
Vote 1 - Council	55 945	64 385	68 239	63 289	64 228	64 228	71 496	78 840	87 821
Vote 2 - Municipal Manager	2 872	3 243	1 295	1 003	780	780	4 489	3 643	3 865
Vote 3 - Management Services	32 796	30 890	5 492	15 189	13 315	13 315	43 327	45 629	48 384
Vote 4 - Finance	48 679	51 399	23 830	24 503	25 398	25 398	69 750	71 154	75 197
Vote 5 - Community Services	332 230	296 939	394 516	386 685	380 465	380 465	341 492	371 463	392 545
Vote 6 - Local Economic Development	5 845	7 722	9 945	11 140	10 915	10 915	8 731	7 464	7 931
Vote 7 - Infrastructure & Planning	232 916	254 841	271 782	318 607	364 933	364 933	355 793	387 020	407 279
Vote 8 - Protection Services	31 241	42 651	56 923	49 173	73 288	73 288	69 453	72 280	75 270
<b>Total Expenditure by Vote</b>	<b>742 525</b>	<b>752 070</b>	<b>832 022</b>	<b>869 588</b>	<b>933 322</b>	<b>933 322</b>	<b>964 529</b>	<b>1 037 493</b>	<b>1 098 292</b>
<b>Surplus/(Deficit) for the year</b>	<b>(81 607)</b>	<b>10 899</b>	<b>(45 015)</b>	<b>(48 747)</b>	<b>(65 423)</b>	<b>(65 423)</b>	<b>(5 140)</b>	<b>(3 395)</b>	<b>3 679</b>

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

Vote Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>									
<b>Revenue by Vote</b>									
<b>Vote 1 - Council</b>	<b>31 483</b>	<b>38 353</b>	<b>42 274</b>	<b>52 401</b>	<b>52 401</b>	<b>52 401</b>	<b>64 808</b>	<b>72 470</b>	<b>79 794</b>
1.1 - Council General	31 483	38 353	42 274	52 401	52 401	52 401	64 808	72 470	79 794
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>1 264</b>	<b>1 476</b>	<b>1 286</b>	<b>2 410</b>	<b>1 844</b>	<b>1 844</b>	<b>991</b>	<b>1 018</b>	<b>1 094</b>
3.1 - Director: Management Services		166	631		-	-			
3.2 - Communication					-	-			
3.3 - Legal Services					-	-			
3.4 - Strategic Services					-	-			
3.5 - Human Resources	1 217	1 158	305	908	908	908	60	60	60
3.6 - Info & Communication Technology	45	150	350	1 500	934	934	930	957	1 033
3.7 - Council Support Services	2	3		2	2	2	1	1	1
3.8 - Social Development					-	-			
3.9 - Risk Management					-	-			
3.10 - Municipal Court					-	-			
<b>Vote 4 - Finance</b>	<b>127 745</b>	<b>137 728</b>	<b>150 786</b>	<b>169 095</b>	<b>170 420</b>	<b>170 420</b>	<b>180 339</b>	<b>191 921</b>	<b>204 338</b>
4.1 - Director: Finance					-	-			
4.2 - Deputy Director: Finance	1 250	1 250	1 455	884	2 209	2 209	1 450	1 475	1 550
4.3 - Accounting Services	6 881	8 049	7 192	6 166	6 166	6 166	6 348	6 348	6 348
4.4 - Expenditure & Asset Management	19	18	25	21	21	21	15	16	16
4.5 - Revenue	6 908	7 418	7 154	8 365	8 365	8 365	9 675	10 642	11 705
4.6 - Supply Chain Management	78	138	101	110	110	110	121	133	146
4.7 - Data Control		22			-	-	-	-	-
4.8 - Assessment Rates	112 609	120 833	134 860	153 549	153 549	153 549	162 730	173 308	184 573
<b>Vote 5 - Community Services</b>	<b>245 501</b>	<b>253 932</b>	<b>276 626</b>	<b>253 829</b>	<b>286 171</b>	<b>286 171</b>	<b>272 957</b>	<b>284 007</b>	<b>300 538</b>
5.1 - Director & Administration	1 146	1 107	938	5 525	5 443	5 443	8 447	5 691	6 034
5.2 - Offices & Community Buildings	556	891	971	1 803	2 469	2 469	1 706	5 451	5 650
5.3 - Parks & Townlands, Cemeteries	1 787	1 970	1 920	2 121	2 121	2 121	4 238	4 584	4 986
5.4 - Libraries	230	129	233	118	118	118	123	134	146
5.5 - Sport & Recreation	6 609	7 765	11 427	9 565	9 191	9 191	11 942	14 042	14 766
5.6 - Housing & Social Upliftment	3 965	19 965	29 116	583	30 735	30 735	453	496	543
5.7 - Roads & Stormwater	4 748	15 060	17 849	6 498	9 070	9 070	13 366	5 200	5 200
5.8 - Water	108 189	96 325	96 086	96 872	96 872	96 872	106 211	113 026	120 078
5.9 - Sewerage	78 665	63 963	65 032	71 055	69 906	69 906	66 926	72 265	76 229
5.10 - Refuse	39 605	46 758	53 054	59 691	60 248	60 248	59 544	63 118	66 906
<b>Vote 6 - Local Economic Development</b>	<b>2 817</b>	<b>3 750</b>	<b>6 431</b>	<b>2 968</b>	<b>2 968</b>	<b>2 968</b>	<b>3 091</b>	<b>1 573</b>	<b>1 730</b>
6.1 - Director: Economic Development & Planning	2 817	3 750	5 207	1 768	1 768	1 768	1 661		
6.2 - Tourism					-	-			
6.3 - Parking Services			1 224	1 200	1 200	1 200	1 430	1 573	1 730
<b>Vote 7 - Infrastructure &amp; Planning</b>	<b>242 061</b>	<b>307 588</b>	<b>281 304</b>	<b>326 955</b>	<b>318 002</b>	<b>318 002</b>	<b>399 527</b>	<b>443 945</b>	<b>473 675</b>
7.1 - Director: Infrastructure & Planning			1 000		-	-			
7.2 - Deputy Director: Engineering Planning	1 741	400	759	1 100	1 185	1 185	0	0	0
7.3 - Engineering Services & Housing Development				7 993	-	-	47 114	62 230	53 250
7.4 - Town Planning	758	794	912	803	803	803	1 112	1 223	1 346
7.5 - Geographical Info System (GIS)					-	-			
7.6 - Building Control Services	3 486	2 963	3 750	3 594	3 594	3 594	4 840	5 324	5 856
7.7 - Environmental Management Services	299	65	319	76	76	76	101	110	121
7.8 - Electricity	229 488	249 645	270 880	313 388	312 305	312 305	346 361	375 057	413 102
7.9 - Solid Waste Planning & Solid Waste Disposal			12		38	38			
7.10 - Property Administration	6 290	53 722	3 670		-	-			
<b>Vote 8 - Protection Services</b>	<b>10 048</b>	<b>20 142</b>	<b>28 300</b>	<b>13 184</b>	<b>36 094</b>	<b>36 094</b>	<b>37 676</b>	<b>39 164</b>	<b>40 802</b>
8.1 - Director: Protection Services		50	100		-	-			
8.2 - Traffic	9 701	18 557	27 437	12 892	35 802	35 802	37 255	38 701	40 292
8.3 - Law Enforcement	119	115	79	42	42	42	97	106	117
8.4 - Vehicle testing					-	-		-	-
8.5 - Fire Brigade/Disaster Management	228	307	684	250	250	250	325	358	393
8.6 - Vehicle Licensing		1 112			-	-			
<b>Total Revenue by Vote</b>	<b>660 918</b>	<b>762 969</b>	<b>787 007</b>	<b>820 842</b>	<b>867 900</b>	<b>867 900</b>	<b>959 389</b>	<b>1 034 098</b>	<b>1 101 971</b>

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

Vote Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>									
<b>Expenditure by Vote</b>									
<b>Vote 1 - Council</b>	<b>55 945</b>	<b>64 385</b>	<b>68 239</b>	<b>63 289</b>	<b>64 228</b>	<b>64 228</b>	<b>71 496</b>	<b>78 840</b>	<b>87 821</b>
1.1 - Council General	54 911	63 356	68 203	62 915	63 855	63 855	70 656	77 950	86 877
1.2 - Mayor's Office	1 028	1 022	28	365	365	365	832	882	935
1.3 - Pensioners & Continued Members	6	7	8	8	8	8	8	8	9
<b>Vote 2 - Municipal Manager</b>	<b>2 872</b>	<b>3 243</b>	<b>1 295</b>	<b>1 003</b>	<b>780</b>	<b>780</b>	<b>4 489</b>	<b>3 643</b>	<b>3 865</b>
2.1 - Municipal Manager	1 897	1 834	378	579	578	578	2 275	1 335	1 426
2.2 - Internal Audit	974	1 409	917	424	202	202	2 214	2 308	2 439
<b>Vote 3 - Management Services</b>	<b>32 796</b>	<b>30 890</b>	<b>5 492</b>	<b>15 189</b>	<b>13 315</b>	<b>13 315</b>	<b>43 327</b>	<b>45 629</b>	<b>48 384</b>
3.1 - Director: Management Services	5 081	4 461	1 482	444	(130)	(130)	5 709	5 733	6 064
3.2 - Communication	2 218	2 280	41	1 234	716	716	2 757	2 926	3 052
3.3 - Legal Services	840	1 358	779	806	1 300	1 300	2 974	3 127	3 297
3.4 - Strategic Services	1 699	1 084	166	394	394	394	1 408	1 616	1 696
3.5 - Human Resources	8 288	8 333	1 928	3 696	3 679	3 679	9 594	10 145	10 853
3.6 - Info & Communication Technology	12 282	10 695	(732)	4 590	3 762	3 762	15 509	16 418	17 451
3.7 - Council Support Services	2 387	2 679	989	987	866	866	3 527	3 713	3 895
3.8 - Social Development			700	1 153	1 153	1 153	1 100	1 158	1 235
3.9 - Risk Management				543	520	520			
3.10 - Municipal Court			139	1 342	1 056	1 056	749	794	841
<b>Vote 4 - Finance</b>	<b>48 679</b>	<b>51 399</b>	<b>23 830</b>	<b>24 503</b>	<b>25 398</b>	<b>25 398</b>	<b>69 750</b>	<b>71 154</b>	<b>75 197</b>
4.1 - Director: Finance	1 515	1 717	662	594	570	570	2 042	2 165	2 296
4.2 - Deputy Director: Finance	2 005	4 385	4 347	2 217	3 542	3 542	6 993	7 342	7 761
4.3 - Accounting Services	6 205	3 561	424	1 503	1 523	1 523	5 275	5 515	5 798
4.4 - Expenditure & Asset Management	6 951	7 654	1 798	1 989	2 643	2 643	10 240	10 973	11 579
4.5 - Revenue	19 209	20 869	7 154	7 423	6 968	6 968	24 880	26 658	28 526
4.6 - Supply Chain Management	5 924	7 247	4 138	2 775	2 151	2 151	9 043	9 412	9 959
4.7 - Data Control	356	518	186	241	240	240	966	1 024	1 085
4.8 - Assessment Rates	6 514	5 449	5 121	7 760	7 760	7 760	10 312	8 065	8 194
<b>Vote 5 - Community Services</b>	<b>332 230</b>	<b>296 939</b>	<b>394 516</b>	<b>386 685</b>	<b>380 465</b>	<b>380 465</b>	<b>341 492</b>	<b>371 463</b>	<b>392 545</b>
5.1 - Director & Administration	33 974	38 337	13 822	16 241	14 577	14 577	27 328	40 784	43 021
5.2 - Offices & Community Buildings	5 879	6 534	4 987	4 816	4 798	4 798	6 381	6 727	7 188
5.3 - Parks & Townlands, Cemeteries	13 943	14 915	19 444	21 333	21 317	21 317	20 558	21 649	22 976
5.4 - Libraries	4 257	4 649	6 218	7 074	7 028	7 028	6 542	6 889	7 400
5.5 - Sport & Recreation	15 378	14 271	18 637	22 245	20 744	20 744	18 220	19 390	20 550
5.6 - Housing & Social Upliftment	54 294	4 273	28 318	9 554	9 812	9 812	5 750	6 053	6 374
5.7 - Roads & Stormwater	79 802	75 508	98 348	101 919	101 256	101 256	92 424	97 871	103 433
5.8 - Water	53 445	61 422	99 439	93 157	90 979	90 979	78 253	81 294	85 130
5.9 - Sewerage	38 378	41 565	58 634	59 390	61 094	61 094	55 000	58 199	62 083
5.10 - Refuse	32 880	35 466	46 668	50 955	48 859	48 859	31 035	32 607	34 390
<b>Vote 6 - Local Economic Development</b>	<b>5 845</b>	<b>7 722</b>	<b>9 945</b>	<b>11 140</b>	<b>10 915</b>	<b>10 915</b>	<b>8 731</b>	<b>7 464</b>	<b>7 931</b>
6.1 - Director: Economic Development & Planning	5 845	4 720	4 291	4 853	4 726	4 726	5 672	4 223	4 497
6.2 - Tourism		3 002	3 820	3 752	3 555	3 555	2 741	2 905	3 079
6.3 - Parking Services			1 833	2 534	2 634	2 634	317	336	355
<b>Vote 7 - Infrastructure &amp; Planning</b>	<b>232 916</b>	<b>254 841</b>	<b>271 782</b>	<b>318 607</b>	<b>364 933</b>	<b>364 933</b>	<b>355 793</b>	<b>387 020</b>	<b>407 279</b>
7.1 - Director: Infrastructure & Planning	2 137	2 781	432	1 220	1 216	1 216	2 384	2 611	2 759
7.2 - Deputy Director: Engineering Planning	11 223	9 124	2 315	4 424	4 240	4 240	8 664	9 083	9 596
7.3 - Engineering Services & Housing Development	1 894	2 003	1 595	1 577	1 347	1 347	32 871	30 185	11 730
7.4 - Town Planning	9 268	9 494	10 635	12 970	12 688	12 688	11 192	11 915	12 520
7.5 - Geographical Info System (GIS)	1 040	1 128	495	686	708	708	1 289	1 378	1 494
7.6 - Building Control Services	4 113	4 027	4 954	5 297	5 526	5 526	5 030	5 312	5 703
7.7 - Environmental Management Services	5 011	5 624	7 306	7 035	7 204	7 204	6 952	7 217	7 651
7.8 - Electricity	177 473	198 933	248 194	273 381	273 769	273 769	258 118	288 393	323 153
7.9 - Solid Waste Planning & Solid Waste Disposal	4 693	4 636	(10 583)	5 534	51 788	51 788	23 229	24 496	25 855
7.10 - Property Administration	16 066	17 089	6 440	6 484	6 449	6 449	6 064	6 430	6 817
<b>Vote 8 - Protection Services</b>	<b>31 241</b>	<b>42 651</b>	<b>56 923</b>	<b>49 173</b>	<b>73 288</b>	<b>73 288</b>	<b>69 453</b>	<b>72 280</b>	<b>75 270</b>
8.1 - Director: Protection Services	1 336	1 518	1 289	1 600	1 604	1 604	1 948	2 064	2 191
8.2 - Traffic	11 806	19 243	30 524	20 115	42 437	42 437	41 049	42 189	43 361
8.3 - Law Enforcement	9 438	10 668	13 606	14 428	13 987	13 987	12 795	13 682	14 534
8.4 - Vehicle testing	219	178	316	324	853	853	296	314	321
8.5 - Fire Brigade/Disaster Management	8 441	9 619	11 187	12 707	14 407	14 407	12 277	12 886	13 648
8.6 - Vehicle Licensing		1 426			-	-	1 087	1 146	1 215
<b>Total Expenditure by Vote</b>	<b>742 525</b>	<b>752 070</b>	<b>832 022</b>	<b>869 588</b>	<b>933 322</b>	<b>933 322</b>	<b>964 529</b>	<b>1 037 493</b>	<b>1 098 292</b>
<b>Surplus/(Deficit) for the year</b>	<b>(81 607)</b>	<b>10 899</b>	<b>(45 015)</b>	<b>(48 747)</b>	<b>(65 423)</b>	<b>(65 423)</b>	<b>(5 140)</b>	<b>(3 395)</b>	<b>3 679</b>

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

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>									
<b>Revenue By Source</b>									
Property rates	108 913	120 799	134 813	148 640	153 509	153 509	162 730	173 308	184 573
Property rates - penalties & collection charges	925	772	821	1 050	1 050	1 050	891	980	1 078
Service charges - electricity revenue	224 950	247 663	268 362	310 085	310 085	310 085	338 877	371 635	407 747
Service charges - water revenue	83 755	85 243	95 136	95 897	95 897	95 897	102 045	107 700	113 691
Service charges - sanitation revenue	57 212	56 895	62 798	63 455	63 455	63 455	66 375	70 081	74 010
Service charges - refuse revenue	39 498	46 637	52 957	56 130	56 130	56 130	59 488	63 061	66 849
Service charges - other					-	-			
Rental of facilities and equipment	6 743	7 212	7 591	7 966	7 966	7 966	11 859	12 953	14 176
Interest earned - external investments	6 881	7 555	6 352	6 166	6 166	6 166	6 348	6 348	6 348
Interest earned - outstanding debtors	2 331	2 199	2 118	2 288	2 288	2 288	2 437	2 680	2 948
Dividends received				-	-	-			
Fines	5 278	14 244	22 739	7 965	30 875	30 875	31 859	32 766	33 763
Licences and permits	1 786	1 968	1 956	2 229	2 229	2 229	2 190	2 408	2 649
Agency services	1 912	2 025	2 395	2 480	2 480	2 480	2 970	3 267	3 594
Transfers recognised - operational	38 005	41 680	67 835	58 407	61 289	61 289	90 324	107 886	97 173
Other revenue	17 375	68 978	10 504	21 717	16 933	16 933	16 643	18 150	19 812
Gains on disposal of PPE	1 920								
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>597 482</b>	<b>703 871</b>	<b>736 376</b>	<b>784 474</b>	<b>810 351</b>	<b>810 351</b>	<b>895 035</b>	<b>973 222</b>	<b>1 028 409</b>
<b>Expenditure By Type</b>									
Employee related costs	207 938	231 642	260 645	280 066	276 217	276 217	291 593	305 408	323 583
Remuneration of councillors	6 717	7 084	7 933	8 516	8 516	8 516	8 674	9 192	9 741
Debt impairment	28	6 688	12 526		22 792	22 792	22 792	22 792	22 792
Depreciation & asset impairment	104 041	104 408	99 361	109 265	105 461	105 461	111 362	118 043	125 126
Finance charges	31 727	37 331	39 927	45 162	44 480	44 480	46 895	46 780	47 279
Bulk purchases	126 669	145 022	157 055	169 444	169 444	169 444	193 573	221 138	252 628
Other materials	54 582	12 441	13 595	17 295	17 315	17 315	57 801	69 631	53 593
Contracted services	24 079	67 697	72 754	81 062	82 467	82 467	125 322	128 122	135 442
Transfers and grants	28 454	35 856	38 749	41 370	41 668	41 668	48 497	54 667	62 244
Other expenditure	158 290	102 146	117 460	117 407	164 963	164 963	58 021	61 721	65 866
Loss on disposal of PPE		1 756	12 017						
<b>Total Expenditure</b>	<b>742 525</b>	<b>752 070</b>	<b>832 022</b>	<b>869 588</b>	<b>933 322</b>	<b>933 322</b>	<b>964 529</b>	<b>1 037 493</b>	<b>1 098 292</b>
<b>Surplus/(Deficit)</b>	<b>(145 043)</b>	<b>(48 199)</b>	<b>(95 646)</b>	<b>(85 115)</b>	<b>(122 971)</b>	<b>(122 971)</b>	<b>(69 494)</b>	<b>(64 271)</b>	<b>(69 883)</b>
Transfers recognised - capital	54 833	53 809	38 090	34 234	55 498	55 498	63 354	60 876	73 561
Contributions recognised - capital	8 603	5 289	7 871	2 134	2 051	2 051	1 000	-	-
Contributed assets			4 671						
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(81 607)</b>	<b>10 899</b>	<b>(45 015)</b>	<b>(48 747)</b>	<b>(65 423)</b>	<b>(65 423)</b>	<b>(5 140)</b>	<b>(3 395)</b>	<b>3 679</b>
Taxation									
<b>Surplus/(Deficit) after taxation</b>	<b>(81 607)</b>	<b>10 899</b>	<b>(45 015)</b>	<b>(48 747)</b>	<b>(65 423)</b>	<b>(65 423)</b>	<b>(5 140)</b>	<b>(3 395)</b>	<b>3 679</b>
Attributable to minorities									
<b>Surplus/(Deficit) attributable to municipality</b>	<b>(81 607)</b>	<b>10 899</b>	<b>(45 015)</b>	<b>(48 747)</b>	<b>(65 423)</b>	<b>(65 423)</b>	<b>(5 140)</b>	<b>(3 395)</b>	<b>3 679</b>
Share of surplus/ (deficit) of associate									
<b>Surplus/(Deficit) for the year</b>	<b>(81 607)</b>	<b>10 899</b>	<b>(45 015)</b>	<b>(48 747)</b>	<b>(65 423)</b>	<b>(65 423)</b>	<b>(5 140)</b>	<b>(3 395)</b>	<b>3 679</b>

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

Vote Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Capital expenditure - Vote</b>									
<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	-	-	5 000	4 939	3 565	3 565	21 911	4 500	4 000
Vote 6 - Local Economic Development	-	-	-	-	-	-	-	-	-
Vote 7 - Infrastructure & Planning	-	-	-	-	-	-	11 451	3 000	3 000
Vote 8 - Protection Services	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	<b>-</b>	<b>-</b>	<b>5 000</b>	<b>4 939</b>	<b>3 565</b>	<b>3 565</b>	<b>33 362</b>	<b>7 500</b>	<b>7 000</b>
<b>Single-year expenditure to be appropriated</b>									
Vote 1 - Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Management Services	928	1 274	1 790	2 548	2 534	2 534	2 528	-	-
Vote 4 - Finance	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services	119 308	110 111	74 622	71 999	92 038	92 038	56 809	72 106	79 561
Vote 6 - Local Economic Development	-	945	-	-	-	-	-	-	-
Vote 7 - Infrastructure & Planning	42 394	31 434	49 518	18 235	19 450	19 450	10 920	15 000	17 000
Vote 8 - Protection Services	645	-	-	-	-	-	295	-	-
<b>Capital single-year expenditure sub-total</b>	<b>163 275</b>	<b>143 764</b>	<b>125 930</b>	<b>92 781</b>	<b>114 022</b>	<b>114 022</b>	<b>70 552</b>	<b>87 106</b>	<b>96 561</b>
<b>Total Capital Expenditure - Vote</b>	<b>163 275</b>	<b>143 764</b>	<b>130 930</b>	<b>97 721</b>	<b>117 588</b>	<b>117 588</b>	<b>103 914</b>	<b>94 606</b>	<b>103 561</b>
<b>Capital Expenditure - Standard</b>									
<b>Governance and administration</b>	<b>24 047</b>	<b>7 154</b>	<b>21 308</b>	<b>16 815</b>	<b>17 776</b>	<b>17 776</b>	<b>2 648</b>	<b>3 730</b>	<b>-</b>
Executive and council					-	-			
Budget and treasury office					-	-			
Corporate services	24 047	7 154	21 308	16 815	17 776	17 776	2 648	3 730	
<b>Community and public safety</b>	<b>3 319</b>	<b>7 268</b>	<b>19 582</b>	<b>21 205</b>	<b>42 622</b>	<b>42 622</b>	<b>39 768</b>	<b>45 550</b>	<b>55 174</b>
Community and social services	327	4 666	3 482	5 635	5 595	5 595	3 520	4 000	4 000
Sport and recreation	1 531	2 601	5 696	3 090	2 616	2 616	5 981	6 800	6 800
Public safety	645	-	-	-	-	-	295		
Housing	817	-	10 404	12 480	34 410	34 410	29 973	34 750	44 374
Health					-	-			
<b>Economic and environmental services</b>	<b>8 340</b>	<b>25 552</b>	<b>16 051</b>	<b>5 400</b>	<b>6 300</b>	<b>6 300</b>	<b>12 128</b>	<b>4 000</b>	<b>4 000</b>
Planning and development	2 863	945			-	-	25		
Road transport	5 477	24 607	16 051	5 400	6 300	6 300	12 103	4 000	4 000
Environmental protection					-	-			
<b>Trading services</b>	<b>127 569</b>	<b>103 790</b>	<b>73 989</b>	<b>54 300</b>	<b>56 087</b>	<b>56 087</b>	<b>49 370</b>	<b>41 326</b>	<b>44 387</b>
Electricity	30 061	26 768	37 115	17 000	17 000	17 000	21 726	14 000	16 000
Water	57 384	50 766	23 631	12 800	16 384	16 384	16 390	14 726	15 787
Waste water management	39 927	20 728	10 202	14 300	13 403	13 403	11 244	12 600	12 600
Waste management	196	5 528	3 041	10 200	9 300	9 300	10		
<b>Other</b>					-	-			
<b>Total Capital Expenditure - Standard</b>	<b>163 275</b>	<b>143 764</b>	<b>130 930</b>	<b>97 721</b>	<b>122 785</b>	<b>122 785</b>	<b>103 914</b>	<b>94 606</b>	<b>103 561</b>
<b>Funded by:</b>									
National Government	40 212	36 911	6 339	24 174	23 608	23 608	30 347	26 126	29 187
Provincial Government	14 621	16 898	31 751	10 060	31 890	31 890	33 007	34 750	44 374
District Municipality					-	-			
Other transfers and grants				2 134	1 000	1 000	1 000		
<b>Transfers recognised - capital</b>	<b>54 833</b>	<b>53 809</b>	<b>38 090</b>	<b>36 368</b>	<b>56 498</b>	<b>56 498</b>	<b>64 354</b>	<b>60 876</b>	<b>73 561</b>
<b>Public contributions &amp; donations</b>	<b>14 300</b>	<b>5 067</b>	<b>7 985</b>	<b>-</b>	<b>1 936</b>	<b>1 936</b>	<b>462</b>		
<b>Borrowing</b>	<b>73 964</b>	<b>67 544</b>	<b>70 634</b>	<b>46 923</b>	<b>48 770</b>	<b>48 770</b>	<b>32 346</b>	<b>30 000</b>	<b>30 000</b>
<b>Internally generated funds</b>	<b>20 178</b>	<b>17 345</b>	<b>14 222</b>	<b>14 430</b>	<b>15 582</b>	<b>15 582</b>	<b>6 753</b>	<b>3 730</b>	
<b>Total Capital Funding</b>	<b>163 275</b>	<b>143 764</b>	<b>130 930</b>	<b>97 721</b>	<b>122 785</b>	<b>122 785</b>	<b>103 914</b>	<b>94 606</b>	<b>103 561</b>

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

Vote Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<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>	-	-	-	-	-	-	-	-	-
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					-	-	-	-	-
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	4 939	3 565	3 565	21 911	4 500	4 000
5.1 - Director & Administration							-	-	-
5.2 - Offices & Community Buildings							-	-	-
5.3 - Parks & Townlands, Cemeteries							-	-	-
5.4 - Libraries				2 000	2 000	2 000	3 034	-	-
5.5 - Sport & Recreation			5 000	2 939	1 565	1 565	5 613	-	-
5.6 - Housing & Social Upliftment							-	-	-
5.7 - Roads & Stormwater							-	-	-
5.8 - Water							9 717	-	4 000
5.9 - Sewerage							3 547	4 500	-
5.10 - Refuse							-	-	-
<b>Vote 6 - Local Economic Development</b>	-	-	-	-	-	-	-	-	-
6.1 - Director: Economic Development & Planning	-						-	-	-
6.2 - Tourism							-	-	-
6.3 - Parking Services							-	-	-
<b>Vote 7 - Infrastructure &amp; Planning</b>	-	-	-	-	-	-	11 451	3 000	3 000
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							11 451	3 000	3 000
7.9 - Solid Waste Planning & Solid Waste Disposal							-	-	-
7.10 - Property Administration							-	-	-
<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							-	-	-
<b>Capital multi-year expenditure sub-total</b>	-	-	5 000	4 939	3 565	3 565	33 362	7 500	7 000

<b>Capital expenditure - Municipal Vote</b>									
<b>Single-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>	928	1 274	1 790	2 548	2 534	2 534	2 528	-	-
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	928	1 274	1 790	2 548	2 534	2 534	2 528		
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>	119 308	110 111	74 622	71 999	92 038	92 038	56 809	72 106	79 561
5.1 - Director & Administration							126	3 730	
5.2 - Offices & Community Buildings	10 786	5 880	10 597	16 667	16 387	16 387			
5.3 - Parks & Townlands, Cemeteries					-	-			
5.4 - Libraries					-	-			
5.5 - Sport & Recreation	5 538	2 601	696	151	1 051	1 051	228	6 800	6 800
5.6 - Housing & Social Upliftment	-	-	10 404	12 480	29 213	29 213	29 973	34 750	44 374
5.7 - Roads & Stormwater	12 754	30 715	16 094	6 200	7 632	7 632	15 079	5 000	5 000
5.8 - Water	57 384	50 766	23 631	12 800	16 384	16 384	6 673	14 726	11 787
5.9 - Sewerage	32 650	14 621	10 159	13 500	12 071	12 071	4 720	7 100	11 600
5.10 - Refuse	196	5 528	3 041	10 200	9 300	9 300	10		
<b>Vote 6 - Local Economic Development</b>	-	945	-	-	-	-	-	-	-
6.1 - Director: Economic Development & Planning		945							
6.2 - Tourism									
6.3 - Parking Services									
<b>Vote 7 - Infrastructure &amp; Planning</b>	42 394	31 434	49 518	18 235	19 450	19 450	10 920	15 000	17 000
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	30 061	26 768	37 115	17 000	17 000	17 000	10 275	11 000	13 000
7.9 - Solid Waste Planning & Solid Waste Disposal					-	-			
7.10 - Property Administration	12 332	4 666	12 403	1 235	2 450	2 450	645	4 000	4 000
<b>Vote 8 - Protection Services</b>	645	-	-	-	-	-	295	-	-
8.1 - Director: Protection Services	645	-					295		
8.2 - Traffic									
8.3 - Law Enforcement									
8.4 - Vehicle testing									
8.5 - Fire Brigade/Disaster Management									
8.6 - Vehicle Licensing									
<b>Capital single-year expenditure sub-total</b>	163 275	143 764	125 930	92 781	114 022	114 022	70 552	87 106	96 561
<b>Total Capital Expenditure</b>	163 275	143 764	130 930	97 721	117 588	117 588	103 914	94 606	103 561



WC032 Overstrand - Table A6 Budgeted Financial Position

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>									
<b>ASSETS</b>									
<b>Current assets</b>									
Cash	51 699	29 106	13 119	88 050	89 421	89 421	97 547	127 071	171 875
Call investment deposits	75 000	55 042	50 039	–	–	–	–	–	–
Consumer debtors	50 361	49 025	47 451	52 591	52 591	52 591	51 774	56 341	61 151
Other debtors	36 501	52 222	51 704	44 398	55 398	55 398	44 112	38 172	37 391
Current portion of long-term receivables	25	17	15	14	14	14	13	11	10
Inventory	16 446	20 257	13 137	12 092	11 092	11 092	14 483	15 207	15 968
<b>Total current assets</b>	<b>230 033</b>	<b>205 668</b>	<b>175 465</b>	<b>197 146</b>	<b>208 517</b>	<b>208 517</b>	<b>207 929</b>	<b>236 802</b>	<b>286 395</b>
<b>Non current assets</b>									
Long-term receivables	126	84	68	57	57	57	41	30	20
Investments	5 691	11 597	16 965	22 207	22 207	22 207	28 455	34 384	40 409
Investment property	104 673	175 866	164 501	175 866	164 501	164 501	164 501	164 501	164 501
Investment in Associate				–	–	–			
Property, plant and equipment	3 073 014	3 097 120	3 111 056	3 072 423	3 140 791	3 140 791	3 122 147	3 099 677	3 079 080
Agricultural				–	–	–			
Biological				–	–	–			
Intangible	3 547	4 449	5 220	6 426	5 220	5 220	5 368	4 401	3 433
Other non-current assets	22 049	1 025	4 301	39 500	–	–			
<b>Total non current assets</b>	<b>3 209 100</b>	<b>3 290 140</b>	<b>3 302 111</b>	<b>3 316 479</b>	<b>3 332 776</b>	<b>3 332 776</b>	<b>3 320 511</b>	<b>3 302 993</b>	<b>3 287 443</b>
<b>TOTAL ASSETS</b>	<b>3 439 132</b>	<b>3 495 808</b>	<b>3 477 576</b>	<b>3 513 625</b>	<b>3 541 293</b>	<b>3 541 293</b>	<b>3 528 441</b>	<b>3 539 795</b>	<b>3 573 838</b>
<b>LIABILITIES</b>									
<b>Current liabilities</b>									
Bank overdraft					–				
Borrowing	16 798	18 241	20 443	25 105	25 064	25 064	28 113	30 730	34 370
Consumer deposits	31 206	34 932	37 751	41 321	41 321	41 321	43 801	46 429	49 215
Trade and other payables	67 728	79 489	64 943	55 831	50 563	50 563	74 229	70 679	84 789
Provisions	21 847	27 670	25 663	31 592	36 166	36 166	28 317	30 597	33 013
<b>Total current liabilities</b>	<b>137 580</b>	<b>160 331</b>	<b>148 801</b>	<b>153 849</b>	<b>153 113</b>	<b>153 113</b>	<b>174 459</b>	<b>178 435</b>	<b>201 387</b>
<b>Non current liabilities</b>									
Borrowing	341 204	364 632	392 444	411 766	412 829	412 829	415 999	415 269	410 503
Provisions	111 097	119 319	128 527	137 501	180 879	180 879	201 669	213 107	225 231
<b>Total non current liabilities</b>	<b>452 301</b>	<b>483 951</b>	<b>520 970</b>	<b>549 267</b>	<b>593 707</b>	<b>593 707</b>	<b>617 668</b>	<b>628 376</b>	<b>635 734</b>
<b>TOTAL LIABILITIES</b>	<b>589 880</b>	<b>644 282</b>	<b>669 772</b>	<b>703 116</b>	<b>746 820</b>	<b>746 820</b>	<b>792 127</b>	<b>806 811</b>	<b>837 121</b>
<b>NET ASSETS</b>	<b>2 849 252</b>	<b>2 851 526</b>	<b>2 807 805</b>	<b>2 810 509</b>	<b>2 794 472</b>	<b>2 794 472</b>	<b>2 736 314</b>	<b>2 732 985</b>	<b>2 736 717</b>
<b>COMMUNITY WEALTH/EQUITY</b>									
Accumulated Surplus/(Deficit)	2 847 332	2 849 634	2 805 240	2 808 575	2 791 899	2 791 899	2 733 677	2 730 282	2 733 960
Reserves	1 920	1 891	2 565	1 934	2 573	2 573	2 637	2 703	2 757
Minorities' interests									
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2 849 252</b>	<b>2 851 526</b>	<b>2 807 805</b>	<b>2 810 509</b>	<b>2 794 472</b>	<b>2 794 472</b>	<b>2 736 314</b>	<b>2 732 985</b>	<b>2 736 717</b>

**WC032 Overstrand - Table A7 Budgeted Cash Flows**

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates, penalties & collection charges	110 347	120 273	135 875	148 254	154 165	154 165	163 800	173 297	184 620
Service charges	397 229	437 061	483 167	522 072	524 216	524 216	567 409	608 975	658 596
Other revenue	69 894	41 689	63 976	46 516	63 257	63 257	76 884	75 476	74 750
Government - operating	37 750	44 140	63 477	58 407	61 289	61 289	90 324	107 886	97 173
Government - capital	54 833	54 577	38 090	36 368	57 549	57 549	64 354	60 876	73 561
Interest	9 211	9 754	8 470	8 454	8 454	8 454	8 784	9 028	9 296
Dividends							-	-	-
<b>Payments</b>									
Suppliers and employees	(520 159)	(558 519)	(637 833)	(653 525)	(656 105)	(656 105)	(765 303)	(808 560)	(835 753)
Finance charges	(31 669)	(37 199)	(39 858)	(45 162)	(44 480)	(44 480)	(46 895)	(46 780)	(47 279)
Transfers and Grants	(28 454)	(35 856)	(38 749)	(41 370)	(41 668)	(41 668)	(48 497)	(54 667)	(62 244)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>98 981</b>	<b>75 920</b>	<b>76 616</b>	<b>80 014</b>	<b>126 676</b>	<b>126 676</b>	<b>110 861</b>	<b>125 532</b>	<b>152 720</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	13 722	1 725	5 073	-	-	-	-	-	-
Decrease (increase) in non-current debtors	2 189	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	20	45	18	15	15	15	18	13	11
Decrease (increase) in non-current investments	(4 430)	(4 960)	(4 529)	(5 827)	(5 827)	(5 827)	(6 248)	(5 930)	(6 025)
<b>Payments</b>									
Capital assets	(163 275)	(143 764)	(130 930)	(97 721)	(122 785)	(122 785)	(103 914)	(94 606)	(103 561)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(151 774)</b>	<b>(146 955)</b>	<b>(130 368)</b>	<b>(103 533)</b>	<b>(128 597)</b>	<b>(128 597)</b>	<b>(110 144)</b>	<b>(100 523)</b>	<b>(109 575)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans	940	(389)	(730)	5 520	6 541	6 541	(1 135)	(1 271)	(1 352)
Borrowing long term/refinancing	110 000	38 700	51 300	40 000	40 000	40 000	30 000	30 000	30 000
Increase (decrease) in consumer deposits	12 844	3 726	2 819	2 703	2 703	2 703	2 479	2 628	2 786
<b>Payments</b>									
Repayment of borrowing	(14 295)	(13 554)	(20 626)	(21 061)	(21 061)	(21 061)	(23 936)	(26 841)	(29 775)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>109 489</b>	<b>28 482</b>	<b>32 764</b>	<b>27 163</b>	<b>28 183</b>	<b>28 183</b>	<b>7 409</b>	<b>4 515</b>	<b>1 659</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>56 696</b>	<b>(42 552)</b>	<b>(20 989)</b>	<b>3 644</b>	<b>26 262</b>	<b>26 262</b>	<b>8 126</b>	<b>29 524</b>	<b>44 804</b>
Cash/cash equivalents at the year begin:	70 004	126 699	84 147	84 406	63 158	63 158	89 421	97 547	127 071
Cash/cash equivalents at the year end:	126 699	84 147	63 158	88 050	89 421	89 421	97 547	127 071	171 875

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

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>									
<b>Cash and investments available</b>									
Cash/cash equivalents at the year end	126 699	84 147	63 158	88 050	89 421	89 421	97 547	127 071	171 875
Other current investments > 90 days	0	–	0	–	–	–	0	(0)	0
Non current assets - Investments	5 691	11 597	16 965	22 207	22 207	22 207	28 455	34 384	40 409
<b>Cash and investments available:</b>	<b>132 391</b>	<b>95 744</b>	<b>80 123</b>	<b>110 257</b>	<b>111 628</b>	<b>111 628</b>	<b>126 001</b>	<b>161 455</b>	<b>212 284</b>
<b>Application of cash and investments</b>									
Unspent conditional transfers	4 555	7 783	3 425	–	–	–	–	–	–
Unspent borrowing	18 255	6 133	1 847	–	–	–	–	–	–
Statutory requirements									
Other working capital requirements	(28 049)	(21 016)	(40 826)	(40 803)	(57 301)	(57 301)	(22 868)	(23 728)	(13 035)
Other provisions									
Long term investments committed	5 691	11 597	16 965	22 207	22 207	22 207	28 455	34 384	40 409
Reserves to be backed by cash/investments	1 920	1 891	2 565	1 934	2 573	2 573	2 637	2 703	2 757
<b>Total Application of cash and investments:</b>	<b>2 373</b>	<b>6 388</b>	<b>(16 024)</b>	<b>(16 663)</b>	<b>(32 522)</b>	<b>(32 522)</b>	<b>8 224</b>	<b>13 360</b>	<b>30 132</b>
<b>Surplus(shortfall)</b>	<b>130 018</b>	<b>89 356</b>	<b>96 147</b>	<b>126 920</b>	<b>144 149</b>	<b>144 149</b>	<b>117 777</b>	<b>148 095</b>	<b>182 152</b>

WC032 Overstrand - Table A9 Asset Management

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>									
<b>CAPITAL EXPENDITURE</b>									
<b>Total New Assets</b>	<b>163 275</b>	<b>139 617</b>	<b>83 899</b>	<b>69 581</b>	<b>89 946</b>	<b>89 946</b>	<b>83 156</b>	<b>73 606</b>	<b>97 061</b>
Infrastructure - Road transport	12 754	15 578	9 203	800	1 332	1 332	14 979	5 000	5 000
Infrastructure - Electricity	30 061	22 203	24 160	13 900	13 900	13 900	21 726	8 500	14 500
Infrastructure - Water	57 384	48 634	7 300	–	580	580	4 737	4 726	11 787
Infrastructure - Sanitation	32 650	16 478	8 449	9 600	8 892	8 892	3 420	6 100	10 600
Infrastructure - Other	196	5 359	1 400	10 200	9 300	9 300	10	–	–
Infrastructure	133 045	108 252	50 511	34 500	34 003	34 003	44 873	24 326	41 887
Community	6 183	20 997	13 896	18 266	38 167	38 167	35 611	45 550	55 174
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	795	–	–	–	–	–	–
Other assets	23 118	9 038	18 697	16 815	17 776	17 776	2 673	3 730	–
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	928	1 330	–	–	–	–	–	–	–
<b>Total Renewal of Existing Assets</b>	<b>–</b>	<b>4 147</b>	<b>47 032</b>	<b>28 139</b>	<b>32 838</b>	<b>32 838</b>	<b>20 758</b>	<b>21 000</b>	<b>6 500</b>
Infrastructure - Road transport	–	131	6 892	5 400	6 300	6 300	–	–	–
Infrastructure - Electricity	–	–	12 955	3 100	3 100	3 100	–	5 500	1 500
Infrastructure - Water	–	–	16 331	12 800	15 805	15 805	11 653	10 000	4 000
Infrastructure - Sanitation	–	–	1 711	3 900	3 179	3 179	4 947	5 500	1 000
Infrastructure - Other	–	–	1 641	–	–	–	–	–	–
Infrastructure	–	131	39 529	25 200	28 384	28 384	16 600	21 000	6 500
Community	–	756	5 686	2 939	4 454	4 454	4 158	–	–
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	–	3 260	1 817	–	–	–	–	–	–
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	–	–	–	–	–	–	–	–	–
<b>Total Capital Expenditure</b>	<b>163 275</b>	<b>143 764</b>	<b>130 930</b>	<b>97 721</b>	<b>122 785</b>	<b>122 785</b>	<b>103 914</b>	<b>94 606</b>	<b>103 561</b>
Infrastructure - Road transport	12 754	15 709	16 094	6 200	7 632	7 632	14 979	5 000	5 000
Infrastructure - Electricity	30 061	22 203	37 115	17 000	17 000	17 000	21 726	14 000	16 000
Infrastructure - Water	57 384	48 634	23 631	12 800	16 384	16 384	16 390	14 726	15 787
Infrastructure - Sanitation	32 650	16 478	10 159	13 500	12 071	12 071	8 367	11 600	11 600
Infrastructure - Other	196	5 359	3 041	10 200	9 300	9 300	10	–	–
Infrastructure	133 045	108 383	90 040	59 700	62 387	62 387	61 473	45 326	48 387
Community	6 183	21 753	19 582	21 205	42 622	42 622	39 768	45 550	55 174
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	795	–	–	–	–	–	–
Other assets	23 118	12 298	20 513	16 815	17 776	17 776	2 673	3 730	–
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	928	1 330	–	–	–	–	–	–	–
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	<b>163 275</b>	<b>143 764</b>	<b>130 930</b>	<b>97 721</b>	<b>122 785</b>	<b>122 785</b>	<b>103 914</b>	<b>94 606</b>	<b>103 561</b>
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>									
Infrastructure - Road transport	946 061	947 141	942 269	906 551	907 352	907 352	925 642	915 933	909 563
Infrastructure - Electricity	600 736	609 815	619 999	620 545	621 764	621 764	620 094	612 727	606 077
Infrastructure - Water	419 500	458 648	459 954	453 857	459 276	459 276	453 842	450 864	448 638
Infrastructure - Sanitation	379 653	381 194	377 248	376 342	373 384	373 384	382 220	387 578	395 126
Infrastructure - Other	37 051	39 059	39 501	70 579	76 287	76 287	59 232	54 202	48 869
Infrastructure	2 383 001	2 435 858	2 438 970	2 427 874	2 438 064	2 438 064	2 441 031	2 421 303	2 408 273
Community	81 364	58 783	62 814	88 257	106 034	106 034	63 654	66 637	69 391
Heritage assets	108 552	99 573	99 572	99 322	99 322	99 322	99 572	99 572	99 572
Investment properties	104 673	175 866	164 501	175 866	164 501	164 501	164 501	164 501	164 501
Other assets	500 097	502 906	509 700	456 970	497 371	497 371	517 890	512 165	501 844
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	3 547	4 449	5 220	6 426	5 220	5 220	5 368	4 401	3 433
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>3 181 234</b>	<b>3 277 435</b>	<b>3 280 777</b>	<b>3 254 715</b>	<b>3 310 512</b>	<b>3 310 512</b>	<b>3 292 016</b>	<b>3 268 579</b>	<b>3 247 014</b>
<b>EXPENDITURE OTHER ITEMS</b>									
<b>Depreciation &amp; asset impairment</b>	<b>104 041</b>	<b>104 408</b>	<b>99 361</b>	<b>109 265</b>	<b>105 461</b>	<b>105 461</b>	<b>111 362</b>	<b>118 043</b>	<b>125 126</b>
<b>Repairs and Maintenance by Asset Class</b>	<b>64 845</b>	<b>114 414</b>	<b>150 358</b>	<b>162 268</b>	<b>163 071</b>	<b>163 071</b>	<b>121 077</b>	<b>126 814</b>	<b>150 754</b>
Infrastructure - Road transport	25 843	42 236	63 749	68 540	68 540	68 540	57 090	60 842	64 540
Infrastructure - Electricity	4 601	14 105	20 488	25 491	25 491	25 491	16 835	17 340	23 891
Infrastructure - Water	6 892	21 502	27 931	26 775	26 775	26 775	22 874	24 001	24 393
Infrastructure - Sanitation	4 568	7 708	15 486	14 146	14 146	14 146	12 159	12 963	16 387
Infrastructure - Other	1 215	1 499	1 491	1 800	1 800	1 800	2 492	2 719	4 130
Infrastructure	43 120	87 048	129 145	136 752	136 752	136 752	111 449	117 865	133 341
Community	6 012	5 408	7 349	9 298	9 298	9 298	4 546	4 391	8 211
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	270	–	–	–	–	–	–	–	–
Other assets	15 443	21 958	13 864	16 218	17 021	17 021	5 081	4 559	9 203
<b>TOTAL EXPENDITURE OTHER ITEMS</b>	<b>168 886</b>	<b>218 821</b>	<b>249 719</b>	<b>271 533</b>	<b>268 532</b>	<b>268 532</b>	<b>232 439</b>	<b>244 857</b>	<b>275 880</b>
<b>Renewal of Existing Assets as % of total capex</b>	<b>0.0%</b>	<b>2.9%</b>	<b>35.9%</b>	<b>28.8%</b>	<b>26.7%</b>	<b>26.7%</b>	<b>20.0%</b>	<b>22.2%</b>	<b>6.3%</b>
<b>Renewal of Existing Assets as % of deprecn"</b>	<b>0.0%</b>	<b>4.0%</b>	<b>47.3%</b>	<b>25.8%</b>	<b>31.1%</b>	<b>31.1%</b>	<b>18.6%</b>	<b>17.8%</b>	<b>5.2%</b>
<b>R&amp;M as a % of PPE</b>	<b>2.1%</b>	<b>3.7%</b>	<b>4.8%</b>	<b>5.3%</b>	<b>5.2%</b>	<b>5.2%</b>	<b>3.9%</b>	<b>4.1%</b>	<b>4.9%</b>
<b>Renewal and R&amp;M as a % of PPE</b>	<b>2.0%</b>	<b>4.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>4.0%</b>	<b>5.0%</b>	<b>5.0%</b>

WC032 Overstrand - Table A10 Basic service delivery measurement

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Household service targets</b>									
<b><u>Water:</u></b>									
Piped water inside dwelling	27 203	27 295	32 032	28 100	28 100	28 100	29 295	30 400	31 370
Piped water inside yard (but not in dwelling)	–	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	3 449	3 436	3 334	3 350	3 350	3 350	3 188	3 138	3 068
Other water supply (at least min.service level)	199	199	155	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>	30 851	30 930	35 521	31 450	31 450	31 450	32 483	33 538	34 438
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>30 851</b>	<b>30 930</b>	<b>35 521</b>	<b>31 450</b>	<b>31 450</b>	<b>31 450</b>	<b>32 483</b>	<b>33 538</b>	<b>34 438</b>
<b><u>Sanitation/sewerage:</u></b>									
Flush toilet (connected to sewerage)	21 205	21 284	21 632	20 030	20 030	20 030	20 818	21 413	21 973
Flush toilet (with septic tank)	9 646	9 646	9 799	11 420	11 420	11 420	11 665	12 410	12 730
Chemical toilet	–	–	–	–	–	–	–	–	–
Pit toilet (ventilated)	–	–	–	–	–	–	–	–	–
Other toilet provisions (> min.service level)	–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>	30 851	30 930	31 431	31 450	31 450	31 450	32 483	33 823	34 703
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>30 851</b>	<b>30 930</b>	<b>31 431</b>	<b>31 450</b>	<b>31 450</b>	<b>31 450</b>	<b>32 483</b>	<b>33 823</b>	<b>34 703</b>
<b><u>Energy:</u></b>									
Electricity (at least min.service level)	8 420	7 918	7 136	8 700	6 625	6 625	6 114	5 603	5 092
Electricity - prepaid (min.service level)	13 478	14 080	16 458	17 700	18 379	18 379	19 240	20 132	21 024
<i>Minimum Service Level and Above sub-total</i>	21 898	21 998	23 594	26 400	25 004	25 004	25 354	25 735	26 116
Electricity (< min.service level)	–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)	–	–	–	1 000	1 000	1 000	–	–	–
Other energy sources	–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	–	–	–	1 000	1 000	1 000	–	–	–
<b>Total number of households</b>	<b>21 898</b>	<b>21 998</b>	<b>23 594</b>	<b>27 400</b>	<b>26 004</b>	<b>26 004</b>	<b>25 354</b>	<b>25 735</b>	<b>26 116</b>
<b><u>Refuse:</u></b>									
Removed at least once a week	31 373	31 739	31 829	32 691	32 691	32 691	33 094	34 085	35 105
<i>Minimum Service Level and Above sub-total</i>	31 373	31 739	31 829	32 691	32 691	32 691	33 094	34 085	35 105
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>31 373</b>	<b>31 739</b>	<b>31 829</b>	<b>32 691</b>	<b>32 691</b>	<b>32 691</b>	<b>33 094</b>	<b>34 085</b>	<b>35 105</b>
<b>Households receiving Free Basic Service</b>									
Water (6 kilolitres per household per month)	25 310	25 406	6 543	6 700	6 700	6 700	6 650	6 650	6 650
Sanitation (free minimum level service)	5 852	6 423	6 543	6 700	6 700	6 700	6 650	6 650	6 650
Electricity/other energy (50kwh per household per month)	5 852	6 423	6 543	4 785	4 785	4 785	6 650	6 650	6 650
Refuse (removed at least once a week)	5 852	6 423	6 543	6 700	6 700	6 700	6 650	6 650	6 650
<b><u>Cost of Free Basic Services provided (R'000)</u></b>									
Water (6 kilolitres per household per month)	5 470	6 020	6 502	7 723	7 723	7 723	9 231	9 926	10 672
Sanitation (free sanitation service)	5 046	5 349	5 670	6 010	6 010	6 010	6 370	6 753	7 158
Electricity/other energy (50kwh per household per month)	11 665	13 482	14 562	18 809	18 809	18 809	21 104	23 214	25 536
Refuse (removed once a week)	5 903	7 198	7 775	9 174	9 174	9 174	11 591	12 465	13 401
<b>Total cost of FBS provided (minimum social package)</b>	<b>28 084</b>	<b>32 049</b>	<b>34 509</b>	<b>41 716</b>	<b>41 716</b>	<b>41 716</b>	<b>48 296</b>	<b>52 358</b>	<b>56 767</b>
<b><u>Highest level of free service provided</u></b>									
Property rates (R value threshold)	50 000	100 000	100 000	100 000	100 000	100 000	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)	51	54	58	61	61	61	65	69	73
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><u>Revenue cost of free services provided (R'000)</u></b>									
Property rates (R15 000 threshold rebate)	1 712	1 824	1 537	1 965	1 965	1 965	1 872	1 984	2 103
Property rates (other exemptions, reductions and rebates)	27 813	30 454	29 590	26 522	26 522	26 522	35 960	38 118	40 405
Water	13 295	15 549	9 010	9 791	9 791	9 791	10 776	11 588	12 458
Sanitation	4 094	4 779	5 182	6 420	6 420	6 420	6 805	7 214	7 646
Electricity/other energy	13 880	15 256	18 368	20 010	20 010	20 010	22 071	24 630	27 480
Refuse	6 671	9 934	10 992	10 545	10 545	10 545	11 426	12 287	13 210
Municipal Housing - rental rebates	15 176	–	–	–	–	–	–	–	–
Housing - top structure subsidies	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
<b>Total revenue cost of free services provided (total social package)</b>	<b>82 641</b>	<b>77 796</b>	<b>74 679</b>	<b>75 253</b>	<b>75 253</b>	<b>75 253</b>	<b>88 909</b>	<b>95 819</b>	<b>103 302</b>

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

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>									
<b>REVENUE ITEMS:</b>									
<b><u>Property rates</u></b>									
Total Property Rates	138 437	153 077	165 939	184 330	189 199	189 199	200 857	213 090	226 085
less Revenue Foregone	29 525	32 278	31 127	35 690	35 690	35 690	38 126	39 782	41 512
<b>Net Property Rates</b>	<b>108 913</b>	<b>120 799</b>	<b>134 813</b>	<b>148 640</b>	<b>153 509</b>	<b>153 509</b>	<b>162 730</b>	<b>173 308</b>	<b>184 573</b>
<b><u>Service charges - electricity revenue</u></b>									
Total Service charges - electricity revenue	224 950	247 663	268 362	323 104	323 104	323 104	341 092	373 983	410 237
less Revenue Foregone				13 018	13 018	13 018	2 215	2 348	2 489
<b>Net Service charges - electricity revenue</b>	<b>224 950</b>	<b>247 663</b>	<b>268 362</b>	<b>310 085</b>	<b>310 085</b>	<b>310 085</b>	<b>338 877</b>	<b>371 635</b>	<b>407 747</b>
<b><u>Service charges - water revenue</u></b>									
Total Service charges - water revenue	83 755	85 243	95 136	101 149	101 149	101 149	103 365	109 152	115 288
less Revenue Foregone				5 252	5 252	5 252	1 320	1 452	1 597
<b>Net Service charges - water revenue</b>	<b>83 755</b>	<b>85 243</b>	<b>95 136</b>	<b>95 897</b>	<b>95 897</b>	<b>95 897</b>	<b>102 045</b>	<b>107 700</b>	<b>113 691</b>
<b><u>Service charges - sanitation revenue</u></b>									
Total Service charges - sanitation revenue	57 212	56 895	62 798	63 455	63 554	63 554	66 375	70 081	74 010
less Revenue Foregone					99	99			
<b>Net Service charges - sanitation revenue</b>	<b>57 212</b>	<b>56 895</b>	<b>62 798</b>	<b>63 455</b>	<b>63 455</b>	<b>63 455</b>	<b>66 375</b>	<b>70 081</b>	<b>74 010</b>
<b><u>Service charges - refuse revenue</u></b>									
Total refuse removal revenue	39 498	46 637	52 957	56 130	56 549	56 549	59 488	63 061	66 849
Total landfill revenue					-	-			
less Revenue Foregone					419	419			
<b>Net Service charges - refuse revenue</b>	<b>39 498</b>	<b>46 637</b>	<b>52 957</b>	<b>56 130</b>	<b>56 130</b>	<b>56 130</b>	<b>59 488</b>	<b>63 061</b>	<b>66 849</b>
<b><u>Other Revenue by source</u></b>									
Building plan fees	3 252	2 880	3 439	3 300	3 300	3 300	4 500	4 950	5 445
Collection charges	2 071	2 542	2 288	2 805	2 805	2 805	3 850	4 235	4 659
Developers contributions	1 719	2 615	2 766	1 995	1 995	1 995	1 451	1 484	1 519
Central improvement district	3 663	-	-	4 869	-	-			
Sundry income	599	2 637	1 330	669	669	669			
Townplanning fees	756	793	908	803	803	803	1 013	1 114	1 225
Admission fees	661	707	714	770	770	770	562	589	620
Valuation and clearance certificates	335	388	400	504	504	504	495	545	599
Fair value adjustments	-	49 649	(7 021)						
Roadworthy certificates	453	463	493	578	578	578	630	693	762
SETA claims	1 046	1 058	133	848	848	848			
Exchange Revenue (SCOA) / Other Income	2 819	5 247	5 054	4 577	4 662	4 662	4 142	4 540	4 983
<b>Total 'Other' Revenue</b>	<b>17 375</b>	<b>68 978</b>	<b>10 504</b>	<b>21 717</b>	<b>16 933</b>	<b>16 933</b>	<b>16 643</b>	<b>18 150</b>	<b>19 812</b>
<b>EXPENDITURE ITEMS:</b>									
<b><u>Employee related costs</u></b>									
Basic Salaries and Wages	131 998	151 957	166 955	184 410	180 419	180 419	199 643	209 073	221 793
Pension and UIF Contributions	25 219	24 051	25 104	29 321	29 321	29 321	31 736	33 673	35 726
Medical Aid Contributions	7 521	8 176	8 828	11 463	11 463	11 463	11 618	12 327	13 079
Overtime	12 030	12 428	14 370	13 913	13 913	13 913	15 295	16 228	16 938
Performance Bonus									
Motor Vehicle Allowance	8 299	9 178	9 750	11 760	11 760	11 760	12 164	11 881	12 029
Cellphone Allowance				1 638	1 638	1 638	1 502	1 597	1 606
Housing Allowances	1 025	1 046	967	1 018	1 018	1 018	153	153	153
Other benefits and allowances	9 693	11 182	11 624	11 118	11 118	11 118	10 373	10 703	11 234
Payments in lieu of leave	1 327	2 138	1 659	2 350	2 350	2 350	729	773	819
Long service awards	759	690	3 587	1 200	1 291	1 291	1 802	2 028	2 815
Post-retirement benefit obligations	10 068	10 795	17 799	11 875	11 925	11 925	6 578	6 973	7 391
<b>sub-total</b>	<b>207 938</b>	<b>231 642</b>	<b>260 645</b>	<b>280 066</b>	<b>276 217</b>	<b>276 217</b>	<b>291 593</b>	<b>305 408</b>	<b>323 583</b>
<b>Less: Employees costs capitalised to PPE</b>									
<b>Total Employee related costs</b>	<b>207 938</b>	<b>231 642</b>	<b>260 645</b>	<b>280 066</b>	<b>276 217</b>	<b>276 217</b>	<b>291 593</b>	<b>305 408</b>	<b>323 583</b>
<b><u>Contributions recognised - capital</u></b>									
Public contribution - non cash - assets	4 471	4 387	7 871						
DWA ACIP project	1 302	-		1 000	1 000	1 000			
Government contribution - non cash - assets	-	180							
KM CSIR	395	-							
Spaces for sport/Lotto	156	200		51	1 134	1 134	1 000		
Eskom Solar Rebate/ Stony Point Eco Centre etc	2 280	522		1 083	(83)	(83)			
<b>Total Contributions recognised - capital</b>	<b>8 603</b>	<b>5 289</b>	<b>7 871</b>	<b>2 134</b>	<b>2 051</b>	<b>2 051</b>	<b>1 000</b>	<b>-</b>	<b>-</b>

<b>Depreciation &amp; asset impairment</b>									
Depreciation of Property, Plant & Equipment	100 930	94 948	99 130	109 265	105 461	105 461	111 362	118 043	125 126
Lease amortisation		235	231						
Capital asset impairment	3 111	9 224							
Depreciation resulting from revaluation of PPE									
<b>Total Depreciation &amp; asset impairment</b>	<b>104 041</b>	<b>104 408</b>	<b>99 361</b>	<b>109 265</b>	<b>105 461</b>	<b>105 461</b>	<b>111 362</b>	<b>118 043</b>	<b>125 126</b>
<b>Bulk purchases</b>									
Electricity Bulk Purchases	126 669	145 022	157 055	169 444	169 444	169 444	193 573	221 138	252 628
Water Bulk Purchases									
<b>Total bulk purchases</b>	<b>126 669</b>	<b>145 022</b>	<b>157 055</b>	<b>169 444</b>	<b>169 444</b>	<b>169 444</b>	<b>193 573</b>	<b>221 138</b>	<b>252 628</b>
<b>Transfers and grants</b>									
Cash transfers and grants	28 454	35 856	38 749	41 370	41 668	41 668	48 497	54 667	62 244
Non-cash transfers and grants	–	–	–	–	–	–	–	–	–
<b>Total transfers and grants</b>	<b>28 454</b>	<b>35 856</b>	<b>38 749</b>	<b>41 370</b>	<b>41 668</b>	<b>41 668</b>	<b>48 497</b>	<b>54 667</b>	<b>62 244</b>
<b>Contracted services</b>									
Specialist services									
Other contractors									
Ward projects	5 247	5 679	2 129	1 566	1 566	1 566			
Vehicle maintenance	4 732	4 925	5 665	6 198	6 676	6 676			
Maintenance contractors	41	45 380	49 471	55 483	55 451	55 451			
Contracted services	14 059	11 713	15 488	17 816	18 773	18 773			
Maintenance Of Unspecified Assets							25 439	26 465	28 088
Maintenance Of Buildings & Facilities							15 463	16 286	17 241
Haulage							7 698	8 004	8 331
Civil							6 828	7 156	7 586
Litter Picking & Street Cleaning							6 430	6 835	7 281
Security Servs							5 219	5 905	6 260
Safeguard & Security							5 028	5 305	5 598
Business & Advisory - Valuer							4 488	1 541	1 279
Meter Management							4 367	4 588	4 854
Maintenance Of Equip							4 177	3 537	3 757
Business & Advisory - Project Management							4 017	4 115	4 417
Traffic Fines Management							3 968	4 206	4 458
Dumping Sites							3 423	3 763	4 127
Infrastructure & Planning - Ecological							2 640	2 796	2 964
Legal Cost - Legal Advice & Litigation							2 597	2 752	2 916
Chipping							2 490	2 639	2 798
Management Of Informal Settlements							1 981	2 100	2 226
Laboratory Servs - Water							1 802	1 910	2 025
Sewerage Servs							1 772	1 878	1 991
Infrastructure & Planning - Town Planner							1 700	1 802	1 910
Electrical							1 060	1 036	1 013
Other contractors							12 734	13 502	14 322
<b>sub-total</b>	<b>24 079</b>	<b>67 697</b>	<b>72 754</b>	<b>81 062</b>	<b>82 467</b>	<b>82 467</b>	<b>125 322</b>	<b>128 122</b>	<b>135 442</b>
<b>Allocations to organs of state:</b>									
Electricity									
Water									
Sanitation									
Other									
<b>Total contracted services</b>	<b>24 079</b>	<b>67 697</b>	<b>72 754</b>	<b>81 062</b>	<b>82 467</b>	<b>82 467</b>	<b>125 322</b>	<b>128 122</b>	<b>135 442</b>

<b>Other Expenditure By Type</b>									
Collection costs									
Contributions to 'other' provisions	3 601	3 246	(12 399)	3 010	49 216	49 216			
Consultant fees	10 766	9 376	9 431	12 858	12 858	12 858			
Audit fees (External)	2 501	2 869	3 559	4 104	4 104	4 104	4 514	4 786	5 073
General expenses	22 505	16 384	19 600	13 244	14 678	14 678	5 302	5 810	6 450
Conditional receipts expenses	54 612	4 133	28 072	3 382	5 189	5 189			
Property valuation charges	2 418	1 030	442	1 100	1 000	1 000			
Water catchment, research and testing	5 648	5 295	4 266	4 260	4 260	4 260			
Fuel and oil	9 042	9 903	11 477	12 506	12 514	12 514			
Chemicals	6 411	8 488	10 553	9 664	9 649	9 649			
Legal fees	2 766	1 669	3 017	1 700	1 940	1 940			
Telephone and fax	3 912	2 934	2 839	3 342	3 142	3 142	3 048	3 221	3 431
Tourism development	2 824	2 732	2 796	2 618	1 649	1 649			
Security services	3 435	3 759	4 262	4 325	4 495	4 495			
Solid waste dumping fees	1 375	–	–						
Solid waste haulage	4 345	6 318	7 742	8 217	8 136	8 136			
Hermanus public protection	3 603	3 921	4 251	5 029	5 029	5 029			
Training	2 748	2 363	1 804	2 300	2 299	2 299	2 000	2 120	2 247
Prepaid Electricity	2 575	3 248	3 652	4 672	4 494	4 494	3 804	4 032	4 274
Commission paid	3 416	4 014	1 019	1 145	1 145	1 145	1 213	1 286	1 363
Advertising	1 366	1 511	1 905	1 623	1 668	1 668			
Management of informal settlements	1 475	1 513	1 982	1 869	1 869	1 869	1 981	2 100	2 226
Insurance	1 651	2 145	2 363	2 750	2 500	2 500	2 350	2 696	2 798
Printing and stationery	1 868	1 875	2 035	2 309	2 309	2 309			
Solid waste chipping	2 369	2 151	2 076	2 809	2 583	2 583			
Special projects	1 059	1 270	714	868	868	868			
Workmen's Compensation Assurance				1 650	1 650	1 650	1 750	1 802	1 910
SALGA Membership Fees				2 505	2 505	2 505			
Rentals (Equipment & Offices)				1 731	1 426	1 426			
Postage & Courier Services				1 818	1 788	1 788			
Decommissioning Cost							1 571	1 860	2 181
Op Cst - Prof Bodies Memb & Subs							4 619	4 896	5 190
Specialised Computer Service							3 365	3 416	3 617
Op Cst - Uniform & Protective Clothing							2 452	2 611	2 781
Operational Cost - Skills Dev Fund Lev							2 395	2 433	2 577
Infrastructure & Planning - Town Plann							2 082	2 231	2 367
Software Licences							1 700	1 747	1 852
Dumping Fees (District Council)							2 051	2 184	2 326
Bnk Chgs Fac & Card Fees - Bank Accoun							1 724	1 831	1 942
Op Cst - Printing & Publications							1 639	1 738	1 842
Third Party Vendors							1 471	1 543	1 636
Operating Lease							1 213	1 286	1 363
Wireless Ntwrk							1 170	1 245	1 325
Corporate Municipal Activities							937	998	1 063
Op Cst - Remuneration To Ward Commts							721	767	807
System Adviser							689	689	689
Tenders							634	685	740
Op Cst - Levies Paid - H2O Res Man Chrg							612	648	687
Municipal Newsletters							560	575	594
							454	483	515
<b>Total 'Other' Expenditure</b>	<b>158 290</b>	<b>102 146</b>	<b>117 460</b>	<b>117 407</b>	<b>164 963</b>	<b>164 963</b>	<b>58 021</b>	<b>61 721</b>	<b>65 866</b>
<b>by Expenditure Item</b>									
Employee related costs	15 563	27 460	35 905	40 285	40 285	40 285	45 175	47 787	50 645
Other materials	5 188	9 153	8 865	8 807	8 807	8 807	14 541	15 638	16 361
Contracted Services	12 320	21 740	32 675	34 161	34 964	34 964	35 194	37 739	39 865
Other Expenditure	31 774	56 061	72 912	79 016	79 016	79 016	26 167	25 650	43 884
<b>Total Repairs and Maintenance Expenditure</b>	<b>64 845</b>	<b>114 414</b>	<b>150 358</b>	<b>162 268</b>	<b>163 071</b>	<b>163 071</b>	<b>121 077</b>	<b>126 814</b>	<b>150 754</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	-	-	-	162 730	-	-	-	-	162 730
Property rates - penalties & collection charges	-	-	-	891	-	-	-	-	891
Service charges - electricity revenue	-	-	-	616	-	-	338 261	-	338 877
Service charges - water revenue	-	-	-	-	102 045	-	-	-	102 045
Service charges - sanitation revenue	-	-	-	-	66 375	-	-	-	66 375
Service charges - refuse revenue	-	-	-	-	59 488	-	-	-	59 488
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	-	-	-	-	11 815	-	43	-	11 859
Interest earned - external investments	-	-	-	6 348	-	-	-	-	6 348
Interest earned - outstanding debtors	-	-	-	2 437	-	-	-	-	2 437
Dividends received	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	67	-	-	31 792	31 859
Licences and permits	-	-	-	-	484	-	-	1 706	2 190
Agency services	-	-	-	-	-	-	-	2 970	2 970
Other revenue	210	-	61	5 868	1 749	1 430	6 117	1 209	16 643
Transfers recognised - operational	64 598	-	-	1 450	5 474	1 661	17 141	-	90 324
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contri</b>	<b>64 808</b>	<b>-</b>	<b>61</b>	<b>180 339</b>	<b>247 498</b>	<b>3 091</b>	<b>361 563</b>	<b>37 676</b>	<b>895 035</b>
<b>Expenditure By Type</b>									
Employee related costs	8 330	4 026	19 897	37 335	141 871	4 813	44 590	30 731	291 593
Remuneration of councillors	8 674	-	-	-	-	-	-	-	8 674
Debt impairment	-	-	-	-	-	-	-	22 792	22 792
Depreciation & asset impairment	22	18	2 267	298	79 250	126	28 206	1 175	111 362
Finance charges	-	-	54	119	30 030	-	16 692	-	46 895
Bulk purchases	-	-	-	-	-	-	193 573	-	193 573
Other materials	20	34	309	377	24 070	128	30 566	2 298	57 801
Contracted services	-	-	7 403	2 408	57 475	423	47 038	10 573	125 322
Transfers and grants	46 570	-	278	-	-	1 649	-	-	48 497
Other expenditure	7 671	411	1 380	29 197	8 920	3 241	5 318	1 884	58 021
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>71 287</b>	<b>4 489</b>	<b>31 588</b>	<b>69 733</b>	<b>341 618</b>	<b>10 379</b>	<b>365 982</b>	<b>69 453</b>	<b>964 529</b>
<b>Surplus/(Deficit)</b>	<b>(6 479)</b>	<b>(4 489)</b>	<b>(31 527)</b>	<b>110 606</b>	<b>(94 120)</b>	<b>(7 288)</b>	<b>(4 420)</b>	<b>(31 777)</b>	<b>(69 494)</b>
Transfers recognised - capital	-	-	930	-	24 451	-	37 973	-	63 354
Contributions recognised - capital	-	-	-	-	1 000	-	-	-	1 000
Contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(6 479)</b>	<b>(4 489)</b>	<b>(30 597)</b>	<b>110 606</b>	<b>(68 669)</b>	<b>(7 288)</b>	<b>33 553</b>	<b>(31 777)</b>	<b>(5 140)</b>

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

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>									
<b>ASSETS</b>									
<b>Call investment deposits</b>									
Call deposits < 90 days	75 000	55 042	50 039						
Other current investments > 90 days									
<b>Total Call investment deposits</b>	<b>75 000</b>	<b>55 042</b>	<b>50 039</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Consumer debtors</b>									
Consumer debtors	68 475	65 941	63 810	69 091	69 091	69 091	67 774	71 841	76 151
Less: Provision for debt impairment	(18 114)	(16 916)	(16 359)	(16 500)	(16 500)	(16 500)	(16 000)	(15 500)	(15 000)
<b>Total Consumer debtors</b>	<b>50 361</b>	<b>49 025</b>	<b>47 451</b>	<b>52 591</b>	<b>52 591</b>	<b>52 591</b>	<b>51 774</b>	<b>56 341</b>	<b>61 151</b>
<b>Debt impairment provision</b>									
Balance at the beginning of the year	20 232	18 114	16 916	17 000	17 000	17 000	16 500	16 000	15 500
Contributions to the provision	(190)	594	(107)						
Bad debts written off	(1 928)	(1 792)	(449)	(500)	(500)	(500)	(500)	(500)	(500)
<b>Balance at end of year</b>	<b>18 114</b>	<b>16 916</b>	<b>16 359</b>	<b>16 500</b>	<b>16 500</b>	<b>16 500</b>	<b>16 000</b>	<b>15 500</b>	<b>15 000</b>
<b>Property, plant and equipment (PPE)</b>									
PPE at cost/valuation (excl. finance leases)	5 709 629	5 819 933	5 900 309	6 061 941	6 126 505	6 126 505	6 120 657	6 215 263	6 318 825
Leases recognised as PPE	1 208	1 379	139	1 406	1 406	1 406	6 923	6 923	6 923
Less: Accumulated depreciation	2 637 823	2 724 192	2 789 392	2 990 924	2 987 120	2 987 120	3 005 433	3 122 509	3 246 667
<b>Total Property, plant and equipment (PPE)</b>	<b>3 073 014</b>	<b>3 097 120</b>	<b>3 111 056</b>	<b>3 072 423</b>	<b>3 140 791</b>	<b>3 140 791</b>	<b>3 122 147</b>	<b>3 099 677</b>	<b>3 079 080</b>
<b>LIABILITIES</b>									
<b>Current liabilities - Borrowing</b>									
Short term loans (other than bank overdraft)	374	485	63	1 176	1 135	1 135	1 271	1 352	1 538
Current portion of long-term liabilities	16 424	17 756	20 381	23 929	23 929	23 929	26 841	29 378	32 831
<b>Total Current liabilities - Borrowing</b>	<b>16 798</b>	<b>18 241</b>	<b>20 443</b>	<b>25 105</b>	<b>25 064</b>	<b>25 064</b>	<b>28 113</b>	<b>30 730</b>	<b>34 370</b>
<b>Trade and other payables</b>									
Trade and other creditors	63 172	71 706	61 518	55 831	50 563	50 563	74 229	70 679	84 789
Unspent conditional transfers	4 555	7 783	3 425	-					
VAT									
<b>Total Trade and other payables</b>	<b>67 728</b>	<b>79 489</b>	<b>64 943</b>	<b>55 831</b>	<b>50 563</b>	<b>50 563</b>	<b>74 229</b>	<b>70 679</b>	<b>84 789</b>
<b>Non current liabilities - Borrowing</b>									
Borrowing	340 581	364 394	392 444	407 225	407 225	407 225	411 667	412 288	409 060
Finance leases (including PPP asset element)	623	238	-	4 541	5 604	5 604	4 333	2 981	1 443
<b>Total Non current liabilities - Borrowing</b>	<b>341 204</b>	<b>364 632</b>	<b>392 444</b>	<b>411 766</b>	<b>412 829</b>	<b>412 829</b>	<b>415 999</b>	<b>415 269</b>	<b>410 503</b>
<b>Provisions - non-current</b>									
Retirement benefits	71 562	79 887	95 535	92 875	107 290	107 290	113 727	120 551	127 784
List other major provision items									
Refuse landfill site rehabilitation	32 057	31 933	24 054	36 617	64 550	64 550	78 422	82 528	86 880
Other	7 478	7 498	8 938	8 008	9 040	9 040	9 520	10 028	10 568
<b>Total Provisions - non-current</b>	<b>111 097</b>	<b>119 319</b>	<b>128 527</b>	<b>137 501</b>	<b>180 879</b>	<b>180 879</b>	<b>201 669</b>	<b>213 107</b>	<b>225 231</b>
<b>CHANGES IN NET ASSETS</b>									
<b>Accumulated Surplus/(Deficit)</b>									
Accumulated Surplus/(Deficit) - opening balance	2 564 679	2 847 332	2 855 854	2 857 322	2 857 322	2 857 322	2 738 817	2 733 677	2 730 282
GRAP adjustments	364 261	(9 929)	(6 220)						
Restated balance	2 928 940	2 837 403	2 849 634	2 857 322	2 857 322	2 857 322	2 738 817	2 733 677	2 730 282
Surplus/(Deficit)	(81 607)	10 899	(45 015)	(48 747)	(65 423)	(65 423)	(5 140)	(3 395)	3 679
Appropriations to Reserves									
Transfers from Reserves		1 333	620						
Depreciation offsets									
Other adjustments									
<b>Accumulated Surplus/(Deficit)</b>	<b>2 847 332</b>	<b>2 849 634</b>	<b>2 805 240</b>	<b>2 808 575</b>	<b>2 791 899</b>	<b>2 791 899</b>	<b>2 733 677</b>	<b>2 730 282</b>	<b>2 733 960</b>
<b>Reserves</b>									
Housing Development Fund	1 920	1 891	2 565	1 934	2 573	2 573	2 637	2 703	2 757
Capital replacement									
Self-insurance									
Other reserves									
Revaluation	-	-							
<b>Total Reserves</b>	<b>1 920</b>	<b>1 891</b>	<b>2 565</b>	<b>1 934</b>	<b>2 573</b>	<b>2 573</b>	<b>2 637</b>	<b>2 703</b>	<b>2 757</b>
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2 849 252</b>	<b>2 851 526</b>	<b>2 807 805</b>	<b>2 810 509</b>	<b>2 794 472</b>	<b>2 794 472</b>	<b>2 736 314</b>	<b>2 732 985</b>	<b>2 736 717</b>

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

Strategic Objective	Goal	Goal Code	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
The provision of democratic, accountable and ethical governance	Good Governance	1	167 928	232 385	199 504	183 397	232 413	232 413	255 994	272 264	292 533
The provision and maintenance of municipal services	Basic Service Delivery	2	456 833	461 155	485 124	559 189	540 568	540 568	601 451	636 786	690 447
The encouragement of structured community participation in the matters of the municipality	Good Governance	3	19 203	41 457	62 333	53 339	44 557	44 557			
The creation and maintenance of a safe and healthy environment	Safe and Healthy Environment	4	10 346	20 206	28 620	13 260	36 170	36 170	37 777	39 275	40 923
The promotion of tourism, economic and social development	Economic Development and Social upliftment	5	6 609	7 765	11 427	11 658	14 191	14 191	64 167	85 773	78 067
Allocations to other priorities											
Total Revenue (excluding capital transfers and contributions)			660 918	762 969	787 007	820 842	867 900	867 900	959 389	1 034 098	1 101 971

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

Strategic Objective	Goal	Goal Code	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
The provision of democratic, accountable and ethical governance	Good Governance	1	190 332	205 348	119 512	93 256	124 670	124 670	235 543	248 313	267 049
The provision and maintenance of municipal services	Basic Service Delivery	2	310 956	346 423	448 042	627 915	533 668	533 668	578 367	623 726	677 325
The encouragement of structured community participation in the matters of the municipality	Good Governance	3	189 607	137 754	181 602	63 289	63 253	63 253	1 735		
The creation and maintenance of a safe and healthy environment	Safe and Healthy Environment	4	36 252	48 275	64 229	56 208	79 097	79 097	76 405	79 497	82 921
The promotion of tourism, economic and social development	Economic Development and Social upliftment	5	15 378	14 271	18 637	28 920	132 634	132 634	72 480	85 957	70 997
Allocations to other priorities											
Total Expenditure			742 525	752 070	832 022	869 588	933 322	933 322	964 529	1 037 493	1 098 292

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

Strategic Objective	Goal	Goal Code	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
The provision of democratic, accountable and ethical governance	Good Governance	1	24 047	7 154	21 308	16 815	17 776	17 776	2 648	3 730	–
The provision and maintenance of municipal services	Basic Service Delivery	2	127 569	103 790	73 989	54 300	56 087	56 087	58 033	45 326	48 387
The encouragement of structured community participation in the matters of the municipality	Good Governance	3	9 484	30 219	29 937	23 515	37 425	37 425	3 465		
The creation and maintenance of a safe and healthy environment	Safe and Healthy Environment	4	645	–	–	–			295	–	–
The promotion of tourism, economic and social development	Economic Development and Social upliftment	5	1 531	2 601	5 696	3 090	6 300	6 300	39 473	45 550	55 174
Allocations to other priorities											
Total Capital Expenditure			163 275	143 764	130 930	97 721	117 588	117 588	103 914	94 606	103 561

## WC032 Overstrand - Supporting Table SA7 Measureable performance objectives

25 March 2015 (Draft TL SDBIP kpi's for 2015/16)

Description	Unit of measurement	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Council</b>										
<b>Council and Municipal Manager</b>										
<b>Municipal Manager</b>										
Risk based audit plan prooved by the Audit Committee by the end of June 2016	Plan approved	1	1	1	1	1	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 on achievement of committed dates	1	1	1	4	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	1	4	4	4	4	4	4
Percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year 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	91.80%	98.00%	93.77%	98%	98%	98%	98%	98%	98%
<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	91.25%	92.86%	92.41%	90%	90%	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	4	2	no kpi set	54	54	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%	100%	100%	100%	100%	100%	100%
Review the Municipal Organisational Staff Structure by the end of June	Structure reviewed	no kpi set	no kpi set	0	1	1	1	1	1	1
Revise the Section 14 Access to Information Manual by the end of June to ensure compliant and up to date policies	Policy revised	1	1	1	1	1	1	1	1	1
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	no kpi set	no kpi set	no kpi set	120	120	120
Monthly Report on additional court matters	Number of reports on court matter	no kpi set	no kpi set	no kpi set	no kpi set	no kpi set	no kpi set	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	no kpi set	no kpi set	no kpi set	1	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	5.17%	3.49%	2.30%	1.2	1.2	1.2	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	18.60%	17.46%	16.90%	17	17	17	17	17	17
Financial viability measured in terms of the outstanding service debtors (Total outstanding service debtors/ revenue received for services)	% achieved	11.60%	11.90%	10.40%	12	12	12	12.2	12.2	12.2
Appointment of a service provider to submit a reviewed long term financial plan by the end of June 2016	Reviewed plan approved	no kpi set	no kpi set	no kpi set	1	1	1	1	0	0
Financial statements submitted to the Auditor General by 31 August 2015	Financial statements submitted	1	1	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	5477	6523	6536	6580	6580	6580	6650	6650	6650
<b>Revenue</b>										
Achieve a debt recovery rate not less than 95%	% Recovered	no kpi set	100.44%	100.33%	95%	95%	95%	96%	96%	96%

Description	Unit of measurement	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<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	8	9	8	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%	100.0%	100.45%	98%	98%	98%	98%	98%	98%
m² of roads patched (works orders) and resealed according to approved Paveman Management System within available budget	m² of roads patched (works orders) and resealed	171344	216162	101560	120000	120000	120000	100000	100000	100000
Quality of effluent comply 90% with SANS 241	% compliance	88.60%	86.02%	82.78%	90%	90%	90%	90%	90%	90%
Quality of potable water comply 95% with SANS 241	% compliance	no kpi set	no kpi set	95.38%	95%	95%	95%	95%	95%	95%
	% of water unaccounted for	27.25%	25.57%	21.5%	25%	25%	25%	25%	25%	25%
Limit unaccounted water to less than 25% {(Number of kiloliter water purified - Number of kiloliter water sold)/(Number of kiloliter sold x 100)}										
Provision of water to informal households with access within a 200 m radius	No of informal households that have access to water within a 200 m radius	3565	no kpi set	no kpi set	3406	3406	3406	3152	3152	3152
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	25066	25426	27373	28077	28077	28077	32483	33538	34438
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	32265	no kpi set	34299	32697	32697	32697	33094	34085	35105
Provision of refuse removal, refuse dumps and solid waste disposal to all informal households at least once a week	Number of informal households for which refuse is removed at least once a week	3565	no kpi set	no kpi set	3406	3406	3406	3152	3152	3152
The provision of sanitation services to informal households based on the standard of 1 toilette to 5 households	No of informal households that have access to sanitation based on the standard of 1 toilette to 5 households	3565	no kpi set	no kpi set	3406	3406	3406	3152	3152	3152
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	30016	31221	31231	31202	31202	31202	32483	33538	34438
<b>Local Economic Development</b>										
<b>Director: LED</b>										
<b>LED</b>										
Report bi-annually to the Portfolio committee on LED and Tourism initiatives	Quarterly report on marketing tools	no kpi set	no kpi set	no kpi set	4	4	4	2	2	2
Report on Grants to festival organisers through Service Level Agreements (SLA) by end August 2015	Number of reports submitted	no kpi set	no kpi set	no kpi set	no kpi set	no kpi set	no kpi set	1	1	1
Develop and implement an SMME Development Programme	Number of SMME's supported	55	23	45	no kpi set	no kpi set	no kpi set	30	30	30
Financial and non-financial resources mobilised	Number of MOU's entered into and amount generated	no kpi set	no kpi set	no kpi set	2	2	2	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	Quarterly report on linkages established	no kpi set	no kpi set	no kpi set	4	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 396 work opportunities)	Number of temporary jobs created	204	609	517	287	287	287	396	396	396
Monthly operate the LED Walk Centre for outreach & referral purposes	Number of registers on LED outreach statistics (walk in centre)	no kpi set	no kpi set	no kpi set	no kpi set	no kpi set	no kpi set	12	12	12
Compile an action plan to improve on the LED maturity	Plan completed	no kpi set	no kpi set	no kpi set	2	2	2	2	2	2

Description	Unit of measurement	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<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	7.10%	6.88%	5.95%	8.5%	8.5%	8.5%	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	20604	no kpi set	25751	21998	21998	21998	25354	25735	26116
<b>Waste Water Management</b>										
Achieve two Green Drop awards	Number of awards	no kpi set	0	4	2	2	2	2	2	2
Achieve 5 Blue drop awards	Number of awards	no kpi set	no kpi set	no kpi set	6	6	6	5	5	5
<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	1	1
<b>Planning and Development</b>										
Municipal Infrastructure Grant (MIG)- % expenditure	% expenditure of allocated grant	no kpi set	no kpi set	no kpi set	no kpi set	no kpi set	no kpi set	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	1	1
Arrange public awareness sessions on Protection Services	Number of sessions held	57	60	55	32	32	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	Reviewed plan submitted	1	1	1	1	1	1	1	1	1
Annually review the Fire Management Plan by the end of June	Plan reviewed	1	1	1	1	1	1	1	1	1
<b>Traffic</b>										
Optimal collection of public safety income for the financial year	R-value of public safety collected income	R 4 893 128	R 5 730 902	R 5 154 575	10000000	10000000	10000000	8000000	8000000	8000000



WC032 Overstrand - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b><u>Borrowing Management</u></b>										
Credit Rating										
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	6.2%	6.8%	7.3%	7.6%	7.0%	7.0%	7.3%	7.1%	7.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	8.2%	7.7%	9.1%	9.1%	8.7%	8.7%	8.8%	8.5%	8.3%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	117.8%	45.1%	59.6%	74.2%	78.7%	78.7%	73.8%	85.2%	95.5%
<b><u>Safety of Capital</u></b>										
Gearing	Long Term Borrowing/ Funds & Reserves	17772.6%	19277.5%	15300.9%	21294.4%	16045.6%	16045.6%	15774.5%	15362.7%	14888.6%
<b><u>Liquidity</u></b>										
Current Ratio	Current assets/current liabilities	1.7	1.3	1.2	1.3	1.4	1.4	1.2	1.3	1.4
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.7	1.3	1.0	1.1	1.2	1.2	1.1	1.2	1.3
Liquidity Ratio	Monetary Assets/Current Liabilities	0.9	0.5	0.4	0.6	0.6	0.6	0.6	0.7	0.9
<b><u>Revenue Management</u></b>										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		105.3%	91.5%	103.1%	99.6%	99.8%	0.0%	101.2%	99.9%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		104.9%	91.5%	103.1%	99.6%	99.8%	99.8%	101.2%	99.9%	99.3%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	14.6%	14.4%	13.5%	12.4%	13.3%	13.3%	10.7%	9.7%	9.6%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	86.7%	90.3%	97.2%	100.3%	100.3%	100.3%	99.5%	99.5%	99.5%
<b><u>Creditors Management</u></b>										
Creditors System Efficiency	% of Creditors Paid Within Terms (within' MFMA' s 65(e))	99.8%	100.0%	97.8%	95.0%	95.0%	95.0%	98.0%	98.0%	98.0%
Creditors to Cash and Investments		49.9%	85.2%	97.4%	63.4%	56.5%	56.5%	76.1%	55.6%	49.3%
<b><u>Other Indicators</u></b>										
Electricity Distribution Losses (2)	Total Volume Losses (kW)	16012859	15831477	13668967	15896000	15896000	15896000	13 667 000	13 665 499	13 664 000
	Total Cost of Losses (Rand '000)	6 513	7 101	7 028	9 127	9 127	9 127	7 927	7 926	7 925
	% Volume (units purchased and generated less units sold)/units purchased and generated	7.12%	6.91%	5.95%	6.67%	6.67%	6.67%	5.95%	5.94%	5.93%
Water Distribution Losses (2)	Total Volume Losses (kℓ)	1 429	1 445	1 455	1 476	1 476	1 476	1 453	1 451	1 449
	Total Cost of Losses (Rand '000)	2891622	3829726	5726220	3085	3085	3085	4272	4264	4260
	% Volume (units purchased and generated less units sold)/units purchased and generated	20.36%	20.01%	21.47%	20.23%	20.23%	20.23%	20.19%	20.05%	20.00%
Employee costs	Employee costs/(Total Revenue - capital revenue)	34.8%	32.9%	35.4%	35.7%	34.1%	34.1%	32.6%	31.4%	31.5%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	35.9%	33.9%	36.5%	36.8%	35.1%	35.1%	33.5%	32.3%	32.4%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	10.9%	16.3%	20.4%	20.7%	20.1%	20.1%	13.5%	13.0%	14.7%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	22.7%	20.1%	18.9%	19.7%	18.5%	18.5%	17.7%	16.9%	16.8%
<b><u>IDP regulation financial viability indicators</u></b>										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	24.0	22.8	22.7	24.6	24.6	24.6	22.4	22.1	23.8
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	16.6%	17.9%	15.9%	14.2%	15.7%	15.7%	12.9%	11.8%	11.4%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	3.1	1.8	1.2	1.6	1.5	1.5	1.5	1.9	2.4

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	2011/12	2012/13	2013/14	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
					Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
<b>Demographics</b>											
Population		55	75	80	83	87	90	93	97	101	108
Females aged 5 - 14		3	6	5	5	6	6	6	6	7	7
Males aged 5 - 14		3	6	5	5	6	6	6	6	7	7
Females aged 15 - 34		6	12	13	14	14	15	15	16	16	18
Males aged 15 - 34		6	11	14	14	15	15	16	16	17	18
Unemployment		5	8	4	4	5	5	5	5	5	6
<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 monthly	6 149	5 307	5 326	5 528	5 738	5 957	6 183	6 418	6 662	6 915
Insert description											
<b>Household/demographics (000)</b>											
Number of people in municipal area	Stats SA	55 012	74 546	80 432	83488	86661	89 954	93 372	96 920	100 603	108 249
Number of poor people in municipal area				37 433	38856	40332	41 865	43 456	45 107	46 821	48 600
Number of households in municipal area	Stats SA		21 953	28 008							
Number of poor households in municipal area			8 439	16 317	17277	18285	19 469	20 651	21 968	23 390	24 891
Definition of poor household (R per month)			2 201	4 561	4561	4801	5 121	5 401	5 725	6 069	6 433
<b>Housing statistics</b>											
Formal				22 692	22 938	23 152	23 599	23 812	24 415	24 913	25 293
Informal				2 538	3 421	3 407	3 330	3 188	3 188	3 188	3 188
<b>Total number of households</b>		-	-	25 230	26 359	26 559	26 929	27 000	27 603	28 101	28 481
Dwellings provided by municipality			88	410	-	-	183	-	333	218	80
Dwellings provided by province/s		-	-	-	-	-	-	-	-	-	-
Dwellings provided by private sector		116	470	209	246	214	264	213	270	280	300
<b>Total new housing dwellings</b>		116	558	619	246	214	447	213	603	498	380
<b>Economic</b>											
Inflation/inflation outlook (CPIX)					5.6%	5.7%	5.9%	5.8%	4.8%	5.9%	5.6%
Interest rate - borrowing					9.6%	9.7%	9.7%	9.7%	9.6%	9.6%	9.6%
Interest rate - investment					5.6%	5.1%	5.4%	6.2%	6.3%	6.5%	6.5%
Remuneration increases					6.1%	6.5%	6.8%	6.8%	6.1%	6.1%	6.1%
Consumption growth (electricity)					1.1%	1.8%	0.5%	1.5%	1.4%	1.5%	1.5%
Consumption growth (water)					-8.2%	4.2%	-5.4%	3.3%	3.0%	3.0%	3.0%
<b>Collection rates</b>											
Property tax/service charges					99.3%	100.4%	100.3%	100.3%	100.3%	100.3%	100.3%
Rental of facilities & equipment					99.3%	100.4%	100.3%	100.3%	100.3%	100.3%	100.3%
Interest - external investments					100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Interest - debtors					100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
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	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Funding measures</b>										
Cash/cash equivalents at the year end - R'000	18(1)b	126 699	84 147	63 158	88 050	89 421	89 421	97 547	127 071	171 875
Cash + investments at the yr end less applications - R'000	18(1)b	130 018	89 356	96 147	126 920	144 149	144 149	117 777	148 095	182 152
Cash year end/monthly employee/supplier payments	18(1)b	3.1	1.8	1.2	1.6	1.5	1.5	1.5	1.9	2.4
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	(81 607)	10 899	(45 015)	(48 747)	(65 423)	(65 423)	(5 140)	(3 395)	3 679
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	N.A.	2.3%	4.2%	3.8%	(5.3%)	(6.0%)	1.4%	1.7%	1.8%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	104.9%	91.5%	103.1%	99.6%	99.8%	99.8%	101.2%	99.9%	99.3%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	0.0%	1.2%	2.0%	0.0%	3.4%	3.4%	3.1%	2.9%	2.7%
Capital payments % of capital expenditure	18(1)c,19	100.0%	100.0%	100.0%	100.0%	104.4%	104.4%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	101.4%	43.0%	55.3%	65.2%	65.5%	65.5%	75.8%	88.9%	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.	16.5%	(2.1%)	(2.2%)	11.3%	0.0%	(11.2%)	(1.4%)	4.3%
Long term receivables % change - incr(decr)	18(1)a	N.A.	(33.7%)	(18.4%)	(16.1%)	0.0%	0.0%	(28.3%)	(26.0%)	(33.9%)
R&M % of Property Plant & Equipment	20(1)(vi)	2.1%	3.7%	4.8%	5.3%	5.2%	5.2%	3.9%	4.1%	4.9%
Asset renewal % of capital budget	20(1)(vi)	0.0%	2.9%	35.9%	28.8%	27.9%	27.9%	20.0%	22.2%	6.3%
<b>Total Operating Revenue</b>		597 482	703 871	736 376	784 474	810 351	810 351	895 035	973 222	1 028 409
<b>Total Operating Expenditure</b>		742 525	752 070	832 022	869 588	933 322	933 322	964 529	1 037 493	1 098 292
<b>Operating Performance Surplus/(Deficit)</b>		(145 043)	(48 199)	(95 646)	(85 115)	(122 971)	(122 971)	(69 494)	(64 271)	(69 883)
<b>Cash and Cash Equivalents (30 June 2012)</b>		126 699	84 147	63 158	88 050	89 421	89 421	97 547	127 071	171 875
<b>Revenue</b>										
% Increase in Total Operating Revenue			17.8%	4.6%	6.5%	3.3%	0.0%	10.5%	8.7%	5.7%
% Increase in Property Rates Revenue			10.9%	11.6%	10.3%	3.3%	0.0%	6.0%	6.5%	6.5%
% Increase in Electricity Revenue			10.1%	8.4%	15.5%	0.0%	0.0%	9.3%	9.7%	9.7%
% Increase in Property Rates & Services Charges			8.3%	10.2%	9.8%	0.7%	0.0%	7.4%	7.7%	7.8%
<b>Expenditure</b>										
% Increase in Total Operating Expenditure			1.3%	10.6%	4.5%	7.3%	0.0%	3.3%	7.6%	5.9%
% Increase in Employee Costs			11.4%	12.5%	7.5%	(1.4%)	0.0%	5.6%	4.7%	6.0%
% Increase in Electricity Bulk Purchases			14.5%	8.3%	7.9%	0.0%	0.0%	14.2%	14.2%	14.2%
Average Cost Per Budgeted Employee Position (Remuneration)				256036.1847	253913.1877			248375.8279		
Average Cost Per Councillor (Remuneration)				317300.44	340621.28			346979.92		
R&M % of PPE		2.1%	3.7%	4.8%	5.3%	5.2%	5.2%	3.9%	4.1%	4.9%
Asset Renewal and R&M as a % of PPE		2.0%	4.0%	6.0%	6.0%	6.0%	6.0%	4.0%	5.0%	5.0%
Debt Impairment % of Total Billable Revenue		0.0%	1.2%	2.0%	0.0%	3.4%	3.4%	3.1%	2.9%	2.7%
<b>Capital Revenue</b>										
Internally Funded & Other (R'000)		34 478	22 412	22 207	14 430	17 517	17 517	7 215	3 730	–
Borrowing (R'000)		73 964	67 544	70 634	46 923	48 770	48 770	32 346	30 000	30 000
Grant Funding and Other (R'000)		54 833	53 809	38 090	36 368	56 498	56 498	64 354	60 876	73 561
Internally Generated funds % of Non Grant Funding		31.8%	24.9%	23.9%	23.5%	26.4%	26.4%	18.2%	11.1%	0.0%
Borrowing % of Non Grant Funding		68.2%	75.1%	76.1%	76.5%	73.6%	73.6%	81.8%	88.9%	100.0%
Grant Funding % of Total Funding		33.6%	37.4%	29.1%	37.2%	46.0%	46.0%	61.9%	64.3%	71.0%
<b>Capital Expenditure</b>										
Total Capital Programme (R'000)		163 275	143 764	130 930	97 721	122 785	122 785	103 914	94 606	103 561
Asset Renewal		–	4 147	47 032	28 139	32 838	32 838	20 758	21 000	6 500
Asset Renewal % of Total Capital Expenditure		0.0%	2.9%	35.9%	28.8%	26.7%	26.7%	20.0%	22.2%	6.3%
<b>Cash</b>										
Cash Receipts % of Rate Payer & Other		104.9%	91.5%	103.1%	99.6%	99.8%	99.8%	101.2%	99.9%	99.3%
Cash Coverage Ratio		3.1	1.8	1.2	1.6	1.5	1.5	1.5	1.9	2.4
<b>Borrowing</b>										
Credit Rating (2009/10)								0		
Capital Charges to Operating		6.2%	6.8%	7.3%	7.6%	7.0%	7.0%	7.3%	7.1%	7.0%
Borrowing Receipts % of Capital Expenditure		101.4%	43.0%	55.3%	65.2%	65.5%	65.5%	75.8%	88.9%	100.0%
<b>Reserves</b>										
Surplus/(Deficit)		130 018	89 356	96 147	126 920	144 149	144 149	117 777	148 095	182 152
<b>Free Services</b>										
Free Basic Services as a % of Equitable Share		90.1%	88.7%	82.3%	80.2%	80.2%	80.2%	74.8%	72.4%	71.3%
Free Services as a % of Operating Revenue (excl operational transfers)		14.8%	11.7%	11.2%	10.4%	10.0%	10.0%	11.0%	11.1%	11.1%
<b>High Level Outcome of Funding Compliance</b>										
Total Operating Revenue		597 482	703 871	736 376	784 474	810 351	810 351	895 035	973 222	1 028 409
Total Operating Expenditure		742 525	752 070	832 022	869 588	933 322	933 322	964 529	1 037 493	1 098 292
Surplus/(Deficit) Budgeted Operating Statement		(145 043)	(48 199)	(95 646)	(85 115)	(122 971)	(122 971)	(69 494)	(64 271)	(69 883)
Surplus/(Deficit) Considering Reserves and Cash Backing		130 018	89 356	96 147	126 920	144 149	144 149	117 777	148 095	182 152
<b>MTREF Funded (1) / Unfunded (0)</b>		1	1	1	1	1	1	1	1	1
<b>MTREF Funded ✓ / Unfunded ✖</b>		✓	✓	✓	✓	✓	✓	✓	✓	✓

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

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Valuation:</b>									
Date of valuation:	02/07/2007	02/07/2011	02/07/2011						
Financial year valuation used	2008/2009	2012/2013	2012/2013	2012/2013			2012/2013		
Municipal by-laws s6 in place? (Y/N)	Yes		Yes				Yes		
Municipal/assistant valuer appointed? (Y/N)	Yes		Yes				Yes		
Municipal partnership s38 used? (Y/N)	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	12	12	12	6	6	6
No. of internal valuers (FTE)	-	-	-	-	-	-	-	-	-
No. of external valuers (FTE)	4	4	3	3	3	3	3	3	3
No. of additional valuers (FTE)	-	-	-	1	1	1	-	-	-
Valuation appeal board established? (Y/N)	Yes		Yes				Yes		
Implementation time of new valuation roll (mths)		36	24	12			-		
No. of properties	40 907	40 801	41 025	41 230	41 230	41 230	41 848	41 492	41 492
No. of sectional title values	2 396	2 383	2 623	2 636	2 636	2 636	2 634	2 647	2 661
No. of unreasonably difficult properties s7(2)	-	-	-	-	-	-	-	-	-
No. of supplementary valuations	1	2	3	2	2	2	1	1	1
No. of valuation roll amendments	2	3	3	2	2	2	12	12	12
No. of objections by rate payers	24	830	103	100	100	100	1 500	400	400
No. of appeals by rate payers	1	53	5	10	10	10	150	40	40
No. of successful objections	5		24	20	20	20	750	200	200
No. of successful objections > 10%	-	137	14	10	10	10	75	20	20
Supplementary valuation	3 323	4 998	4 233	4 487	4 487	4 487	3 610	3 628	3 646
Public service infrastructure value (Rm)	38	40	40	43	43	43	83	83	83
Municipality owned property value (Rm)	701	694	694	736	736	736	737	741	745
<b>Valuation reductions:</b>									
Valuation reductions-public infrastructure (Rm)	41	40	40	43	43	43	85	85	86
Valuation reductions-nature reserves/park (Rm)	-	-	-	-	-	-	276	277	279
Valuation reductions-mineral rights (Rm)	-	-	-	-	-	-	-	-	-
Valuation reductions-R15,000 threshold (Rm)	458	453	453	480	480	480	434	436	438
Valuation reductions-public worship (Rm)	211	209	209	222	222	222	258	259	260
Valuation reductions-other (Rm)	2 067	2 046	2 046	2 169	2 169	2 169	2 254	2 265	2 276
<b>Total valuation reductions:</b>	<b>2 776</b>	<b>2 749</b>	<b>2 749</b>	<b>2 913</b>	<b>2 913</b>	<b>2 913</b>	<b>3 306</b>	<b>3 323</b>	<b>3 339</b>
Total value used for rating (Rm)	39 491	39 152	39 152	41 501	41 501	41 501	39 998	40 198	40 399
Total land value (Rm)	22 148	21 360	21 360	22 642	22 642	22 642	22 151	22 262	22 373
Total value of improvements (Rm)	20 119	20 540	20 540	21 772	21 772	21 772	21 153	21 259	21 365
Total market value (Rm)	42 267	41 900	41 900	44 414	44 414	44 414	43 304	43 521	43 739
<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	No	No	No
Rates policy accompanying budget? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Fixed amount minimum value (R'000)				100			220		
Non-residential prescribed ratio s19? (%)	46.0%	48.6%	51.4%	51.5%			51.0%		
<b>Rate revenue:</b>									
Rate revenue budget (R'000)	112 600	120 278	134 994	148 520	148 520	148 520	157 847	165 259	175 174
Rate revenue expected to collect (R'000)	112 600	120 278	134 994	148 520	148 520	148 520	157 847	165 259	175 174
Expected cash collection rate (%)	87.6%	99.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Special rating areas (R'000)	-	-	-	-	-	-	-	-	-
Rebates, exemptions - indigent (R'000)	-	-	-	-	-	-	-	-	-
Rebates, exemptions - pensioners (R'000)	0	319	353	401	401	401	425	450	477
Rebates, exemptions - bona fide farm. (R'000)	1	1 653	69	79	79	79	83	89	94
Rebates, exemptions - other (R'000)	2	3 708	3 410	3 875	3 875	3 875	4 108	4 354	4 615
Phase-in reductions/discounts (R'000)									
<b>Total rebates, exemptns, reductns, discs (R'000)</b>	<b>3</b>	<b>5 680</b>	<b>3 833</b>	<b>4 355</b>	<b>4 355</b>	<b>4 355</b>	<b>4 616</b>	<b>4 893</b>	<b>5 187</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 2014/15</b>																
<b>Valuation:</b>																
No. of properties	36 825	–	1 628	288	190	1 866	582	–	–	–	–	–	113	–	138	–
No. of sectional title property values	2 242	–	384	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of unreasonably difficult properties s7(2)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of supplementary valuations	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Supplementary valuation (Rm)	TOTAL: 3592															
No. of valuation roll amendments	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
No. of objections by rate-payers	IN PROCESS															
No. of appeals by rate-payers	IN PROCESS															
No. of appeals by rate-payers finalised	IN PROCESS															
No. of successful objections	IN PROCESS															
No. of successful objections > 10%	IN PROCESS															
Estimated no. of properties not valued	100 TOTAL															
Years since last valuation (select)	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
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)	–	–	–	–	–	–	82	–	–	–	–	–	–	–	–	–
Valuation reductions-nature reserves/park (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	274	–	–	–
Valuation reductions-mineral rights (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)	432	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-public worship (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	221	–
Valuation reductions-other (Rm)	2 242	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total valuation reductions:</b>																
Total value used for rating (Rm)	35 584	–	3 630	701	316	–	–	–	–	–	–	–	–	–	–	–
Total land value (Rm)	18 632	–	1 555	561	149	561	78	–	–	–	–	–	197	–	90	–
Total value of improvements (Rm)	17 978	–	2 104	183	175	173	7	–	–	–	–	–	75	–	166	–
Total market value (Rm)	<b>36 610</b>	–	<b>3 659</b>	<b>743</b>	<b>324</b>	<b>733</b>	<b>85</b>	–	–	–	–	–	<b>272</b>	–	<b>256</b>	–
<b>Rating:</b>																
Average rate	0.004140		0.006700	0.001040	0.006270				0.004140	0.006270						
Rate revenue budget (R '000)	109 920		20 877	597	17 126											
Rate revenue expected to collect (R'000)	109 920		20 877	597	17 126											
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)	401															
Rebates, exemptions - bona fide farm. (R'000)				79												
Rebates, exemptions - other (R'000)				3 875												
Phase-in reductions/discounts (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 2015/16</b>																
<b>Valuation:</b>																
No. of properties	37 009	–	1 636	289	191	1 875	585	–	–	–	–	–	114	–	139	–
No. of sectional title property values	2 253	–	386	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of unreasonably difficult properties s7(2)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of supplementary valuations	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Supplementary valuation (Rm)	TOTAL: 3808															
No. of valuation roll amendments	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12
No. of objections by rate-payers	1 200	–	200	100	–	–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers	300	–	50	50	–	–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers finalised	300	–	50	50	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections	600	–	100	50	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections > 10%	60	–	10	5	–	–	–	–	–	–	–	–	–	–	–	–
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)	–	–	–	–	–	–	83	–	–	–	–	–	–	–	–	–
Valuation reductions-nature reserves/park (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	276	–	–	–
Valuation reductions-mineral rights (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)	434	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-public worship (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	222	–
Valuation reductions-other (Rm)	2 254	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total valuation reductions:</b>																
Total value used for rating (Rm)	35 762	–	3 648	704	318	–	–	–	–	–	–	–	–	–	–	–
Total land value (Rm)	18 725	–	1 563	563	149	564	78	–	–	–	–	–	198	–	90	–
Total value of improvements (Rm)	18 068	–	2 115	184	176	174	7	–	–	–	–	–	75	–	167	–
Total market value (Rm)	<b>36 793</b>	–	<b>3 678</b>	<b>747</b>	<b>326</b>	<b>737</b>	<b>85</b>	–	–	–	–	–	<b>273</b>	–	<b>258</b>	–
<b>Rating:</b>																
Average rate	0.004420		0.006700	0.001110	0.006700				0.004420	0.006700					0.004140	
Rate revenue budget (R '000)	116 824		22 188	634	18 201				–						–	
Rate revenue expected to collect (R'000)	116 824		22 188	634	18 201											
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)	425															
Rebates, exemptions - bona fide farm. (R'000)				83												
Rebates, exemptions - other (R'000)				4 108												
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	2011/12	2012/13	2013/14	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
						Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Property rates (rate in the Rand)</b>								
Residential properties		94 852 280	100 066 700	91 896 000	107 622 000	97 925 000	102 523 000	108 674 380
Residential properties - vacant land						18 899 000	19 786 000	20 973 160
Formal/informal settlements								
Small holdings								
Farm properties - used		186 487	287 327	221 000	259 000	634 000	664 000	703 840
Farm properties - not used								
Industrial properties								
Business and commercial properties		17 562 116	19 923 518	18 416 000	21 567 000	22 188 000	23 230 000	24 623 800
Communal land - residential								
Communal land - small holdings								
Communal land - farm property								
Communal land - business and commercial								
Communal land - other								
State-owned properties				16 285 000	19 072 000	18 201 000	19 056 000	20 199 360
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	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		35 000	100 000	100 000	100 000	220 000	220 000	220 000
Pensioners/social grants rebate or exemption		50 000	100 000	100 000	100 000	220 000	220 000	220 000
Temporary relief rebate or exemption		30-100%	30-100%	30-100%	30-100%	40-100%	40-100%	40-100%
Bona fide farmers rebate or exemption								
<b>Other rebates or exemptions</b>		85%	75%	75%	75%	75%	75%	75%
<b>Water tariffs</b>								
<b>Domestic</b>								
Basic charge/fixd fee (Rands/month)		88	93	96	102	102	111	118
Service point - vacant land (Rands/month)		88	93	96	102	102	111	118
Water usage - flat rate tariff (c/kl)								
Water usage - life line tariff	Consumption - Households			307	325	325	345	365
Water usage - Block 1 (c/kl)	0 - 6 kl per kl	-	-	811	1 005	1 005	1 065	1 129
Water usage - Block 2 (c/kl)	7 - 20kl per kl	702	746	1 316	1 631	1 631	1 729	1 833
Water usage - Block 3 (c/kl)	21 - 30 kl per kl	702	1 200	2 026	2 512	2 512	2 663	2 822
Water usage - Block 4 (c/kl)	31 - 60 kl per kl	1 755	1 860	2 632	3 263	3 263	3 459	3 666
<b>Other</b>	> 60 kl	2 369	2 518	3 509	4 351	4 351	4 612	4 889
<b>Waste water tariffs</b>								
<b>Domestic</b>								
Basic charge/fixd fee (Rands/month)		76	81	86	91	91	96	102
Service point - vacant land (Rands/month)		161	123	130	109	109	116	122
Waste water - flat rate tariff (c/kl)		811	877	965	1 026	1 026	1 088	1 153
Volumetric charge - Block 1 (c/kl)	Basic charge - pumps	51	54	58	61	61	65	69
Volumetric charge - Block 2 (c/kl)	Service per pump	351	373	396	419	419	444	471
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/fixd fee (Rands/month)		152	158	193	204	204	216	229
Service point - vacant land (Rands/month)		152	158	193	204	204	216	229
FBE	Qualify for indigent							
Life-line tariff - meter	(describe structure)							
Life-line tariff - prepaid	<30 Amp	720	795	795	886	886	939	996
Flat rate tariff - meter (c/kwh)								
Flat rate tariff - prepaid(c/kwh)	Credit meter							
Meter - IBT Block 1 (c/kwh)	0 - 350 kWh	720	861	886	959	959	1 017	1 078
Meter - IBT Block 2 (c/kwh)	351 - 600 kWh	980	1 133	1 201	1 300	1 300	1 378	1 461
Meter - IBT Block 3 (c/kwh)	> 600 kWh	1 140	1 328	1 448	1 567	1 567	1 661	1 761
Meter - IBT Block 4 (c/kwh)	(fill in thresholds)							
Meter - IBT Block 5 (c/kwh)	Prepaid meter							
Prepaid - IBT Block 1 (c/kwh)	0 - 350 kWh	720	795	819	886	886	939	996
Prepaid - IBT Block 2 (c/kwh)	351 - 600 kWh	980	1 068	1 132	1 225	1 225	1 299	1 376
Prepaid - IBT Block 3 (c/kwh)	> 600 kWh	1 140	1 277	1 392	1 506	1 506	1 596	1 692
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/fixd fee		83	113	123	130	130	138	146
80l bin - once a week								
250l bin - once a week		284	113	123	130	130	138	146

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

Description	Provide description of tariff structure where appropriate	2011/12	2012/13	2013/14	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
						Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Exemptions, reductions and rebates (Rands)</b>								
	RESIDENTIAL	0.00326	0.00360	0.00360	0.00414	0.00442	0.00438	0.00465
	BUSINESS & COMMERCIAL	0.00476	0.00545	0.00545	0.00626	0.00670	0.00664	0.00700
	FARM PROPERTIES	0.00326	0.00090	0.00090	0.00103	0.00111	0.00109	0.00116
	VACANT					0.00605	0.00641	0.00680
<b><u>Water tariffs</u></b>								
	Basic charge/ fixed fee			96	102	102	108	115
	Service point - vacant land			96	102	102	108	115
	0 - 6 kl	-	-	307	325	325	345	365
	7 - 18 kl	702	746	811	1 005	1 005	1 065	1 129
	19 - 30 kl	702	1 200	1 316	1 631	1 631	1 729	1 833
	31 - 45 kl	1 755	1 860	2 026	2 512	2 512	2 663	2 822
	46 - 60 kl	1 755	1 860	2 632	3 263	3 263	3 459	3 666
	> 60 kl	2 369	2 518	3 509	4 351	4 351	4 612	4 889
<b><u>Waste water tariffs</u></b>								
	Basic charge per month	76	80	86	91	91	97	102
	Basic charge - vacant land	161	122	130	109	109	116	122
	Flat rate per kl	811	877	965	1 026	1 026	1 088	1 153
	Basic charge - pumps	51	54	58	61	61	65	69
	Service per pump	351	372	396	419	419	445	471
<b><u>Electricity tariffs</u></b>								
	Basic charge - monthly	152	158	193	204	204	216	229
	Basic charge - vacant land	152	158	193	204	204	216	229
	Flat rate - Lifeline	720	795	795	886	886	939	996
	Credit meter							
	0 - 350 kWH	720	861	861	959	959	1 017	1 078
	351 - 600 kWH	980	1 133	1 190	1 300	1 300	1 378	1 461
	> 600 kWH	1 140	1 328	1 435	1 567	1 567	1 661	1 761
	Prepaid meter							
	0 - 350 kWH	720	795	795	886	886	939	996
	351 - 600 kWH	980	1 068	1 121	1 225	1 225	1 299	1 376
	> 600 kWH	1 140	1 277	1 379	1 506	1 506	1 596	1 692



WC032 Overstrand - Supporting Table SA14 Household bills

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16 % incr.	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Rand/cent</b>										
<b><u>Monthly Account for Household - 'Middle Income Range'</u></b>										
<b>Rates and services charges:</b>										
Property rates	141.26	151.25	156.00	179.40	179.40	179.40	7.0%	191.69	203.19	215.38
Electricity: Basic levy	151.75	157.89	192.98	204.56	204.56	204.56	6.0%	216.83	229.84	243.63
Electricity: Consumption	953.00	1 056.28	1 126.62	1 219.00	1 219.00	1 219.00	11.0%	1 357.95	1 439.43	1 525.79
Water: Basic levy	87.72	92.98	96.49	102.28	102.28	102.28	6.0%	108.42	114.93	121.82
Water: Consumption	168.48	224.44	273.66	290.10	290.10	290.10	6.0%	308.64	332.60	352.55
Sanitation	245.92	264.87	288.62	305.94	305.94	305.94	6.0%	325.09	344.60	365.27
Refuse removal	83.33	113.16	122.81	130.18	130.18	130.18	6.0%	137.99	146.27	155.05
Other										
<b>sub-total</b>	<b>1 831.46</b>	<b>2 060.87</b>	<b>2 257.18</b>	<b>2 431.46</b>	<b>2 431.46</b>	<b>2 431.46</b>	<b>8.8%</b>	<b>2 646.61</b>	<b>2 810.84</b>	<b>2 979.50</b>
VAT on Services	236.63	267.35	294.17	312.99	312.99	312.99		344.41	365.07	386.98
<b>Total large household bill:</b>	<b>2 068.09</b>	<b>2 328.22</b>	<b>2 551.35</b>	<b>2 744.44</b>	<b>2 744.44</b>	<b>2 744.44</b>	<b>9.0%</b>	<b>2 991.02</b>	<b>3 175.92</b>	<b>3 366.47</b>
<b>% increase/-decrease</b>		<b>12.6%</b>	<b>9.6%</b>	<b>7.6%</b>	<b>-</b>	<b>-</b>		<b>9.0%</b>	<b>6.2%</b>	<b>6.0%</b>
<b><u>Monthly Account for Household - 'Affordable Range'</u></b>										
<b>Rates and services charges:</b>										
Property rates	97.80	104.70	108.00	124.20	124.20	124.20	7.0%	132.71	140.67	149.11
Electricity: Basic levy	151.75	157.89	192.98	204.56	204.56	204.56	6.0%	216.83	229.84	243.63
Electricity: Consumption	399.00	438.62	456.59	494.01	494.01	494.01	11.0%	550.31	583.33	618.33
Water: Basic levy	87.72	92.98	96.49	102.28	102.28	102.28	6.0%	108.42	114.93	121.82
Water: Consumption	133.38	164.44	207.86	220.35	220.35	220.35	7.0%	236.54	250.73	265.78
Sanitation	231.74	234.17	254.84	270.13	270.13	270.13	6.0%	287.01	304.23	322.48
Refuse removal	83.33	113.16	122.81	130.18	130.18	130.18	6.0%	137.99	146.27	155.05
Other										
<b>sub-total</b>	<b>1 184.72</b>	<b>1 305.96</b>	<b>1 439.57</b>	<b>1 545.71</b>	<b>1 545.71</b>	<b>1 545.71</b>	<b>8.0%</b>	<b>1 669.81</b>	<b>1 770.00</b>	<b>1 876.20</b>
VAT on Services	152.17	168.18	186.42	199.01	199.01	199.01		215.19	228.11	241.79
<b>Total small household bill:</b>	<b>1 336.88</b>	<b>1 474.14</b>	<b>1 625.99</b>	<b>1 744.72</b>	<b>1 744.72</b>	<b>1 744.72</b>	<b>8.0%</b>	<b>1 885.00</b>	<b>1 998.10</b>	<b>2 117.99</b>
<b>% increase/-decrease</b>		<b>10.3%</b>	<b>10.3%</b>	<b>7.3%</b>	<b>-</b>	<b>-</b>		<b>8.0%</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	54.33	58.16	60.00	69.00	69.00	69.00	7.0%	73.73	78.15	82.84
Electricity: Basic levy	151.75	157.89	192.98	204.56	204.56	204.56	6.0%	216.83	229.84	243.63
Electricity: Consumption	252.00	278.39	286.75	310.24	310.24	310.24	11.0%	345.59	366.33	388.30
Water: Basic levy	87.72	92.98	96.49	102.28	102.28	102.28	6.0%	108.42	114.93	121.82
Water: Consumption	98.28	104.44	123.67	131.10	131.10	131.10	6.0%	139.02	149.64	158.62
Sanitation	204.15	203.48	221.07	234.33	234.33	234.33	6.0%	248.93	263.87	279.70
Refuse removal	83.33	113.16	122.81	130.18	130.18	130.18	6.0%	137.99	146.27	155.05
Other	(468.47)	(521.33)	(598.16)	(635.06)	(635.06)	(635.06)	7.0%	(676.64)	(717.24)	(760.27)
<b>sub-total</b>	<b>463.09</b>	<b>487.17</b>	<b>505.61</b>	<b>546.63</b>	<b>546.63</b>	<b>546.63</b>	<b>8.6%</b>	<b>593.87</b>	<b>631.78</b>	<b>669.69</b>
VAT on Services	57.23	60.06	64.96	69.60	69.60	69.60		73.12	77.51	82.16
<b>Total small household bill:</b>	<b>520.32</b>	<b>547.23</b>	<b>570.57</b>	<b>616.23</b>	<b>616.23</b>	<b>616.23</b>	<b>8.2%</b>	<b>666.99</b>	<b>709.29</b>	<b>751.85</b>
<b>% increase/-decrease</b>		<b>5.2%</b>	<b>4.3%</b>	<b>8.0%</b>	<b>-</b>	<b>-</b>		<b>8.2%</b>	<b>6.3%</b>	<b>6.0%</b>

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

Investment type	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>									
<b>Parent municipality</b>									
Securities - National Government									
Listed Corporate Bonds									
Deposits - Bank	75 000	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)	5 691	11 597	16 965	22 207	22 207	22 207	28 455	34 384	40 409
Repurchase Agreements - Banks									
Municipal Bonds									
<b>Consolidated total:</b>	<b>80 691</b>	<b>66 638</b>	<b>67 004</b>	<b>22 207</b>	<b>22 207</b>	<b>22 207</b>	<b>28 455</b>	<b>34 384</b>	<b>40 409</b>

WC032 Overstrand - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity  Name of institution & investment ID	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
	Yrs/Months												
Parent municipality													
LIBERTY 15934476	15 YEARS	POLICY	YES	VARIABLE	Fair Value Adjustment			01/09/2025	6 425	256		1 500	8 181
LIBERTY 21196964	14 YEARS	POLICY	YES	VARIABLE	Fair Value Adjustment			01/09/2025	9 389	29		3 120	12 538
MOMENTUM 3853776	15 YEARS	POLICY	YES	VARIABLE	Fair Value Adjustment			01/07/2026	1 151	(23)		360	1 488
TOTAL INVESTMENTS AND INTEREST									16 965		-	4 980	22 207

**WC032 Overstrand - Supporting Table SA17 Borrowing**

Borrowing - Categorised by type	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>									
<b>Parent municipality</b>									
Long-Term Loans (annuity/reducing balance)	250 581	274 394	292 444	307 225	307 225	307 225	311 667	312 288	309 060
Long-Term Loans (non-annuity)	90 000	90 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000
Local registered stock									
Instalment Credit				4 541	5 520	5 520	4 333	2 981	1 443
Financial Leases	623	238			84	84	-	-	-
PPP liabilities									
Finance Granted By Cap Equipment Supplier									
Marketable Bonds									
Non-Marketable Bonds									
Bankers Acceptances									
Financial derivatives									
Other Securities									
<b>Total Borrowing</b>	<b>341 204</b>	<b>364 632</b>	<b>392 444</b>	<b>411 766</b>	<b>412 829</b>	<b>412 829</b>	<b>415 999</b>	<b>415 269</b>	<b>410 503</b>
<b>Unspent Borrowing - Categorised by type</b>									
<b>Parent municipality</b>									
Long-Term Loans (annuity/reducing balance)	18 255	6 133	1 847						
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>18 255</b>	<b>6 133</b>	<b>1 847</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Unspent Borrowing</b>	<b>18 255</b>	<b>6 133</b>	<b>1 847</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>									
<b>RECEIPTS:</b>									
<b><u>Operating Transfers and Grants</u></b>									
<b>National Government:</b>	<b>33 973</b>	<b>38 956</b>	<b>45 033</b>	<b>54 673</b>	<b>56 511</b>	<b>56 511</b>	<b>67 709</b>	<b>74 702</b>	<b>82 187</b>
Local Government Equitable Share	31 156	36 146	41 949	52 021	52 021	52 021	64 598	72 270	79 604
Finance Management	1 250	698	1 300	884	1 450	1 450	1 450	1 475	1 550
Municipal Systems Improvement	790	780	540		–	–		957	1 033
EPWP Incentive	777	1 332	1 244	1 768	1 768	1 768	1 661		
Municipal Disaster Recovery Grant					1 272	1 272			
					–	–			
Other transfers/grants [insert description]					–	–			
<b>Provincial Government:</b>	<b>10 697</b>	<b>2 703</b>	<b>23 332</b>	<b>3 734</b>	<b>4 174</b>	<b>4 174</b>	<b>22 615</b>	<b>33 184</b>	<b>14 986</b>
Housing	9 914	1 659	18 669	183	91	91	17 141	27 480	8 876
Emergency Housing Programme (EHP)	–	–	–	220	220	220			
Provincial Library Grant	640	691	795	3 182	3 182	3 182	5 288	5 557	5 890
Financial Management Support Grant	–	–	800		514	514			
Community Development Worker Grant	78	70	49	52	70	70	72	76	80
Main Road Subsidy	65	65	2 651	97	97	97	114		
Sport & Recreation Grant	–	–	–						
Nelson Mandela commemoration Grant	–	–	100						
Greenest Municipality	–	–	50						
Thusong Service centre grant	–	218	218					71	140
<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>270</b>	<b>652</b>	<b>586</b>	<b>–</b>	<b>185</b>	<b>185</b>	<b>–</b>	<b>–</b>	<b>–</b>
ACIP									
Prov Govt. Nelson Mandela Commemoration	–	–	27						
Prov Govt. ICT Projects for Libraries	–	–	240						
Table Mountain Fund	–	–	–						
Public Contr. KCIH	–	22	–						
Samras Usergroup	–	–	319		185	185			
Friedrich Naumann Foundation	–	–	–						
Spaces 4 Sport	270	630	–						
<b>Total Operating Transfers and Grants</b>	<b>44 940</b>	<b>42 311</b>	<b>68 951</b>	<b>58 407</b>	<b>60 870</b>	<b>60 870</b>	<b>90 324</b>	<b>107 886</b>	<b>97 173</b>
<b><u>Capital Transfers and Grants</u></b>									
<b>National Government:</b>	<b>54 183</b>	<b>36 911</b>	<b>26 068</b>	<b>24 174</b>	<b>23 608</b>	<b>23 608</b>	<b>30 347</b>	<b>26 126</b>	<b>29 187</b>
Municipal Infrastructure Grant (MIG)	13 971	16 947	18 755	20 674	20 674	20 674	21 417	22 126	23 187
Public Transport and Systems									
Regional Bulk Infrastructure	36 212	15 174	–		–	–			
Neighbourhood Development Partnership	2 000	2 418	3 963						
Finance Management	–	552	–	566	–	–			
Municipal Systems Improvement	–	20	350	934	934	934	930		
INEP	2 000	1 800	3 000	2 000	2 000	2 000	8 000	4 000	6 000
<b>Provincial Government:</b>	<b>–</b>	<b>20 217</b>	<b>8 819</b>	<b>10 060</b>	<b>30 516</b>	<b>30 516</b>	<b>33 007</b>	<b>34 750</b>	<b>44 374</b>
Housing	–	18 693	7 727	7 810	28 366	28 366	29 973	34 750	44 374
Sport & Recreation Grant	–	–	100	100	–	–			
Provincial Library Grant	–	13	10	2 150	2 150	2 150	3 034		
Pronicial Transport Infrastructure Grant		1 500	982						
Community Development Worker Grant	–	11	–						
<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>500</b>	<b>–</b>	<b>–</b>	<b>2 134</b>	<b>2 051</b>	<b>2 051</b>	<b>1 000</b>	<b>–</b>	<b>–</b>
DWA ACIP				1 000	1 000	1 000			
Spaces 4 Sport				51	51	51			
Eskom Rebate/National Lotto	500			1 083	1 000	1 000	1 000		
<b>Total Capital Transfers and Grants</b>	<b>54 683</b>	<b>57 128</b>	<b>34 887</b>	<b>36 368</b>	<b>56 175</b>	<b>56 175</b>	<b>64 354</b>	<b>60 876</b>	<b>73 561</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>99 623</b>	<b>99 439</b>	<b>103 838</b>	<b>94 775</b>	<b>117 045</b>	<b>117 045</b>	<b>154 678</b>	<b>168 762</b>	<b>170 734</b>

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

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>									
<b>EXPENDITURE:</b>									
<b><u>Operating expenditure of Transfers and Grants</u></b>									
<b>National Government:</b>	<b>33 973</b>	<b>38 956</b>	<b>45 033</b>	<b>54 673</b>	<b>3 218</b>	<b>3 218</b>	<b>67 709</b>	<b>74 702</b>	<b>82 187</b>
Local Government Equitable Share	31 156	36 146	41 949	52 021	–	–	64 598	72 270	79 604
Finance Management	1 250	698	1 300	884	1 450	1 450	1 450	1 475	1 550
Municipal Systems Improvement	790	780	540	–	–	–	–	957	1 033
EPWP Incentive	777	1 332	1 244	1 768	1 768	1 768	1 661	–	–
Municipal Disaster Recovery Grant	–	–	–	–	–	–	–	–	–
Other transfers/grants [insert description]									
<b>Provincial Government:</b>	<b>4 032</b>	<b>2 724</b>	<b>22 802</b>	<b>3 734</b>	<b>4 778</b>	<b>4 778</b>	<b>22 615</b>	<b>33 184</b>	<b>14 986</b>
Housing	3 186	1 659	18 669	183	412	412	17 141	27 480	8 876
Community Development Worker Grant	78	70	49	52	70	70	72	76	80
Main Road Subsidy	65	65	2 651	97	97	97	114	–	–
Sport & Recreation Grant	–	–	–	–	–	–	–	–	–
Provincial Library Grant	640	691	795	3 182	3 182	3 182	5 288	5 557	5 890
Emergency Housing Programme (EHP)	–	–	–	220	220	220	–	–	–
Financial Management Support Grant	–	–	155	–	759	759	–	–	–
Nelson Mandela commemoration Grant	–	–	100	–	–	–	–	–	–
Greenest Municipality	–	–	12	–	38	38	–	–	–
HCE	63	19	47	–	–	–	–	–	–
Mobility Strategy	–	2	106	–	–	–	–	–	–
Tusong Service Centre Grant	–	218	218	–	–	–	–	71	140
<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>156</b>	<b>222</b>	<b>894</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Spaces 4 Sport/Friedrich Naumann Foundation	156	200	627	–	–	–	–	–	–
ICT Projects for Libraries/Samras Usergroup	–	22	267	–	–	–	–	–	–
<b>Total operating expenditure of Transfers and Grants:</b>	<b>38 161</b>	<b>41 902</b>	<b>68 730</b>	<b>58 407</b>	<b>7 996</b>	<b>7 996</b>	<b>90 324</b>	<b>107 886</b>	<b>97 173</b>
<b><u>Capital expenditure of Transfers and Grants</u></b>									
<b>National Government:</b>	<b>54 183</b>	<b>36 911</b>	<b>25 094</b>	<b>24 174</b>	<b>24 174</b>	<b>24 174</b>	<b>30 347</b>	<b>26 126</b>	<b>29 187</b>
Municipal Infrastructure Grant (MIG)	13 971	16 947	18 755	20 674	20 674	20 674	21 417	22 126	23 187
Public Transport and Systems	–	–	–	–	–	–	–	–	–
Regional Bulk Infrastructure	36 212	15 174	–	–	–	–	–	–	–
Municipal Systems Improvement	–	20	350	934	934	934	930	–	–
INEP	2 000	1 800	2 026	2 000	2 000	2 000	8 000	4 000	6 000
Finance Management	–	552	–	566	566	566	–	–	–
Neighbourhood Development Partnership	2 000	2 418	3 963	–	–	–	–	–	–
<b>Provincial Government:</b>	<b>650</b>	<b>16 898</b>	<b>12 996</b>	<b>10 060</b>	<b>31 990</b>	<b>31 990</b>	<b>33 007</b>	<b>34 750</b>	<b>44 374</b>
Housing	–	16 651	10 404	7 810	29 740	29 740	29 973	34 750	44 374
Sport & Recreation Grant	–	–	100	100	100	100	–	–	–
Public transport non-motorised infrastructure grant	–	–	2 482	–	–	–	–	–	–
Provincial Library Grant	–	13	10	2 150	2 150	2 150	3 034	–	–
Mobility strategy (pound)/ CDW	650	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>–</b>	<b>500</b>	<b>–</b>	<b>2 134</b>	<b>2 051</b>	<b>2 051</b>	<b>1 000</b>	<b>–</b>	<b>–</b>
'DWA ACIP	–	–	–	1 000	1 000	1 000	–	–	–
'Spaces 4 Sport	–	–	–	51	51	51	–	–	–
National Lotto	–	500	–	1 083	1 000	1 000	1 000	–	–
<b>Total capital expenditure of Transfers and Grants</b>	<b>54 833</b>	<b>54 309</b>	<b>38 090</b>	<b>36 368</b>	<b>58 215</b>	<b>58 215</b>	<b>64 354</b>	<b>60 876</b>	<b>73 561</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>92 993</b>	<b>96 211</b>	<b>106 820</b>	<b>94 775</b>	<b>66 211</b>	<b>66 211</b>	<b>154 678</b>	<b>168 762</b>	<b>170 734</b>

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

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>									
<b><u>Operating transfers and grants:</u></b>									
<b>National Government:</b>									
Balance unspent at beginning of the year	–	–	–		–	–			
Current year receipts	33 973	38 956	45 033	54 673	56 511	56 511	67 709	74 702	82 187
<b>Conditions met - transferred to revenue</b>	<b>33 973</b>	<b>38 956</b>	<b>45 033</b>	<b>54 673</b>	<b>56 511</b>	<b>56 511</b>	<b>67 709</b>	<b>74 702</b>	<b>82 187</b>
Conditions still to be met - transferred to liabilities									
<b>Provincial Government:</b>									
Balance unspent at beginning of the year	129	174	153	–	683	683			
Current year receipts	10 697	2 703	23 332	3 734	4 174	4 174	22 615	33 184	14 986
Transfer to creditor/debtor	(3 310)	–	–	–	(79)	(79)			
<b>Conditions met - transferred to revenue</b>	<b>4 032</b>	<b>2 724</b>	<b>22 802</b>	<b>3 734</b>	<b>4 778</b>	<b>4 778</b>	<b>22 615</b>	<b>33 184</b>	<b>14 986</b>
Conditions still to be met - transferred to liabilities	3 485	153	683						
<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	125	240	669	–	361	361			
Current year receipts	270	652	586	–	185	185			
<b>Conditions met - transferred to revenue</b>	<b>156</b>	<b>222</b>	<b>894</b>	<b>–</b>	<b>546</b>	<b>546</b>	<b>–</b>	<b>–</b>	<b>–</b>
Conditions still to be met - transferred to liabilities	240	669	361						
<b>Total operating transfers and grants revenue</b>	<b>38 161</b>	<b>41 902</b>	<b>68 730</b>	<b>58 407</b>	<b>61 835</b>	<b>61 835</b>	<b>90 324</b>	<b>107 886</b>	<b>97 173</b>
<b>Total operating transfers and grants - CTBM</b>	<b>3 725</b>	<b>822</b>	<b>1 044</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	54 183	36 911	26 068	24 174	23 608	23 608	30 347	26 126	29 187
Transfer to creditor/debtor	–	–	(974)						
<b>Conditions met - transferred to revenue</b>	<b>54 183</b>	<b>36 911</b>	<b>25 094</b>	<b>24 174</b>	<b>23 608</b>	<b>23 608</b>	<b>30 347</b>	<b>26 126</b>	<b>29 187</b>
Conditions still to be met - transferred to liabilities	–	–	–						
<b>Provincial Government:</b>									
Balance unspent at beginning of the year	981	3 642	6 961		2 382	2 382			
Current year receipts	–	20 217	8 819	10 060	30 516	30 516	33 007	34 750	44 374
Transfer to creditor/debtor	–	–	(402)		(8)	(8)			
<b>Conditions met - transferred to revenue</b>	<b>650</b>	<b>16 898</b>	<b>12 996</b>	<b>10 060</b>	<b>32 890</b>	<b>32 890</b>	<b>33 007</b>	<b>34 750</b>	<b>44 374</b>
Conditions still to be met - transferred to liabilities	331	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	–	500	–						
Current year receipts	500	–	–	2 134	2 051	2 051	1 000		
<b>Conditions met - transferred to revenue</b>	<b>–</b>	<b>500</b>	<b>–</b>	<b>2 134</b>	<b>2 051</b>	<b>2 051</b>	<b>1 000</b>	<b>–</b>	<b>–</b>
Conditions still to be met - transferred to liabilities	500	–	–						
<b>Total capital transfers and grants revenue</b>	<b>54 833</b>	<b>54 309</b>	<b>38 090</b>	<b>36 368</b>	<b>58 549</b>	<b>58 549</b>	<b>64 354</b>	<b>60 876</b>	<b>73 561</b>
<b>Total capital transfers and grants - CTBM</b>	<b>831</b>	<b>6 961</b>	<b>2 382</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>	<b>92 993</b>	<b>96 211</b>	<b>106 820</b>	<b>94 775</b>	<b>120 384</b>	<b>120 384</b>	<b>154 678</b>	<b>168 762</b>	<b>170 734</b>
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>	<b>4 555</b>	<b>7 783</b>	<b>3 425</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

[illegible]



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

Summary of Employee and Councillor remuneration  R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
	A	B	C	D	E	F	G	H	I
<b><u>Councillors (Political Office Bearers plus Other)</u></b>									
Basic Salaries and Wages	6 717	7 084	7 415	7 968	7 911	7 911	8 037	8 527	9 047
Pension and UIF Contributions					-	-			
Medical Aid Contributions					-	-			
Motor Vehicle Allowance					-	-			
Cellphone Allowance			518	548	605	605	638	665	694
Housing Allowances					-	-			
Other benefits and allowances					-	-			
<b>Sub Total - Councillors</b>	<b>6 717</b>	<b>7 084</b>	<b>7 933</b>	<b>8 516</b>	<b>8 516</b>	<b>8 516</b>	<b>8 674</b>	<b>9 192</b>	<b>9 741</b>
<b><u>Senior Managers of the Municipality</u></b>									
Basic Salaries and Wages	7 082	8 100	8 566	9 190	9 190	9 190	9 735	10 311	10 938
Pension and UIF Contributions					-	-			
Medical Aid Contributions					-	-			
Overtime					-	-			
Performance Bonus					-	-			
Motor Vehicle Allowance					-	-			
Cellphone Allowance	128	139	139	163	163	163	154	163	172
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>7 210</b>	<b>8 324</b>	<b>8 706</b>	<b>9 354</b>	<b>9 354</b>	<b>9 354</b>	<b>9 889</b>	<b>10 473</b>	<b>11 110</b>
<b><u>Other Municipal Staff</u></b>									
Basic Salaries and Wages	126 414	143 857	158 389	175 220	170 729	170 729	189 457	198 284	210 347
Pension and UIF Contributions	21 014	24 051	25 104	29 321	29 321	29 321	31 735	33 672	35 725
Medical Aid Contributions	7 354	8 176	8 828	11 463	11 463	11 463	11 618	12 327	13 079
Overtime	12 030	12 428	14 370	13 913	13 913	13 913	15 046	15 963	16 937
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	8 240	9 178	9 750	11 760	11 760	11 760	11 314	11 025	11 174
Cellphone Allowance	725	1 785	1 402	1 474	1 474	1 474	1 348	1 434	1 434
Housing Allowances	1 023	1 046	967	1 018	1 018	1 018	1 002	1 008	1 008
Other benefits and allowances	10 461	9 254	10 083	11 118	11 118	11 118	10 621	10 965	11 233
Provision for Accrued Leave		2 056	1 659	2 350	2 350	2 350	729	773	819
Provision for Long service awards		690	3 587	1 200	1 291	1 291	1 802	2 028	2 815
Provision for Bonus		-	-		500	500	455	482	511
Post-retirement benefit obligations	13 467	10 795	17 799	11 875	11 925	11 925	6 578	6 973	7 391
<b>Sub Total - Other Municipal Staff</b>	<b>200 729</b>	<b>223 317</b>	<b>251 939</b>	<b>270 713</b>	<b>266 863</b>	<b>266 863</b>	<b>281 705</b>	<b>294 934</b>	<b>312 473</b>
<b>Total Parent Municipality</b>	<b>214 656</b>	<b>238 726</b>	<b>268 577</b>	<b>288 582</b>	<b>284 732</b>	<b>284 732</b>	<b>300 268</b>	<b>314 600</b>	<b>333 324</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>207 939</b>	<b>231 642</b>	<b>260 645</b>	<b>280 066</b>	<b>276 217</b>	<b>276 217</b>	<b>291 593</b>	<b>305 408</b>	<b>323 583</b>

**WC032 Overstrand - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)**

<b>Councillors</b>							
Speaker		609 285		25 512			634 797
Chief Whip							–
Executive Mayor		761 605		25 512			787 117
Deputy Executive Mayor		609 285		25 512			634 797
Executive Committee		1 713 615		76 536			1 790 151
Total for all other councillors		4 342 886		484 728			4 827 614
<b>Total Councillors</b>	<b>–</b>	<b>8 036 676</b>	<b>–</b>	<b>637 800</b>			<b>8 674 476</b>
<b>Senior Managers of the Municipality</b>							
Municipal Manager (MM)		1 768 175		22 872			1 791 047
Chief Finance Officer		1 613 208		19 872			1 633 080
Management Services		1 212 924		22 872			1 235 796
Community Services		1 345 353		22 872			1 368 225
Infrastructure & Planning		1 624 404		22 872			1 647 276
LED		1 100 164		19 872			1 120 036
<i>List of each official with packages &gt;= senior manager</i>							
Protection Services		1 070 390		22 872			1 093 262
<b>Total Senior Managers of the Municipality</b>	<b>–</b>	<b>9 734 618</b>	<b>–</b>	<b>154 104</b>	<b>–</b>		<b>9 888 722</b>
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	<b>–</b>	<b>17 771 294</b>	<b>–</b>	<b>791 904</b>	<b>–</b>		<b>18 563 198</b>

WC032 Overstrand - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers Number	2013/14			Current Year 2014/15			Budget Year 2015/16		
	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<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		57	49		61	54	–
Professionals	53	52	–	54	52	–	54	40	–
<i>Finance</i>	22	21		22	21		23	15	–
<i>Spatial/town planning</i>	8	8		9	8		8	7	
<i>Information Technology</i>									
<i>Roads</i>	8	8		8	8		8	8	–
<i>Electricity</i>	5	5		5	5		5	1	–
<i>Water</i>	4	4		4	4		4	3	–
<i>Sanitation</i>	3	3		3	3		3	3	–
<i>Refuse</i>	3	3		3	3		3	3	–
<i>Other</i>									
Technicians	213	203	–	213	203	–	215	194	–
<i>Finance</i>									
<i>Spatial/town planning</i>	6	6		6	6		6	5	–
<i>Information Technology</i>	3	3		3	3		4	3	–
<i>Roads</i>	3	2		3	2		3	3	–
<i>Electricity</i>	22	18		22	18		22	15	–
<i>Water</i>	4	2		4	2		5	4	–
<i>Sanitation</i>	6	4		6	4		6	5	–
<i>Refuse</i>	3	3		3	3		3	3	–
<i>Other</i>	166	165		166	165		166	156	–
Clerks (Clerical and administrative)	189	177		189	177		186	162	–
Service and sales workers	54	51		54	51		114	106	–
Skilled agricultural and fishery workers									
Craft and related trades									
Plant and Machine Operators	42	23		42	23		45	40	–
Elementary Occupations	487	474		487	474		492	477	–
<b>TOTAL PERSONNEL NUMBERS</b>	<b>1 127</b>	<b>1 043</b>	<b>–</b>	<b>1 128</b>	<b>1 043</b>	<b>–</b>	<b>1 199</b>	<b>1 087</b>	<b>–</b>
<b>% increase</b>				0.1%	–	–	6.3%	4.2%	–
<b>Total municipal employees headcount</b>	<b>1 102</b>	<b>1 036</b>		<b>1 102</b>	<b>1 036</b>		<b>1 174</b>	<b>1 080</b>	
Finance personnel headcount	<b>126</b>	<b>116</b>		<b>126</b>	<b>11</b>		<b>111</b>	<b>116</b>	
Human Resources personnel headcount	<b>19</b>	<b>18</b>		<b>19</b>	<b>18</b>		<b>18</b>	<b>18</b>	

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

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>															
<b>Revenue By Source</b>															
Property rates	15 127	12 905	12 889	12 999	12 895	12 999	12 945	13 047	12 958	13 174	12 904	17 889	162 730	173 308	184 573
Property rates - penalties & collection charges	69	84	79	67	68	66	66	67	66	65	62	132	891	980	1 078
Service charges - electricity revenue	33 517	32 583	30 465	27 574	26 424	26 403	23 222	20 417	26 941	28 802	29 980	32 547	338 877	371 635	407 747
Service charges - water revenue	7 011	5 878	7 016	7 037	9 158	10 198	12 449	9 788	9 644	9 144	7 133	7 588	102 045	107 700	113 691
Service charges - sanitation revenue	4 635	4 571	4 977	4 821	5 307	5 968	7 389	5 799	6 106	5 305	5 270	6 226	66 375	70 081	74 010
Service charges - refuse revenue	5 026	4 939	4 996	5 019	5 032	5 020	4 791	4 978	4 982	4 992	4 965	4 748	59 488	63 061	66 849
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	993	736	662	765	1 565	1 375	993	705	989	511	412	2 152	11 859	12 953	14 176
Interest earned - external investments	578	536	594	627	598	603	480	556	438	558	623	156	6 348	6 348	6 348
Interest earned - outstanding debtors	205	227	209	210	189	200	203	210	203	204	200	177	2 437	2 680	2 948
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	514	445	607	514	428	959	643	1 022	656	901	626	24 544	31 859	32 766	33 763
Licences and permits	182	201	141	165	157	142	213	201	162	192	200	234	2 190	2 408	2 649
Agency services	208	196	170	246	253	217	274	207	204	237	239	519	2 970	3 267	3 594
Transfers recognised - operational	22 503	188	402	154	409	29 324	578	3 753	14 359	13 542	1 427	3 684	90 324	107 886	97 173
Other revenue	891	1 192	1 394	1 510	1 678	1 833	1 440	1 237	1 567	1 678	1 342	880	16 643	18 150	19 812
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contrib</b>	<b>91 459</b>	<b>64 680</b>	<b>64 601</b>	<b>61 709</b>	<b>64 161</b>	<b>95 308</b>	<b>65 687</b>	<b>61 987</b>	<b>79 277</b>	<b>79 306</b>	<b>65 384</b>	<b>101 477</b>	<b>895 035</b>	<b>973 222</b>	<b>1 028 409</b>
<b>Expenditure By Type</b>															
Employee related costs	19 682	20 717	21 109	20 529	32 182	31 168	24 611	25 983	22 955	26 850	21 292	24 516	291 593	305 408	323 583
Remuneration of councillors	722	722	722	722	722	722	722	722	722	722	722	730	8 674	9 192	9 741
Debt impairment	-	-	-	-	-	-	-	-	-	-	-	22 792	22 792	22 792	22 792
Depreciation & asset impairment	10 128	10 128	10 128	10 128	10 128	10 128	10 054	10 054	10 119	10 119	10 119	130	111 362	118 043	125 126
Finance charges	149	-	-	5 174	-	9 992	-	-	127	8 569	-	22 883	46 895	46 780	47 279
Bulk purchases	3 175	24 350	24 722	10 697	12 885	21 139	16 105	14 933	17 768	21 239	15 642	10 915	193 573	221 138	252 628
Other materials	2 191	3 026	4 536	5 035	4 985	6 375	4 334	4 334	3 857	4 276	6 059	8 793	57 801	69 631	53 593
Contracted services	981	6 285	3 716	6 644	5 451	4 660	5 709	8 076	9 559	21 376	12 831	40 034	125 322	128 122	135 442
Transfers and grants	3 871	3 960	3 941	3 829	3 745	4 148	1 560	1 560	3 276	3 299	3 286	12 020	48 497	54 667	62 244
Other expenditure	2 044	4 311	4 621	5 277	6 177	5 106	9 355	4 887	3 263	4 886	3 925	4 170	58 021	61 721	65 866
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>42 943</b>	<b>73 499</b>	<b>73 496</b>	<b>68 034</b>	<b>76 274</b>	<b>93 439</b>	<b>72 451</b>	<b>70 551</b>	<b>71 646</b>	<b>101 336</b>	<b>73 877</b>	<b>146 983</b>	<b>964 529</b>	<b>1 037 493</b>	<b>1 098 292</b>
<b>Surplus/(Deficit)</b>	<b>48 516</b>	<b>(8 819)</b>	<b>(8 895)</b>	<b>(6 325)</b>	<b>(12 114)</b>	<b>1 869</b>	<b>(6 764)</b>	<b>(8 563)</b>	<b>7 632</b>	<b>(22 030)</b>	<b>(8 493)</b>	<b>(45 506)</b>	<b>(69 494)</b>	<b>(64 271)</b>	<b>(69 883)</b>
Transfers recognised - capital	2 890	2 024	1 534	3 010	4 634	7 266	3 555	2 505	4 399	7 412	5 313	18 813	63 354	60 876	73 561
Contributions recognised - capital	-	-	-	-	-	-	-	-	-	-	-	1 000	1 000	-	-
Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>51 406</b>	<b>(6 795)</b>	<b>(7 361)</b>	<b>(3 315)</b>	<b>(7 480)</b>	<b>9 136</b>	<b>(3 210)</b>	<b>(6 059)</b>	<b>12 031</b>	<b>(14 618)</b>	<b>(3 181)</b>	<b>(25 694)</b>	<b>(5 140)</b>	<b>(3 395)</b>	<b>3 679</b>
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>51 406</b>	<b>(6 795)</b>	<b>(7 361)</b>	<b>(3 315)</b>	<b>(7 480)</b>	<b>9 136</b>	<b>(3 210)</b>	<b>(6 059)</b>	<b>12 031</b>	<b>(14 618)</b>	<b>(3 181)</b>	<b>(25 694)</b>	<b>(5 140)</b>	<b>(3 395)</b>	<b>3 679</b>

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

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>															
<b>Revenue by Vote</b>															
Vote 1 - Council	22 355	34	28	493	55	19 038	34	31	16 545	6 117	36	41	64 808	72 470	79 794
Vote 2 - Municipal Manager	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vote 3 - Management Services	62	25	4	114	35	5	61	21	19	60	32	553	991	1 018	1 094
Vote 4 - Finance	19 076	16 454	16 619	16 766	16 435	16 456	16 509	7 810	13 489	13 980	14 022	12 722	180 339	191 921	204 338
Vote 5 - Community Services	17 193	23 302	18 451	17 090	7 592	23 856	22 821	21 132	23 031	27 834	24 744	45 911	272 957	284 007	300 538
Vote 6 - Local Economic Development	25	331	227	355	36	546	126	67	83	521	260	514	3 091	1 573	1 730
Vote 7 - Infrastructure & Planning	31 871	23 776	28 663	25 890	39 016	34 600	24 854	31 474	24 930	29 341	25 064	80 048	399 527	443 945	473 675
Vote 8 - Protection Services	879	758	609	1 001	992	806	1 281	1 451	1 181	1 453	1 225	26 040	37 676	39 164	40 802
<b>Total Revenue by Vote</b>	<b>91 459</b>	<b>64 680</b>	<b>64 601</b>	<b>61 709</b>	<b>64 161</b>	<b>95 308</b>	<b>65 687</b>	<b>61 987</b>	<b>79 277</b>	<b>79 306</b>	<b>65 384</b>	<b>165 831</b>	<b>959 389</b>	<b>1 034 098</b>	<b>1 101 971</b>
<b>Expenditure by Vote to be appropriated</b>															
Vote 1 - Council	4 837	4 958	4 924	5 211	6 080	6 642	4 970	3 456	5 108	5 997	4 464	14 850	71 496	78 840	87 821
Vote 2 - Municipal Manager	274	143	284	504	357	584	449	429	316	449	383	317	4 489	3 643	3 865
Vote 3 - Management Services	4 416	4 813	4 778	2 458	3 095	4 931	2 611	3 496	4 467	656	2 986	4 621	43 327	45 629	48 384
Vote 4 - Finance	2 592	3 857	10 100	10 038	8 768	8 271	6 188	4 929	2 350	3 679	3 497	5 479	69 750	71 154	75 197
Vote 5 - Community Services	10 130	27 005	21 285	25 954	32 279	46 063	34 431	33 147	21 856	42 037	32 495	14 809	341 492	371 463	392 545
Vote 6 - Local Economic Development	306	638	498	402	519	415	549	529	1 383	611	892	1 988	8 731	7 464	7 931
Vote 7 - Infrastructure & Planning	18 078	29 032	28 346	19 820	21 015	23 492	18 878	20 738	32 383	42 756	25 711	75 545	355 793	387 020	407 279
Vote 8 - Protection Services	2 310	3 053	3 281	3 647	4 161	3 041	4 375	3 827	3 782	5 153	3 450	29 373	69 453	72 280	75 270
<b>Total Expenditure by Vote</b>	<b>42 943</b>	<b>73 499</b>	<b>73 496</b>	<b>68 034</b>	<b>76 274</b>	<b>93 439</b>	<b>72 451</b>	<b>70 551</b>	<b>71 646</b>	<b>101 336</b>	<b>73 877</b>	<b>146 983</b>	<b>964 529</b>	<b>1 037 493</b>	<b>1 098 292</b>
<b>Surplus/(Deficit) before assoc.</b>	<b>48 516</b>	<b>(8 819)</b>	<b>(8 895)</b>	<b>(6 325)</b>	<b>(12 114)</b>	<b>1 869</b>	<b>(6 764)</b>	<b>(8 563)</b>	<b>7 632</b>	<b>(22 030)</b>	<b>(8 493)</b>	<b>18 847</b>	<b>(5 140)</b>	<b>(3 395)</b>	<b>3 679</b>
Taxation												—	—	—	—
Attributable to minorities												—	—	—	—
Share of surplus/ (deficit) of associate												—	—	—	—
<b>Surplus/(Deficit)</b>	<b>48 516</b>	<b>(8 819)</b>	<b>(8 895)</b>	<b>(6 325)</b>	<b>(12 114)</b>	<b>1 869</b>	<b>(6 764)</b>	<b>(8 563)</b>	<b>7 632</b>	<b>(22 030)</b>	<b>(8 493)</b>	<b>18 847</b>	<b>(5 140)</b>	<b>(3 395)</b>	<b>3 679</b>

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

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>															
<b>Revenue - Standard</b>															
<b>Governance and administration</b>	<b>42 002</b>	<b>16 842</b>	<b>17 078</b>	<b>18 356</b>	<b>17 434</b>	<b>29 373</b>	<b>17 412</b>	<b>8 403</b>	<b>27 833</b>	<b>21 068</b>	<b>14 673</b>	<b>25 520</b>	<b>255 994</b>	<b>272 264</b>	<b>292 533</b>
Executive and council	22 335	38	31	499	55	12 434	36	74	13 902	6 113	37	9 306	64 861	72 528	79 858
Budget and treasury office	19 076	16 454	16 619	16 766	16 435	16 456	16 509	7 810	13 489	13 980	14 022	12 722	180 339	191 921	204 338
Corporate services	591	349	429	1 091	943	482	867	519	442	974	614	3 492	10 795	7 816	8 338
<b>Community and public safety</b>	<b>9 099</b>	<b>2 257</b>	<b>1 731</b>	<b>4 296</b>	<b>2 693</b>	<b>4 796</b>	<b>3 426</b>	<b>8 773</b>	<b>9 633</b>	<b>9 243</b>	<b>10 594</b>	<b>35 301</b>	<b>101 843</b>	<b>124 937</b>	<b>118 869</b>
Community and social services	432	425	337	358	321	293	268	135	654	379	781	274	4 657	9 004	9 508
Sport and recreation	314	354	340	425	963	939	665	1 048	414	607	577	5 296	11 942	14 042	14 766
Public safety	879	758	609	1 001	992	806	1 281	1 451	1 181	1 453	1 225	26 040	37 676	39 164	40 802
Housing	7 474	720	444	2 512	417	2 758	1 213	6 139	7 385	6 804	8 010	3 690	47 567	62 726	53 793
Health												-	-	-	-
<b>Economic and environmental services</b>	<b>275</b>	<b>1 179</b>	<b>1 039</b>	<b>1 607</b>	<b>301</b>	<b>1 687</b>	<b>583</b>	<b>1 376</b>	<b>818</b>	<b>1 622</b>	<b>1 797</b>	<b>7 748</b>	<b>20 033</b>	<b>10 931</b>	<b>13 254</b>
Planning and development	252	703	540	808	267	1 296	398	308	518	735	494	2 725	9 043	8 120	8 932
Road transport	12	469	492	792	27	367	173	1 043	300	886	1 303	5 024	10 890	2 700	4 200
Environmental protection	11	7	7	7	7	24	12	25	0	0	0	0	101	110	121
<b>Trading services</b>	<b>40 083</b>	<b>44 402</b>	<b>44 753</b>	<b>37 450</b>	<b>43 732</b>	<b>59 452</b>	<b>44 265</b>	<b>43 435</b>	<b>40 993</b>	<b>47 373</b>	<b>38 320</b>	<b>97 261</b>	<b>581 518</b>	<b>625 966</b>	<b>677 315</b>
Electricity	23 647	26 578	27 135	16 597	18 978	34 379	20 352	30 099	21 513	28 209	20 998	77 876	346 361	375 057	413 102
Water	7 326	8 591	8 004	10 148	13 759	12 643	12 841	1 179	8 881	8 465	7 336	7 039	106 211	113 026	120 078
Waste water management	4 721	4 932	5 254	6 323	6 418	7 995	6 905	7 817	6 259	6 340	5 662	776	69 402	74 765	77 229
Waste management	4 388	4 300	4 360	4 383	4 578	4 435	4 167	4 339	4 340	4 360	4 324	11 571	59 544	63 118	66 906
<b>Other</b>												-	-	-	-
<b>Total Revenue - Standard</b>	<b>91 459</b>	<b>64 680</b>	<b>64 601</b>	<b>61 709</b>	<b>64 161</b>	<b>95 308</b>	<b>65 687</b>	<b>61 987</b>	<b>79 277</b>	<b>79 306</b>	<b>65 384</b>	<b>165 831</b>	<b>959 389</b>	<b>1 034 098</b>	<b>1 101 971</b>
<b>Expenditure - Standard</b>															
<b>Governance and administration</b>	<b>9 306</b>	<b>21 846</b>	<b>19 275</b>	<b>21 209</b>	<b>23 504</b>	<b>26 680</b>	<b>14 258</b>	<b>14 397</b>	<b>12 648</b>	<b>13 679</b>	<b>16 018</b>	<b>44 459</b>	<b>237 278</b>	<b>248 313</b>	<b>267 049</b>
Executive and council	5 823	6 254	6 370	6 696	8 268	15 206	6 623	4 773	7 280	8 603	6 684	9 985	92 565	98 337	108 547
Budget and treasury office	2 592	3 857	10 100	10 038	8 768	8 271	6 188	4 929	2 350	3 679	3 497	5 479	69 750	71 154	75 197
Corporate services	891	11 736	2 805	4 475	6 467	3 203	1 446	4 694	3 018	1 397	5 837	28 995	74 963	78 822	83 305
<b>Community and public safety</b>	<b>5 765</b>	<b>7 365</b>	<b>7 355</b>	<b>8 408</b>	<b>10 154</b>	<b>7 828</b>	<b>8 009</b>	<b>11 321</b>	<b>7 821</b>	<b>35 076</b>	<b>7 508</b>	<b>25 323</b>	<b>141 933</b>	<b>158 237</b>	<b>146 267</b>
Community and social services	2 017	2 391	2 330	2 550	3 552	2 417	1 209	5 172	2 190	2 620	2 330	2 589	31 368	33 034	35 198
Sport and recreation	1 140	1 412	1 416	1 553	1 764	1 972	2 062	1 626	1 479	1 671	1 334	791	18 220	19 390	20 550
Public safety	2 310	3 053	3 281	3 647	4 161	3 041	4 375	3 827	3 782	5 153	3 450	29 373	69 453	72 280	75 270
Housing	298	509	328	657	678	397	363	695	370	25 633	394	(7 431)	22 892	33 533	15 249
Health												-	-	-	-
<b>Economic and environmental services</b>	<b>6 909</b>	<b>8 171</b>	<b>9 260</b>	<b>10 158</b>	<b>10 933</b>	<b>12 270</b>	<b>11 027</b>	<b>11 033</b>	<b>15 997</b>	<b>16 282</b>	<b>14 668</b>	<b>5 339</b>	<b>132 046</b>	<b>137 946</b>	<b>145 918</b>
Planning and development	1 717	2 553	3 314	2 772	4 274	3 017	2 362	3 015	9 423	3 330	3 151	1 381	40 308	40 867	43 282
Road transport	4 865	5 287	5 579	7 050	5 951	8 761	8 213	7 549	6 082	12 570	10 919	1 962	84 786	89 863	94 986
Environmental protection	327	330	367	336	709	492	453	469	492	382	598	1 996	6 952	7 217	7 651
<b>Trading services</b>	<b>20 964</b>	<b>36 117</b>	<b>37 607</b>	<b>28 260</b>	<b>31 683</b>	<b>46 661</b>	<b>39 157</b>	<b>33 800</b>	<b>35 180</b>	<b>36 299</b>	<b>35 684</b>	<b>71 862</b>	<b>453 273</b>	<b>492 997</b>	<b>539 058</b>
Electricity	12 108	25 285	26 526	14 822	17 865	29 699	28 003	22 534	19 075	20 917	18 779	21 664	257 278	287 386	322 086
Water	3 976	4 723	4 821	6 711	5 807	7 970	5 566	5 199	10 257	7 781	10 104	5 340	78 253	81 294	85 130
Waste water management	3 405	4 034	4 043	4 604	5 046	6 653	2 932	4 063	3 603	4 731	4 489	15 874	63 478	67 214	71 597
Waste management	1 474	2 074	2 217	2 124	2 965	2 339	2 656	2 004	2 244	2 870	2 313	28 984	54 264	57 103	60 245
<b>Other</b>												-	-	-	-
<b>Total Expenditure - Standard</b>	<b>42 943</b>	<b>73 499</b>	<b>73 496</b>	<b>68 034</b>	<b>76 274</b>	<b>93 439</b>	<b>72 451</b>	<b>70 551</b>	<b>71 646</b>	<b>101 336</b>	<b>73 877</b>	<b>146 983</b>	<b>964 529</b>	<b>1 037 493</b>	<b>1 098 292</b>
<b>Surplus/(Deficit) before assoc.</b>	<b>48 516</b>	<b>(8 819)</b>	<b>(8 895)</b>	<b>(6 325)</b>	<b>(12 114)</b>	<b>1 869</b>	<b>(6 764)</b>	<b>(8 563)</b>	<b>7 632</b>	<b>(22 030)</b>	<b>(8 493)</b>	<b>18 847</b>	<b>(5 140)</b>	<b>(3 395)</b>	<b>3 679</b>
Share of surplus/ (deficit) of associate												-	-	-	-
<b>Surplus/(Deficit)</b>	<b>48 516</b>	<b>(8 819)</b>	<b>(8 895)</b>	<b>(6 325)</b>	<b>(12 114)</b>	<b>1 869</b>	<b>(6 764)</b>	<b>(8 563)</b>	<b>7 632</b>	<b>(22 030)</b>	<b>(8 493)</b>	<b>18 847</b>	<b>(5 140)</b>	<b>(3 395)</b>	<b>3 679</b>

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

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<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		366	400	4 850	3 850	4 850	116	1 700	1 450	700	700	2 928	21 911	4 500	4 000
Vote 6 - Local Economic Development												-	-	-	-
Vote 7 - Infrastructure & Planning				410	821	410	410	821	821	821	821	6 117	11 451	3 000	3 000
Vote 8 - Protection Services												-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	-	366	400	5 261	4 671	5 260	526	2 521	2 271	1 521	1 521	9 045	33 362	7 500	7 000
<b><u>Single-year expenditure to be appropriated</u></b>															
Vote 1 - Council												-	-	-	-
Vote 2 - Municipal Manager												-	-	-	-
Vote 3 - Management Services	-	126	267	-	-	-	28	77	20	429	1 444	137	2 528	-	-
Vote 4 - Finance												-	-	-	-
Vote 5 - Community Services	100	192	1 157	4 223	4 760	3 671	421	4 413	5 290	4 526	5 933	22 123	56 809	72 106	79 561
Vote 6 - Local Economic Development												-	-	-	-
Vote 7 - Infrastructure & Planning		35	630	230	500		30	140	2 090	2 110	2 100	3 055	10 920	15 000	17 000
Vote 8 - Protection Services											50	245	295	-	-
<b>Capital single-year expenditure sub-total</b>	100	353	2 054	4 453	5 260	3 671	479	4 630	7 400	7 065	9 527	25 560	70 552	87 106	96 561
<b>Total Capital Expenditure</b>	100	719	2 454	9 714	9 931	8 931	1 005	7 151	9 671	8 585	11 048	34 604	103 914	94 606	103 561

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

Description R thousand	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Capital Expenditure - Standard</b>															
<i>Governance and administration</i>	–	126	267	40	–	40	28	77	20	429	1 444	177	2 648	3 730	–
Executive and council													–	–	–
Budget and treasury office													–	–	–
Corporate services		126	267	40		40	28	77	20	429	1 444	177	2 648	3 730	–
<i>Community and public safety</i>	–	451	580	2 733	2 871	2 731	36	2 533	2 363	1 663	1 701	22 105	39 768	45 550	55 174
Community and social services		301	430	580	648	500	36	430	60	110	138	287	3 520	4 000	4 000
Sport and recreation		150	150	650	720	728	–	600	800	50	10	2 123	5 981	6 800	6 800
Public safety											50	245	295	–	–
Housing				1 503	1 503	1 503	–	1 503	1 503	1 503	1 503	19 451	29 973	34 750	44 374
Health												–	–	–	–
<i>Economic and environmental services</i>	100	–	900	1 430	1 537	1 500	371	780	1 243	1 653	1 697	918	12 128	4 000	4 000
Planning and development									5	–	15	5	25	–	–
Road transport	100	–	900	1 430	1 537	1 500	371	780	1 238	1 653	1 683	913	12 103	4 000	4 000
Environmental protection												–	–	–	–
<i>Trading services</i>	–	142	707	5 511	5 523	4 660	570	3 761	6 045	5 541	6 206	10 704	49 370	41 326	44 387
Electricity			500	510	1 321	410	420	931	2 851	2 841	2 821	9 122	21 726	14 000	16 000
Water		142	207	4 400	3 252	3 600	50	1 430	1 194	800	1 250	64	16 390	14 726	15 787
Waste water management				600	950	650	100	1 400	2 000	1 900	2 125	1 519	11 244	12 600	12 600
Waste management											10	–	10	–	–
<i>Other</i>												–	–	–	–
<b>Total Capital Expenditure - Standard</b>	<b>100</b>	<b>719</b>	<b>2 454</b>	<b>9 714</b>	<b>9 931</b>	<b>8 931</b>	<b>1 005</b>	<b>7 151</b>	<b>9 671</b>	<b>9 285</b>	<b>11 048</b>	<b>33 904</b>	<b>103 914</b>	<b>94 606</b>	<b>103 561</b>
<b>Funded by:</b>															
National Government	100	392	1 541	3 000	3 300	2 700	351	2 530	4 219	3 864	4 364	3 986	30 347	26 126	29 187
Provincial Government		266	300	1 953	2 151	2 003	16	1 903	1 503	1 503	1 503	19 905	33 007	34 750	44 374
District Municipality												–	–	–	–
Other transfers and grants												1 000	1 000	–	–
<b>Transfers recognised - capital</b>	<b>100</b>	<b>658</b>	<b>1 841</b>	<b>4 953</b>	<b>5 451</b>	<b>4 703</b>	<b>367</b>	<b>4 433</b>	<b>5 722</b>	<b>5 367</b>	<b>5 867</b>	<b>24 891</b>	<b>64 354</b>	<b>60 876</b>	<b>73 561</b>
<b>Public contributions &amp; donations</b>												462	462	–	–
<b>Borrowing</b>			500	4 611	4 323	4 160	560	2 421	3 371	3 321	3 371	5 708	32 346	30 000	30 000
<b>Internally generated funds</b>		61	113	150	157	68	78	297	578	598	1 810	2 844	6 753	3 730	–
<b>Total Capital Funding</b>	<b>100</b>	<b>719</b>	<b>2 454</b>	<b>9 714</b>	<b>9 931</b>	<b>8 931</b>	<b>1 005</b>	<b>7 151</b>	<b>9 671</b>	<b>9 285</b>	<b>11 048</b>	<b>33 904</b>	<b>103 914</b>	<b>94 606</b>	<b>103 561</b>



WC032 Overstrand - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Cash Receipts By Source</b>													1		
Property rates	15 142	12 919	12 904	13 015	12 909	13 014	12 959	13 063	12 972	13 189	12 918	17 906	162 909	172 317	183 542
Property rates - penalties & collection charges	69	84	79	67	68	66	66	67	66	65	62	132	891	980	1 078
Service charges - electricity revenue	33 552	32 619	30 499	27 607	26 454	26 432	23 247	20 443	26 971	28 834	30 014	32 578	339 249	369 510	405 469
Service charges - water revenue	7 019	5 884	7 024	7 045	9 168	10 209	12 463	9 800	9 655	9 154	7 141	7 596	102 158	107 084	113 055
Service charges - sanitation revenue	4 640	4 576	4 982	4 826	5 313	5 974	7 397	5 806	6 113	5 311	5 276	6 232	66 448	69 680	73 596
Service charges - refuse revenue	5 031	4 945	5 001	5 025	5 038	5 025	4 797	4 984	4 987	4 998	4 970	4 752	59 554	62 701	66 475
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	994	737	663	766	1 567	1 376	994	705	991	512	412	2 154	11 872	12 879	14 097
Interest earned - external investments	578	536	594	627	598	603	480	556	438	558	623	156	6 348	6 348	6 348
Interest earned - outstanding debtors	205	227	209	210	189	200	203	210	203	204	200	177	2 437	2 680	2 948
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	514	445	607	514	428	959	643	1 022	656	901	626	24 544	31 859	32 766	33 763
Licences and permits	182	201	141	165	157	142	213	201	162	192	200	234	2 190	2 408	2 649
Agency services	208	196	170	246	253	217	274	207	204	237	239	519	2 970	3 267	3 594
Transfer receipts - operational	22 503	188	402	154	409	29 324	578	3 753	14 359	13 542	1 427	3 684	90 324	107 886	97 173
Other revenue	1 837	2 138	2 340	2 456	2 624	2 779	2 386	2 183	2 513	2 624	2 288	1 826	27 993	24 156	20 648
<b>Cash Receipts by Source</b>	<b>92 473</b>	<b>65 694</b>	<b>65 615</b>	<b>62 723</b>	<b>65 175</b>	<b>96 322</b>	<b>66 701</b>	<b>63 001</b>	<b>80 291</b>	<b>80 320</b>	<b>66 398</b>	<b>102 491</b>	<b>907 202</b>	<b>974 662</b>	<b>1 024 434</b>
<b>Other Cash Flows by Source</b>															
Transfer receipts - capital	2 890	2 024	1 534	3 010	4 634	7 266	3 555	2 505	4 399	7 412	5 313	18 813	63 354	60 876	73 561
Contributions recognised - capital & Contributed asset:	-	-	-	-	-	-	-	-	-	-	-	1 000	1 000	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	(88)	(89)	(90)	(92)	(93)	(94)	(95)	(96)	(97)	(99)	(100)	(101)	(1 135)	(1 271)	(1 352)
Borrowing long term/refinancing	-	-	-	-	-	-	30 000	-	-	-	-	-	30 000	30 000	30 000
Increase (decrease) in consumer deposits	207	207	207	207	207	207	207	207	207	207	207	207	2 479	2 628	2 786
Decrease (Increase) in non-current debtor:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	1	1	1	1	1	1	1	1	1	1	1	1	18	13	11
Decrease (increase) in non-current investment:	(521)	(521)	(521)	(521)	(521)	(521)	(521)	(521)	(521)	(521)	(521)	(521)	(6 248)	(5 930)	(6 025)
<b>Total Cash Receipts by Source</b>	<b>94 962</b>	<b>67 316</b>	<b>66 745</b>	<b>65 329</b>	<b>69 403</b>	<b>103 182</b>	<b>99 848</b>	<b>65 097</b>	<b>84 280</b>	<b>87 320</b>	<b>71 298</b>	<b>121 890</b>	<b>996 671</b>	<b>1 060 977</b>	<b>1 123 416</b>
<b>Cash Payments by Type</b>															
Employee related costs	19 134	20 169	20 561	19 980	31 633	30 620	24 063	25 435	22 407	26 301	20 744	23 968	285 015	298 435	316 191
Remuneration of councillors	722	722	722	722	722	722	722	722	722	722	722	730	8 674	9 192	9 741
Finance charges	149	-	-	5 174	-	9 992	-	-	127	8 569	-	22 883	46 895	46 780	47 279
Bulk purchases - Electricity	3 175	24 350	24 722	10 697	12 885	21 139	16 105	14 933	17 768	21 239	15 642	10 915	193 573	221 138	252 628
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	2 191	3 026	4 536	5 035	4 985	6 375	4 334	4 334	3 857	4 276	6 059	8 793	57 801	69 631	53 593
Contracted services	981	6 285	3 716	6 644	5 451	4 660	5 709	8 076	9 559	21 376	12 831	40 034	125 322	128 122	135 442
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	3 871	3 960	3 941	3 829	3 745	4 148	1 560	1 560	3 276	3 299	3 286	12 020	48 497	54 667	62 244
Other expenditure	3 219	5 487	5 796	6 452	7 352	6 281	10 530	6 062	4 438	6 061	5 101	28 138	94 919	82 042	68 158
<b>Cash Payments by Type</b>	<b>33 443</b>	<b>63 999</b>	<b>63 995</b>	<b>58 534</b>	<b>66 774</b>	<b>83 938</b>	<b>63 024</b>	<b>61 124</b>	<b>62 154</b>	<b>91 845</b>	<b>64 386</b>	<b>147 481</b>	<b>860 695</b>	<b>910 006</b>	<b>945 276</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	100	719	2 454	9 714	9 931	8 931	1 005	7 151	9 671	9 285	11 048	33 904	103 914	94 606	103 561
Repayment of borrowing	1 081	743	755	4 882	1 052	2 980	1 508	844	797	5 167	1 114	3 013	23 936	26 841	29 775
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Payments by Type</b>	<b>34 624</b>	<b>65 461</b>	<b>67 205</b>	<b>73 129</b>	<b>77 757</b>	<b>95 849</b>	<b>65 537</b>	<b>69 119</b>	<b>72 621</b>	<b>106 297</b>	<b>76 548</b>	<b>184 398</b>	<b>988 545</b>	<b>1 031 453</b>	<b>1 078 612</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>60 339</b>	<b>1 855</b>	<b>(459)</b>	<b>(7 800)</b>	<b>(8 354)</b>	<b>7 333</b>	<b>34 311</b>	<b>(4 022)</b>	<b>11 659</b>	<b>(18 977)</b>	<b>(5 250)</b>	<b>(62 508)</b>	<b>8 126</b>	<b>29 524</b>	<b>44 804</b>
Cash/cash equivalents at the month/year begin	89 421	149 759	151 614	151 155	143 355	135 001	142 333	176 644	172 622	184 281	165 305	160 054	89 421	97 547	127 071
Cash/cash equivalents at the month/year end	149 759	151 614	151 155	143 355	135 001	142 333	176 644	172 622	184 281	165 305	160 054	97 547	97 547	127 071	171 875

**WC032 Overstrand - Supporting Table 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 Municipality Outsourcing of sub function solid waste : Overstrand Municipality  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 Outsourcing of sub function: Waste water treatment works in Overstrand (Section 33 process in progress) SCM process to be followed.	Mths	107	Outsourcing of sub function solid waste	30 October 2022	126 345
	Mths	96	Outsourcing of sub function solid waste	01 May 2017	18 651
	Yrs	15	Outsourcing of sub function waste water treatment works	Estimated date June 2030	To be determined

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

Description	Preceding Years	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework			Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Total Contract Value
	Total	Original Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
<b>R thousand</b>													
<b>Parent Municipality:</b>													
<b><u>Revenue Obligation By Contract</u></b>													
<i>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</i>		194	204	214	224	236	247	260	273	263			2 114
<i>Contract 2</i>													-
<i>Contract 3 etc</i>													-
<b>Total Operating Revenue Implication</b>	-	194	204	214	224	236	247	260	273	263	-	-	2 114
<b><u>Expenditure Obligation By Contract</u></b>													
<i>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</i>		1 130	1 216	1 309	1 409	1 519	1 639	1 770	1 912				11 904
<i>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</i>		3 388	2 949	3 323	3 697	1 738							15 095
<i>Contract 3 etc</i>													-
<b>Total Operating Expenditure Implication</b>	-	4 518	4 165	4 631	5 107	3 258	1 639	1 770	1 912	-	-	-	26 999
<b><u>Capital Expenditure Obligation By Contract</u></b>													
<i>Contract 1</i>													-
<i>Contract 2</i>													-
<i>Contract 3 etc</i>													-
<b>Total Capital Expenditure Implication</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Parent Expenditure Implication</b>	-	4 518	4 165	4 631	5 107	3 258	1 639	1 770	1 912	-	-	-	26 999

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

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>									
<b><u>Capital expenditure on new assets by Asset Class/Sub-class</u></b>									
<b><u>Infrastructure</u></b>	<b>133 045</b>	<b>108 252</b>	<b>50 511</b>	<b>34 500</b>	<b>34 003</b>	<b>34 003</b>	<b>44 873</b>	<b>24 326</b>	<b>41 887</b>
Infrastructure - Road transport	12 754	15 578	9 203	800	1 332	1 332	14 979	5 000	5 000
Roads, Pavements & Bridges	5 477	10 720	9 160		–	–	12 103	4 000	4 000
Storm water	7 278	4 858	43	800	1 332	1 332	2 877	1 000	1 000
Infrastructure - Electricity	30 061	22 203	24 160	13 900	13 900	13 900	21 726	8 500	14 500
Generation					–	–			
Transmission & Reticulation	30 061	22 203	24 160	13 900	13 900	13 900	21 726	8 500	14 500
Street Lighting					–	–			
Infrastructure - Water	57 384	48 634	7 300	–	580	580	4 737	4 726	11 787
Dams & Reservoirs					–	–			6 000
Water purification	57 384	48 634			–	–			
Reticulation			7 300		580	580	4 737	4 726	5 787
Infrastructure - Sanitation	32 650	16 478	8 449	9 600	8 892	8 892	3 420	6 100	10 600
Reticulation					–	–			
Sewerage purification	32 650	16 478	8 449	9 600	8 892	8 892	3 420	6 100	10 600
Infrastructure - Other	196	5 359	1 400	10 200	9 300	9 300	10	–	–
Waste Management	196	5 359	1 400	10 200	9 300	9 300	10		
Transportation					–	–			
Gas					–	–			
Other					–	–			
<b><u>Community</u></b>	<b>6 183</b>	<b>20 997</b>	<b>13 896</b>	<b>18 266</b>	<b>38 167</b>	<b>38 167</b>	<b>35 611</b>	<b>45 550</b>	<b>55 174</b>
Parks & gardens		2 156			–	–			
Sportsfields & stadia	5 538	1 964	5 471	151	1 051	1 051	1 823	6 800	6 800
Swimming pools					–	–			
Community halls					–	–			
Libraries		3		2 000	2 000	2 000	3 080		
Recreational facilities					–	–			
Fire, safety & emergency					–	–	295		
Security and policing	645	223			–	–			
Buses					–	–			
Clinics					–	–			
Museums & Art Galleries					–	–			
Cemeteries					–	–			
Social rental housing		16 651	4 943	12 480	31 521	31 521	29 973	34 750	44 374
Other		–	3 482	3 635	3 595	3 595	440	4 000	4 000
<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>795</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Housing development									
Other			795						
<b><u>Other assets</u></b>	<b>23 118</b>	<b>9 038</b>	<b>18 697</b>	<b>16 815</b>	<b>17 776</b>	<b>17 776</b>	<b>2 673</b>	<b>3 730</b>	<b>–</b>
General vehicles	6 800		4 690	10 525	10 525	10 525	120	3 000	
Specialised vehicles	–	–	–	–	–	–	–	–	–
Plant & equipment					–	–			
Computers - hardware/equipment	3 838		961	2 548	2 682	2 682	2 528		
Furniture and other office equipment	148			2 508	2 369	2 369		730	
Abattoirs					–	–			
Markets					–	–			
Civic Land and Buildings					–	–			
Other Buildings	12 332		510		–	–			
Other Land			9 075		–	–			
Surplus Assets - (Investment or Inventory)		9 038			–	–			
Other			3 461	1 235	2 200	2 200	25		
<b><u>Agricultural assets</u></b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b><u>Biological assets</u></b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b><u>Intangibles</u></b>	<b>928</b>	<b>1 330</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Computers - software & programming	928	1 330							
Other (list sub-class)									
<b>Total Capital Expenditure on new assets</b>	<b>163 275</b>	<b>139 617</b>	<b>83 899</b>	<b>69 581</b>	<b>89 946</b>	<b>89 946</b>	<b>83 156</b>	<b>73 606</b>	<b>97 061</b>

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

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>									
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	-	131	39 529	25 200	28 384	28 384	16 600	21 000	6 500
Infrastructure - Road transport	-	131	6 892	5 400	6 300	6 300	-	-	-
Roads, Pavements & Bridges			6 892	5 400	6 300	6 300			
Storm water		131			-	-			
Infrastructure - Electricity	-	-	12 955	3 100	3 100	3 100	-	5 500	1 500
Generation					-	-			
Transmission & Reticulation			12 955	3 100	3 100	3 100		5 500	1 500
Street Lighting					-	-			
Infrastructure - Water	-	-	16 331	12 800	15 805	15 805	11 653	10 000	4 000
Dams & Reservoirs					-	-			
Water purification					-	-			
Reticulation			16 331	12 800	15 805	15 805	11 653	10 000	4 000
Infrastructure - Sanitation	-	-	1 711	3 900	3 179	3 179	4 947	5 500	1 000
Reticulation					-	-			
Sewerage purification			1 711	3 900	3 179	3 179	4 947	5 500	1 000
Infrastructure - Other	-	-	1 641	-	-	-	-	-	-
Waste Management			1 641						
Transportation									
Gas									
Other									
<b>Community</b>	-	756	5 686	2 939	4 454	4 454	4 158	-	-
Parks & gardens					-	-			
Sportsfields & stadia			225	2 939	1 565	1 565	4 158		
Swimming pools					-	-			
Community halls					-	-			
Libraries					-	-			
Recreational facilities					-	-			
Fire, safety & emergency					-	-			
Security and policing					-	-			
Buses					-	-			
Clinics					-	-			
Museums & Art Galleries					-	-			
Cemeteries		756			-	-			
Social rental housing			5 461		2 889	2 889			
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 assets</b>	-	4 147	47 032	28 139	32 838	32 838	20 758	21 000	6 500
<b>Specialised vehicles</b>	-	-	-	-	-	-	-	-	-
Refuse									
Fire									
Conservancy									
Ambulances									
<b>Renewal of Existing Assets as % of total capex</b>	0.0%	2.9%	35.9%	28.8%	26.7%	26.7%	20.0%	22.2%	6.3%
<b>Renewal of Existing Assets as % of deprecn"</b>	0.0%	4.0%	47.3%	25.8%	31.1%	31.1%	18.6%	17.8%	5.2%

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

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>									
<b><u>Repairs and maintenance expenditure by Asset Class/Sub-class</u></b>									
<b><u>Infrastructure</u></b>	<b>43 120</b>	<b>87 048</b>	<b>129 145</b>	<b>136 752</b>	<b>136 752</b>	<b>136 752</b>	<b>111 449</b>	<b>117 865</b>	<b>133 341</b>
Infrastructure - Road transport	25 843	42 236	63 749	68 540	68 540	68 540	57 090	60 842	64 540
Roads, Pavements & Bridges	25 231	39 790	60 016	62 232	62 232	62 232	51 401	54 748	58 088
Storm water	611	2 446	3 732	6 308	6 308	6 308	5 689	6 094	6 452
Infrastructure - Electricity	4 601	14 105	20 488	25 491	25 491	25 491	16 835	17 340	23 891
Generation					-	-			
Transmission & Reticulation	4 601	14 105	20 488	25 491	25 491	25 491	16 835	17 340	23 891
Street Lighting					-	-			
Infrastructure - Water	6 892	21 502	27 931	26 775	26 775	26 775	22 874	24 001	24 393
Dams & Reservoirs	52	80			-	-			
Water purification	1 709	1 963			-	-			
Reticulation	5 132	19 459	27 931	26 775	26 775	26 775	22 874	24 001	24 393
Infrastructure - Sanitation	4 568	7 708	15 486	14 146	14 146	14 146	12 159	12 963	16 387
Reticulation	3 687	6 623			-	-			
Sewerage purification	882	1 085	15 486	14 146	14 146	14 146	12 159	12 963	16 387
Infrastructure - Other	1 215	1 499	1 491	1 800	1 800	1 800	2 492	2 719	4 130
Waste Management	1 215	1 499	1 491	1 800	1 800	1 800	2 492	2 719	4 130
Transportation					-	-			
Gas					-	-			
Other					-	-			
<b><u>Community</u></b>	<b>6 012</b>	<b>5 408</b>	<b>7 349</b>	<b>9 298</b>	<b>9 298</b>	<b>9 298</b>	<b>4 546</b>	<b>4 391</b>	<b>8 211</b>
Parks & gardens	1 410	1 503	2 504	2 819	2 819	2 819	2 084	2 218	3 501
Sportsfields & stadia	456	956	853	1 023	1 023	1 023	588	642	1 205
Swimming pools	228	289	279	302	302	302	483	513	823
Community halls	734	916	814	906	906	906	564	599	1 076
Libraries	180	161	194	171	171	171	99	105	174
Recreational facilities					-	-			
Fire, safety & emergency	538	848	787	1 185	1 185	1 185			
Security and policing	524	546	575	781	781	781			
Buses					-	-			
Clinics					-	-			
Museums & Art Galleries					-	-			
Cemeteries	37	62	53	53	53	53	27	29	51
Social rental housing			224	335	335	335			
Other	1 905	125	1 066	1 724	1 724	1 724	701	286	1 382
<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>270</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing development	270								
Other									
<b><u>Other assets</u></b>	<b>15 443</b>	<b>21 958</b>	<b>13 864</b>	<b>16 218</b>	<b>17 021</b>	<b>17 021</b>	<b>5 081</b>	<b>4 559</b>	<b>9 203</b>
General vehicles	4 682	5 399							
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment					-	-			
Computers - hardware/equipment	4 309	5 035	4 441	6 157	6 157	6 157			
Furniture and other office equipment					-	-			
Abattoirs					-	-			
Markets					-	-			
Civic Land and Buildings					-	-			
Other Buildings	1 023	1 368	824	1 214	1 214	1 214	661	701	1 249
Other Land					-	-			
Surplus Assets - (Investment or Inventory)					-	-			
Other	5 429	10 156	8 599	8 846	9 649	9 649	4 420	3 858	7 953
<b><u>Agricultural assets</u></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
List sub-class									
<b><u>Biological assets</u></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
List sub-class									
<b><u>Intangibles</u></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>64 845</b>	<b>114 414</b>	<b>150 358</b>	<b>162 268</b>	<b>163 071</b>	<b>163 071</b>	<b>121 077</b>	<b>126 814</b>	<b>150 754</b>
<b><u>Specialised vehicles</u></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Refuse									
Fire									
Conservancy									
Ambulances									
<b>R&amp;M as a % of PPE</b>	<b>2.1%</b>	<b>3.7%</b>	<b>4.8%</b>	<b>5.3%</b>	<b>5.2%</b>	<b>5.2%</b>	<b>3.9%</b>	<b>4.1%</b>	<b>4.9%</b>
<b>R&amp;M as % Operating Expenditure</b>	<b>8.7%</b>	<b>15.2%</b>	<b>18.1%</b>	<b>18.7%</b>	<b>17.5%</b>	<b>17.5%</b>	<b>12.6%</b>	<b>12.2%</b>	<b>13.7%</b>

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

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>									
<b><u>Depreciation by Asset Class/Sub-class</u></b>									
<b><u>Infrastructure</u></b>	<b>87 037</b>	<b>81 931</b>	<b>85 101</b>	<b>93 344</b>	<b>91 038</b>	<b>91 038</b>	<b>94 154</b>	<b>99 803</b>	<b>105 792</b>
Infrastructure - Road transport	36 340	29 992	30 210	31 514	31 612	31 612	32 235	34 169	36 219
<i>Roads, Pavements &amp; Bridges</i>	34 105	27 959	27 965	29 493	29 367	29 367	29 645	31 424	33 309
<i>Storm water</i>	2 235	2 033	2 245	2 021	2 245	2 245	2 590	2 745	2 910
Infrastructure - Electricity	18 441	18 779	18 887	22 789	21 569	21 569	20 158	21 368	22 650
<i>Generation</i>					-	-			
<i>Transmission &amp; Reticulation</i>	18 441	18 779	18 887	22 789	21 569	21 569	20 158	21 368	22 650
<i>Street Lighting</i>					-	-			
Infrastructure - Water	16 029	16 865	18 974	20 368	18 533	18 533	19 981	21 179	22 450
<i>Dams &amp; Reservoirs</i>	16 029	16 865	18 974	20 368	-	-			
<i>Water purification</i>					-	-			
<i>Reticulation</i>					18 533	18 533	19 981	21 179	22 450
Infrastructure - Sanitation	13 422	13 420	14 103	15 067	17 128	17 128	17 034	18 056	19 140
<i>Reticulation</i>	13 422	13 420	14 103	15 067	15 067	15 067	17 034	18 056	19 140
<i>Sewerage purification</i>					2 061	2 061			
Infrastructure - Other	2 804	2 874	2 928	3 607	2 196	2 196	4 746	5 031	5 332
<i>Waste Management</i>	2 168	2 256	2 928	3 607	2 196	2 196	3 930	4 166	4 416
<i>Transportation</i>					-	-			
<i>Gas</i>					-	-			
<i>Other</i>	637	618			-	-	816	865	917
<b><u>Community</u></b>	<b>4 359</b>	<b>2 851</b>	<b>2 961</b>	<b>4 822</b>	<b>3 305</b>	<b>3 305</b>	<b>3 601</b>	<b>3 817</b>	<b>4 046</b>
Parks & gardens					-	-			
Sportsfields & stadia					-	-			
Swimming pools					-	-			
Community halls					-	-			
Libraries					-	-			
Recreational facilities	4 359	2 851	2 961	4 822	3 305	3 305	3 601	3 817	4 046
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>12 427</b>	<b>19 253</b>	<b>10 670</b>	<b>10 216</b>	<b>10 236</b>	<b>10 236</b>	<b>12 481</b>	<b>13 230</b>	<b>14 023</b>
General vehicles	2 077	2 360	2 588	2 360	2 360	2 360			
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment					-	-			
Computers - hardware/equipment	1 334	1 948	2 213	1 948	2 002	2 002			
Furniture and other office equipment	244	254	261	254	322	322			
Abattoirs					-	-			
Markets					-	-			
Civic Land and Buildings					-	-	5 685	6 026	6 388
Other Buildings	5 660	5 467	5 608	5 654	5 551	5 551			
Other Land					-	-			
Surplus Assets - (Investment or Inventory)					-	-			
Other	3 111	9 224			-	-	6 796	7 204	7 636
<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>219</b>	<b>373</b>	<b>629</b>	<b>883</b>	<b>883</b>	<b>883</b>	<b>1 126</b>	<b>1 193</b>	<b>1 265</b>
Computers - software & programming	219	373	629	883	883	883			
Other ( <i>list sub-class</i> )					-	-	1 126	1 193	1 265
<b>Total Depreciation</b>	<b>104 041</b>	<b>104 408</b>	<b>99 361</b>	<b>109 265</b>	<b>105 461</b>	<b>105 461</b>	<b>111 362</b>	<b>118 043</b>	<b>125 126</b>

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

<b>Capital expenditure</b>							
Vote 1 - Council	–	–	–				
Vote 2 - Municipal Manager	–	–	–				
Vote 3 - Management Services	2 528	–	–				
Vote 4 - Finance	–	–	–				
Vote 5 - Community Services	78 720	76 606	83 561	5 000			
Vote 6 - Local Economic Development	–	–	–				
Vote 7 - Infrastructure & Planning	22 371	18 000	20 000	15 500	5 000		
Vote 8 - Protection Services	295	–	–				
<b>Total Capital Expenditure</b>	<b>103 914</b>	<b>94 606</b>	<b>103 561</b>	<b>20 500</b>	<b>5 000</b>	<b>–</b>	<b>–</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		2015/16 Medium Term Revenue & Expenditure Framework			Project information	
R thousand								Audited Outcome 2013/14	Current Year 2014/15 Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Ward location	New or renewal
List all capital projects grouped by Municipal Vote														
FINANCE AND ADMINISTRATION														
UPGRADE RF NETWORK (HAWSTON,STA		1	Yes	Other	Other	34°24'45.16S / 19°10'21.22E	21 308	17 776		900			Overstrand	New
TERMINAL SERVER UPGRADE		1	Yes	Other	Other	34°23'52.01S / 19°06'38.72E				100			Overstrand	New
INTEGRATED ASSET MANAGEMENT & M		1	Yes	Other	Other	Overstrand wide				930			Overstrand	New
PMU BUILDING		1	Yes	Other	Other	19°12'25"E34°24'28"S				341			Ward 03	New
MINOR ASSETS:INFORMATION TECHNOLO		1	Yes	Other	Buildings	34°23'52.01S / 19°06'38.72E				157			Overstrand	New
MINOR ASSETS:INFORMATION TECHNOLO		1	Yes	Other	Furniture and other office equipment	34°23'52.01S / 19°06'38.72E				15			Overstrand	New
MINOR ASSETS:LEGAL SERVICES		1	Yes	Other	Furniture and other office equipment	Overstrand wide				20			Overstrand	New
MINOR ASSETS:HUMAN RESOURCES		1	Yes	Other	Furniture and other office equipment	Overstrand wide				10			Overstrand	New
MINOR ASSETS:FINANCE		1	Yes	Other	Furniture and other office equipment	Overstrand wide				30			Overstrand	New
MINOR ASSETS:PROPERTY SERVICES		1	Yes	Other	Furniture and other office equipment	Overstrand wide				5			Overstrand	New
MINOR ASSETS:FLEET MANAGEMENT		1	Yes	Other	Furniture and other office equipment	Overstrand wide				20	3 000		Overstrand	New
VEHICLES -REFURBISHMENT/REBUILD E		1	Yes	Other	Furniture and other office equipment	Overstrand wide				120	730		Overstrand	New
VEHICLES		1	Yes	Other	General vehicles	Overstrand wide								
MINOR ASSETS		1	Yes		Furniture and other office equipment	Overstrand wide								
COMMUNITY AND SOCIAL SERVICES														
EXTENSION OF COMMUNITY HALL		3	Yes	Community	Community halls	19.349477 -34.607311				150			Ward 01	New
UPGRADING OF MOFFAT HALL KITCHEN		3	Yes	Community	Community halls	19°12'25"E34°24'28"S				200			Ward 04	New
EXTENSION OF THUSONG CENTRE		3	Yes	Community	Community halls	19°08'03"E34°23'29"S				100	4 000	4 000	Ward 08	New
LIBRARIES														
KLEINMOND LIBRARY UPGRADE		3	Yes	Community	Libraries	19° 01' 54 E 34° 20' 25" S				3 000			Ward 09	New
MINOR ASSETS -LIBRARIES AND ARCHIV		3	Yes	Community	Furniture and other office equipment	Overstrand wide				34			Overstrand	New
EXECUTIVE AND COUNCIL														
SUNDIALS		3	Yes	Other	Other	19°12'25"E34°24'28"S				20			Ward 03	New
MINOR ASSETS:AREA MANAGER		3	Yes	Other	Furniture and other office equipment	Overstrand wide				16			Overstrand	New
PLANNING AND DEVELOPMENT														
MINOR ASSETS:BUILDING REGULATIONS		3	Yes	Other	Furniture and other office equipment	Overstrand wide				5			Overstrand	New
MINOR ASSETS:ECONOMIC DEVELOPME		3	Yes	Other	Furniture and other office equipment	Overstrand wide				11			Overstrand	New
MINOR ASSETS:ECONOMIC DEVELOPME		3	Yes	Other	Furniture and other office equipment	Overstrand wide				10			Overstrand	New
PUBLIC SAFETY														
MINOR ASSETS:FIRE FIGHTING AND PRO		4	Yes	Other	Plant & equipment	Overstrand wide				100			Overstrand	New
COMPLETION OF FIRE STATION & PARKI		4	Yes	Community	Fire, safety & emergency	19° 01' 54 E 34° 20' 25" S				195			Ward 10	New
SPORT & RECREATION														
OVERHILLS:KLEINMOND SOCCER FIELD		3	Yes	Other	Sportsfields & stadia	19°°00'21"E34°20'08"S				4 158			Ward 09	Renewal
TURF SOCCERFIELD		3	Yes	Other	Sportsfields & stadia	19°13'01"E34°25'56"S				200	2 800	2 800	Ward 12	New
SPORT FACILITIES		3	Yes	Other	Sportsfields & stadia	Overstrand wide					4 000	4 000	Overstrand	New
MINOR ASSETS :SPORT AND RECREATIO		3	Yes	Other	Furniture and other office equipment	Overstrand wide				20			Overstrand	New
MINOR ASSETS :RECREATIONAL FACILI		3	Yes	Other	Furniture and other office equipment	Overstrand wide				10			Overstrand	New
PLAY PARK -WESTDENE		3	Yes	Other	Other	19°12'25"E34°24'28"S				100			Ward 04	New
PLAY PARK		3	Yes	Other	Other	19°12'25"E34°24'28"S				10			Ward 10	New
FLOODLIGHTS -HAWSTON SPORT GROU		3	Yes	Other	Sportsfields & stadia	19°7'37.2"E 34°22'58.8"S				650			Ward 08	New
FLOODLIGHTS -ZWELIHLE SPORT GROU		3	Yes	Other	Sportsfields & stadia	19°12'25"E34°24'28"S				655			Ward 05	New
FLOODLIGHTS-ZWELIHLE SPORTS GROU		3	Yes	Other	Sportsfields & stadia	19°12'25"E34°24'28"S				150			Ward 12	New
MINOR ASSETS :RECREATIONAL FACILI		3	Yes	Other	Furniture and other office equipment	Overstrand wide				28			Overstrand	New

<b>HOUSING</b>								10 404	34 410						
ZWELIHLE MANDELA SQUARE -83 SITES	ZWELIHLE MANDELA SQUARE -83 SITES	3	Yes	Infrastructure - Other	Social rental housing	34.428927 19.209706				4 686				Ward 06	New
ZWELIHLE ADMIN SITE - 164 SITES	ZWELIHLE ADMIN SITE - 164 SITES	3	Yes	Infrastructure - Other	Social rental housing	34.431056 19.219688				9 865				Ward 05	New
ZWELIHLE SITE C2 - 132 SITES	ZWELIHLE SITE C2 - 132 SITES	3	Yes	Infrastructure - Other	Social rental housing	34.427645 19.219046				7 940				Ward 05	New
MOUNT PLEASANT IRDP	MOUNT PLEASANT IRDP	3	Yes	Infrastructure - Other	Social rental housing	34.414663 19.214140				3 515				Ward 04	New
SWARTDAMROAD IRDP	SWARTDAMROAD IRDP	3	Yes	Infrastructure - Other	Social rental housing	34.422824 19.218703				3 314				Ward 04	New
MASAKHANE	MASAKHANE	3	Yes	Infrastructure - Other	Social rental housing	Lat:-34.591481 / Long:19.360578					15 269	15 537		Ward 01	New
BEVERLY HILLS PROJECT	BEVERLY HILLS PROJECT	3	Yes	Infrastructure - Other	Social rental housing	Lat:-34.596490 / Long:19.342096					4 953			Ward 02	New
ZWELIHLE PROJECT -TRANSIT CAMP	ZWELIHLE PROJECT -TRANSIT CAMP	3	Yes	Infrastructure - Other	Social rental housing	34.426228 19.216456					7 984			Ward 06	New
BUFFELJAGSBAAI	BUFFELJAGSBAAI	3	Yes	Infrastructure - Other	Social rental housing	34.445860 19.448758					2 181			Ward 11	New
HAWSTON PROJECT - IRDP	HAWSTON PROJECT - IRDP	3	Yes	Infrastructure - Other	Social rental housing	34.387826 19.138307					4 363	10 121		Ward 08	New
ZWELIHLE -TAMBO SQUARE PROJECT	ZWELIHLE -TAMBO SQUARE PROJECT	3	Yes	Infrastructure - Other	Social rental housing	-34.429049 19.215701						4 973		Ward 05	New
STANFORD IRDP	STANFORD IRDP	3	Yes	Infrastructure - Other	Social rental housing	34.445860 19.448758			654			6 544		Ward 11	New
BLOMPARK PROJECT	BLOMPARK PROJECT	3	Yes	Infrastructure - Other	Social rental housing	Lat:-34.597053 / Long:19.347458						2 836		Ward 02	New
KLEINMOND OVERHILLS	KLEINMOND OVERHILLS	3	Yes	Infrastructure - Other	Social rental housing	34.336437 19.006527						4 363		Ward 10	New
<b>ROADS</b>								16 051	6 300						
REHABILITATION OF EXISTING PAVE RO	REHABILITATION OF EXISTING PAVE RO	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19°12'46"E34°25'48"S				4 200	2 000	2 000		Ward 06	New
REHABILITATE ROADS AND UPGRADE S	REHABILITATE ROADS AND UPGRADE S	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19°12'59"E34°25'20"S				6 376	1 500	1 500		Ward 04	New
REHABILITATE ROADS - ANGELIER STRE	REHABILITATE ROADS - ANGELIER STRE	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19°12'47"E34°25'07"S					500	500		Ward 04	New
SIDEWALKS	SIDEWALKS	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19.349477 -34.607311				100				Ward 01	New
TARRING OF ROADS	TARRING OF ROADS	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19°12'25"E34°24'28"S				400				Ward 07	New
UPGRADING OF ROADS & STORMWATER	UPGRADING OF ROADS & STORMWATER	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19°12'25"E34°24'28"S				200				Ward 08	New
PAVING OF CIRCLES (INCL. STORMWATE	PAVING OF CIRCLES (INCL. STORMWATE	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19°12'25"E34°24'28"S				50				Ward 08	New
EXTENSION OF HEUNINGKLOOF FOOTPA	EXTENSION OF HEUNINGKLOOF FOOTPA	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19°01'54 E 34°20'25" S				200				Ward 09	New
ADDITIONAL PARKING & GRAVEL STRIP	ADDITIONAL PARKING & GRAVEL STRIP	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19°01'54 E 34°20'25" S				60				Ward 10	New
TARRING OF ROADS - PEARLY BEACH	TARRING OF ROADS - PEARLY BEACH	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	S34°39.744 / E19°32.346				80				Ward 11	New
PAVEMENT IN MORTON-/BEZUIDENHOUT	PAVEMENT IN MORTON-/BEZUIDENHOUT	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19.349477 -34.607311				130				Ward 11	New
PAVING OF SIDEWALK - SHORTMARKET	PAVING OF SIDEWALK - SHORTMARKET	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19.349477 -34.607311				100				Ward 11	New
ATLANTIC DRIVE WALKWAY	ATLANTIC DRIVE WALKWAY	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19°12'25"E34°24'28"S				200				Ward 13	New
MINOR ASSETS :ROADS	MINOR ASSETS :ROADS	5	Yes	Other	Furniture and other office equipment	Overstrand wide				7				Overstrand	New
<b>ELECTRICITY</b>								37 115	17 000						
FRANSKRAAL KLEINBAAI & BIRKENHEAD	FRANSKRAAL KLEINBAAI & BIRKENHEAD	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	19.349477 -34.607311				2 600				Ward 01	New
GANSBAAI: MINISUB AND MV/LV UPGRADE	GANSBAAI: MINISUB AND MV/LV UPGRADE	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	19.351879 -34.585351				2 700	3 000	3 000		Ward 02	New
BLOMPARK: LOW VOLTAGE UPGRADE	BLOMPARK: LOW VOLTAGE UPGRADE	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	19.348154 -34.594590				1 000				Ward 02	New
STANFORD: MV UPGRADE	STANFORD: MV UPGRADE	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	19.459117 -34.436799				1 200				Ward 11	New
ELECTRIFICATION OF LOW COST HOUSI	ELECTRIFICATION OF LOW COST HOUSI	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	34°25'38.87"S 19°13'09.52" E				8 000	4 000	10 000		Ward 10	New
HERMANUS: LV UPGRADE/REPLACEMENT	HERMANUS: LV UPGRADE/REPLACEMENT	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	34°25'03.44"S 19°12'47.88" E					4 000			Ward 03	Renewal
KLEINMOND: MV & LV NETWORK UPGRA	KLEINMOND: MV & LV NETWORK UPGRA	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	34°20'33.67"S 19°01'19.94" E					1 500	1 500		Ward 09	New
HAWSTON: LV UPGRADE/REPLACEMENT	HAWSTON: LV UPGRADE/REPLACEMENT	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	34°23'27.10"S 19°08'10.12" E					1 500	1 500		Ward 08	Renewal
ELECTRICITY TRANSFORMERS(CAPITAL	ELECTRICITY TRANSFORMERS(CAPITAL	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	Overstrand wide				1 500				Overstrand	New
MINOR ASSETS :ELECTRICITY	MINOR ASSETS :ELECTRICITY	2	Yes	Other	Plant & equipment	Overstrand wide				6				Overstrand	New
MINOR ASSETS :ELECTRICITY	MINOR ASSETS :ELECTRICITY	2	Yes	Other	Plant & equipment	Overstrand wide				16				Overstrand	New
MINOR ASSETS :ELECTRICITY	MINOR ASSETS :ELECTRICITY	2	Yes	Other	Plant & equipment	Overstrand wide				24				Overstrand	New
MINOR ASSETS :ELECTRICITY	MINOR ASSETS :ELECTRICITY	2	Yes	Other	Plant & equipment	Overstrand wide				5				Overstrand	New
ELECTRIFICATION OF ZIPHUNZANA & TH	ELECTRIFICATION OF ZIPHUNZANA & TH	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	19°12'25"E34°24'28"S				400				Ward 06	New
STREET LIGHTS	STREET LIGHTS	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	19°01'54 E 34°20'25" S				40				Ward 09	New
STREET LIGHTS (6)	STREET LIGHTS (6)	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	19°12'25"E34°24'28"S				30				Ward 13	New
HERMANUS: MAIN STR TO ROYAL 2ND S	HERMANUS: MAIN STR TO ROYAL 2ND S	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	34°25'08.54"S 19°14'16.34" E				471				Ward 03	New
ELECTRIFICATION IN INFORMAL AREAS	ELECTRIFICATION IN INFORMAL AREAS	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	34°25'57.30"S 19°12'50.73" E				462				Overstrand	New
KLEINMOND: MV & LV NETWORK UPGRA	KLEINMOND: MV & LV NETWORK UPGRA	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	34°20'33.67"S 19°01'19.94" E				960				Ward 09	New
HERMANUS: LV UPGRADE/REPLACEMENT	HERMANUS: LV UPGRADE/REPLACEMENT	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	34°25'03.44"S 19°12'47.88" E				462				Ward 03	New
HAWSTON: LV UPGRADE/REPLACEMENT	HAWSTON: LV UPGRADE/REPLACEMENT	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	34°23'27.10"S 19°08'10.12" E				288				Ward 08	New
ELECTRIFICATION OF HOUSING PROJEC	ELECTRIFICATION OF HOUSING PROJEC	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	19°13'09"E34°25'30"S				1 558				Ward 05,06	New
MINOR ASSETS :ELECTRICITY	MINOR ASSETS :ELECTRICITY	2	Yes	Other	Plant & equipment	Overstrand wide				4				Overstrand	New

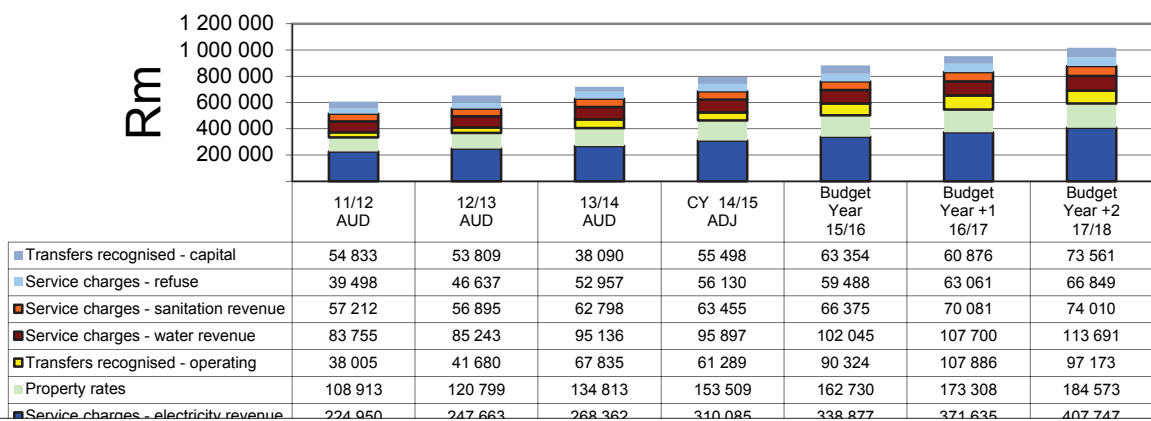
WATER								23 631	16 384					
REPLACEMENT OF OVERSTRAND WATER PUMPS	REPLACEMENT OF OVERSTRAND WATER PUMPS	2	Yes	Infrastructure - Water	Reticulation	Overstrand wide				9 653		4 000	Overstrand	Renewal
UPGRADING OF "DIE OOG" PUMP STATION	UPGRADING OF "DIE OOG" PUMP STATION	2	Yes	Infrastructure - Water	Reticulation	19.27.221154 -34.27.111652					500		Ward 11	Renewal
NEW BULK WATER RESERVOIR -SANDBAAI	NEW BULK WATER RESERVOIR -SANDBAAI	2	Yes	Infrastructure - Water	Dams & Reservoirs	S34°25.210' / E19°12.063'						6 000	Ward 07	New
UPGRADING OF FRANSKRAAL-KLEINBAAI	UPGRADING OF FRANSKRAAL-KLEINBAAI	2	Yes	Infrastructure - Water	Reticulation	S34°36.417' / E19°23.650'					9 500		Ward 01	Renewal
PEARLY BEACH WTW PRE-TREATMENT	PEARLY BEACH WTW PRE-TREATMENT	2	Yes	Infrastructure - Water	Water purification	S34°39.744' / E19°32.346'				900			Ward 11	New
REFURBISH BUFFELS RIVER DAM BRIDGE	REFURBISH BUFFELS RIVER DAM BRIDGE	2	Yes	Infrastructure - Water	Dams & Reservoirs	S34°19.96' / E18°50.26'				2 000			Ward 09	Renewal
WATER PUMPS (CONTINGENCY )	WATER PUMPS (CONTINGENCY )	2	Yes	Infrastructure - Water	Reticulation	Overstrand wide				200			Overstrand	New
NEW 1 ML/S RESERVOIR OHW.B31	NEW 1 ML/S RESERVOIR OHW.B31	2	Yes	Infrastructure - Water	Reticulation	19°12'43"E34°24'46"S				3 566			Ward 04	New
160 MM Ø LINK WATERMAIN OHW9.10	160 MM Ø LINK WATERMAIN OHW9.10	2	Yes	Infrastructure - Water	Reticulation	19°12'39"E34°25'49"S					200	200	Ward 12	New
HAWSTON: BULK WATER	HAWSTON: BULK WATER	2	Yes	Infrastructure - Water	Reticulation	19°08'29"E34°23'24"S					2 000	2 000	Ward 08	New
HAWSTON: BULK WATER UPGRADE FOR	HAWSTON: BULK WATER UPGRADE FOR	2	Yes	Infrastructure - Water	Reticulation	19°08'30"E34°23'23"S					1 000	1 000	Ward 08	New
NEW 500 MM -WATER PIPE LINE	NEW 500 MM -WATER PIPE LINE	2	Yes	Infrastructure - Water	Reticulation	19°08'28"E34°23'24"S					1 526	2 587	Ward 08	New
BAARDSKEERDERSBOS BULK WATER SUPPLY	BAARDSKEERDERSBOS BULK WATER SUPPLY	2	Yes	Infrastructure - Water	Reticulation	S34°34.870' / E19°34.140'				64			Ward 11	New
MINOR ASSETS :WATER DISTRIBUTION	MINOR ASSETS :WATER DISTRIBUTION	2	Yes	Other	Plant & equipment	Overstrand wide				4			Overstrand	New
MINOR ASSETS :WATER DISTRIBUTION	MINOR ASSETS :WATER DISTRIBUTION	2	Yes	Other	Plant & equipment	Overstrand wide				3			Overstrand	New
SEWERAGE								10 159	12 071					
UPGRADING OF PUMPSTATIONS	UPGRADING OF PUMPSTATIONS	2	Yes	Infrastructure - Sanitation	Other	19°12'51"E 34°25'56"S				3 547	4 500		Overstrand	Renewal
STANFORD - SEWER NETWORK EXTENSION	STANFORD - SEWER NETWORK EXTENSION	2	Yes	Infrastructure - Sanitation	Other	S34°439.75' / E19°455.90'				3 000	5 500		Ward 11	New
SEWERAGE PUMPS (CONTINGENCY)	SEWERAGE PUMPS (CONTINGENCY)	2	Yes	Infrastructure - Sanitation	Other	Overstrand wide				300			Overstrand	New
KLEINMOND - SEWER NETWORK EXTENSION	KLEINMOND - SEWER NETWORK EXTENSION	2	Yes	Infrastructure - Sanitation	Other	S34°20.44' / E19°1.91'						4 000	Ward 09	New
GANSBAAI - CBD SEWER NETWORK EXTENSION	GANSBAAI - CBD SEWER NETWORK EXTENSION	2	Yes	Infrastructure - Sanitation	Other	S34°35.377' / E19°21.087'						6 000	Ward 09	New
UPGRADING OF KIDBROOKE PIPELINE	UPGRADING OF KIDBROOKE PIPELINE	2	Yes	Infrastructure - Sanitation	Other	S34°24.810' / E19°10.001'				1 400			Ward 13	Renewal
WWTW UPGRADE - STANFORD	WWTW UPGRADE - STANFORD	2	Yes	Infrastructure - Sanitation	Other	S34°26.518' / E19°26.929'					1 000	1 000	Ward 11	Renewal
BULK SEWERAGE OUTFALL LINE 525 MM	BULK SEWERAGE OUTFALL LINE 525 MM	2	Yes	Infrastructure - Sanitation	Other	19°12'45"E34°25'26"S					600	600	Ward 12	New
UPGRADING OF KIDBROOKE PIPELINE	UPGRADING OF KIDBROOKE PIPELINE	2	Yes	Infrastructure - Sanitation	Other	S34°24.810' / E19°10.001'				100			Ward 13	New
MINOR ASSETS : SEWERAGE	MINOR ASSETS : SEWERAGE	2	Yes	Other	Plant & equipment	Overstrand wide				20			Overstrand	New
STORMWATER								43	1 332					
STORMWATER -AD HOC	STORMWATER -AD HOC	2	Yes	Other	Storm water	34°35'41.17"S 19°21'37.57"E				50			Ward 01	New
STORMWATER DRAINAGE CHANNELS - F	STORMWATER DRAINAGE CHANNELS - F	2	Yes	Other	Storm water	34°35'41.17"S 19°21'37.57"E				100			Ward 01	New
STORMWATER	STORMWATER	2	Yes	Other	Storm water	19.349477 -34.607311				200			Ward 02	New
STORMWATER	STORMWATER	2	Yes	Other	Storm water	S34°34.870' / E19°34.140'				50			Ward 11	New
UPGRADE STORMWATER - INTERNAL & EXTERNAL	UPGRADE STORMWATER - INTERNAL & EXTERNAL	2	Yes	Other	Storm water	19°12'48"E34°25'32"S				2 477	1 000	1 000	Ward 05	New
WASTE MANAGEMENT								3 041	9 300					
MINOR ASSETS:SOLID WASTE DISPOSAL	MINOR ASSETS:SOLID WASTE DISPOSAL	2	Yes	Other	Waste Management	Overstrand wide				10			Overstrand	New
Parent Capital expenditure								130 930	122 785	103 914	94 606	103 561		

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

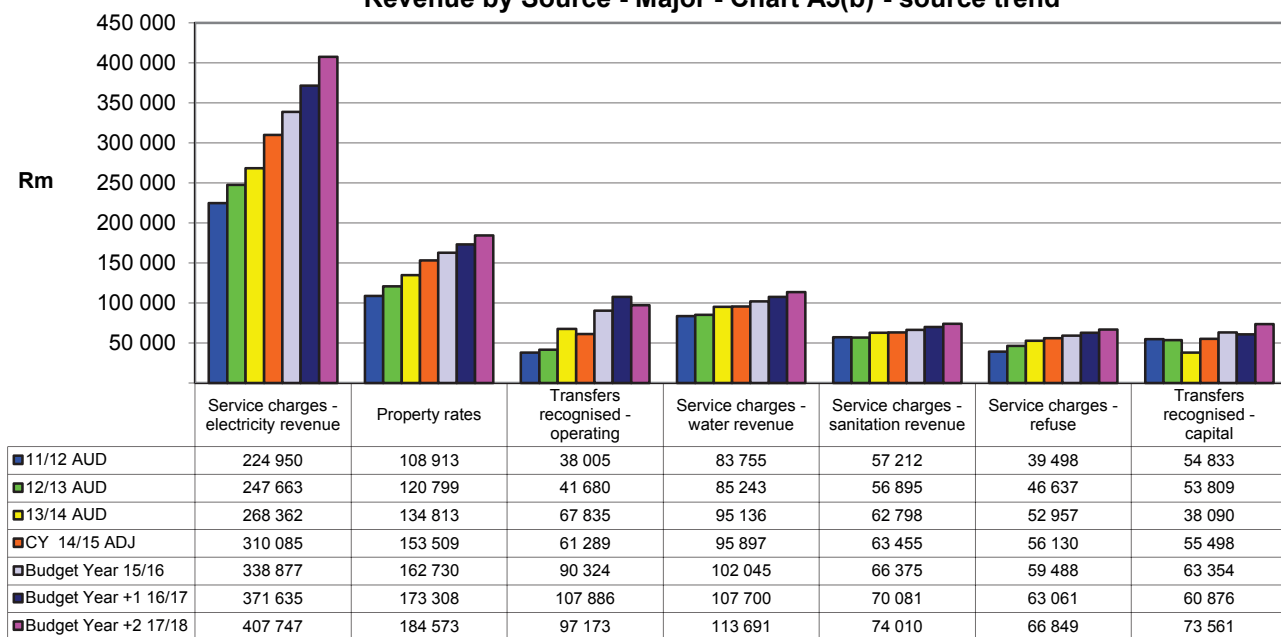
Municipal Vote/Capital project	Ref.  1,2	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
							Year	Original Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>												
<b>Parent municipality:</b>												
<i>List all capital projects grouped by Municipal Vote</i>												
				<i>Examples</i>	<i>Examples</i>							
Floodlights-Zwelihle Sport grounds		Floodlights-Zwelihle Sport grounds		Community	Sportsfields & stadia	19°12'25"E34°24'28"S	2015	555		555		
Floodlights-Hawston Sport grounds		Floodlights-Hawston Sport grounds		Community	Sportsfields & stadia	19°7'37.2"E 34°22'58.8"S	2015	500		500		
Electrification of housing projects		Electrification of housing projects		Infrastructure - Electricity	Transmission & Reticulation	19°13'09"E34°25'30"S	2015	4 671	3 112	1 558		
Hermanus: Main Str to Royal 2nd supply feeder		Hermanus: Main Str to Royal 2nd supply feeder		Infrastructure - Electricity	Transmission & Reticulation	34° 25' 08.54"S 19° 14' 16.34" E	2015	1 500	1 029	471		
Electrification in informal areas		Electrification in informal areas		Infrastructure - Electricity	Transmission & Reticulation	34° 25' 57.30"S 19° 12' 50.73" E	2015	1 083	622	462		
Hermanus: LV Upgrade/Replacement		Hermanus: LV Upgrade/Replacement		Infrastructure - Electricity	Transmission & Reticulation	34° 25' 03.44"S 19° 12' 47.88" E	2015	2 100	1 638	462		
Kleinmond: MV & LV network upgrade		Kleinmond: MV & LV network upgrade		Infrastructure - Electricity	Transmission & Reticulation	34° 20' 33.67"S 19° 01' 19.94" E	2015	2 500	1 540	960		
Hawston: LV Upgrade/Replacement		Hawston: LV Upgrade/Replacement		Infrastructure - Electricity	Transmission & Reticulation	34° 23' 27.10"S 19° 08' 10.12" E	2015	1 000	712	288		
Baardskeerdersbos Bulk water supply upgrade		Baardskeerdersbos Bulk water supply upgrade		Infrastructure - Water	Dams & Reservoirs	S34°34.870' / E19°34.140'	2015	297	233	64		
Upgrading of Kidbrooke Pipeline		Upgrading of Kidbrooke Pipeline		Infrastructure - Other	Other	S34°24.810' / E19°10.001	2015	1 500	1 400	100		

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

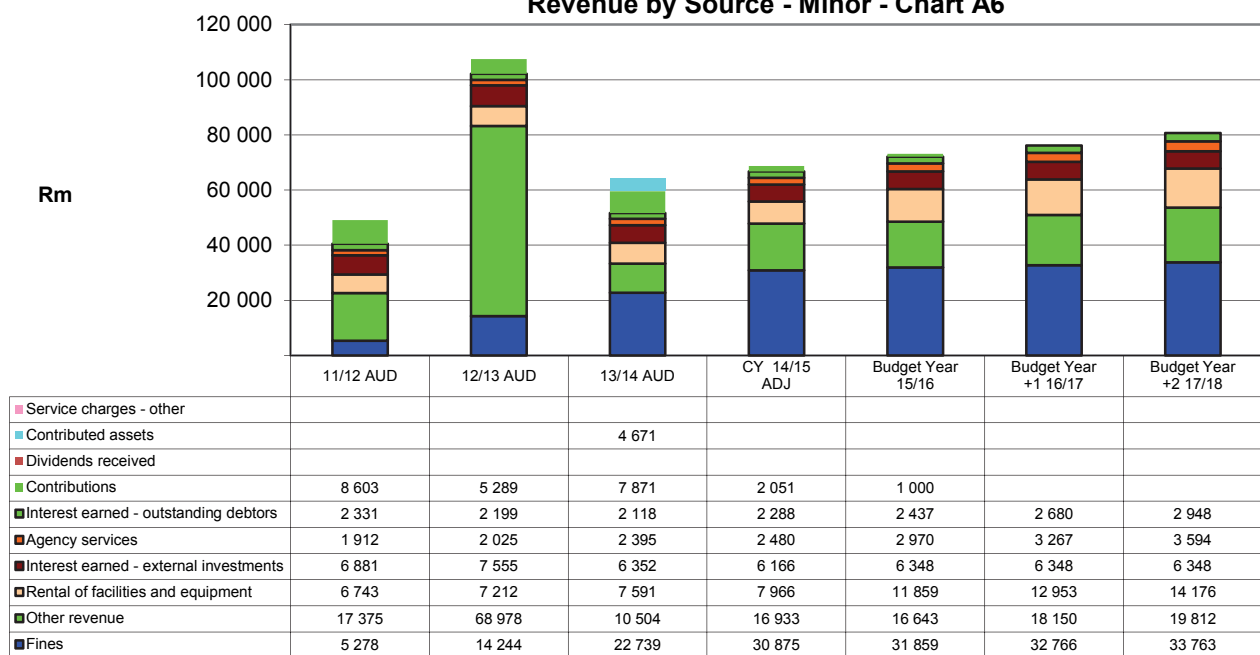
## Revenue by Source - Major - Chart A5(a)



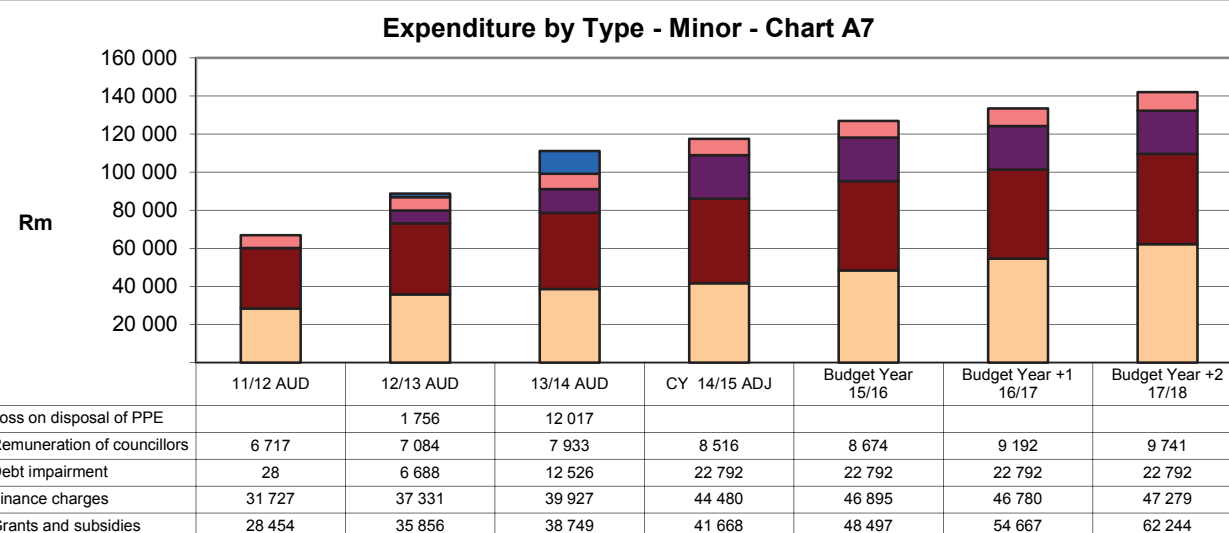
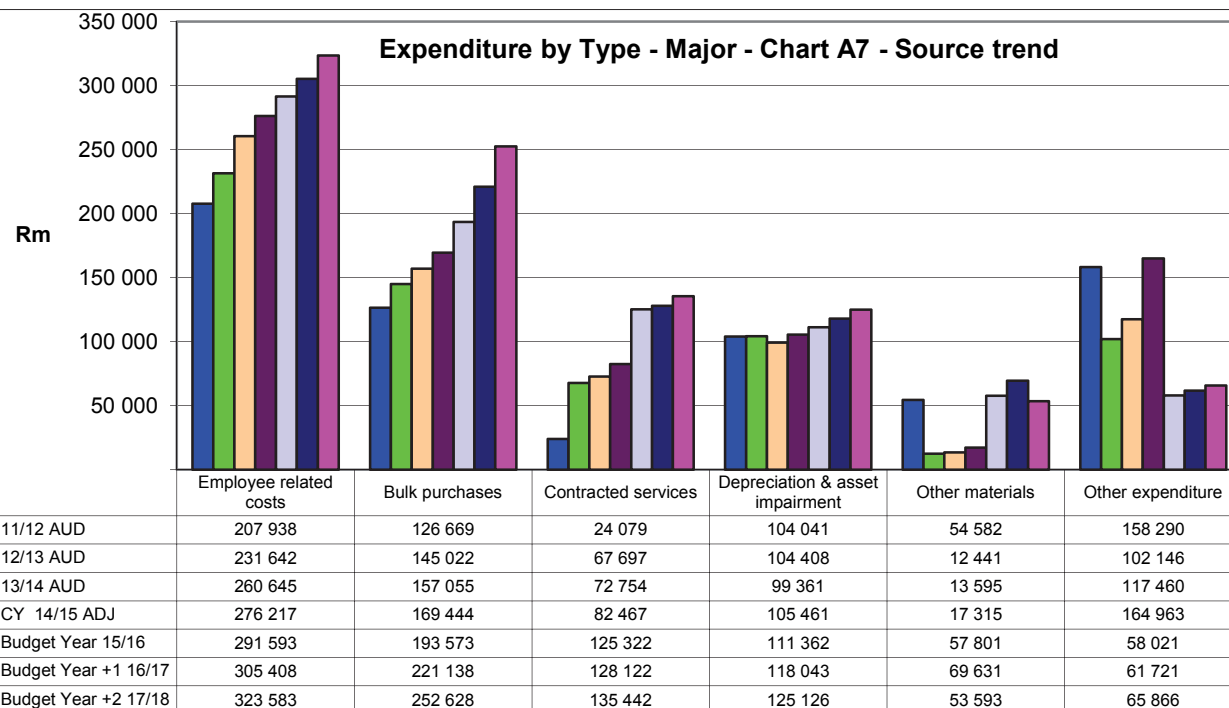
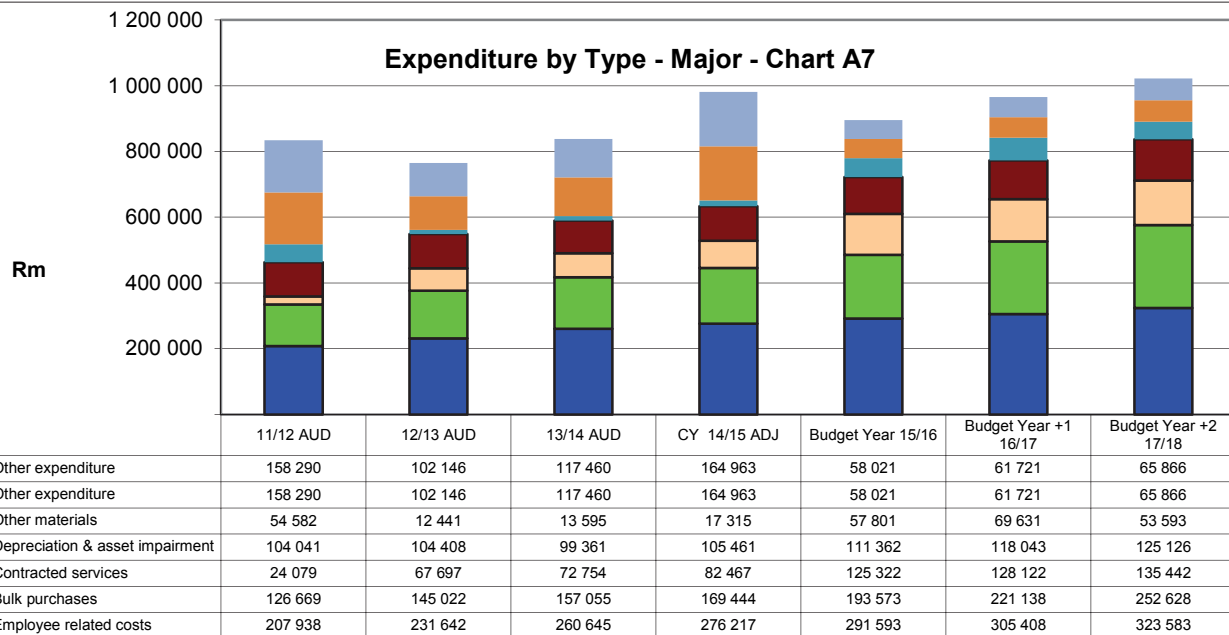
## Revenue by Source - Major - Chart A5(b) - source trend



## Revenue by Source - Minor - Chart A6

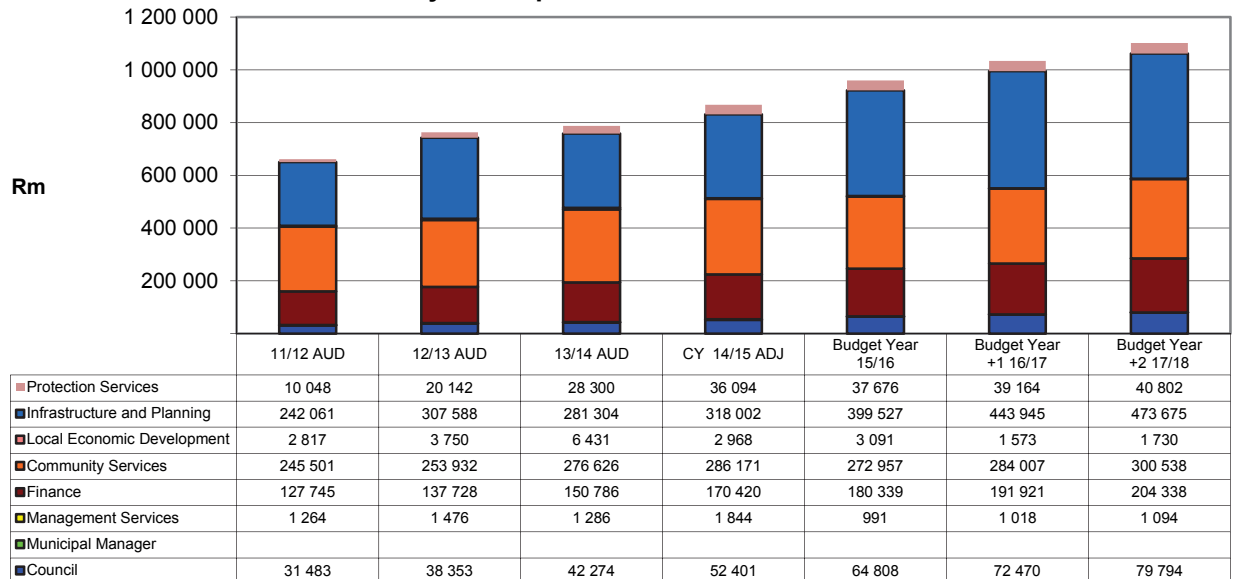


# OVERSTRAND MUNICIPALITY - BUDGET REGULATION CHARTS 2015/2016 DRAFT BUDGET

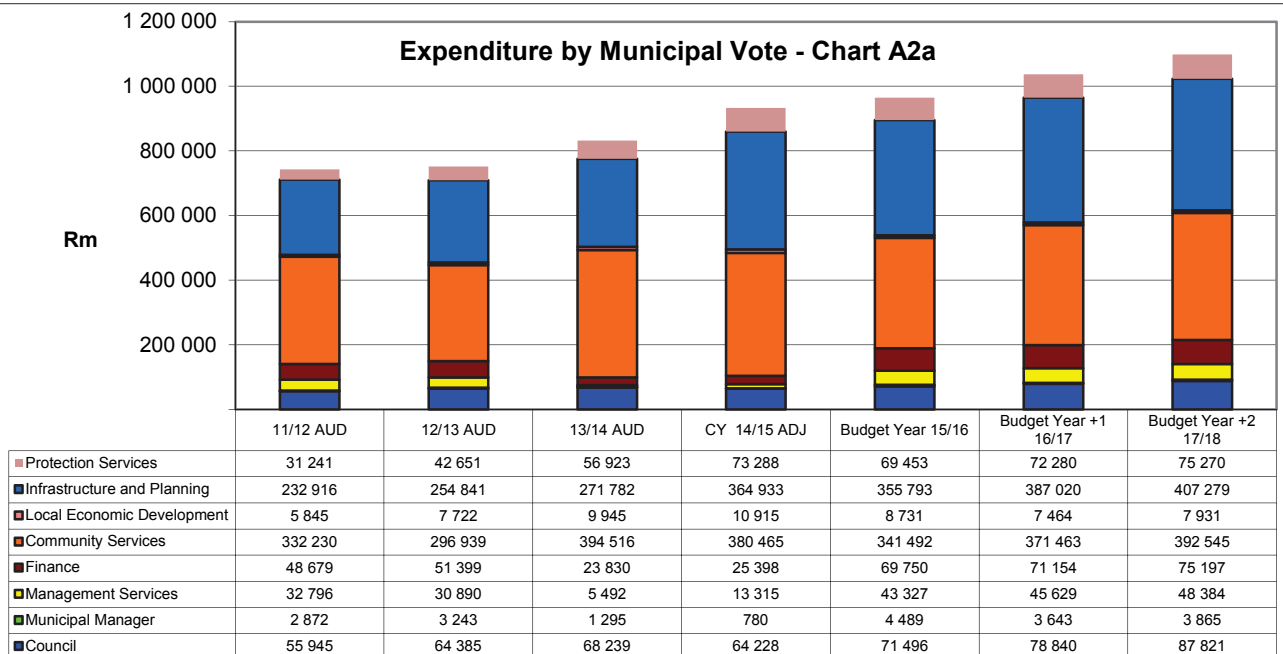


# OVERSTRAND MUNICIPALITY - BUDGET REGULATION CHARTS 2015/2016 DRAFT BUDGET

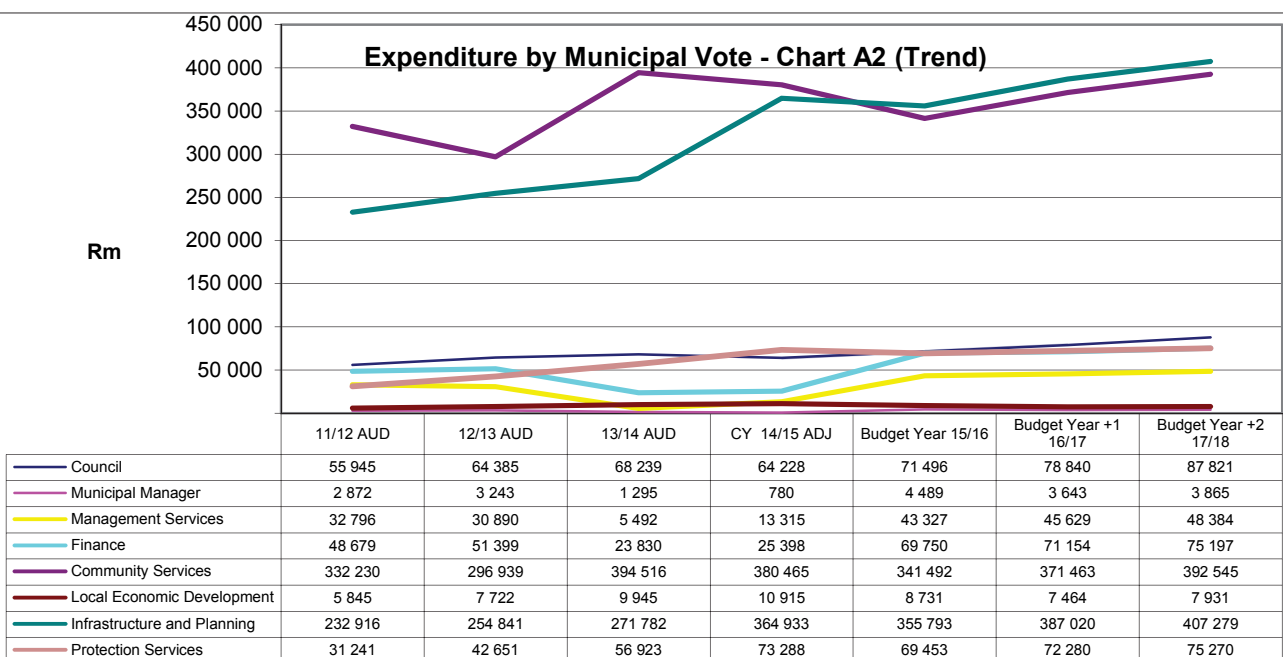
## Revenue by Municipal Vote classification - Chart A1



## Expenditure by Municipal Vote - Chart A2a

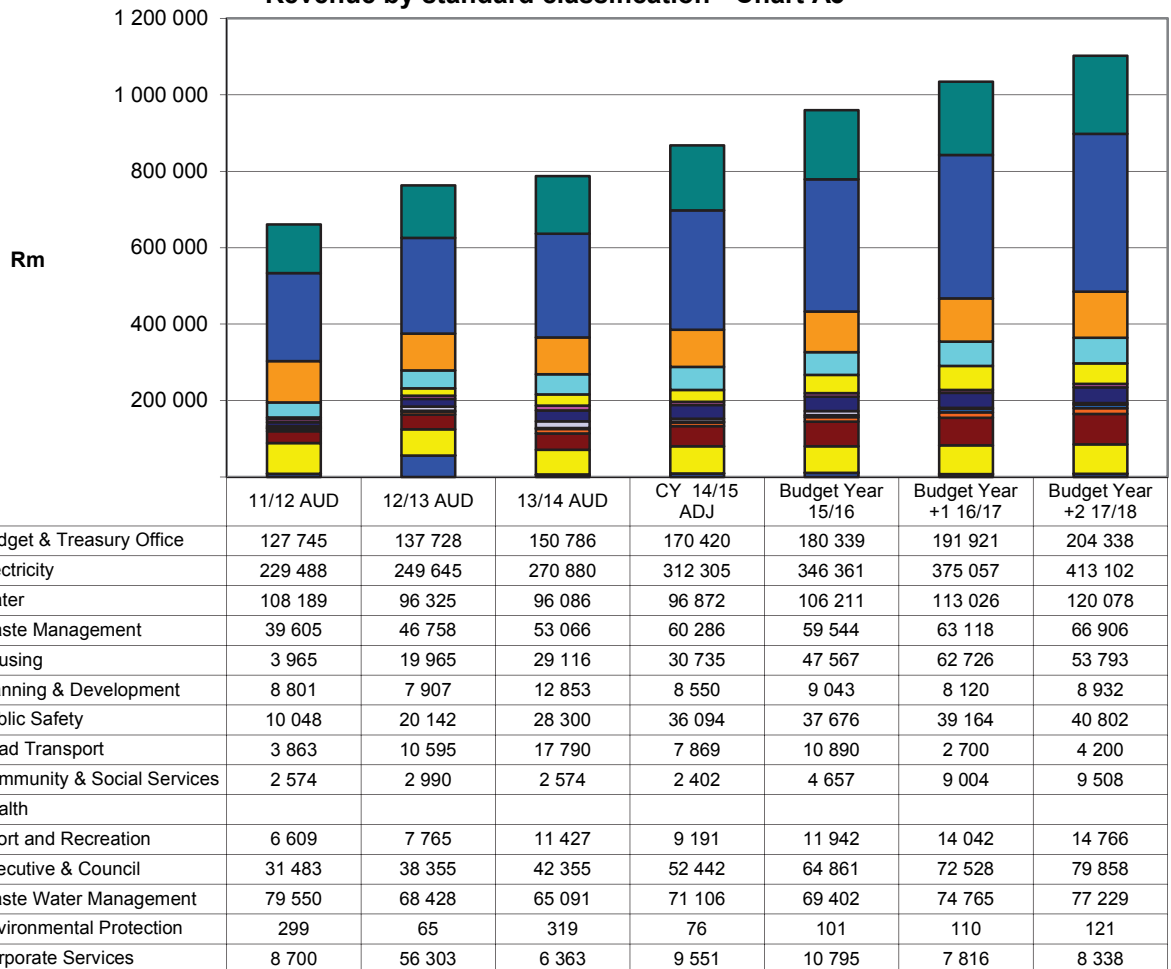


## Expenditure by Municipal Vote - Chart A2 (Trend)

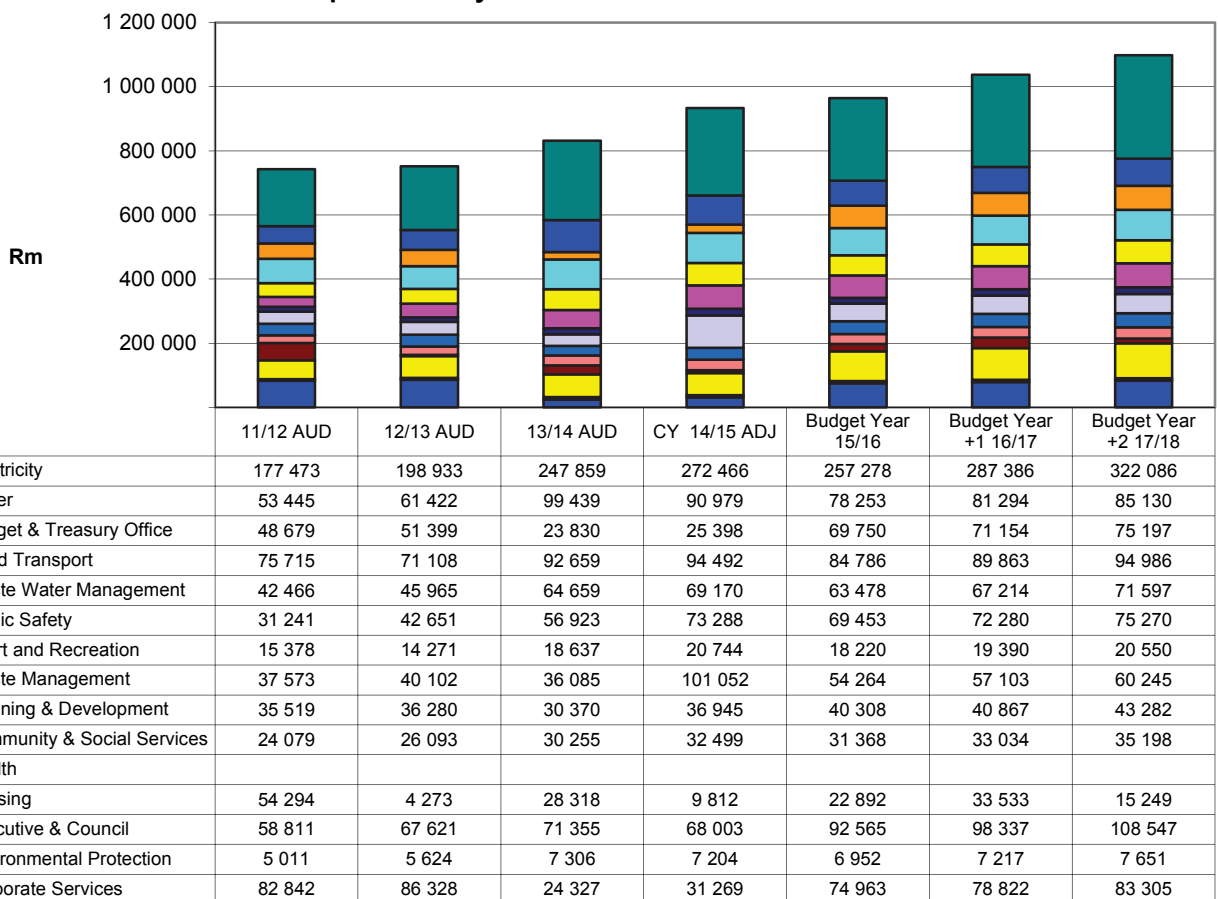


# OVERSTRAND MUNICIPALITY - BUDGET REGULATION CHARTS 2015/2016 DRAFT BUDGET

## Revenue by standard classification - Chart A3



## Expenditure by standard classification - Chart A4





## **ANNEXURE C**

### **RATES AND TARIFFS**

# OVERSTRAND MUNICIPALITY TARIFF LIST

## RATES TARIFFS

Tariff Code	Detail	2015/2016		2014/2015		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
<b>RATES</b>	<b>YEAR OF GENERAL VALUATION: 02 JULY 2011</b>					1.0685
<b>RATE1*</b>	Commercial Land with Improvements	0.00670	0.00670	0.00627	0.00627	6.8500%
<b>RATE2*</b>	Residential Land with Improvements	0.00442	0.00442	0.00414	0.00414	6.8500%
	<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)	0.00111	0.00111	0.00104	0.00104	6.8500%
<b>RATE8</b>	Undeveloped erven	0.00605	0.00605	0.00566	0.00566	6.8500%
<b>RATE9</b>	Government Properties: Commercial	0.00670	0.00670	0.00627	0.00627	6.8500%
<b>RATE10</b>	Government Properties: Residential	0.00442	0.00442	0.00414	0.00414	6.8500%
<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.

<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</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	2015/2016		2014/2015		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
<b>S1</b>	<b>BOAT LICENCE/PERMITS, LAUNCHING &amp; ENTRANCE FEE</b>					
<b>S1J</b>	<b><u>Kleinbaai Harbour:</u></b>					
S1J1	On site Parking pm	745.61	850.00	675.44	770.00	10.39%
S1J2A	Category B1: Shark-view operators/whale-watching (Incl on-site parking) pa	31 250.00	35 625.00	28 407.02	32 384.00	10.01%
S1J2B	Category B2: Shark-view operators/whale-watching (excl on-site parking) pm	2 390.35	2 725.00	2 171.06	2 475.00	10.10%
S1J2C	Category B2: Shark-view operators/whale-watching (excl on-site parking) pa	23 850.88	27 190.00	21 681.58	24 717.00	10.01%
S1J4A	Kelp Collectors pm	2 986.84	3 405.00	2 713.20	3 093.05	10.09%
S1J4B	Kelp Collectors pa	29 815.79	33 990.00	27 102.00	30 896.28	10.01%
S1J4C	Kelp Collectors per launch	192.98	220.00	175.44	200.00	10.00%
S1J5	Oversize vessel	tariff + 50%	vat on tariff + 50%	tariff + 50%	vat on tariff + 50%	
S1J6A	Nature Conservation	FREE	FREE	FREE	FREE	
S1J6B	Support Service per month	565.79	645.00	511.40	583.00	10.64%
S1J6C	Support Service per launch	74.56	85.00	67.54	77.00	10.39%
S1J7A1	Recreational Fishing (Overstrand Consumers) Vessels < 7m pa	482.46	550.00	438.60	500.00	10.00%
S1J7A2	Recreational Fishing Vessels < 7m per Launch	57.02	65.00	52.63	60.00	8.34%
S1J7A3	Recreational Fishing (Overstrand Consumers) Vessels > 7m pa	578.95	660.00	526.32	600.00	10.00%
S1J7A4	Recreational Fishing Vessels > 7m per Launch	74.56	85.00	65.79	75.00	13.33%
S1J7B1	Commercial Fishing (Overstrand Consumers) Vessels < 7m pa	526.32	600.00	438.60	500.00	20.00%
S1J7B2	Commercial Fishing Vessels > 7m pa	697.37	795.00	631.58	720.00	10.42%
S1J7B3	Commercial Fishing Vessels < 7m per launch	65.79	75.00	New	New	
S1J7B4	Commercial Fishing Vessels > 7m per launch	83.33	95.00	74.56	85.00	11.76%
S1J8A	Passenger Boats pm	1 192.98	1 360.00	1 085.97	1 238.00	9.85%
S1J8B	Passenger Boats per launch	114.04	130.00	106.14	121.00	7.44%
S1J9	Vehicles up to 1 Ton per vehicle load capacity - mixed builders rubble NO ADMISSION to Transfer	201.75	230.00	183.34	209.00	10.04%
S1J11	Formal Shop Rental / month	692.98	790.00	627.19	715.00	10.49%
S1J12	Informal Trader under cover rental / month	456.14	520.00	414.91	473.00	9.94%
<b>S1M</b>	<b><u>Kleinmond Harbour:</u></b>					
S1M1	Recreational Fishing (Overstrand Consumers) Vessels < 7m pa	482.46	550.00	New	New	
S1M2	Recreational Fishing Vessels < 7m per Launch	57.02	65.00	New	New	
S1M3	Recreational Fishing (Overstrand Consumers) Vessels > 7m pa	578.95	660.00	New	New	
S1M4	Recreational Fishing Vessels > 7m per Launch	74.56	85.00	New	New	
S1M5	Commercial Fishing (Overstrand Consumers) Vessels < 7m pa	526.32	600.00	New	New	
S1M6	Commercial Fishing Vessels > 7m pa	697.37	795.00	New	New	
S1M7	Commercial Fishing Vessels < 7m per launch	65.79	75.00	New	New	
S1M8	Commercial Fishing Vessels > 7m per launch	78.95	90.00	New	New	
S1M9	Passenger Boats pm	1 192.98	1 360.00	New	New	
S1M10	Passenger Boats per launch	114.04	130.00	New	New	
<b>S1T</b>	<b><u>As per tariff SA2B - SA2B11</u></b>					
<b>S1T1</b>	<b><u>Affiliated Members</u></b>					
S1T1A	Annually	175.44	200.00	New	New	
S1T1B	Monthly	105.26	120.00	New	New	

**OVERSTRAND MUNICIPALITY**

**SUNDRY TARIFF LIST**

1.10

Tariff Code	Detail	2015/2016		2014/2015		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S1T1C	Weekly	52.63	60.00	New	New	
S1T1D	Daily	17.54	20.00	New	New	
<b>S1T2</b>	<b>Non- Affiliated Members</b>		0.00	New	New	
S1T2A	Annually	350.88	400.00	New	New	
S1T2B	Monthly	157.89	179.99	New	New	
S1T2C	Weekly	87.72	100.00	New	New	
S1T2D	Daily	26.32	30.00	New	New	
<b>S2</b>	<b>BUILDING CONTROL</b>					
S2A1	Building Plan Fees up to 100 m <sup>2</sup> (R/m <sup>2</sup> )	23.68	27.00	21.05	24.00	12.49%
S2A2	Building Plan Fees from 101 m <sup>2</sup> to 200 sq m (R/m <sup>2</sup> )	28.07	32.00	25.44	29.00	10.34%
S2A3	Building Plan Fees from 201 m <sup>2</sup> to 300 sq m (R/m <sup>2</sup> )	32.46	37.00	29.83	34.00	8.83%
S2A4	Building Plan Fees greater than 300 m <sup>2</sup> (R/m <sup>2</sup> )	36.84	42.00	34.21	39.00	7.69%
S2A5	Building Plan fees - Building Sub Economic < 70 m <sup>2</sup>	337.72	385.00	307.02	350.00	10.00%
S2B	Alterations and Additions smaller than 30 m <sup>2</sup>	710.53	810.00	631.58	720.00	12.50%
S2C	Building Plan fees related to farm buildings (farm sheds, stables, etc) R/m <sup>2</sup>	15.79	18.00	14.48	16.50	9.08%
S2D1	Building Plan fees related to Industrial buildings R/m <sup>2</sup>	15.79	18.00	14.48	16.50	9.08%
S2D2	Building Plan Fees Related to Government Buildings (School etc) (R/m <sup>2</sup> )	15.79	18.00	14.48	16.50	9.08%
S2F1	Plan Scrutiny Fees - < 200 m <sup>2</sup>	412.28	470.00	377.19	430.00	9.30%
S2F2	> 200 m <sup>2</sup> (R/m <sup>2</sup> )	3.33	3.80	3.07	3.50	8.47%
S2G	Demolition application	412.28	470.00	377.19	430.00	9.30%
S2H	Inspection & Re-inspection fees and Inspections on queries, rates clearance etc.	245.61	280.00	219.30	250.00	12.00%
S2J1	Building Deposit - < 50m <sup>2</sup> or <b>less</b> or less than R150,000.00	730.00	no vat	660.00	no vat	10.61%
S2J2	Building Deposit - Recoverable 50m <sup>2</sup> to 200m <sup>2</sup> or more than R150,000.00	1 940.00	no vat	1 760.00	no vat	10.23%
S2J3	Building Deposit - Recoverable more than 200m <sup>2</sup>	5 330.00	no vat	4 840.00	no vat	10.12%
S2J4	Building Deposit - Sub economic Areas only (Not applicable to Additions)	No Deposit	no vat	No Deposit	no vat	
S2K	Administration / Viewing Fee	48.25	55.00	43.86	50.00	10.00%
S2L	Minor Building Works	192.98	220.00	175.44	200.00	10.00%
S2L1	Heritage Investigation Minor Alterations (no additions)	385.97	440.00	350.88	400.00	10.00%
S2L2	Heritage Investigation add and alt smaller than 30m <sup>2</sup>	771.93	880.00	701.75	800.00	10.00%
S2L3	Heritage Investigation add and alt greater than 30m <sup>2</sup>	1 543.86	1 760.00	1 403.51	1 600.00	10.00%
<b>S3</b>	<b>BUILDING CONTROL: PLAN PRINTING FEES</b>					
S3A1	Per sheet - Size A0 (Private copy)	52.63	60.00	48.25	55.00	9.09%
S3A2	Size A1 (Private copy)	42.11	48.00	38.60	44.00	9.08%
S3A3	Size A2 (Private copy)	31.58	36.00	28.95	33.00	9.08%
S3A4	Per sheet - Size A0 (Official copy)	42.11	48.00	38.60	44.00	9.08%
S3A5	- Size A1 (Official copy)	31.58	36.00	28.95	33.00	9.08%
S3A6	- Size A2 (Official copy)	21.93	25.00	20.18	23.00	8.70%
S3B1	Per sheet - Size A0 (Private copy) Colour	276.32	315.00	250.88	286.00	10.14%
S3B2	Size A1 (Private copy) Colour	210.53	240.00	192.98	220.00	9.09%
S3B3	Size A2 (Private copy) Colour	140.35	160.00	131.58	150.00	6.67%
S3B4	Per sheet - Size A0 (Official copy) Colour	140.35	160.00	127.19	145.00	10.35%
S3B5	- Size A1 (Official copy) Colour	105.26	120.00	96.49	110.00	9.09%

**OVERSTRAND MUNICIPALITY**

**SUNDRY TARIFF LIST**

Tariff Code	Detail	2015/2016		2014/2015		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S3B6	- Size A2 (Official copy) Colour	70.18	80.00	65.79	75.00	1.10 6.67%
<b>S5</b>	<b>BUSINESS LICENSE</b>					
S25B1	Business Licence - permanent stand	615.62	701.80	559.65	638.00	10.00%
S25B2	Business Licence - not permanent stand	221.93	253.00	221.93	253.00	0.00%
S25B3	Re-inspection Fee	122.06	139.15	110.97	126.50	10.00%
S25B4	Duplicate Licence Fee	122.06	139.15	110.97	126.50	10.00%
<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	474.56	541.00	474.56	541.00	0.00%
S15A2	All cemeteries - Double graves - depth for two coffins	736.84	840.00	736.84	840.00	0.00%
S15A3	Double grave next to each other	949.12	1 082.00	949.12	1 082.00	0.00%
S15A4	Children under 12years	356.14	406.00	356.14	406.00	0.00%
S15A5	Garden of Remembrance Fees	173.68	198.00	173.68	198.00	0.00%
<b>S15B</b>	<b>Indication of grave</b>					
S15B1	New graves (include inspection before and after funeral)	499.12	569.00	453.51	517.00	10.06%
S15B2	Existing graves	159.65	182.00	144.74	165.00	10.30%
	<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	11 254.39	12 830.00	10 228.07	11 660.00	10.03%
S18A2	Small per day or part thereof more than 10 but < 50 people	3 947.37	4 500.00	3 579.83	4 081.00	10.27%
S18A3	Small per day or part thereof ≤ 10 people	1 131.58	1 290.00	1 022.81	1 166.00	10.63%
	<b>Addition to Shoot</b>					
S18C	Animals (per animal per day or part of a day)	140.35	160.00	125.44	143.00	11.89%
S18D	Area required for production and catering (per m² per day or part of a day)	31.58	36.00	28.95	33.00	9.08%
S18E	Cancellation Fee (per application at full permit fee)	15% of Fee	15% of Fee	15% of Fee	15% of Fee	
S18G	Environmental Control Officer: Fees per hour or part thereof	328.95	375.00	298.25	340.00	10.30%
S18H	Vehicles off Public Roads per Parking Bay (per vehicle per day/part of a day)	118.42	135.00	105.26	120.00	12.50%
<b>S20</b>	<b>CREDIT CONTROL AND DEBT COLLECTION</b>					
S20A1	Admin fee on arrear accounts Notices	315.79	360.00	289.47	330.00	9.09%
S20A2	Admin fee on 24 hour Notices - Bulk users	315.79	360.00	289.47	330.00	9.09%
S20B	Admin fee on arrear accounts Disconnection and Reconnection Fee	530.71	605.00	482.46	550.00	10.00%
S20C	SMS admin fee on arrear accounts Notices	21.93	25.00	NEW	NEW	



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<b>S22</b>	<b>DOG TAX</b>					1.10
S22A	Licence per dog	63.16	72.00	57.90	66.00	9.09%
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 + R877.20 admin. Fee	(Actual Cost + Vat) + R1 000,00	10.00%
S23B	Re-inspection Fee under By-law	127.19	145.00	115.79	132.00	9.85%
<b>S23C</b>	<b>Extinguishing of Fires</b>					
S23C1	Extinguishing of structural fires per hour or part thereof per incident	1 447.37	1 650.00	1 315.79	1 500.00	10.00%
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	482.46	550.00	438.60	500.00	10.00%
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	482.46	550.00	438.60	500.00	10.00%
<b>S23E</b>	<b>Fire Prevention Inspections</b>					
S23E1	Tank installation - per tank	289.48	330.00	263.16	300.00	10.00%
S23E2	LP Gas - per installation 48Kg and more incl bulk tanks	289.48	330.00	263.16	300.00	10.00%
<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	263.16	300.00	10.00%
<b>S23G</b>	<b>Events</b>					
S23G1	Inspection of location and issuing of Population Certificate	192.98	220.00	175.44	200.00	10.00%
S23G2	Standby at event per event per day or part thereof for vehicle and fire fighters	964.91	1 100.00	877.19	1 000.00	10.00%
<b>S23H</b>	<b>Burn Permits</b>					
S23H1	Burn Permit Inspection	241.23	275.00	219.30	250.00	10.00%
<b>S25</b>	<b>LAW ENFORCEMENT</b>					
<b>S25C</b>	<b>Impoundment of Hawkers Goods</b>					
S25C1	Per Impoundment	543.86	620.00	492.11	561.00	10.52%
S25C2	Removal of illegal structure per structure	2 228.07	2 540.00	2 026.32	2 310.00	9.96%
S25C3	Storage Fee per day	144.74	165.00	130.26	148.50	11.12%
<b>S25D</b>	<b>Pound fee: Dogs and Cats</b>					
S25D1	Impoundment of Dogs and Cats	58.77	67.00	53.07	60.50	10.74%
S25D2	Pound fee: from day 2 per day	37.72	43.00	33.77	38.50	11.70%
<b>S25E</b>	<b>Pound fee: Other Animals</b>					
S25E1	Impoundment fee per week per animal	584.21	666.00	530.71	605.00	10.08%
<b>S25F</b>	<b>Bylaw on Outdoor Advertising</b>					
S25F1	Impoundment of illegal Advertising/Agent boards (per board) - small <2400cm <sup>2</sup>	58.77	67.00	53.07	60.50	10.74%
S25F2	Impoundment of illegal Advertising/Agent boards (per board) - large >2400cm <sup>2</sup>	584.21	666.00	530.71	605.00	10.08%
<b>S28</b>	<b>LIBRARY</b>					
S28A1	Copies: A3 / Page	3.33	3.80	3.07	3.50	8.47%
S28A2	Copies: A3 / Page - Education Purposes ONLY Black & White	2.89	3.30	2.63	3.00	10.00%

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		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S28A3	Copies: A3 page Colour	7.28	8.30	6.58	7.50	10.64%
S28A4	Copies: A3 / Page - <b>Education Purposes ONLY</b> Colour	5.79	6.60	5.26	6.00	10.00%
S28A5	Copies: A4/Page	2.89	3.30	2.63	3.00	10.00%
S28A6	Copies: A4 / Page - <b>Education Purposes ONLY</b> Black & White	1.40	1.60	1.32	1.50	6.06%
S28A7	Copies: A4 page Colour	5.26	6.00	4.83	5.50	9.02%
S28A8	Copies: A4 / Page - <b>Education Purposes ONLY</b> Colour	2.89	3.30	2.63	3.00	10.00%
S28B1	Deposit to person/s <b>non-residents</b> Fiction & Non-Fiction	330.00	no vat	297.00	no vat	11.11%
S28C1	Fax per page - excluding 0865/6 numbers	3.77	4.30	3.38	3.85	11.54%
S28C2	Fax per page - 0865/6 numbers	6.40	7.30	5.79	6.60	10.54%
S28D1	Lost Cards: Laminated (R/card)	19.29	22.00	17.54	20.00	10.00%
S28D2	Laminated Cost A3	4.83	5.50	4.39	5.00	9.91%
S28D3	Laminated Cost A4	2.41	2.75	2.19	2.50	10.00%
S28E1	Penalty per book per week	1.00	no vat	1.00	no vat	0.00%
S28E2	Penalty per record/CD per week	1.00	no vat	1.00	no vat	0.00%
S28E3	Penalty per video per day	2.00	no vat	2.00	no vat	0.00%
S28F1	Scanning of Document - Black & White	16.67	19.00	14.91	17.00	11.80%
S28F2	Scanning of Document - Colour	18.42	21.00	16.67	19.00	10.50%
S28G1	Special Requests - Hold per Book	2.89	3.30	2.63	3.00	10.00%
S28G2	Special Requests - ILL per Book	4.83	5.50	4.39	5.00	9.91%
S28H1	Subscriptions/ reader - Adults (Non residents)	127.19	145.00	115.79	132.00	9.85%
S28H2	Subscriptions/ reader - Children (Non residents)	78.95	90.00	72.81	83.00	8.43%
S28H3	Subscriptions/ reader - Family max 5 (Non residents)	307.02	350.00	279.83	319.00	9.72%
S28K	Visitor's fee - Handling charge / item	10.53	12.00	9.65	11.00	9.12%
S28L1	Hire of Library Hall per Hour - Fundraising event	121.05	138.00	109.65	125.00	10.40%
S28L2	Hire of Library Hall per Hour - NON- Fundraising event	21.93	25.00	19.30	22.00	13.63%
<b>S32</b>	<b>PARKING FEE</b>					
	<b>Beaches: Grotto &amp; Kleinmond (08:00 - 16:00)(Western Cape December School Holiday)</b>					
S32A	Bus Drop off (more than 14 seats)	SCRAPPED	SCRAPPED	105.26	120.00	
S32B	Parking Buses: Municipal Parking Area per day	SCRAPPED	SCRAPPED	166.67	190.00	
S32C	Per vehicle per day or part of a day	SCRAPPED	SCRAPPED	13.16	15.00	
S32D	Residents permit per year (only 2 per owner of erven)	SCRAPPED	SCRAPPED	52.63	60.00	
S32E	Season Ticket (per Motor Vehicle)	SCRAPPED	SCRAPPED	115.79	132.00	
	<b>Metered parking (excluding public holidays)</b>					
S32P	Parking Monthly Permit per vehicle	424.56	484.00	385.97	440.00	10.00%
S32Q	Per Quarter Hour or part of it - Monday to Friday 08:30 - 16:00	1.75	2.00	0.88	1.00	98.86%
S32R	Per Half Hour or part of it - Monday to Friday 08:30 - 16:00	2.63	3.00	2.63	3.00	0.00%
S32S	Per Hour Normal (Monday to Friday : 08:30 - 16:00)	5.26	6.00	4.39	5.00	19.82%
S32T	Per Hour Saturday (08:30 - 13:00)	5.26	6.00	4.39	5.00	19.82%
	<b>Kleinmond Launching (08:00 - 16:00)</b>					
S32U	Entrance fee per day (Western Cape December school holiday <b>plus</b> Easter Weekend)	32.46	37.00	28.95	33.00	12.12%
S32V	Season Ticket (Western Cape December School Holiday <b>plus</b> Easter Weekend) (Motor Vehicles)	282.46	322.00	256.14	292.00	10.28%
<b>S33</b>	<b>OPERATIONAL COST</b>					

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S33A	Application fee for Installation of Street Signage (brown direction boards)	cost + 15%	applicable vat	cost + 15%	applicable vat	1.10
<b>S34</b>	<b>PROPERTY ADMINISTRATION</b>					
S34A	Application for Encroachment (Administration of Immovable Property Policy (Par. 64.2; 64.3; 64.4)	2 122.81	2 420.00	1 929.83	2 200.00	10.00%
S34B1	Application for lease of Municipal Property ( <i>excluding Sport Facilities/Stalls and organs of state</i> )	2 122.81	2 420.00	1 929.83	2 200.00	10.00%
S34B2	Application for lease of Municipal Property - registered Social Care Institutions / Organisations	482.46	550.00	438.60	500.00	10.00%
	<b>Encroachment Fee:</b>					
S34C	Veranda, Balcony, Sign, Signboards or similar structure (per annum) (Par. 64.2)	366.66	418.00	333.33	380.00	10.00%
S34D	Garden areas onto Commonage, Public Open Spaces, or Conservation areas (per annum) (Par. 64.3)	366.66	418.00	333.33	380.00	10.00%
S34F	Enclosure or exclusive use or portions of the Commonage, Public Open Spaces, Road Reserves or Public Thoroughfares for gardening purposes ( <b>per m² per month</b> ) (Par 64.4)	10.53	12.00	9.65	11.00	9.12%
	<b>Leases</b>					
S34G	Use of Municipal land for outdoor seating adjoining a Restaurant (per m² per month) (Par 64.5)	24.56	28.00	21.93	25.00	11.99%
S34G1	Temporary use (< 12 months) of Municipal land for general purposes (per m² per month)	24.56	28.00	21.93	25.00	11.99%
<b>S34H</b>	<b>Radio Mast</b>					
S34H1	Equipment on Mast - per month per mast	1 614.04	1 840.00	1 466.67	1 672.00	10.05%
S34H2	Space in building per m² - per month	424.56	484.00	385.97	440.00	10.00%
S34H3	Space outside the building per m² - per month	212.28	242.00	192.98	220.00	10.00%
S34H4	Land for installation of a new mast per m² - per month	53.51	61.00	48.25	55.00	10.91%
	<b>Memorial Benches</b>					
S34J	Memorial Benches (Installation)	2 653.51	3 025.00	2 412.28	2 750.00	10.00%
S34K	Memorial Benches (per Annum)	212.28	242.00	192.98	220.00	10.00%
<b>S36</b>	<b>PROPERTY INFORMATION</b>					
S36A1	Clearance Certificate (R/certificate) - <b>ELECTRONIC</b>	80.70	92.00	72.81	83.00	10.84%
S36A2	Clearance Certificate (R/certificate) - <b>MANUAL</b>	245.61	280.00	221.93	253.00	10.67%
S36B1	Deeds office registrations with sales information (R/100 erven or part)	106.14	121.00	96.49	110.00	10.00%
S36B2	Deeds office registrations with sales information (R/erf)	27.19	31.00	24.56	28.00	10.71%
S36C	Extract from the Valuation Roll (R/page)	8.77	10.00	7.90	9.00	11.08%
S36F	Revaluation fee	1 517.54	1 730.00	1 379.83	1 573.00	9.98%
S36G1	Valuation Certificate (R/certificate) - <b>ELECTRONIC</b>	37.72	43.00	34.21	39.00	10.26%
S36G2	Valuation Certificate (R/certificate) - <b>MANUAL</b>	127.19	145.00	115.79	132.00	9.85%
S36H	Access of valuation roll Information on CD	289.47	330.00	289.47	330.00	0.00%
<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	
S40.2	Day tariff for all approved festivals per day	796.49	908.00	723.68	825.00	10.06%
S40.3	Elections by the Electoral Commission	as per IEC policy	applicable vat	as per IEC policy	applicable vat	
<b>S40A</b>	<b>Auditorium &amp; Banqueting Hall</b>					
S40A1	Deposit for all functions (refundable)	1 700.00	no vat	1 540.00	no vat	10.39%

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S40A2	Hire of Auditorium and Banqueting Hall per Hour or part of a hour	509.65	581.00	463.16	528.00	10.04%
S40A3	Hire of Auditorium per Hour or part of a hour	255.26	291.00	231.58	264.00	10.23%
S40A4	Hire of Banqueting Hall per Hour or part of a hour	382.46	436.00	347.37	396.00	10.10%
<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	385.97	440.00	350.88	400.00	10.00%
S40A6	Piano per event	Actual Tuning Cost + R302.98 admin. Fee	Actual Tuning Cost + R345.40	Actual Tuning Cost + R275.44 admin. Fee	Actual Tuning Cost + R314.00	10.00%
S40A7	Sound OR Ligthing Equipment per event (each item) per hour	80.70	92.00	72.81	83.00	10.84%
S40A8	Where use is made of the crockery and other facilities i.e. stove, fridge	530.71	605.00	482.46	550.00	10.00%
S40A9	After Midnight	tariff X 2	applicable vat	tariff X 2	applicable vat	
S40A10	Fund raising event: Local CBO's and NGO's per hour per venue	234.21	267.00	212.28	242.00	10.33%
S40A11	Non-fundraising event: Local CBO's and NGO's per hour per venue	159.65	182.00	144.74	165.00	10.30%
S40A12	Preparation for event - per hour / per event dependent on hourly or per event tariff applied	106.14	121.00	96.49	110.00	10.00%
S40A13	Meetings: Government departments (private meetings), NGO's and CBO's from outside the municipal area, per hour (Banquet hall)	234.21	267.00	212.28	242.00	10.33%
S40A14	Meetings: Local CBO's & NGO's per hour (Banquet hall only)	21.93	25.00	19.30	22.00	13.63%
<b>S40C</b>	<b><u>Barracks - Kleinmond</u></b>					
S40C1	Hire per room per month	35.09	40.00	31.58	36.00	11.11%
<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	234.21	267.00	212.28	242.00	10.33%
S40E5	Funeral Tea (three hours)	95.61	109.00	86.85	99.00	10.09%
S40E7	Non-fundraising events for Schools, other training institutions and sport & recreation	192.98	220.00	175.44	200.00	10.00%
S40E8	Meetings: Local CBO's and NGO's per hour	21.93	25.00	19.30	22.00	13.63%
S40E9	Non-fundraising (parties) Per daytime or evening	117.54	134.00	106.14	121.00	10.74%
S40E10	Use of Kitchen - Fundraising events per <b>event</b>	212.28	242.00	192.98	220.00	10.00%
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.	440.00	no vat	400.00	no vat	10.00%
S40J2	Deposit: Hawston Thusong Centre	1 100.00	no vat	1 000.00	no vat	10.00%
S40J3	Fundraising: Karaoke, Disco, competitions, etc. per daytime or evening	530.71	605.00	482.46	550.00	10.00%
S40J4	Funeral Tea (three hours)	95.61	109.00	86.85	99.00	10.09%
S40J5	Government Imbizos (per day)	1 635.09	1 864.00	1 485.97	1 694.00	10.04%
S40J6	Non-fundraising events for Schools, other training institutions and sport & recreation	192.98	220.00	175.44	200.00	10.00%
S40J7	Meetings: Government Departments (private meetings) & CBO's outside Municipal area per hour	234.21	267.00	212.28	242.00	10.33%
S40J8	Meetings: Local CBO's, NGO's per hour (only large groups > 30)	21.93	25.00	19.30	22.00	13.63%

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S40J9	Non-fundraising: Parties, weddings, indoor sports, etc. per hour	106.14	121.00	96.49	110.00	1.10
S40J10	Sound OR Ligthning Equipment per event (each item) per hour	80.70	92.00	72.81	83.00	10.00%
S40J11	Use of kitchen (per event per day)	255.26	291.00	231.58	264.00	10.84%
S40J12	Use of kitchen (per event per day) - Welfare, churches, non-profit organizations	255.26	291.00	231.58	264.00	10.23%
<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)	21.93	25.00	19.30	22.00	13.66%
S43A2	Open Stalls per day (Western Cape December Holiday plus Easter Weekend)	32.46	37.00	28.95	33.00	12.12%
<b>S43B</b>	<b><u>Outside the CBD</u></b>					
S43B1	Open Stalls Rental - Western Cape December Holiday plus Easter Weekend / pm	72.81	83.00	65.79	75.00	10.67%
S43B2	Open Stalls Rental - excluding Western Cape December Holiday plus Easter Weekend / pm	31.58	36.00	28.07	32.00	12.50%
<b>S43D</b>	<b><u>Public Open Space</u></b>					
S43D1	Car Park - Private Car Sales per day (demarcated areas)	28.95	33.00	26.32	30.00	9.97%
S43D2	Funfair, Circus etc per day	690.35	787.00	627.19	715.00	10.07%
S43D3	Welfare, churches, non-profit organizations	no charge	no vat	no charge	no vat	
S43D4	Sport Events per day	3 131.58	3 570.00	2 846.49	3 245.00	10.02%
<b>S43F</b>	<b><u>Beaches</u></b>					
S43F1	Beach Rentals - per day (Private functions)	1 008.77	1 150.00	916.67	1 045.00	10.05%
<b>S46</b>	<b>RENTAL: OFFICE</b>					
S46A	Rental per m² / pm	95.61	109.00	86.85	99.00	10.09%
S46A1	Rental per m² / pm (except the Hermanus area)	48.25	55.00	43.86	50.00	10.00%
S46A2	NGO's/NPO's per m² / pm	28.95	33.00	26.32	30.00	9.97%
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)	133.33	152.00	121.05	138.00	10.14%
S48A2	Club House - Sport events (Overstrand Teams)	no charge	no vat	no charge	no vat	
S48A3	Club House - Sport Event - per hour	66.67	76.00	60.53	69.00	10.14%
S48A4	Sport grounds - Non Overstrand per event	1 312.28	1 496.00	1 192.98	1 360.00	10.00%
S48A6	Sport grounds - Functions/Events (excluding departmental events)	723.68	825.00	657.90	750.00	10.00%
S48A7	Gym fees per month	67.54	77.00	61.40	70.00	10.00%
<b>S48B</b>	<b><u>Overhills</u></b>					
S48B1	Sport grounds - Non Overstrand per event	1 312.28	1 496.00	new	new	
S48B2	Sport grounds - Functions/Events (excluding departmental events)	723.68	825.00	new	new	
<b>S49</b>	<b>RENTAL: UNDEVELOPED SERVICED ERVEN</b>					
S49A	Wetcore Stands (Social Housing) - rent per month	26.32	30.00	new	new	
<b>S50</b>	<b>SCHUSS HOUSES KLEINMOND (Meerenvlei)</b>					
S50A	Rent per month	785.97	896.00	714.03	813.99	10.07%
<b>S55</b>	<b>SUNDRY</b>					

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Tariff Code	Detail	2015/2016		2014/2015		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
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	1.10
S55B1	Administration Cost - RD ACB	56.14	64.00	50.88	58.00	10.34%
S55B2	Administration Cost - RD cheques ,Post Dated Cheques	actual cost + R37.72	actual cost + R43.00	actual cost + R34.21	actual cost + R39.00	10.26%
S55B3	Administration Cost - Trace of Direct Deposit	77.19	88.00	70.18	80.00	10.00%
S55C	Copies of Council Agendas and Minutes per annum	1 096.49	1 250.00	993.86	1 133.00	10.33%
S55D1	Copies: A3 page	3.33	3.80	3.07	3.50	8.47%
S55D2	Copies: A3 page Colour	7.02	8.00	6.58	7.50	6.69%
S55D3	Copies: A4 page	2.63	3.00	2.41	2.75	9.13%
S55D4	Copies: A4 page Colour	5.26	6.00	4.83	5.50	9.02%
S55E	Foreign Bank Cost	actual cost	actual vat	actual cost	actual vat	
S55F1	Fax per page - excluding 0865/6 numbers	3.68	4.20	3.38	3.85	8.88%
S55F2	Fax per page - 0865/6 numbers	6.40	7.30	5.79	6.60	10.54%
S55G1	Interest on accounts in arrear	prime + 4%	no vat	prime + 4%	no vat	
S55G2	Placard / Poster Deposit for Elections	3 630.00	no vat	3 300.00	no vat	10.00%
S55G4	Placard / Poster Deposit for Political Parties	3 630.00	no vat	3 300.00	no vat	10.00%
S55H	Placard / Poster each	12.72	14.50	11.58	13.20	9.84%
S55I	Duplicate Account	6.32	7.20	5.79	6.60	9.15%
S55J	Section 62 of local Government: Systems Act: appeal deposit (refundable if appeal is upheld)	2 560.00	no vat	2 332.00	no vat	9.78%
S55K1A	Tender objection deposit (refundable if appeal is upheld)	2 560.00	no vat	2 332.00	no vat	9.78%
S55k1B	Tender objection deposit (partially upheld - refundable)	1 280.00	no vat	1 166.00	no vat	9.78%
S55K2	Tender documentation Administration Fee: (less than 20 pages)	25.44	29.00	23.16	26.40	9.84%
S55K3	Tender documentation Administration Fee: (more than 21 pages less than 50 pages)	138.60	158.00	125.44	143.00	10.49%
S55K4	Tender documentation Administration Fee: (more than 50 pages)	552.63	630.00	501.75	572.00	10.14%
S55L	Advertising Signs Auctioneers per 14days	392.98	448.00	357.02	407.00	10.07%
S55K1	Laminated Cost A3	4.83	5.50	4.39	5.00	9.91%
S55K2	Laminated Cost A4	2.46	2.80	2.19	2.50	12.33%
<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	7.90	9.00	7.02	8.00	12.46%
S60A2	Children (< 16years) per child per day or part of a day	No Charge	no vat	No Charge	no vat	
S60A4	Galas	80.70	92.00	72.81	83.00	10.84%
S60A5	Training sessions (Schools & Clubs) per season	127.19	145.00	115.79	132.00	9.85%
<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	0.97	1.10	0.88	1.00	10.00%
S60B2	Children (< 16years) per child per day or part of a day	No Charge	no vat	No Charge	no vat	
S60B4	Galas	80.70	92.00	72.81	83.00	10.84%
<b>S65</b>	<b>TOP MANAGEMENT CONSULTATIONS</b>					
S65A1	Consultation Fee (Top Management) per hour	742.98	847.00	675.44	770.00	10.00%
<b>S72</b>	<b>TOWN PLANNING: APPLICATION FEES</b>					
S72A	Amendment of application and conditions	1 804.39	2 057.00	1 640.35	1 870.00	10.00%



## OVERSTRAND MUNICIPALITY

## SUNDRY TARIFF LIST

Tariff Code	Detail	2015/2016		2014/2015		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S72B	Application for amendment of SDF	2 122.81	2 420.00	1 929.83	2 200.00	1.10
S72F	<b><u>Removal of Title Deed Restrictions</u></b>					
S72F1	Erven <b>smaller</b> than 300 m <sup>2</sup>	394.74	450.00	391.23	446.00	0.90%
S72F2	Erven <b>larger</b> than 300 m <sup>2</sup>	3 006.14	3 427.00	2 732.46	3 115.00	10.02%
<b>S72G</b>	<b><u>Consolidations</u></b>					
S72G1	Erven <b>smaller</b> than 300 m <sup>2</sup>	371.93	424.00	New	New	
S72G2	Erven <b>larger</b> than 300 m <sup>2</sup>	2 122.81	2 420.00	new	new	
<b>S72H</b>	<b><u>Subdivision (cumulative)</u></b>					
S72H1	up to 5 erven	4 139.48	4 719.00	3 763.16	4 290.00	10.00%
S72H2	6 to 10 erven	4 882.46	5 566.00	4 438.60	5 060.00	10.00%
S72H3	More than 10	6 899.12	7 865.00	6 271.93	7 150.00	10.00%
S72I1	Application for Consent Uses/Special Consent	2 122.81	2 420.00	1 929.83	2 200.00	10.00%
S72I1	Application for Consent Uses/Special Consent (Erven smaller than 300m <sup>2</sup> )	446.49	509.00	405.26	462.00	10.17%
<b>S72J</b>	<b><u>Application for Rezoning</u></b>					
S72J1	Erven <b>smaller</b> than 300 m <sup>2</sup>	446.49	509.00	405.26	462.00	10.17%
S72J2	Erven <b>between</b> and including 300 m <sup>2</sup> and 5000 m <sup>2</sup>	3 502.63	3 993.00	3 184.21	3 630.00	10.00%
S72J3	Erven <b>larger</b> than 5000 m <sup>2</sup>	4 882.46	5 566.00	4 438.60	5 060.00	10.00%
<b>S72K</b>	<b><u>Departure</u></b>					
S72K1A	Application for Departure	2 122.81	2 420.00	1 929.83	2 200.00	10.00%
S72K1B	Application for Departure (Erven smaller than 300m <sup>2</sup> )	371.93	424.00	337.72	385.00	10.13%
<b>S72K2</b>	<b><u>Application for Departure (Building Lines)</u></b>					
S72K2A	Erven <b>smaller</b> than 300 m <sup>2</sup>	405.26	462.00	405.26	462.00	0.00%
S72K2B	Erven <b>larger</b> than 300 m <sup>2</sup>	1 736.85	1 980.00	1 736.85	1 980.00	0.00%
S72L	Amendment of site development plan, Constitution/Architectural Guidelines	1 543.86	1 760.00	new	new	
S72M	Contravention Application (Sec 40 of the Land Use Planning Ordinance, Ordinance 15 of 1985)	2 122.81	2 420.00	1 929.83	2 200.00	10.00%
S72N	Extention of Time	563.16	642.00	511.40	583.00	10.12%
<b>S75</b>	<b><u>TOWN PLANNING: LAND USE PLANNING FEE</u></b>					
S75A1	Advertising Costs Government Gazette	2 971.93	3 388.00	2 701.75	3 080.00	10.00%
S75A2	Advertising Costs Local newspapers	2 971.93	3 388.00	2 701.75	3 080.00	10.00%
S75A3	Advertising Costs - Placing of Final Notice in the Government Gazette	1 929.83	2 200.00	1 754.39	2 000.00	10.00%
S75B	Regulations of Zoning schemes	350.88	400.00	318.42	363.00	10.19%
S75C	Spatial Development Framework	828.07	944.00	752.63	858.00	10.02%
S75D	Zoning Certificate	212.28	242.00	192.98	220.00	10.00%
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	350.88	400.00	318.42	363.00	10.19%
<b>S80</b>	<b><u>TRAFFIC</u></b>					
<b>S80J</b>	<b><u>Business &amp; Other Events</u></b>					
S80J1	Per officer per hour or part thereof - Mon - Sat	371.93	424.00	337.72	385.00	10.13%
S80J2	Per officer per hour or part thereof - Sundays and public Holidays	424.56	484.00	385.97	440.00	10.00%
S80J4	Administrative fee for provision of officers - per application	106.14	121.00	96.49	110.00	10.00%

OVERSTRAND MUNICIPALITY

SUNDRY TARIFF LIST

Tariff Code	Detail	2015/2016		2014/2015		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
<b>S80K</b>	<b><u>Removal of Vehicles/Towing Fee</u></b>					1.10
S80K1	Removal of Vehicles per vehicle	892.11	1 017.00	810.53	924.00	10.07%
S80K2	Storage Fees per day	244.74	279.00	221.93	253.00	10.28%
S80K3	Towing Charge	Cost plus 15%	applicable vat	Cost plus 15%	applicable vat	
S80K4	Wheel Clamping per vehicle	212.28	242.00	192.98	220.00	10.00%
<b>S80L</b>	<b><u>Traffic Cones</u></b>					
S80L1	Hire of Traffic Cones per Cone per day	53.51	61.00	48.25	55.00	10.91%
<b>S80P</b>	<b><u>Disabled Parking Token</u></b>					
S80P1	Disabled Parking Token per application - valid for 2year period	96.49	110.00	96.49	110.00	0.00%



**OVERSTRAND MUNICIPALITY**

**REFUSE (SOLID WASTE)**

Tariff Code	Detail	2015/2016		2014/2015		
		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>	1.06
	<b>DOMESTIC WASTE</b>					
SAN1A	Residential (All registered erven/unit with approved building plan) 1 x removal per week ( <b>R/Month</b> )	137.99	157.30	130.18	148.40	6.00%
SA1A2	Residential Indigent (All registered erven/unit with approved building plan) 1 x removal per week ( <b>R/Month</b> )	137.99	157.30	130.18	148.40	6.00%
	<b>BUSINESS WASTE</b>					
SAN1C	Commercial/Businesses (Hostels, Old Age Homes, Caravan Sites, Semi-permanent Resorts etc) ( <b>R/Month</b> )	137.99	157.30	130.18	148.40	6.00%
SA1N1	Bulk Container 240L (Wheeley bin) ( <b>R/Month</b> ) 1 X per week (if available)	137.99	157.30	130.18	148.40	6.00%
SAN1N	Bulk Container 240L (Wheeley bin) ( <b>R/Month</b> ) 2 X per week (if available)	275.97	314.60	260.35	296.80	6.00%
SA1N3	Bulk Container 240L (Wheeley bin) ( <b>R/Month</b> ) 3 X per week CBD (if available)	413.95	471.90	390.53	445.20	6.00%
SA1N4	Bulk Container 240L (Wheeley bin) ( <b>R/Month</b> ) 4 X per week CBD (if available)	551.93	629.20	520.70	593.60	6.00%
SA1N2	Bulk Container 240L (Wheeley bin) ( <b>R/Month</b> ) 5 X per week CBD (if available)	689.91	786.50	650.88	742.00	6.00%
SAN1O	Camphill Route ( <b>R/Month</b> ) (If available)	1 084.21	1 236.00	1 022.81	1 166.00	6.00%
SAN1P	Additional Removals per week on <b>Saturday</b> per Bin ( <b>R/Month</b> ) Peak Time per removal	206.98	235.95	195.26	222.60	6.00%
SA1P1	Additional Removals on request Central Town (CBD) per bin ( <b>R/Month</b> ) (Sunday or Public Holidays) Peak Time per removal	275.97	314.60	260.35	296.80	6.00%
SA1Q1	Caravan Sites, Chalets, Semi-permanent & Resorts ( <b>R/Month</b> ) (Uilenskraalmond Vakansieoord; Franskraal Vakansieoord; Pearly Beach Camp, Micheal Fuchs Guesthouse) <b>NO REMOVAL (per unit/site)</b>	44.35	50.56	41.84	47.70	6.00%
SAN1R	Departmental Consumption (Municipal Consumption per removal site per <b>month</b> )	118.27	134.83	111.58	127.20	6.00%
SAN1U	Schools ( <b>R/Month</b> )	137.99	157.30	130.18	148.40	6.00%
SAN1T	Removal outside service area (per removal per hour) (If available)	1 034.89	1 179.78	976.32	1 113.00	6.00%
SAN1V	Single Quarters & Transit Camps per unit	44.35	50.56	41.84	47.70	6.00%
SAN1W	Guesthouses, Bed & Breakfast ( <b>R/Month</b> )	137.99	157.30	130.18	148.40	6.00%
<b>SAN2</b>	<b>SELF DUMPING TRANSFER STATIONS &amp; DUMPING SITES:</b>					
SA2A	<b>BUILDERS RUBBLE</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	
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	200.00	228.00	149.12	170.00	34.12%
SA2B2	Vehicles >2 & up to 3 Ton per vehicle load capacity	300.00	342.00	223.68	255.00	34.12%

**OVERSTRAND MUNICIPALITY**

**REFUSE (SOLID WASTE)**

Tariff Code	Detail	2015/2016		2014/2015		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
SA2B3	Vehicles >3 & up to 4 Ton per vehicle load capacity	400.00	456.00	298.25	340.00	1.06
SA2B4	Vehicles >4 & up to 5 Ton per vehicle load capacity	500.00	570.00	371.93	424.00	34.12%
SA2B5	Vehicles >5 & up to 6 Ton per vehicle load capacity (no admission to transfer station, only to dumping sites)	600.00	684.00	446.49	509.00	34.43%
SA2B6	Vehicles >6 & up to 7 Ton per vehicle load capacity (no admission to transfer station, only to dumping sites)	700.00	798.00	521.05	594.00	34.38%
SA2B7	Vehicles >7 & up to 8 Ton per vehicle load capacity (no admission to transfer station, only to dumping sites)	800.00	912.00	585.97	668.00	34.34%
SA2B8	Vehicles >8 & up to 9 Ton per vehicle load capacity (no admission to transfer station, only to dumping sites)	900.00	1 026.00	660.53	753.00	36.53%
SA2B9	Vehicles >9 & up to 10 Ton per vehicle load capacity (no admission to transfer station, only to dumping sites)	1 000.00	1 140.00	735.09	838.00	36.25%
SA2B11	Vehicles >10 Ton per vehicle load capacity (no admission to transfer station, only to dumping sites)	1 200.00	1 368.00	883.33	1 007.00	36.04%
SA2C	Dumping at Karwyderskraal Landfill Site by other municipalities and external parties, per Ton	122.00	139.08	new tariff	new tariff	35.85%
<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)	68.98	78.64	65.08	74.19	6.00%
<b>SAN5</b>	<b><u>SUNDRIES</u></b>					
SAN5A	Rental of Bulk Container per day (including disposal)	72.99	83.21	68.86	78.50	6.00%
SAN5B	Deposit - rental of bulk containers per 4 bins or less	560.00	no vat	530.00	no vat	5.66%
SAN5C	Asbestos Sheet - per unit	52.26	59.57	49.30	56.20	6.00%
SAN5D	Baboon Resistant 240L Wheeley bin with lock delivered to homes on programme	818.06	932.58	771.75	879.80	6.00%
<b>THE REFUSE REMOVAL TARIFF IS MADE UP AS FOLLOWS: REMOVAL 40%, DISPOSAL 10% AND A BASIC FEE OF 50%</b>						

**OVERSTRAND MUNICIPALITY**

**SEWER TARIFF LIST**

Tariff Code	Detail	2015/2016		2014/2015		
		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>					1.06
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.	10.88	12.40	10.26	11.70	1.10
	<b>SEWERAGE - REGISTERED INDIGENT HOUSEHOLDS</b>					
SE7A4	0 - 4.2 kl - <b>subsidised</b>	10.88	12.40	10.26	11.70	6.00%
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.	10.88	12.40	10.26	11.70	6.00%
<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	10.88	12.40	10.26	11.70	6.00%
<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	10.88	12.40	10.26	11.70	6.00%
<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	10.88	12.40	10.26	11.70	6.00%
<b>SE7E</b>	<b>CONSUMPTION - DEPARTMENTAL</b>					
SE7E1	0 - 35 kl per kl (based on 70% of 50kl water usage) per unit per month	10.88	12.40	10.26	11.70	6.00%
<b>SE8</b>	<b>BASIC CHARGE</b>					
SE8A	Basic Monthly Charge Developed sites per erf/unit per month	96.61	110.13	91.14	103.90	6.00%
SE8B	Basic Monthly Charge Undeveloped sites - can not connect to the network per erf/unit per month	65.08	74.20	61.40	70.00	6.00%
SE8C	Basic Monthly Charge Undeveloped sites - can connect to the network per erf/unit per month	116.23	132.50	109.65	125.00	6.00%
SE8D	Basic Monthly Charge Developed sites - with a septic Tank per erf/unit per month	65.08	74.20	61.40	70.00	6.00%
SE8E	Basic Monthly Charge - Low Cost Housing & Single Quarters per erf/unit per month	65.08	74.20	61.40	70.00	6.00%
	<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	vehicles up to 1 ton per vehicle load capacity - mixed bundlers double NO ADMISSION to Transfer Station. Calculate loadfill as per tariff SA2B - SA2B14	444.46	506.68	419.30	478.00	6.00%
SE9A2	Vacuum Tanker Service provided on request < 5kl (per 5kl or part thereof)	444.46	506.68	419.30	478.00	6.00%
SE9A4	Vacuum Tanker Service provided on request > 6kl (per 6kl or part thereof)	444.46	506.68	419.30	478.00	6.00%
SE9A5	Call out fee for Tank Service request but no service due to another defect	444.46	506.68	419.30	478.00	6.00%
SE9A6	More than 3 pipes an additional fee per pipe for users not paying tariff SE7 above	65.08	74.20	61.40	70.00	6.00%
SE9BA	<b><u>After Hours Vacuum Tanker Service - PROVIDED ON REQUEST</u></b>					
SE9B1	After Hours - per request < 6kl (per 6kl or part thereof)	888.92	1 013.36	838.60	956.00	6.00%
SE9B2	After Hours - per request > 6kl (per 6kl or part thereof)	888.92	1 013.36	838.60	956.00	6.00%
SE9B3	After Hours - per request < 5kl (per 5kl or part thereof)	888.92	1 013.36	838.60	956.00	6.00%
SE9B2	After Hours Businesses with Public Toilets per removal	266.86	304.21	251.75	287.00	6.00%
SE9C	<b><u>Vacuum Tanker Service outside urban areas - PROVIDED ON REQUEST</u></b>					

## OVERSTRAND MUNICIPALITY

## SEWER TARIFF LIST

Tariff Code	Detail	2015/2016		2014/2015		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
SE9C1	Normal Applicable Tariff (SE9A1 or SE9A2 or SE9A4) PLUS additional per hour <b>PLUS SE9C2</b>	266.86	304.21	251.75	287.00	1.06
SE9C2	Normal ApplicableTariff (SE9A2) plus additional per km	13.02	14.84	12.28	14.00	1.10
	<b>After Hours for Vacuum Tanker Service outside urban areas - PROVIDED ON REQUEST</b>					
SE9C6	As per tariff SA2B - SA2B11	applicable tariff	applicable VAT	251.75	287.00	#VALUE!
SE9C7	After Hours Applicable Tariff (SE9B2) plus additional per km	13.02	14.84	12.28	14.00	6.00%
<b>SE10</b>	<b>SUNDRY CHARGES</b>					
SE9D	<b>Testing and Connection Fees</b>					
SE9D1	Testing of the septic and conservancy tanks per test	1 156.14	1 318.00	1 050.88	1 198.00	10.02%
SE9D2	Smallbore sewerage connection fee + tank test	5 307.02	6 050.00	4 824.56	5 500.00	10.00%
SE9D3	Sewer Connection	3 976.32	4 533.00	3 614.91	4 121.00	10.00%
SE9E	<b>Disposal</b>					
SE9E1	Charge per kl or part thereof	57.89	66.00	52.63	60.00	10.00%
<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		2015/2016		2014/2015	
			Exclude VAT	Include VAT	Exclude VAT	Include VAT
ED	ELECTRICITY CONSUMER DEPOSITS					
ED2A1	Large Power User Group tariff E5 (excluding Kleinmond)	R	0.00	no vat	0.00	no vat
ED2B2	Large Power User Group tariff E5 Kleinmond 2 weeks highest average consumption	R	calculated	no vat	calculated	no vat
ED2C3	Two Times average consumption during the preceding 12 months (Defaulters)	R	calculated	no vat	calculated	no vat
ED3A	Domestic & Commercial Single Phase Credit Meter (Two Part Tariff) Electricity	R	4 674.25	no vat	4 166.00	no vat
ED3B	Two Times average consumption during the preceding 12 months (Defaulters)	R	calculated	no vat	calculated	no vat
ED4A	Domestic Three Phase Credit Meter (Two Part Tariff)- Electricity	R	7 891.03	no vat	7 033.00	no vat
ED4B	Two Times average consumption during the preceding 12 months (Defaulters)	R	calculated	no vat	calculated	no vat
ED5A	Commercial Three Phase Credit Meter (Two Part Tariff) - Electricity	R	9 227.33	no vat	8 224.00	no vat
ED5B	Two Times average consumption during the preceding 12 months (Defaulters)	R	calculated	no vat	calculated	no vat
ED6A	Domestic & Commercial Single Phase P/Paid (Two Part Tariff) - Electricity	R	449.44	no vat	424.00	no vat
ED7A	Domestic & Commercial Three Phase P/Paid (Two Part Tariff) - Electricity	R	1 382.24	no vat	1 304.00	no vat
ED8	Deposit - Registered Indigent	R	146.28	no vat	138.00	no vat
EF	FIXED CHARGES					
EF1	Infrastructure Charge per Meter per month	R	16.65	18.98	16.65	18.98
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	216.83	247.19	204.56	233.20
	kWh Unit cost					
E1A2	IBT BLOCK 1 0 - 350 kWh	c	107.67	122.74	95.96	109.39
E1A3	IBT BLOCK 2 351 - 600 kWh	c	145.88	166.30	130.02	148.22
E1A4	IBT BLOCK 3 > 600 kWh	c	175.82	200.43	156.70	178.64
E1B	Two-Part Tariff: Pre-Paid up to 60 Amp (13.8 kVA BDMD) (Included Resorts)					
E1B1	Vehicles up to 1 Ton per vehicle load capacity - mixed builders rubble NO ADMISSION to Transfer Sta	R	216.83	247.19	204.56	233.20
	kWh Unit cost					
E1B2	IBT BLOCK 1 0 - 350 kWh	c	99.45	113.38	88.64	101.05
E1B3	IBT BLOCK 2 351 - 600 kWh	c	137.46	156.71	122.52	139.67
E1B4	IBT BLOCK 3 > 600 kWh	c	169.00	192.66	150.62	171.71
E1C	SINGLE PHASE : COMMERCIAL					
E1C1	Basic Monthly charge per meter	R	216.83	247.19	204.56	233.20
E1C2	kWh Unit cost - Credit Meters	c	149.45	170.37	133.20	151.85
E1C3	Kwh Unit cost - Pre-paid meters	c	140.83	160.55	125.52	143.09
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					
	kWh Unit cost					
E1D1	IBT BLOCK 1 0 - 350 kWh	c	98.62	112.43	87.90	100.21
E1E	One part tariff (Pre-paid meters only) Local Economic Development Projects					
	kWh Unit cost					
E1E1	As per tariff SA2B - SA2B11		Applicable Tariff	Applicable Vat	151.86	173.12
E3	THREE PHASE: COMMERCIAL & DOMESTIC					
E3E	Two-Part Tariff: (up to 100A,Credit) (70 kVA BDMD) DOMESTIC					

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Tariff Code	Detail		2015/2016		2014/2015	
			Exclude VAT	Include VAT	Exclude VAT	Include VAT
E3E1	Basic Monthly charge per meter	R	433.67	494.38	409.12	466.40
	<b>kWH Unit cost</b>					
E3E2	IBT BLOCK 1 0 - 350 kWh	c	107.67	122.74	95.96	109.39
E3E3	IBT BLOCK 2 351 - 600 kWh	c	145.88	166.30	130.02	148.22
E3E4	IBT BLOCK 3 > 600 kWh	c	175.82	200.43	156.70	178.64
<b>E3E</b>	<b>Two-Part Tariff: (up to 100A, Prepaid) (70 kVA BDMD) DOMESTIC</b>					
E3E5	Basic Monthly charge per meter	R	433.67	494.38	409.12	466.40
	<b>kWH Unit cost</b>					
E3E6	IBT BLOCK 1 0 - 350 kWh	c	99.45	113.38	88.64	101.05
E3E7	IBT BLOCK 2 351 - 600 kWh	c	137.46	156.71	122.52	139.67
E3E8	IBT BLOCK 3 > 600 kWh	c	169.00	192.66	150.62	171.71
<b>E3E</b>	<b>Two-Part Tariff: (up to 100A,Credit )(70 kVA BDMD) COMMERCIAL</b>					
E3E9	Basic Monthly charge per meter	R	433.67	494.38	409.12	466.40
E3E10	<b>kWH Unit cost</b>	c	149.45	170.37	133.20	151.85
<b>E3E</b>	<b>Two-Part Tariff: (up to 100A, Prepaid)(70 kVA BDMD) COMMERCIAL</b>					
E3E11	Basic Monthly charge per meter	R	433.67	494.38	409.12	466.40
E3E12	<b>kWH Unit cost</b>	c	140.83	160.55	125.52	143.09
<b>E3G</b>	<b>One-Part Tariff: (up to 100A,only prepaid) (70 kVA BDMD) Businesses, Flats, Sport grounds, Churches.(minimum of 800kWh average for twelve months)</b>					
E3G1	<b>kWH Unit cost</b>	c	186.58	212.70	166.29	189.57
<b>E5</b>	<b>TIME OF USE TARIFF (&gt; 70kVA)</b>					
	<b>Service Charge (per month) for MV and LV consumers</b>					
E5A1	<b>Administrative and Service charge per month</b>	R	2 335.53	2 662.50	New Structure	New Structure
E5A2	Network demand charge kVA: Utilised capacity	R	22.00	25.08	New Structure	New Structure
E5A3	Network Capacity Charge kVA: Notified Maximum Demand (NMD)	R	17.50	19.95	New Structure	New Structure
	<b>Medium Voltage Metering Points (11000V) &gt; 500kVA</b>					
E5A4	Off Peak kWh Unit Charge	c	40.00	45.60	New Structure	New Structure
E5A5	Standard kWh Unit Charge	c	72.00	82.08	New Structure	New Structure
E5A6	Peak kWh Unit Charge	c	234.00	266.76	New Structure	New Structure
	<b>Low Voltage Metering Points (400V) &gt;70kVA ≤ 500kVA</b>					
E5A7	Off Peak kWh Unit Charge	c	43.00	49.02	New Structure	New Structure
E5A8	Standard kWh Unit Charge	c	75.00	85.50	New Structure	New Structure
E5A9	Peak kWh Unit Charge	c	237.00	270.18	New Structure	New Structure
	<b>Sundry Charges</b>					
E5A10	Exceed NOTIFIED MAXIMUM DEMAND (NMD) per kVA Per month	R	860.45	980.91	766.89	874.25
<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	64.34	73.35	57.35	65.37
E7A2	Streetlights (consumption) (R per 100watt /per month)	R	22.57	25.73	20.12	22.93
E7A5	Illuminated street sign boards per month	R	22.57	25.73	20.12	22.93
<b>E8</b>	<b>CASUAL SUPPLIES</b>					
E8A1	Per connection includes disconnection excluding hire of kiosk	R	865.04	986.15	786.40	896.50

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Tariff Code	Detail		2015/2016		2014/2015		
			Exclude VAT	Include VAT	Exclude VAT	Include VAT	
E8A2	Consumption per day/CB Ampere size (per amp) if not metered	R	6.20	7.07	5.64	6.43	1.1000
E8A3	Hire of temporary distribution kiosk, per kiosk, per occasion	R	337.72	385.00	307.02	350.00	1.0600
E8A4	Deposit (Usage will be subtracted)	R	1 166.00	no vat	1 060.00	no vat	1.1220
<b>E9</b>	<b>AVAILABILITY CHARGES</b>						
E9A1	Availability charge per vacant plot per month	R	216.83	247.19	204.56	233.20	10.0000%
E9A2	Infrastructure per vacant plot per month	R	16.65	18.98	16.65	18.98	10.0000%
<b>E10</b>	<b>SUNDRY CHARGES</b>						10.0000%
E10A1	Call-out Fee - (office hours)	R	541.32	617.10	492.11	561.00	10.0000%
E10A2	Call-out Fee - after hours (Weekdays & Saturdays)	R	817.28	931.70	742.98	847.00	10.0000%
E10A3	Call-out Fee - after hours (Sundays & Public Holidays )	R	1 082.63	1 234.20	984.21	1 122.00	10.0000%
E10A4	MV. Switching on Council's equipment ( office hours )	R	1 613.33	1 839.20	1 466.67	1 672.00	10.0000%
E10A5	MV. Switching on Council's equipment -after hours (Weekdays & Saturdays )	R	2 420.00	2 758.80	2 200.00	2 508.00	10.0000%
E10A6	MV. Switching on Council's equipment -after hours (Sundays & Public holidays )	R	3 226.67	3 678.40	2 933.34	3 344.00	10.0000%
E10A7	Contractor Inspection 2nd	R	541.32	617.10	492.11	561.00	10.0000%
E10A8	Contractor Inspection 3rd	R	817.28	931.70	742.98	847.00	10.0000%
E10A9	Change of Circuit Breaker - S/Phase(1/annum) contact Electricity Department for approval	R	456.40	520.30	414.91	473.00	10.0000%
S15A5	Change of Circuit Breaker - 3 Phase(1/annum) contact Electricity Department for approval	R	902.19	1 028.49	820.17	934.99	10.0000%
E10A11	Disconnection	R	265.35	302.50	241.23	275.00	10.0000%
E10A12	Reconnection	R	265.35	302.50	241.23	275.00	10.0000%
E10A13	Verification of a Meter Reading	R	265.35	302.50	241.23	275.00	10.0000%
E10A14	Administration fee - recalculation due to no meter access	R	137.98	157.30	125.44	143.00	10.0000%
E10A15	Test of Meter: 1 & 3 Phase (Conditionally Refundable)	R	488.25	556.60	443.86	506.00	10.0000%
E10A16	Test of Meter: All other Meters (Conditionally Refundable)	R	1 008.33	1 149.50	916.67	1 045.00	10.0000%
E10A17	Tariff change - change between one part and two-part	R	180.44	205.70	164.04	187.00	10.0000%
E10A18	Damage elect meter (based on meter cost + call out X 2 + 15%)	R	1 695.00	1 932.30	1 061.40	1 210.00	59.6947%
E10A19	Damage elect meter 3 phase (based on meter cost + call out X 2 + 15%)	R	1 836.22	2 093.30	1 669.30	1 903.00	10.0000%
E10A191	Replacement of CIU (Meter keypad)		847.37	966.00	NEW	NEW	
E10A20	Damage of Bulk meter	R	9 393.42	10 708.50	8 539.48	9 735.00	10.0000%
E10A21	Change from Bulk to Time of Use (with existing bulk meter) + Deposit on request of user	R	541.32	617.10	492.11	561.00	10.0000%
E10A22	Change from Bulk to Time of Use (without existing bulk meter) + Deposit	R	9 393.42	10 708.50	8 539.48	9 735.00	10.0000%
E10A23	Commission of Bulk meter, supplied by customer (callout x 3)	R	1 634.56	1 863.40	1 485.97	1 694.00	10.0000%
E10A24	Damage of HV Cable	R	cost + R30,250.00	Applicable Vat	cost + R27,500.00	Applicable Vat	10.0000%
E10A25	Damage of MV Cable	R	cost + R7,907.46	Applicable Vat	cost + R7,188.60	Applicable Vat	10.0000%
E10A26	Damage of LV Cable	R	cost + R3,184.21	Applicable Vat	cost + R2,894.74	Applicable Vat	9.9999%
E10A27	Damage of Service Connection Cable	R	cost + R796.05	Applicable Vat	cost + R723.68	Applicable Vat	10.0003%
E10A28	Working without Way leave	R	4 081.00	4 652.34	3 710.00	4 229.40	10.0000%
E10A29	Refundable Wayleave <b>deposit</b> for HV cables	R	58 300.00	no vat	53 000.00	no vat	10.0000%
E10A30	Refundable Way leave <b>deposit</b> for MV cables	R	14 575.00	no vat	13 250.00	no vat	10.0000%



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Tariff Code	Detail		2015/2016		2014/2015	
			Exclude VAT	Include VAT	Exclude VAT	Include VAT
E10A31	Refundable Way leave <b>deposit</b> for LV cables	R	3 148.20	no vat	2 862.00	no vat
E10A32	Cancellation Fee of requested service	R	15% of Service Value	no vat	15% of Service Value	no vat
E10A33	Erection and removal of Banners, signs & lights (per hour) (Vehicle cost + labour)	R	660.00	752.40	1 100.00	1 254.00
<b>E12</b>	<b>CONVERSION OF METERS</b>					
E12A1	Convert Credit Meter to P/P: SP (no cable work) (based on meter cost + call out X 2 +15%)	R	934.03	1 064.80	849.12	968.00
E12A2	Convert Credit Meter to P/P: 3P (no cable work ) (Based on meter cost + call out X 2 +15%)	R	2 220.00	2 530.80	3 087.72	3 520.00
E12A3	Convert Credit Three Phase to Singe Phase P/P meter	R	1 138.60	1 298.00	1 035.09	1 180.00
E12A4	Convert Credit Three Phase to Single Phase Credit (Commercial only)	R	859.74	980.10	781.58	891.00
E12A5	Convert P/P Single Phase to Three Phase PP (based on tariff E13A8) cost included cable to boundary	R	R8,724 + ext fee	Applicable Vat	R7,931.58 + ext fee	Applicable Vat
E12A6	Convert P/P Three Phase to Single Phase PP (based on meter cost = call out x 2 = CB = 15%)	R	1 167.54	1 331.00	1 061.40	1 210.00
E12A7	Removal of Meter		541.32	617.10	492.11	561.00
E12A8	Repositioning of Meter (excl. cable )	R	541.32	617.10	492.11	561.00
E12A9	Repositioning of Meter (incl. cable )	R	1 326.75	1 512.50	1 206.14	1 375.00
<b>E13</b>	<b>SERVICE CONNECTIONS</b>					
E13A1	Builders connection (plus applicable service connection tariff)	R	700.53	798.60	636.85	726.00
E13A4	Single Phase (Credit - 60A) option for Commercial users only	R	4 723.25	5 384.50	4 293.86	4 895.00
E13A6	Single Phase - (Pre-paid meters - 60A) applicable to Domestic users (Network Permitted)	R	4 723.25	5 384.50	4 293.86	4 895.00
E13A7	Three Phase : (Credit - 60A) Plus Extension fee	R	R8,724.74 + ext fee	Applicable Vat	R7,931.58 + ext fee	Applicable Vat
E13A8	Three Phase : (Pre-Paid - 60A) Plus Extension fee	R	R8,724.74 + ext fee	Applicable Vat	R9,166.67 + ext fee	Applicable Vat
E13A9	Non Standard : Pre-paid 30 Amp Single phase (Sub economic connections)	R	2 865.79	3 267.00	2 605.26	2 970.00
E13A10	Single Phase (Credit 60A- Developer install cable to boundary ) option for Commercial users only	R	1 326.75	1 512.50	1 206.14	1 375.00
E13A11	Single Phase (Pre-Paid 60A-Developer install cable to boundary) applicable to Domestic users (Network permitted)	R	1 231.22	1 403.60	1 119.30	1 276.00
E13A12	Three Phase (Credit 60A- Developer install cable to boundary )	R	R2,706.57 + ext fee	Applicable Vat	R2,460.52 + ext fee	Applicable Vat
E13A13	Three Phase (Pre-Paid 60A-Developer install cable to boundary)	R	R2,706.57 + ext fee	Applicable Vat	R2,460.52 + ext fee	Applicable Vat
E13A14	Any other none standard connections		cost + 15% admin	Applicable vat	cost + 15% admin	Applicable vat
<b>E14</b>	<b>REMEDIAL ACTION FEE (TAMPERING ) (Including damage or bypass of the DSM Hot Water Cylinder Control Unit</b>					
E14A1	1 st Offence	R	3 230.70	no vat	2 937.00	no vat
E14A2	2 nd Offence (E14A1 X 2)	R	6 461.40	no vat	4 400.00	no vat
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	Cost of new Connection plus 50%	Applicable Vat
E14A4	Unsafe / Illegal leads (per visit ) ( <b>reconnection fee included</b> )	R	1 447.37	1 650.00	1 315.79	1 500.00
<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 excluding Dist. TF	R	1 162.98	1 325.80	1 630.71	1 859.00
E15A2	Primary Cost p/kVA -include all MV. Equipment UP to Main Substation or identified point of supply excluding Dist. TF	R	3 187.61	3 633.88	2 770.88	3 158.80
E15A3	Secondary Cost p/kVA -include all MV. Equipment UP to Main Substation or identified point of supply including Dist. TF	R	4 060.19	4 628.62	4 086.40	4 658.50

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Tariff Code	Detail		2015/2016		2014/2015	
			Exclude VAT	Include VAT	Exclude VAT	Include VAT
E15A4	Secondary Cost p/kVA -include all MV. Equipment UP to Main Substation or identified point of supply including Dist. TF and Kiosk	R	5 297.86	6 039.56	5 133.34	5 852.00
E15A5	Buying/Refund of spare capacity cost/kVA	R	100% of approved installation cost	Applicable VAT	50%	Applicable VAT
E15A6	Investigation Fee	R	3 237.28	3 690.50	2 942.98	3 355.00
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>					
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	24 966.67	28 462.00
DC2B	<u>New Developments</u>					
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	14 285.18	16 285.11
DC2B2	Standard fee per Three Phase Domestic erf - infrastructure provide by developer (42kVA x E15A2x.36)	R	48 196.66	54 944.19	43 476.65	49 563.38
DC2C	MV/LV Bulk Supply with metering point cost / kVA= Tariff E15A2	R	3 187.61	3 633.88	2 797.37	3 189.00
DC2C1	LV Bulk Supply if capacity is available on existing TF cost / kVA = Tariff E15A3	R	4 060.19	4 628.62	3 975.44	4 532.00
<b>E17</b>	<b>WHEELING TARIFF</b>					
E17A1	Firm network situation (network will not be interrupted under normal operations	c	19.11	21.78	17.37	19.80
E17A2	Non-Firm network situation (Municipal networks may not always be available for transport of energy under normal operation per kWh	c	11.67	13.30	10.61	12.10

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10.8564%

13.9502%

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**WATER TARIFFS**

Tariff Code	Detail	2015/2016		2014/2015		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
<b>WD</b>	<b>CONSUMER DEPOSITS</b>					
WD1A	Domestic - Water	955.00	no vat	901.00	no vat	1.06
WD1B	Two Times average consumption during the preceding 12 months (Defaulters)	calculated	no vat	calculated	no vat	1.10
WD2A	Commercial - Water - Consumption < 40kl	2 191.00	no vat	2 067.00	no vat	
WE2B	Two Times average consumption during the preceding 12 months (Defaulters)	calculated	no vat	calculated	no vat	5.99%
WD3A	Commercial - Water - Consumption 40 - 100kl	7 722.00	no vat	7 722.00	no vat	
WD3B	Two Times average consumption during the preceding 12 months (Defaulters)	calculated	no vat	calculated	no vat	6.00%
WD4A	Commercial - Water - Consumption 100 kl +	12 865.00	no vat	12 137.00	no vat	
WD4B	Two Times average consumption during the preceding 12 months (Defaulters)	calculated	no vat	calculated	no vat	0.00%
WD5A	Domestic - Water RUE's	Applicable Rue's X WD1A	no vat	Applicable Rue's X WD1A	no vat	
WD5B	Two Times average consumption during the preceding 12 months (Defaulters)	calculated	no vat	calculated	no vat	6.00%
WD6	Indigent - registered	150.00	no vat	138.00	no vat	8.70%
<b>W1</b>	<b>BASIC CHARGE</b>					
W1A1	Basic Monthly Charge per erf/unit per month	108.42	123.60	102.28	116.60	6.00%
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>					
<b>W1B</b>	<b>CONSUMPTION - HOUSEHOLDS</b>					
	<b>Normal Tariff</b>					
W1B1	0 - 6 kl per kl	3.62	4.13	3.25	3.71	11.50%
W1B2	7 - 18 kl per kl	9.12	10.39	8.60	9.80	6.00%
W1B3	19 - 30 kl per kl	14.79	16.86	13.95	15.90	6.00%
W1B4	31 - 45 kl per kl	22.76	25.95	21.48	24.48	6.00%
W1B5	46 - 60 kl per kl	29.57	33.71	27.90	31.81	6.00%
W1B6	Vehicles up to 1 Ton per vehicle load capacity - mixed builders rubble NO ADMISSION to Transfer Sta	39.43	44.95	37.20	42.40	6.00%
	<b>Restriction Tariff (level 1 restrictions)</b>					
W1B7	0 - 6 kl per kl	4.71	5.37	4.23	4.82	11.37%
W1B8	7 - 18 kl per kl	11.85	13.51	11.18	12.74	6.05%
W1B9	19 - 30 kl per kl	19.22	21.91	18.13	20.67	6.03%
W1B10	31 - 45 kl per kl	29.59	33.74	27.92	31.83	5.99%
W1B11	46 - 60 kl per kl	38.45	43.83	36.27	41.35	6.00%
W1B12	>60kl per kl	51.25	58.43	48.36	55.12	6.00%
	<b>Restriction Tariff (level 2 restrictions)</b>					
W1B13	0 - 6 kl per kl	5.80	6.61	5.21	5.94	11.29%
W1B14	7 - 18 kl per kl	14.59	16.63	13.75	15.68	6.08%
W1B15	19 - 30 kl per kl	23.66	26.97	22.31	25.43	6.05%
W1B16	31 - 45 kl per kl	36.42	41.52	34.36	39.17	6.00%
W1B17	46 - 60 kl per kl	47.32	53.94	44.64	50.89	6.00%
W1B18	As per tariff SA2B - SA2B11	applicable tariff	applicable VAT	59.51	67.84	#VALUE!
	<b>Restriction Tariff (level 3 restrictions)</b>					
W1B19	0 - 6 kl per kl	7.25	8.26	6.51	7.42	11.33%

## OVERSTRAND MUNICIPALITY

## WATER TARIFFS

Tariff Code	Detail	2015/2016		2014/2015		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
W1B20	7 - 18 kl per kl	18.23	20.78	17.19	19.60	1.06
W1B21	>18 kl per kl	78.85	89.89	74.39	84.80	1.10
<b>W1BI</b>	<b>CONSUMPTION - REGISTERED INDIGENT HOUSEHOLDS</b>					6.06%
	<b>Normal Tariff</b>					6.00%
W1BI1	0 - 6 kl per kl - subsidised	3.62	4.13	3.25	3.71	11.50%
W1BI2	7 - 18 kl per kl	9.12	10.39	8.60	9.80	6.00%
W1BI3	19 - 30 kl per kl	14.79	16.86	13.95	15.90	6.00%
W1BI4	31 - 45 kl per kl	22.76	25.95	21.48	24.48	6.00%
W1BI5	46 - 60 kl per kl	29.57	33.71	27.90	31.81	6.00%
W1BI6	>60kl per kl	39.43	44.95	37.20	42.40	6.00%
	<b>Restriction Tariff (level 1 restrictions)</b>					
W1BI7	0 - 6 kl per kl - subsidised	4.71	5.37	4.23	4.82	11.37%
W1BI8	7 - 18 kl per kl	11.85	13.51	11.18	12.74	6.05%
W1BI9	19 - 30 kl per kl	19.22	21.91	18.13	20.67	6.03%
W1BI10	31 - 45 kl per kl	29.59	33.74	27.92	31.83	5.99%
W1BI11	46 - 60 kl per kl	38.45	43.83	36.27	41.35	6.00%
W1BI12	>60kl per kl	51.25	58.43	48.36	55.12	6.00%
	<b>Restriction Tariff (level 2 restrictions)</b>					
W1BI13	0 - 6 kl per kl - subsidised	5.80	6.61	5.21	5.94	11.29%
W1BI14	7 - 18 kl per kl	14.59	16.63	13.75	15.68	6.08%
W1BI15	19 - 30 kl per kl	23.66	26.97	22.31	25.43	6.05%
W1BI16	31 - 45 kl per kl	36.42	41.52	34.36	39.17	6.00%
W1BI17	46 - 60 kl per kl	47.32	53.94	44.64	50.89	6.00%
W1BI18	>60kl per kl	63.08	71.91	59.51	67.84	6.00%
	<b>Restriction Tariff (level 3 restrictions)</b>					
W1BI19	0 - 6 kl per kl - subsidised	7.25	8.26	6.51	7.42	11.33%
W1BI20	7 - 18 kl per kl	18.23	20.78	17.19	19.60	6.06%
W1BI21	>18 kl per kl	78.85	89.89	74.39	84.80	6.00%
<b>W1C</b>	<b>CONSUMPTION - ALL OTHER</b>					
	<b>Normal Tariff</b>					
W1C1	0 - 18 kl per kl	9.59	10.93	8.60	9.80	11.50%
W1C2	19 - 30 kl per kl	14.79	16.86	13.95	15.90	6.00%
W1C3	31 - 45 kl per kl	22.76	25.95	21.48	24.48	6.00%
W1C4	46 - 60 kl per kl	29.57	33.71	27.90	31.81	6.00%
W1C5	>60 kl per kl	39.43	44.95	37.20	42.40	6.00%
	<b>Restriction Tariff (level 1 restrictions)</b>					
W1C6	0 - 18 kl per kl	12.47	14.21	11.18	12.74	11.55%
W1C7	19 - 30 kl per kl	19.22	21.91	18.13	20.67	6.03%
W1C8	31 - 45 kl per kl	29.59	33.74	27.92	31.83	5.99%
W1C9	46 - 60 kl per kl	38.45	43.83	36.27	41.35	6.00%
W1C10	>60 kl per kl	51.25	58.43	48.35	55.12	6.01%
	<b>Restriction Tariff (level 2 restrictions)</b>					
W1C11	0 - 18 kl per kl	15.34	17.49	13.75	15.68	11.58%

## OVERSTRAND MUNICIPALITY

## WATER TARIFFS

Tariff Code	Detail	2015/2016		2014/2015		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
W1C12	19 - 30 kl per kl	23.66	26.97	22.31	25.43	1.06
W1C13	31 - 45 kl per kl	36.42	41.52	34.36	39.17	1.10
W1C14	46 - 60 kl per kl	47.32	53.94	44.64	50.89	6.05%
W1C15	>60 kl per kl	63.08	71.91	59.51	67.84	6.00%
	<b>Restriction Tariff (level 3 restrictions)</b>					
W1C16	0 - 10 kl per kl	19.18	21.86	17.19	19.60	11.56%
W1C17	>10 kl per kl	78.85	89.89	74.39	84.80	6.00%
<b>W1D</b>	<b>OTHER CONSUMERS</b>					
W1D1	Departmental per Kl	13.95	15.90	13.95	15.90	0.00%
W1D2	Fire Hoses: Basic per Month	137.99	157.30	130.18	148.40	6.00%
W1D3	Bulk usage (Unconnected to networks) per Kl	11.16	12.72	11.16	12.72	0.00%
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	13.95	15.90	13.95	15.90	0.00%
<b>W1E</b>	<b>WET COMMERCIAL, SPORT, PARKS etc (must apply for this tariff)</b>					
	<b>Normal Tariff</b>					#DIV/0!
W1E1	0 - 500kl per kl	13.95	15.90	13.95	15.90	0.00%
W1E2	501 - 1000kl per kl	22.18	25.28	20.92	23.85	6.00%
W1E3	>1000kl per kl	29.57	33.71	27.90	31.81	6.00%
	<b>Restriction Tariff (level 1 restrictions)</b>					
W1E4	0 - 300kl per kl	18.14	20.67	18.13	20.67	0.03%
W1E5	301 - 700kl per kl	28.83	32.86	27.20	31.01	5.98%
W1E6	>700kl per kl	38.45	43.83	36.27	41.34	6.01%
	<b>Restriction Tariff (level 2 restrictions)</b>					
W1E7	0 - 250kl per kl	22.32	25.44	22.32	25.44	0.00%
W1E8	251 - 500kl per kl	35.48	40.45	33.48	38.16	5.99%
W1E9	>500kl per kl	47.32	53.94	44.64	50.88	6.01%
	<b>Restriction Tariff (level 3 restrictions)</b>					
W1E10	0 - 100kl per kl	27.90	31.81	27.90	31.81	0.00%
W1E11	>100 kl per kl	59.15	67.43	55.79	63.60	6.02%
<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	14.53	16.56	13.03	14.85	11.50%
W1F2	> 5800kl per kl	29.57	33.71	27.90	31.81	6.00%
	<b>Restriction Tariff (level 1 restrictions)</b>					
W1F3	0 - 5800kl per kl	18.89	21.53	16.94	19.31	11.49%
W1F4	> 5800kl per kl	38.45	43.83	36.27	41.35	6.00%
	<b>Restriction Tariff (level 2 restrictions)</b>					
W1F5	0 - 5800kl per kl	23.25	26.50	20.85	23.77	11.49%
W1F6	> 5800kl per kl	47.32	53.94	44.64	50.89	6.00%
	<b>Restriction Tariff (level 3 restrictions)</b>					

**OVERSTRAND MUNICIPALITY**

**WATER TARIFFS**

Tariff Code	Detail	2015/2016		2014/2015		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
W1F7	0 - 5 800kl per kl	29.06	33.12	26.06	29.71	1.06
W1F8	>5 800 kl per kl	59.15	67.43	55.79	63.60	1.10
<b>W2A</b>	<b>AVAILABILITY CHARGES</b>					11.50%
W2A1	Overstrand per month	108.42	123.60	102.28	116.60	6.00%
W2A2	Farms connected to water pipe line	108.42	123.60	102.28	116.60	6.00%
<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	13.95	15.90	13.95	15.90	0.00%
<b>W3A</b>	<b>IRRIGATION WATER ("LEI WATER") &amp; RAW WATER</b>					
W3A1	Use and pump water (80-90 min) per annum Stanford	225.72	257.32	212.94	242.75	6.00%
W3A2	Pearly Beach Small Holdings: Basic	40.40	46.05	38.11	43.45	6.00%
W3A3	Pearly Beach Small Holdings: Consumption 0- 70 kl per kl	3.16	3.60	2.98	3.40	6.00%
W3A4	Pearly Beach Small Holdings: Consumption >70 kl per kl	7.39	8.42	6.97	7.95	6.00%
W3A5	Others	3.16	3.60	2.98	3.40	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%
<b>W3B</b>	<b>IRRIGATION WATER - (TREATED EFFLUENT)</b>					
W3B2	Hermanus Golf Club per month	35 975.44	41 012.00	33 938.60	38 690.00	6.00%
W3B3	All other per kl	2.02	2.30	1.89	2.15	6.88%
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	2.02	2.30	1.89	2.15	6.88%
<b>W4</b>	<b>SUNDRY CHARGES</b>					
W4A1	Testing of a Meter (Call-out Fee incl)(Conditionally refundable)	723.68	825.00	657.90	750.00	10.00%
W4A2	Testing of a Meter (Ind/Bulk Meter)(Conditionally refundable) <b>*Minimum charge of R500</b>					
W4A3	Disconnection	328.07	374.00	297.54	339.20	10.26%
W4A4	Reconnection	328.07	374.00	297.54	339.20	10.26%
W4A5	Reconnection After Normal Working Hours	656.14	748.00	595.09	678.40	10.26%
W4A6	Administration fee - recalculation due to no meter access	128.07	146.00	116.23	132.50	10.19%
W4A7	Verification of a Meter Reading	179.83	205.00	162.72	185.50	10.51%
W4A8	Final and Special Readings	164.04	187.00	148.77	169.60	10.26%
W4A9	Call-out Fee - Normal Working Hours	328.07	374.00	297.54	339.20	10.26%
W4A10	Call-out Fee - After Hours	656.14	748.00	595.09	678.40	10.26%
W4A11	Registration of Borehole (Including inspection fee)	245.61	280.00	223.16	254.40	10.06%
W4A12	Repositioning of Meter (excl. pipe )	721.05	822.00	655.53	747.30	9.99%
W4A13	Convert to Water Flow Restrictor Meter	2 348.25	2 677.00	2 134.21	2 433.00	10.03%
W4A14	Temporary Connections - Deposit	6 180.00	no vat	5 618.00	no vat	10.00%
W4A15	Temporary Connection - Usage per kl	11.58	13.20	10.53	12.00	10.00%
W4A16	Damage of Water Meter	Actual cost plus 15%	Applicable vat	Actual cost plus 15%	Applicable vat	
W4A17	Damage of Watermain	Actual cost plus R2,495.24	Applicable vat	Actual cost plus R2,268.40	Applicable vat	10.00%
W4A18	Damage of Service Connection (including water meter)	Actual cost plus R623.81	Applicable vat	Actual cost plus R567.10	Applicable vat	10.00%

OVERSTRAND MUNICIPALITY

WATER TARIFFS

Tariff Code	Detail	2015/2016		2014/2015		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
<b>W5</b>	<b>REMEDIAL ACTION FEE (TAMPERING)</b>					1.06
W5A1	1st Offence	5 480.00	no vat	4 982.00	no vat	1.10
W5A2	2nd Offence Total disconnection/removal of connection	Total disconnection		Total disconnection		10.00%
<b>W6</b>	<b>CONNECTION FEE</b>					
W6A1	20 mm Connection Conventional Meter	4 014.91	4 577.00	3 650.00	4 161.00	10.00%
W6A2	20 mm Connection Water Flow Restrictor Meter	4 768.42	5 436.00	4 335.09	4 942.00	10.00%
W6A3	Other Connections	Actual cost plus 15%	Applicable vat	Actual cost plus 15%	Applicable vat	
W6A4	Connections (Erf Boundary - by Developer)	1 043.86	1 190.00	949.12	1 082.00	9.98%
<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

### ANNEXURE TO WATER TARIFFS

#### ALLOCATION OF RUE's TO CATEGORIES OF CONSUMERS – 2015/16

<b>Clinics – Out patients</b>	□ 1 RUE
<b>Flats</b>	□ 1 RUE per unit
<b>Guest houses and B &amp; B's</b>	□ 1 RUE
<b>Household related consumers that do not fall in one of the above household consumer categories</b>	□ 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>	□ 1 RUE per 7 Beds
<b>Retirement Villages, Hospital &amp; Hospice</b>	□ 1 RUE per 1 residential unit □ 1 RUE per 7 Beds
<b>Single Residential erven</b>	□ 1 RUE
<b>Townhouse and group developments</b>	□ 1 RUE per unit

RUE = Residential Unit Equivalent

**OVERSTRAND MUNICIPALITY**  
**TARIFFS FOR RESORTS FOR THE 2015/2016 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 holiday, the deposit **will not** be paid back.

**NOTE:**

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

PALMIET & KLEINMOND CARAVAN PARKS (Vote number 1 01 0260 255 & 1 01 0261 255)							
SEASON	PERIOD	A Stands	B Stands	C Stands	A Stands	B Stands	C Stands
		2015/2016			2014/2015		
		Per Day	Per Day	Per Day	Per Day	Per Day	Per Day
<b>High Season</b>	1 December – 31 January & Easter Weekend	R363.00	R279.00	R255.00	R330.00	R253.00	R231.00
<b>Low Season</b>	1 February – 30 November (Excluding Easter Weekend)	R200.00	R170.00	R158.00	R182.00	R154.00	R143.00
<ul style="list-style-type: none"> <li>Plus: All stands with the availability of electricity = R36.00 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)* = R52.00 per person per day.</li> <li>Additional vehicle or small trailer or small boat to maximum of 2 units = R28.00 per unit per day.</li> <li>Day visitors for campers up to a maximum of four (4)* = R52.00 per person per day and R39.00 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 R2,433.00 for a period of 30 days.</li> </ul> </li> <li>Gate Card / Key Deposit R132.00 per set (refundable).</li> <li>Long Term rental R770.00 per month plus R176.00 per month for Electricity.</li> </ul>							

KLEINMOND : FRANK ROBB HUT		
	2015/2016	2014/2015
Camping per person (max 10 persons) per day	R85.00	R77.00



**OVERSTRAND MUNICIPALITY  
TARIFFS FOR RESORTS FOR THE 2015/2016 FINANCIAL YEAR**

ONRUS CARAVAN PARK : PLETT HOUSE			
		2015/2016	2014/2015
High Season	1 December – 31 January & Easter Weekend	R400.00	NEW
Low Season	1 February – 30 November (Excluding Easter Weekend)	R250.00	NEW

ONRUS CARAVAN PARK (Vote number 1 01 0263 255)							
SEASON	PERIOD	A Stands	B Stands	C Stands	A Stands	B Stands	C Stands
		2015/2016			2014/2015		
		Per Day	Per Day	Per Day	Per Day	Per Day	Per Day
High Season	1 December – 31 January & Easter Weekend	R396.00	R304.00	R278.00	R330.00	R253.00	R231.00
Low Season	1 February – 30 November (Excluding Easter Weekend)	R219.00	R185.00	R172.00	R182.00	R154.00	R143.00

- Plus: All stands with the availability of electricity = R36.00 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)\* = R57.00 per person per day.
- Additional vehicle or small trailer or small boat to maximum of two (2) units = R30.00 per unit per day.
- Children under two (2) years are free and children under twelve (12) years at half price.
- Daily Functions (pre-arrangement) = R146.00 per day
- Long Term Rental = R 13,482.00 pa **plus the following:**
  - Pergola with covering = R 113.00 pm (R1,356.00 pa)
  - Water tap = R 24.00 pm (R288.00 pa)
  - Structure for storing purposes = R 24.00 pm (R288.00 pa)
  - Permanent fireplace structure = R 24.00 pm (R288.00 pa)
  - Electricity per stand = R 75.00 pm (R900.00 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 R2,654.00 for a period of 30 days
- Full 30 day Rental = R3,888.00
- Gate Card / Key Deposit R132.00 per set (refundable).

**OVERSTRAND MUNICIPALITY**  
**TARIFFS FOR RESORTS FOR THE 2015/2016 FINANCIAL YEAR**

GANSBAAI CARAVAN PARK (Vote number 1 01 0266 255)							
SEASON	PERIOD	A Stands	B Stands	C Stands	A Stands	B Stands	C Stands
				2015/2016		2014/2015	
		Per Day	Per Day	Per Day	Per Day	Per Day	Per Day
<b>High Season</b>	1 December – 31 January & Easter Weekend	R242.00	R200.00	R170.00	R220.00	R182.00	R154.00
<b>Low Season</b>	1 February – 30 November (Excluding Easter Weekend)	R182.00	R170.00	R158.00	R165.00	R154.00	R143.00
<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)* = R52.00 per person per day.</li> <li>Additional vehicle or small trailer or small boat = R37.00 per unit per day.</li> <li>Day visitors for campers up to a maximum of four (4) = R39.00 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 7,140.00 pa. (Vote number 1 01 0266 257)</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>							

HAWSTON DAY CAMPING SITE (Vote Number 1 01 0262 255)				
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
	2015/2016		2014/2015	
	Per Day	Per Day	Per Day	Per Day
Camping Sites	R92.00	R170.00	R 83.00	R 154.00
Picnic Fees : Per Vehicle (excluding buses > 20 seats) + persons	R12.00	R12.00	R 11.00	R 11.00
: Per Bus > 20 seats + persons	R146.00	R146.00	R 132.00	R 132.00
Adults (per person)	R12.00	R12.00	R 11.00	R 11.00
Children (per child < 12)	R3.50	R4.50	R 3.00	R 4.00
<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 = R37.00 per unit per day.</li><li>Events – partial or whole day camp site, per day or portion of the day = R485.00 per day.</li><li>Events – community based – partial or whole day camp site, per day or portion of the day = R121.00.</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>				

**OVERSTRAND MUNICIPALITY**  
**DEVELOPMENT CONTRIBUTION POLICY 2015/2016**  
(Attachment to the Tariff Schedule)

1. The developer will be responsible for the payment of development contributions in accordance with the relevant legislation and as determined by Council.

The calculation methodology as listed below will generally be used as a guideline to determine the development contributions.

The Council may deviate from this guideline in accordance with the relevant legislation particularly where large developments with significant impact on services are being processed.

The developer may be required by the council to provide bulk services in lieu or in part of the payment of development contributions.

The Council may revise the Development Contribution Policy at any stage.

2. Gap Housing:

Municipal land made available by the Municipality for the purposes of housing specific with reference to the GAP market for households with an income between R 3501 – R 18 000 per month.

- |               |                 |
|---------------|-----------------|
| ➤ Gap Housing | 50% of Standard |
|---------------|-----------------|

3. Government Subsidised Housing:

Low Cost Housing Projects funded by the Department of Human Settlements.

- |                                 |                             |
|---------------------------------|-----------------------------|
| ➤ Government Subsidised Housing | 0% Development Contribution |
|---------------------------------|-----------------------------|

4. High Density Units:

High and Medium density Residential Developments for example flats, town houses, retirement units, etc.

- |   |                 |
|---|-----------------|
| ➤ High Density Units up to 2 bed rooms (R/Unit)     | 50% of Standard |
| ➤ High Density Units more than 2 bed rooms (R/Unit) | 75% of Standard |

5. Second Dwellings

- No development contribution will be applicable as long as the normal standard water, electricity and sewerage connections for single units are used. If upgraded connections are required, the normal development contributions listed in paragraph 6 below will be applicable.

**OVERSTRAND MUNICIPALITY**  
**DEVELOPMENT CONTRIBUTION POLICY 2015/2016**  
(Attachment to the Tariff Schedule)

**6. DEVELOPMENT CONTRIBUTION TARIFF LIST**

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	21,799.12	24,851.00	20,564.91	23,444.00	1,407.00	6.00%
<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	24,966.67	28,462.00	1,707.99	6.00%
DC2B	<b>New Developments</b>						
DC2B1	Standard fee per Single Phase Domestic erf - infrastructure provide by developer (13.8 kVA x E15A2 x.36)	15,836.05	18,053.10	14,285.18	16,285.11	977.89	6.00%
DC2B2	Standard fee per Three Phase Domestic erf - infrastructure provide by developer (42kVA x E15A2x.36)	48,196.66	54,944.19	43,476.65	49,563.38	2,974.62	6.00%
DC2C	MV/LV Bulk Supply with metering point cost / kVA= Tariff E15A2	3,187.61	3,633.88	2,797.37	3,189.00	192.00	6.02%
DC2C1	LV Bulk Supply if capacity is available on existing TF cost / kVA = Tariff E15A3	4,060.19	4,628.62	3,975.44	4,532.00	272.00	6.00%
<b>DC3</b>	<b>SEWERAGE</b>						
DC3A	Standard Fee per Equivalent Unit	17,495.61	19,945.00	16,505.26	18,816.00	1,129.00	6.00%
<b>DC4</b>	<b>ROADS &amp; STORMWATER</b>						
DC4A	Standard Fee per Equivalent Unit	5,701.75	6,500.00	5,378.95	6,132.00	367.99	6.00%
<b>DC5</b>	<b>OFF-GRID DEVELOPMENT/UNITS</b>						
DC5A	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		

**OVERSTRAND MUNICIPALITY**  
**DEVELOPMENT CONTRIBUTION POLICY 2015/2016**  
(Attachment to the Tariff Schedule)

DC6	EVALUATION/INVESTIGATION LEVIES are payable OVER and ABOVE the Bulk Service Levies						
DC6A	<b>Water</b>						
	No. of Equivalent units						
DC6A1	1 - 4	No Charge	No Charge	No Charge	No Charge		
DC6A2	5 - 10	5,923.68	6,753.00	5,587.72	6,370.00	335.96	6.01%
DC6A3	11 – 25	9,921.93	11,311.00	9,359.65	10,670.00	562.28	6.01%
DC6A4	26 - 50	13,920.18	15,869.00	13,131.58	14,970.00	788.59	6.01%
DC6A5	51 - 100	15,844.74	18,063.00	14,947.37	17,040.00	897.37	6.00%
DC6A6	101 – 250	17,757.90	20,244.00	16,752.63	19,098.00	1,005.27	6.00%
DC6A7	251 – 500	20,800.00	23,712.00	19,621.93	22,369.00	1,178.07	6.00%
DC6A8	501 – 2000	23,362.28	26,633.00	22,039.47	25,125.00	1,322.81	6.00%
DC6A9	2000 – 5000	27,997.37	31,917.00	26,412.28	30,110.00	1,585.09	6.00%
DC6A10	> 5001	31,995.61	36,475.00	30,184.21	34,410.00	1,811.40	6.00%
DC6E	<b>Sanitation</b>						
	No. of Equivalent units						
DC6E1	1 - 4	No Charge	No Charge	No Charge	No Charge		
DC6E2	5 - 10	6,278.95	7,158.00	5,922.81	6,752.00	356.14	6.01%
DC6E3	11 – 25	10,517.54	11,990.00	9,921.93	11,311.00	595.61	6.00%
DC6E4	26 - 50	14,756.14	16,822.00	13,920.18	15,869.00	835.97	6.01%
DC6E5	51 - 100	16,795.61	19,147.00	15,844.74	18,063.00	950.87	6.00%
DC6E6	101 – 250	18,823.68	21,459.00	17,757.90	20,244.00	1,065.79	6.00%
DC6E7	251 – 500	22,048.25	25,135.00	20,800.00	23,712.00	1,248.25	6.00%
DC6E8	501 – 2000	24,764.04	28,231.00	23,362.28	26,633.00	1,401.76	6.00%
DC6E9	2000 – 5000	29,678.07	33,833.00	27,997.37	31,917.00	1,680.70	6.00%
DC6E10	> 5001	33,915.79	38,664.00	31,995.61	36,475.00	1,920.18	6.00%

## **ANNEXURE D**

### **TARIFF BASKETS**

## OVERSTRAND MUNICIPALITY

## MONTHLY BASKET OF TARIFFS - SINGLE RESIDENTIAL 2015/16

**High Consumption with credit elect meter**

Valuation R3 500 000

	Year	Year	Increase/Decrease	
	2014/2015	2015/2016	Amount	%
Rates	952.20	1 017.43	65.23	6.85
Sewer <b>SE7A1+SE8A</b>	450.24	477.41	27.17	6.03
Infrastructure Basic Charge Water, Electricity & Sewer	41.70	41.70	0.00	0.00
Refuse <b>1X Per Week</b>	130.18	137.99	7.81	6.00
Water 50 kl	854.08	906.31	52.23	6.12
VAT	206.67	218.88	12.21	5.91
<b>SUB TOTAL</b>	<b>2 635.07</b>	<b>2 799.71</b>	<b>164.65</b>	<b>6.25</b>
Electricity Credit Meter 1500 kWh	2 275.75	2 540.70	264.95	11.64
VAT	318.60	355.70	37.09	11.64
<b>TOTAL</b>	<b>5 229.42</b>	<b>5 340.41</b>	<b>429.60</b>	<b>8.22</b>
<i>HPP if applicable</i>	95.22	101.74	6.52	6.85

**High Consumption with prepaid elect meter**

Valuation R3 500 000

	2014/2015	2015/2016	Amount	%
Rates	952.20	1 017.43	65.23	6.85
Sewer <b>SE7A1+SE8A</b>	450.24	477.41	27.17	6.03
Infrastructure Basic Charge Water, Electricity & Sewer	41.70	41.70	0.00	0.00
Refuse <b>1X Per Week</b>	130.18	137.99	7.81	6.00
Water 50 kl	854.08	906.31	52.23	6.12
VAT	206.67	218.88	12.21	5.91
<b>SUB TOTAL</b>	<b>2 635.07</b>	<b>2 799.71</b>	<b>164.65</b>	<b>6.25</b>
Electricity Prepaid Meter 1500 kWh	2 176.66	2 429.52	252.87	11.62
VAT	304.73	340.13	35.40	11.62
<b>TOTAL</b>	<b>5 116.45</b>	<b>5 569.37</b>	<b>452.91</b>	<b>8.85</b>
<i>HPP if applicable</i>	95.22	101.74	6.52	6.85

**Medium Consumption with credit elect meter**

Valuation R2 500 000

	2014/2015	2015/2016	Amount	%
Rates	676.20	722.52	46.32	6.85
Sewer <b>SE7A1+SE8A</b>	270.69	287.01	16.32	6.03
Infrastructure Basic Charge Water, Electricity & Sewer	41.70	41.70	0.00	0.00
Refuse <b>1X Per Week</b>	130.18	137.99	7.81	6.00
Water 25 kl	322.63	343.11	20.48	6.35
VAT	107.13	113.37	6.25	5.83
<b>SUB TOTAL</b>	<b>1 548.53</b>	<b>1 645.70</b>	<b>97.18</b>	<b>6.28</b>
Electricity Credit Meter 800 kWh	1 178.85	1 309.98	131.13	11.12
VAT	165.04	183.40	18.36	11.12
<b>TOTAL</b>	<b>2 892.41</b>	<b>3 139.08</b>	<b>246.67</b>	<b>8.53</b>
<i>HPP if applicable</i>	67.62	72.25	4.63	6.85

**Medium Consumption with prepaid elect meter**

Valuation R2 500 000

	2014/2015	2015/2016	Amount	%
Rates	676.20	722.52	46.32	6.85
Sewer <b>SE7A1+SE8A</b>	270.69	287.01	16.32	6.03
Infrastructure Basic Charge Water, Electricity & Sewer	41.70	41.70	0.00	0.00
Refuse <b>1X Per Week</b>	130.18	137.99	7.81	6.00
Water 25 kl	322.63	343.11	20.48	6.35
VAT	107.13	113.37	6.25	5.83
<b>SUB TOTAL</b>	<b>1 548.53</b>	<b>1 645.70</b>	<b>97.18</b>	<b>6.28</b>
Electricity Prepaid Meter 800 kWh	1 122.32	1 246.55	124.24	11.07
VAT	157.12	174.52	17.39	11.07
<b>TOTAL</b>	<b>2 827.97</b>	<b>3 066.77</b>	<b>238.81</b>	<b>8.44</b>
<i>HPP if applicable</i>	67.62	72.25	4.63	6.85

# OVERSTRAND MUNICIPALITY

## Low Consumption with credit meter

Valuation R1 000 000

	2014/2015	2015/2016	Amount	%
Rates	262.20	280.16	17.96	6.85
Sewer <b>SE7A1+SE8A</b>	198.87	210.85	11.98	6.02
Infrastructure Basic Charge Water, Electricity & Sewer	41.70	41.70	0.00	0.00
Refuse <b>1X Per Week</b>	130.18	137.99	7.81	6.00
Water 15 kl	199.18	212.22	13.04	6.55
VAT	79.79	84.39	4.60	5.76
<b>SUB TOTAL</b>	<b>911.92</b>	<b>967.31</b>	<b>55.39</b>	<b>6.07</b>
Electricity Credit Meter 600 kWh	865.45	958.34	92.90	10.73
VAT	121.16	134.17	13.01	10.73
<b>TOTAL</b>	<b>1 898.53</b>	<b>2 059.82</b>	<b>161.29</b>	<b>8.50</b>
<i>HPP if applicable</i>	26.22	28.02	1.80	6.85

## Low Consumption with prepaid elect meter

Valuation R1 000 000

	2014/2015	2015/2016	Amount	%
Rates	262.20	280.16	17.96	6.85
Sewer <b>SE7A1+SE8A</b>	198.87	210.85	11.98	6.02
Infrastructure Basic Charge Water, Electricity & Sewer	41.70	41.70	0.00	0.00
Refuse <b>1X Per Week</b>	130.18	137.99	7.81	6.00
Water 15 kl	199.18	212.22	13.04	6.55
VAT	79.79	84.39	4.60	5.76
<b>TOTAL</b>	<b>911.92</b>	<b>967.31</b>	<b>55.39</b>	<b>6.07</b>
Electricity Prepaid Meter 600 kWh	821.08	908.56	87.48	10.65
VAT	114.95	127.20	12.25	10.65
	<b>1 847.94</b>	<b>2 003.07</b>	<b>155.12</b>	<b>8.39</b>
<i>HPP if applicable</i>	26.22	28.02	1.80	6.85

## Low Consumption with credit meter

Valuation R1 000 000

	2014/2015	2015/2016	Amount	%
Rates	262.20	280.16	17.96	6.85
Sewer <b>SE7A1+SE8A</b>	198.87	210.85	11.98	6.02
Infrastructure Basic Charge Water, Electricity & Sewer	41.70	41.70	0.00	0.00
Refuse <b>1X Per Week</b>	130.18	137.99	7.81	6.00
Water 15 kl	199.18	212.22	13.04	6.55
VAT	79.79	84.39	4.60	5.76
<b>SUB TOTAL</b>	<b>911.92</b>	<b>967.31</b>	<b>55.39</b>	<b>6.07</b>
Electricity Credit Meter 350 kWh	540.42	593.66	53.24	9.85
VAT	75.66	83.11	7.45	9.85
<b>TOTAL</b>	<b>1 528.00</b>	<b>1 644.09</b>	<b>116.09</b>	<b>7.60</b>
<i>HPP if applicable</i>	26.22	28.02	1.80	6.85

## Low Consumption with prepaid elect meter

Valuation R1 000 000

	2014/2015	2015/2016	Amount	%
Rates	262.20	280.16	17.96	6.85
Sewer <b>SE7A1+SE8A</b>	198.87	210.85	11.98	6.02
Infrastructure Basic Charge Water, Electricity & Sewer	41.70	41.70	0.00	0.00
Refuse <b>1X Per Week</b>	130.18	137.99	7.81	6.00
Water 15 kl	199.18	212.22	13.04	6.55
VAT	79.79	84.39	4.60	5.76
<b>SUB TOTAL</b>	<b>911.92</b>	<b>967.31</b>	<b>55.39</b>	<b>6.07</b>
Electricity Prepaid Meter 350 kWh	514.80	564.92	50.12	9.74
VAT	72.07	79.09	7.02	9.74
<b>TOTAL</b>	<b>1 498.79</b>	<b>1 611.32</b>	<b>112.52</b>	<b>7.51</b>
<i>HPP if applicable</i>	26.22	28.02	1.80	6.85



# OVERSTRAND MUNICIPALITY

## Sub-Economic Consumption (Indigent)

Valuation

R220 000

	2014/2015	2015/2016	Amount	%
Rates	46.92	50.13	3.21	6.85
Sewer <b>SE7A1</b>	28.73	30.46	1.74	6.04
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 10 kl	34.40	36.48	2.08	6.05
VAT	14.68	15.21	0.53	3.64
<b>SUB TOTAL</b>	<b>166.42</b>	<b>173.99</b>	<b>7.56</b>	<b>4.55</b>
Electricity Prepaid Meter 350 kWh	310.24	348.09	37.85	12.20
VAT	43.43	48.73	5.30	12.20
<b>TOTAL</b>	<b>520.10</b>	<b>570.81</b>	<b>50.71</b>	<b>9.75</b>

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

Valuation

R50 000

	2014/2015	2015/2016	Amount	%
Rates	0.00	0.00	0.00	0.00
Sewer <b>SE7A1</b>	14.36	15.23	0.87	6.04
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	17.20	18.24	1.04	6.05
VAT	10.26	10.52	0.27	2.60
<b>SUB TOTAL</b>	<b>83.52</b>	<b>85.70</b>	<b>2.18</b>	<b>2.60</b>
Electricity Pre-paid 300 kWh	263.70	295.87	32.17	12.20
VAT	36.92	41.42	4.50	12.20
<b>TOTAL</b>	<b>384.14</b>	<b>422.99</b>	<b>38.85</b>	<b>10.11</b>

## Conservancy Tanks

### If tariff SE7 is not applicable

Smaller than 6kl

Greater than 6kl

Outside urban area Plus per km

**Plus** Per hour

### After hours

Smaller than 6kl

Greater than 6kl

	2014/2015	2015/2016	Amount	%
Smaller than 6kl	419.30	444.46	25.16	6.00
Greater than 6kl	419.30	444.46	25.16	6.00
Outside urban area Plus	12.28	13.02	0.74	6.03
<b>Plus</b>	251.75	266.86	15.11	6.00
<b>After hours</b>				
Smaller than 6kl	838.60	888.92	50.32	6.00
Greater than 6kl	838.60	888.92	50.32	6.00

## Sub-Economic Consumption (Indigent)

Valuation

R50 000

	2014/2015	2015/2016	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	132.96	149.18	16.22	12.20
VAT	18.61	20.89	2.27	12.20
<b>TOTAL</b>	<b>199.11</b>	<b>217.60</b>	<b>18.49</b>	<b>9.29</b>

## OVERSTRAND MUNICIPALITY

## MONTHLY BASKET OF TARIFFS - BUSINESS 2015/2016

## FROM SEPTEMBER TO MAY (PREVIOUSLY OFF PEAK)

## Business - Large (Time of Use)

		2014/2015	2015/2016	Amount	%
Valuation	R35 000 000				
Rates		18 287.50	19 540.19	1 252.69	6.85
Sewer	SE7D1+SE8A 30	6 981.84	7 402.62	420.78	6.03
Infrastructure Basic Charge Water, Electricity & Sewer		41.70	41.70	0.00	0.00
Refuse	Bins 2X Per Week 30	7 810.72	8 279.40	468.68	6.00
Water	460 kl	16 045.18	17 015.47	970.29	6.05
VAT		4 323.12	4 583.49	260.37	6.02
<b>SUB TOTAL</b>		<b>53 490.06</b>	<b>56 862.87</b>	<b>3 372.81</b>	<b>6.31</b>
Electricity Credit Meter	108751 + 436kVA	80 530.05	101 772.30	21 242.25	26.38
VAT		11 274.21	14 248.12	2 973.92	26.38
<b>TOTAL</b>		<b>145 294.31</b>	<b>172 883.29</b>	<b>27 588.98</b>	<b>18.99</b>
<i>HPP if applicable</i>		1 828.75	1 954.02	125.27	6.85

## FROM JUNE TO AUGUST(PREVIOUSLY HIGH DEMAND)

## Business - Large (Time of Use)

		0.00	0.00	Amount	%
Valuation	R35 000 000				
Rates		18 287.50	19 540.19	1 252.69	6.85
Sewer	SE7D1+SE8A 30	6 981.84	7 402.62	420.78	6.03
Infrastructure Basic Charge Water, Electricity & Sewer		41.70	41.70	0.00	0.00
Refuse	Bins 2X Per Week 30	7 810.72	8 279.40	468.68	6.00
Water	460 kl	16 045.18	17 015.47	970.29	6.05
VAT		4 323.12	4 583.49	260.37	6.02
<b>SUB TOTAL</b>		<b>53 490.06</b>	<b>56 862.87</b>	<b>3 372.81</b>	<b>6.31</b>
Electricity Credit Meter	108751 + 436kVA	158 429.25	101 772.30	-56 656.95	-35.76
VAT		22 180.10	14 248.12	-7 931.97	-35.76
<b>TOTAL</b>		<b>234 099.40</b>	<b>172 883.29</b>	<b>-61 216.11</b>	<b>-26.15</b>
<i>HPP if applicable</i>		1 828.75	1 954.02	125.27	6.85

## IMPORTANT TO NOTE:

Off peak 26% x 9 maande

High Demand -35% x 3 maande

## Business - Medium (Three Phase)

		2014/2015	2015/2016	Amount	%
Valuation	R3 200 000				
Rates		1 672.00	1 786.53	114.53	6.85
Sewer	SE7D1+SE8A 1	460.50	488.29	27.79	6.03
Infrastructure Basic Charge Water, Electricity & Sewer		41.70	41.70	0.00	0.00
Refuse	1X Per Week 3	390.54	413.97	23.43	6.00
Water	40 kl	639.28	686.12	46.84	7.33
VAT		214.48	228.21	13.73	6.40
<b>SUB TOTAL</b>		<b>3 418.50</b>	<b>3 644.82</b>	<b>226.33</b>	<b>6.62</b>
Electricity Credit Meter	7000 kWh	9 733.12	10 895.20	1 162.08	11.94
VAT		1 362.64	1 525.33	162.69	11.94
<b>TOTAL</b>		<b>14 514.25</b>	<b>16 065.35</b>	<b>1 551.09</b>	<b>10.69</b>
<i>HPP if applicable</i>		167.20	178.65	11.45	6.85

## Business - Small (Three Phase)

		2014/2015	2015/2016	Amount	%
Valuation	R3 200 000				
Rates		1 672.00	1 786.53	114.53	6.85
Sewer	SE7D1+SE8A 1	460.50	488.29	27.79	6.03
Infrastructure Basic Charge Water, Electricity & Sewer		41.70	41.70	0.00	0.00
Refuse	1X Per Week 2	260.36	275.98	15.62	6.00

# OVERSTRAND MUNICIPALITY

Water	40 kl	639.28	686.12	46.84	7.33
VAT		196.26	208.89	12.64	6.44
<b>SUB TOTAL</b>		<b>3 270.09</b>	<b>3 487.51</b>	<b>217.42</b>	<b>6.65</b>
Electricity Credit Meter	4000 kWh	5 737.12	6 411.69	674.57	11.76
VAT		803.20	897.64	94.44	11.76
<b>TOTAL</b>		<b>9 810.41</b>	<b>10 796.84</b>	<b>986.43</b>	<b>10.05</b>
<i>HPP if applicable</i>		167.20	178.65	11.45	6.85

## Bussiness - Small (Three Phase)

		2014/2015	2015/2016	Amount	%
Valuation	R3 200 000				
Rates		1 672.00	1 786.53	114.53	6.85
Sewer	SE7D1+SE8A 1	460.50	488.29	27.79	6.03
Infrastructure Basic Charge Water, Electricity & Sewer		41.70	41.70	0.00	0.00
Refuse	1X Per Week 2	260.36	275.98	15.62	6.00
Water	40 kl	639.28	686.12	46.84	7.33
VAT		196.26	208.89	12.64	6.44
<b>SUB TOTAL</b>		<b>3 270.09</b>	<b>3 487.51</b>	<b>217.42</b>	<b>6.65</b>
Electricity Credit Meter	1000 kWh	1 741.12	1 928.17	187.05	10.74
VAT		243.76	269.94	26.19	10.74
<b>TOTAL</b>		<b>5 254.97</b>	<b>5 685.63</b>	<b>430.66</b>	<b>8.20</b>
<i>HPP if applicable</i>		167.20	178.65	11.45	6.85

## OVERSTRAND MUNICIPALITY

## MONTHLY BASKET OF TARIFFS - VACANT ERVEN 2015/2016

**Valuation High**

			2014/2015	2015/2016	Amount	%
	Valuation	R780 000				
Rates			367.90	393.10	25.20	6.85
Sewer can connect	Availability		109.65	116.23	6.58	6.00
Refuse	Availability		65.08	68.98	3.90	5.99
Electricity	Availability		204.56	216.83	12.27	6.00
Water	Availability		102.28	108.42	6.14	6.00
Infrastructure Basic Charge Water, Electricity & Sewer			41.70	41.70	0.00	0.00
VAT			73.26	77.30	4.04	5.52
<b>TOTAL</b>			964.43	1 022.56	58.14	<b>6.03</b>
<b>HPP if applicable</b>			36.79	39.31	2.52	6.85

**Valuation Average**

			2014/2015	2015/2016	Amount	%
	Valuation	R250 000				
Rates			117.92	125.99	8.08	6.85
Sewer can connect	Availability		109.65	116.23	6.58	6.00
Refuse	Availability		65.08	68.98	3.90	5.99
Electricity	Availability		204.56	216.83	12.27	6.00
Water	Availability		102.28	108.42	6.14	6.00
Infrastructure Basic Charge Water, Electricity & Sewer			41.70	41.70	0.00	0.00
VAT			73.26	77.30	4.04	5.52
<b>TOTAL</b>			714.44	755.46	41.01	<b>5.74</b>
<b>HPP if applicable</b>			11.79	12.60	0.81	6.85

**Valuation Lower**

			2014/2015	2015/2016	Amount	%
	Valuation	R110 000				
Rates			51.88	55.44	3.55	6.85
Sewer can connect	Availability		109.65	116.23	6.58	6.00
Refuse	Availability		65.08	68.98	3.90	5.99
Electricity	Availability		204.56	216.83	12.27	6.00
Water	Availability		102.28	108.42	6.14	6.00
Infrastructure Basic Charge Water, Electricity & Sewer			41.70	41.70	0.00	0.00
VAT			73.26	77.30	4.04	5.52
<b>TOTAL</b>			648.41	684.90	36.49	<b>5.63</b>

**Valuation Low**

			2014/2015	2015/2016	Amount	%
	Valuation	R15 000				
Rates			7.08	7.56	0.48	6.85
Sewer can connect	Availability		109.65	116.23	6.58	6.00
Refuse	Availability		65.08	68.98	3.90	5.99
Electricity	Availability		204.56	216.83	12.27	6.00
Water	Availability		102.28	108.42	6.14	6.00
Infrastructure Basic Charge Water, Electricity & Sewer			41.70	41.70	0.00	0.00
VAT			73.26	77.30	4.04	5.52
<b>TOTAL</b>			603.60	637.02	33.42	<b>5.54</b>

## **ANNEXURE E**

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

# CAPITAL BUDGET 2015/16 - 2017/18 MTREF

						2015/16 BUDGET			2016/17 BUDGET			2017/18 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			
			FINANCE AND ADMINISTRATION			1 377 000	1 271 030	2 648 030	3 730 000		3 730 000						
Overstrand	Overstrand	Overstrand	UPGRADE RF NETWORK	C Johnson	Surplus	900 000		900 000									
Overstrand	Overstrand	Overstrand	(HAWSTON,STANFORD,SECTORS)	C Johnson	Surplus	100 000		100 000									
Overstrand	Overstrand	Overstrand	TERMINAL SERVER UPGRADE	J V/Asperen	MSIG		930 000	930 000									
Hermanus	Hermanus	Ward 03	INTEGRATED ASSET MANAGEMENT & MAINTENANCE SYS	D Hendriks	MIG		341 030	341 030									
Overstrand	Overstrand	Overstrand	PMU BUILDING	C Johnson	Surplus	157 000		157 000									
Overstrand	Overstrand	Overstrand	MINOR ASSETS:INFORMATION TECHNOLOGY	C Johnson	Surplus	15 000		15 000									
Overstrand	Overstrand	Overstrand	MINOR ASSETS:INFORMATION TECHNOLOGY	L Wallace	Surplus	20 000		20 000									
Overstrand	Overstrand	Overstrand	MINOR ASSETS:LEGAL SERVICES	L Buchianerri	Surplus	10 000		10 000									
Overstrand	Overstrand	Overstrand	MINOR ASSETS:HUMAN RESOURCES	S Reyneke	Surplus	30 000		30 000									
Overstrand	Overstrand	Overstrand	MINOR ASSETS:FINANCE	D Kearney	Surplus	5 000		5 000									
Overstrand	Overstrand	Overstrand	MINOR ASSETS:PROPERTY SERVICES	F Frans	Surplus	20 000		20 000									
Overstrand	Overstrand	Overstrand	MINOR ASSETS:FLEET MANAGEMENT	R Williams	Surplus	120 000		120 000									
Overstrand	Overstrand	Overstrand	VEHICLES -REFURBISHMENT/REBUILD ENGINES	R Williams	Surplus				3 000 000		3 000 000						
Overstrand	Overstrand	Overstrand	VEHICLES	TMT	Surplus				730 000		730 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS														
			COMMUNITY AND SOCIAL SERVICES			350 000	100 000	450 000		4 000 000	4 000 000						
Gansbaai	Masakhane	Ward 01	EXTENSION OF COMMUNITY HALL	F Myburgh	Surplus-WSP	150 000		150 000									
Hermanus	Mount Pleasant	Ward 04	UPGRADING OF MOFFAT HALL KITCHEN	D Kearney	Surplus-WSP	200 000		200 000									
Hermanus	Hawston	Ward 08	EXTENSION OF THUSONG CENTRE	D Hendriks	MIG		100 000	100 000		4 000 000	4 000 000	4 000 000	4 000 000				
			LIBRARIES				3 034 000	3 034 000									
Kleinmond	Kleinmond	Ward 09	KLEINMOND LIBRARY UPGRADE	R Williams	Prov-Library Gr		3 000 000	3 000 000									
Overstrand	Overstrand	Overstrand	MINOR ASSETS -LIBRARIES AND ARCHIVES	R Williams	Prov-Library Gr		34 000	34 000									
			EXECUTIVE AND COUNCIL			36 000		36 000									
Hermanus	Hermanus	Ward 03	SUNDIALS	D Kearney	Surplus-WSP	20 000		20 000									
Overstrand	Overstrand	Overstrand	MINOR ASSETS:AREA MANAGER	D Kearney	Surplus	16 000		16 000									
			PLANNING AND DEVELOPMENT			25 000		25 000									
Overstrand	Overstrand	Overstrand	MINOR ASSETS:BUILDING REGULATIONS AND ENFORCEMENT	J Simson	Surplus	5 000		5 000									
Overstrand	Overstrand	Overstrand	MINOR ASSETS:ECONOMIC DEVELOPMENT/PLANNING	S Madikane	Surplus	10 500		10 500									
Overstrand	Overstrand	Overstrand	MINOR ASSETS:ECONOMIC DEVELOPMENT/PLANNING	S Madikane	Surplus	9 500		9 500									
			PUBLIC SAFETY			295 000		295 000									
Overstrand	Overstrand	Overstrand	MINOR ASSETS:FIRE FIGHTING AND PROTECTION	N Micheals	Surplus	100 000		100 000									
Pringle Bay	Pringle Bay	Ward 10	COMPLETION OF FIRE STATION & PARKING AREA - PRING	D Lakey	Surplus-WSP	195 000		195 000									
			SPORT & RECREATION			623 000	5 357 615	5 980 615		6 800 000	6 800 000	6 800 000	6 800 000				
Kleinmond	Kleinmond	Ward 09	OVERHILLS:KLEINMOND SOCCERFIELD	D Hendriks	MIG		4 157 615	4 157 615									
Hermanus	Zwelihle	Ward 12	TURF SOCCERFIELD	D Hendriks	MIG		200 000	200 000		2 800 000	2 800 000				2 800 000	2 800 000	
Overstrand	Overstrand	Overstrand	SPORT FACILITIES	D Hendriks	MIG					4 000 000	4 000 000				4 000 000	4 000 000	
Overstrand	Overstrand	Overstrand	MINOR ASSETS :SPORT AND RECREATION	D Van Rhodie	Surplus	20 000		20 000									
Overstrand	Overstrand	Overstrand	MINOR ASSETS :RECREATIONAL FACILITIES	D Kearney	Surplus	10 000		10 000									
Hermanus	Westcliff	Ward 04	PLAY PARK -WESTDENE	D Kearney	Surplus-WSP	100 000		100 000									
Kleinmond	Overhills	Ward 10	PLAY PARK	D Kearney	Surplus-WSP	10 000		10 000									
Hermanus	Hawston	Ward 08	FLOODLIGHTS -HAWSTON SPORT GROUNDS	D Kearney/A Stali	Surplus-WSP/Lotto	150 000	500 000	650 000									
Hermanus	Zwelihle	Ward 05	FLOODLIGHTS -ZWELIHLE SPORT GROUNDS	D Kearney/A Stali	Surplus-WSP- R- Over/Lotto	155 000	500 000	655 000									
Hermanus	Zwelihle	Ward 12	FLOODLIGHTS-ZWELIHLE SPORTS GROUND	D Kearney	Surplus-WSP	150 000		150 000									
Overstrand	Overstrand	Overstrand	MINOR ASSETS :RECREATIONAL FACILITIES	R Williams	Surplus	28 000		28 000									
			HOUSING			29 972 604	29 972 604		34 749 877	34 749 877					44 374 240	44 374 240	
Hermanus	Zwelihle	Ward 06	ZWELIHLE MANDELA SQUARE -83 SITES	B Louw	PROV-H	4 685 648		4 685 648									
Hermanus	Zwelihle	Ward 05	ZWELIHLE ADMIN SITE - 164 SITES	B Louw	PROV-H	9 864 644		9 864 644									
Hermanus	Zwelihle	Ward 05	ZWELIHLE SITE C2 - 132 SITES	B Louw	PROV-H	7 939 836		7 939 836									
Hermanus	Mount Pleasant	Ward 04	MOUNT PLEASANT IRDP	B Louw	PROV-H	3 514 600		3 514 600									
Hermanus	Hermanus	Ward 04	SWARTDAMROAD IRDP	B Louw	PROV-H	3 313 558		3 313 558									
Gansbaai	Masakhane	Ward 01	MASAKHANE	B Louw	PROV-H				15 269 100		15 269 100	15 537 259	15 537 259				
Gansbaai	Beverly Hills	Ward 02	BEVERLY HILLS PROJECT	B Louw	PROV-H				4 953 319		4 953 319						
Hermanus	Zwelihle	Ward 06	ZWELIHLE PROJECT -TRANSIT CAMP	B Louw	PROV-H				7 983 558		7 983 558						
Gansbaai	Buffeljagsbaai	Ward 11	BUFFELJAGSBAAI	B Louw	PROV-H				2 181 300		2 181 300						
Hermanus	Hawston	Ward 08	HAWSTON PROJECT - IRDP	B Louw	PROV-H				4 362 600		4 362 600	10 121 232	10 121 232				
Hermanus	Zwelihle	Ward 05	ZWELIHLE -TAMBO SQUARE PROJECT	B Louw	PROV-H							4 973 364	4 973 364				

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
Stanford	Stanford	Ward 11	STANFORD IRDP	B Louw	PROV-H		654 318	654 318					6 543 900	6 543 900
Gansbaai	Blompark	Ward 02	BLOMPARK PROJECT	B Louw	PROV-H								2 835 885	2 835 885
Kleinmond	Overhills	Ward 10	KLEINMOND OVERHILLS	B Louw	PROV-H								4 362 600	4 362 600
<b>ROADS</b>						<b>1 527 000</b>	<b>10 575 527</b>	<b>12 102 527</b>	<b>4 000 000</b>	<b>4 000 000</b>		<b>4 000 000</b>	<b>4 000 000</b>	
Hermanus	Zwelihle	Ward 06	REHABILITATION OF EXISTING PAVE ROAD (LIC)	D Hendriks	MIG		4 200 000	4 200 000	2 000 000	2 000 000		2 000 000	2 000 000	
Hermanus	Mount Pleasant	Ward 04	REHABILITATE ROADS AND UPGRADE STORMWATER	D Hendriks	MIG		6 375 527	6 375 527	1 500 000	1 500 000		1 500 000	1 500 000	
Hermanus	Mount Pleasant	Ward 04	REHABILITATE ROADS - ANGELIER STREET	D Hendriks	MIG				500 000	500 000		500 000	500 000	
Gansbaai	Masakhane	Ward 01	SIDEWALKS	F Myburgh	Surplus-WSP	100 000		100 000						
Hermanus	Sandbaai	Ward 07	TARRING OF ROADS	D Kearney	Surplus-WSP	400 000		400 000						
Hermanus	Fisherhaven	Ward 08	UPGRADING OF ROADS & STORMWATER	D Kearney	Surplus-WSP	200 000		200 000						
Hermanus	Hawston	Ward 08	PAVING OF CIRCLES (INCL. STORMWATER)	D Kearney	Surplus-WSP	50 000		50 000						
Kleinmond	Kleinmond	Ward 09	EXTENSION OF HEUNINGKLOOF FOOTPATH	D Lakey	Surplus-WSP	200 000		200 000						
Pringle Bay	Pringle Bay	Ward 10	ADDITIONAL PARKING & GRAVEL STRIP - PRINGLE BAY H	D Lakey	Surplus-WSP	60 000		60 000						
Gansbaai	Pearly Beach	Ward 11	TARRING OF ROADS - PEARLY BEACH	F Myburgh	Surplus-WSP	80 000		80 000						
Stanford	Stanford	Ward 11	PAVEMENT IN MORTON-BEZUIDENHOUT STREET	F Myburgh	Surplus-WSP	130 000		130 000						
Stanford	Stanford	Ward 11	PAVING OF SIDEWALK - SHORTMARKET STREET (BETWE	F Myburgh	Surplus-WSP	100 000		100 000						
Hermanus	Onrus/Vermont	Ward 13	ATLANTIC DRIVE WALKWAY	D Kearney	Surplus-WSP	200 000		200 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :ROADS	P Burger	Surplus	7 000		7 000						
<b>ELECTRICITY</b>						<b>13 264 914</b>	<b>8 461 517</b>	<b>21 726 431</b>	<b>10 000 000</b>	<b>4 000 000</b>	<b>14 000 000</b>	<b>10 000 000</b>	<b>6 000 000</b>	<b>16 000 000</b>
Gansbaai	Franskraal	Ward 01	FRANSKRAAL,KLEINBAAI & BIRKENHEAD: MV/LV AND MIN	D Maree	EL6	2 600 000		2 600 000						
Gansbaai	Gansbaai	Ward 02	GANSBAAI: MINISUB AND MV/LV UPGRADE	D Maree	EL6/7/8	2 700 000		2 700 000	3 000 000		3 000 000	3 000 000		3 000 000
Gansbaai	Blompark	Ward 02	BLOMPARK: LOW VOLTAGE UPGRADE	D Maree	EL6	1 000 000		1 000 000						
Stanford	Stanford	Ward 11	STANFORD: MV UPGRADE	D Maree	EL6	1 200 000		1 200 000						
Kleinmond	Overhills	Ward 10	ELECTRIFICATION OF LOW COST HOUSING AREAS (INEP)	K d Plessis	EL8-INEP		8 000 000	8 000 000		4 000 000	4 000 000	4 000 000	6 000 000	10 000 000
Hermanus	Hermanus	Ward 03	HERMANUS: LV UPGRADE/REPLACEMENT	K d Plessis	EL7				4 000 000		4 000 000			
Kleinmond	Kleinmond	Ward 09	KLEINMOND: MV & LV NETWORK UPGRADE	K d Plessis	EL7/8				1 500 000		1 500 000	1 500 000		1 500 000
Hermanus	Hawston	Ward 08	HAWSTON: LV UPGRADE/REPLACEMENT	K d Plessis	EL7/8				1 500 000		1 500 000	1 500 000		1 500 000
Overstrand	Overstrand	Overstrand	ELECTRICITY TRANSFORMERS(CAPITAL REPLACEMENT C	S Muller	EL6	1 500 000		1 500 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :ELECTRICITY	S Muller	Surplus	6 000		6 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :ELECTRICITY	S Muller	Surplus	16 000		16 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :ELECTRICITY	S Muller	Surplus	24 000		24 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :ELECTRICITY	S Muller	Surplus	5 000		5 000						
Hermanus	Zwelihle	Ward 06	ELECTRIFICATION OF ZIPHUNZANA & THAMBO SQUARE IN	K d Plessis	Surplus-WSP	400 000		400 000						
Kleinmond	Kleinmond	Ward 09	STREET LIGHTS	D Lakey	Surplus-WSP	40 000		40 000						
Hermanus	Onrus/Vermont	Ward 13	STREET LIGHTS (6)	D Kearney	Surplus-WSP	30 000		30 000						
Hermanus	Hermanus	Ward 03	HERMANUS: MAIN STR TO ROYAL 2ND SUPPLY FEEDER	K d Plessis	EL5-R-OVER	471 398		471 398						
Overstrand	Overstrand	Overstrand	ELECTRIFICATION IN INFORMAL AREAS	K d Plessis	Solar rebate -R/Over		461 517	461 517						
Kleinmond	Kleinmond	Ward 09	KLEINMOND: MV & LV NETWORK UPGRADE	K d Plessis	EL5-R-OVER	959 741		959 741						
Hermanus	Hermanus	Ward 03	HERMANUS: LV UPGRADE/REPLACEMENT	K d Plessis	EL5-R-OVER	462 322		462 322						
Hermanus	Hawston	Ward 08	HAWSTON: LV UPGRADE/REPLACEMENT	K d Plessis	EL5-R-OVER	288 079		288 079						
Hermanus	Zwelihle	Ward 05,06	ELECTRIFICATION OF HOUSING PROJECTS	K d Plessis	Surplus-DContr-R/Over	1 558 374		1 558 374						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :ELECTRICITY	S Muller	Surplus	4 000		4 000						
<b>WATER</b>						<b>12 823 856</b>	<b>3 566 328</b>	<b>16 390 184</b>	<b>10 000 000</b>	<b>4 726 000</b>	<b>14 726 000</b>	<b>10 000 000</b>	<b>5 787 000</b>	<b>15 787 000</b>
Overstrand	Overstrand	Overstrand	REPLACEMENT OF OVERSTRAND WATER PIPES	H Blignaut	EL6/8	9 652 800		9 652 800				4 000 000		4 000 000
Stanford	Stanford	Ward 11	UPGRADING OF "DIE OOG" PUMP STATION	J De Villiers	EL7				500 000		500 000			
Hermanus	Sandbaai	Ward 07	NEW BULK WATER RESERVOIR -SANDBAAI	H Blignaut	EL8							6 000 000		6 000 000
Gansbaai	Kleinbaai	Ward 01	UPGRADING OF FRANSKRAAL-KLEINBAAI -GANSBAAI PIPE	H Blignaut	EL7				9 500 000		9 500 000			
Gansbaai	Pearly Beach	Ward 11	PEARLY BEACH WTW PRE-TREATMENT	H Blignaut	EL6	900 000		900 000						
Kleinmond	Kleinmond	Ward 09	REFURBISH BUFFELS RIVER DAM BRIDGE AND TOWER & F	H Blignaut	EL6	2 000 000		2 000 000						
Overstrand	Overstrand	Overstrand	WATER PUMPS (CONTINGENCY )	M Bartman	EL6	200 000		200 000						
Hermanus	Mount Pleasant	Ward 04	NEW 1 ML/S RESERVOIR OHW.B31	D Hendriks	MIG		3 566 328	3 566 328						
Hermanus	Zwelihle	Ward 12	160 MM Ø LINK WATERMAIN OHW9.10	D Hendriks	MIG					200 000	200 000		200 000	200 000
Hermanus	Hawston	Ward 08	HAWSTON: BULK WATER	D Hendriks	MIG				2 000 000		2 000 000		2 000 000	2 000 000
Hermanus	Hawston	Ward 08	HAWSTON: BULK WATER UPGRADE FOR HOUSING PROJE	D Hendriks	MIG				1 000 000		1 000 000		1 000 000	1 000 000
Hermanus	Hawston	Ward 08	NEW 500 MM -WATER PIPE LINE	D Hendriks	MIG				1 526 000		1 526 000		2 587 000	2 587 000
Gansbaai	B'tos	Ward 11	BAARDSKEERDRERSBOS BULK WATER SUPPLY UPGRADE	H Blignaut	EL5-R-OVER	64 056		64 056						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :WATER DISTRIBUTION	J De Villiers	Surplus	4 000		4 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :WATER DISTRIBUTION	J De Villiers	Surplus	3 000		3 000						
<b>SEWERAGE</b>						<b>8 367 200</b>		<b>8 367 200</b>	<b>10 000 000</b>	<b>1 600 000</b>	<b>11 600 000</b>	<b>10 000 000</b>	<b>1 600 000</b>	<b>11 600 000</b>
Overstrand	Overstrand	Overstrand	UPGRADING OF PUMPSTATIONS	H Blignaut	EL6/7	3 547 200		3 547 200	4 500 000		4 500 000			
Stanford	Stanford	Ward 11	STANFORD - SEWER NETWORK EXTENSION	H Blignaut	EL6/7	3 000 000		3 000 000	5 500 000		5 500 000			
Overstrand	Overstrand	Overstrand	SEWERAGE PUMPS (CONTINGENCY)	M Bartman	EL6	300 000		300 000						
Kleinmond	Kleinmond	Ward 09	KLEINMOND - SEWER NETWORK EXTENSION	H Blignaut	EL8							4 000 000		4 000 000
Kleinmond	Kleinmond	Ward 09	GANSBAAI - CBD SEWER NETWORK EXTENSION	H Blignaut	EL8							6 000 000		6 000 000
Hermanus	Onrus	Ward 13	UPGRADING OF KIDBROOKE PIPELINE	H Blignaut	EL6	1 400 000		1 400 000						
Stanford	Stanford	Ward 11	WWTW UPGRADE - STANFORD	H Blignaut	MIG				1 000 000		1 000 000		1 000 000	1 000 000
Hermanus	Zwelihle	Ward 12	BULK SEWERAGE OUTFALL LINE 525 MM Ø OHS13.2	D Hendriks	MIG				600 000		600 000		600 000	600 000
Hermanus	Onrus	Ward 13	UPGRADING OF KIDBROOKE PIPELINE	H Blignaut	EL5-R-OVER	100 000		100 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS : SEWERAGE	P Burger	Surplus	20 000		20 000						

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
			<b>STORMWATER</b>			<b>400 000</b>	<b>2 476 500</b>	<b>2 876 500</b>		<b>1 000 000</b>	<b>1 000 000</b>		<b>1 000 000</b>	<b>1 000 000</b>
Gansbaai	Fkri/Kb/Mskane	Ward 01	STORMWATER -AD HOC	J De Villiers	Surplus-WSP	50 000		50 000						
Gansbaai	Masakhane	Ward 01	STORMWATER DRAINAGE CHANNELS - PHASE 2	J De Villiers	Surplus-WSP	100 000		100 000						
Gansbaai	Gansbaai All	Ward 02	STORMWATER	J De Villiers	Surplus-WSP	200 000		200 000						
B-bos	Bskeerderbos	Ward 11	STORMWATER	J De Villiers	Surplus-WSP	50 000		50 000						
Hermanus	Zwelihle	Ward 05	UPGRADE STORMWATER - INTERNAL & EXTERNAL	D Hendriks	MIG		2 476 500	2 476 500		1 000 000	1 000 000		1 000 000	1 000 000
			<b>WASTE MANAGEMENT</b>			<b>10 000</b>		<b>10 000</b>						
Overstrand	Overstrand	Overstrand	MINOR ASSETS:SOLID WASTE DISPOSAL	P Burger	Surplus	10 000		10 000						
			<b>GRAND TOTAL</b>			<b>39 098 970</b>	<b>64 815 121</b>	<b>103 914 091</b>	<b>33 730 000</b>	<b>60 875 877</b>	<b>94 605 877</b>	<b>30 000 000</b>	<b>73 561 240</b>	<b>103 561 240</b>

**FUNDING:**

EXTERNAL LOAN 6/7/8 (GENERAL CAPITAL)	30 000 000		30 000 000	30 000 000		30 000 000	30 000 000		30 000 000
SURPLUS CASH	1 675 000		1 675 000		3 730 000		3 730 000		
OPERATING -CASH-WSP	3 465 000		3 465 000						
SURPLUS WSP_R-OVER	55 000		55 000						
SURPLUS-DCONTR-R/OVER	1 558 374		1 558 374						
EXTERNAL LOAN 5 _R-OVER	2 345 596		2 345 596						
PUBLIC CONTR -SOLAR REBATE _R-OVER		461 517	461 517						
MIG		21 417 000	21 417 000			22 126 000	22 126 000	23 187 000	23 187 000
INEP		8 000 000	8 000 000			4 000 000	4 000 000	6 000 000	6 000 000
MSIG		930 000	930 000						
PROV-LIBRARY		3 034 000	3 034 000						
PROV-HOUSING		29 972 604	29 972 604			34 749 877	34 749 877	44 374 240	44 374 240
LOTTO		1 000 000	1 000 000						

<b>GRAND TOTAL</b>	<b>39 098 970</b>	<b>64 815 121</b>	<b>103 914 091</b>	<b>33 730 000</b>	<b>60 875 877</b>	<b>94 605 877</b>	<b>30 000 000</b>	<b>73 561 240</b>	<b>103 561 240</b>
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## 2015/2016 - R400 000 WARD PROJECTS

Town	Local Area	Ward	Project Description	TOTAL	PROJECT MANAGER	
Gansbaai	Masakhane	1	Extension of community hall	150 000	F Myburgh	Capital
Gansbaai	Fkraal/Kb/Mkhane	1	Stormwater -Ad hoc	50 000	J De Villiers	Capital
Gansbaai	Masakhane	1	Sidewalks	100 000	F Myburgh	Capital
Gansbaai	Masakhane	1	Stormwater drainage channels - Phase 2	100 000	J De Villiers	Capital
				<b>400 000</b>		
Gansbaai	Gansbaai All	2	Stormwater	200 000	J De Villiers	Capital
Gansbaai	Gansbaai All	2	Repair/Replace/Refurbish Playpark equipment	80 000	F Myburgh	Operational
Gansbaai	Beverly Hills	2	Alterations to soup kitchen	10 000	F Myburgh	Operational
Gansbaai	Gansbaai	2	Greening of Main Street,Gansbaai(Phase 2)	30 000	F Myburgh	Operational
Gansbaai	Gb,Mkhane,Kb	2	Beautification of intersection (Phase 2)	50 000	F Myburgh	Operational
Gansbaai	Gb,Mkhane,Kb	2	Replacement of refuse bins	30 000	F Myburgh	Operational
				<b>400 000</b>		
Hermanus	Hermanus	3	Upgrading of Whale Tail Fountain	60 000	D Kearney	Operational
Hermanus	Hermanus	3	Upgrading of Cliff Path	100 000	D Kearney	Operational
Hermanus	Hermanus	3	Upgrading of Sidewalks	220 000	D Kearney	Operational
Hermanus	Hermanus	3	Sundials	20 000	D Kearney	Capital
				<b>400 000</b>		
Hermanus	Mount Pleasant	4	Upgrading of Moffat Hall Kitchen	200 000	D Kearney	Capital
Hermanus	Westcliff	4	Play park -Westdene	100 000	D Kearney	Capital
Hermanus	Mount Pleasant	4	Building retaining wall around tennis court at mount pleasant sport grounds	100 000	D Kearney	Operational
				<b>400 000</b>		
Hermanus	Zwelihle	5	Flood lights for Zwelihle sports ground	100 000	D Kearney	Capital
Hermanus	Zwelihle	5	Building of boundary wall at Zwelihle sports ground	100 000	D Kearney	Operational
Hermanus	Zwelihle	5	Installation of subsoil drainage back of Chris Hani street	150 000	D Kearney	Operational
Hermanus	Zwelihle	5	Investigation to convert the top floor of the Business Centre in ward 12 to a community hall.	50 000	D Kearney	Operational
				<b>400 000</b>		
Hermanus	Zwelihle	6	Electrification of Ziphunzana & Thambo Square informal settlement	400 000	K Du Plessis	Capital
				<b>400 000</b>		
Hermanus	Sandbaai	7	Tarring of roads	400 000	D Kearney	Capital
				<b>400 000</b>		
Hermanus	Fisherhaven	8	Upgrading of streets & stormwater systems	200 000	D Kearney	Capital
Hermanus	Hawston	8	Hawston Sport Grounds Floodlights	150 000	D Kearney	Capital
Hermanus	Hawston	8	Paving of circles (incl. stormwater)	50 000	D Kearney	Capital
				<b>400 000</b>		

Town	Local Area	Ward	Project Description	TOTAL	PROJECT MANAGER	
Kleinmond	Kleinmond	9	Upgrading of wooden footpath - Beach Rd	100 000	D Lakey	Operational
Kleinmond	Kleinmond	9	Extension of Heuningkloof footpath	200 000	D Lakey	Capital
Kleinmond	Kleinmond	9	Storm water	30 000	D Lakey	Operational
Kleinmond	Kleinmond	9	Street lights	40 000	D Lakey	Capital
Kleinmond	Kleinmond	9	Speed humps	30 000	D Lakey	Operational
				<b>400 000</b>		
Rooi Els	Rooi Els	10	Speed calming & general signage	6 500	D Lakey	Operational
Rooi Els	Rooi Els	10	Boardwalks	3 500	D Lakey	Operational
Rooi Els	Rooi Els	10	Equipment for Hack	5 000	D Lakey	Operational
Rooi Els	Rooi Els	10	Additional Speed Humps	25 000	D Lakey	Operational
Kleinmond	Palmiet	10	Speed Humps	20 000	D Lakey	Operational
Kleinmond	Overhills	10	Play Park	10 000	D Lakey	Capital
Kleinmond	Overhills	10	Speed Humps	20 000	D Lakey	Operational
Kleinmond	Mountain View	10	Speed Humps	20 000	D Lakey	Operational
Betty's Bay	Mooiuitsig	10	Upgrading of Mooiuitsig Hall (plan only)	15 000	D Lakey	Operational
Kleinmond	Proteadorp	10	Beautification of Open Space - Alusia Crescent	20 000	D Lakey	Operational
Pringle Bay	Pringle Bay	10	Completion of Fire Station & Parking Area - Pringle Bay	195 000	D Lakey	Capital
Pringle Bay	Pringle Bay	10	Additional Parking & Gravel Strip - Pringle Bay Hall	60 000	D Lakey	Capital
				<b>400 000</b>		
B-bos	Bskeerderbos	11	Stormwater	50 000	J De Villiers	Capital
Stanford	Stanford	11	Pavement in Morton-/Bezuidenhout Street	130 000	F Myburgh	Capital
Stanford	Stanford	11	Paving of Sidewalk - Shortmarket Street (between De Bruyn & Morton)	100 000	F Myburgh	Capital
B-bos	Bskeerderbos	11	Beautification of Town Entrance (Signage)	25 000	F Myburgh	Operational
Gansbaai	Pearly Beach	11	Tarring of roads	80 000	F Myburgh	Capital
Gansbaai	Buffelsjachtsbaai	11	Village Garden :Buffelsjachtsbaai	15 000	F Myburgh	Operational
				<b>400 000</b>		
Hermanus	Zwelihle	12	Flood lights for Zwelihle sports ground	150 000	D Kearney	Capital
Hermanus	Zwelihle	12	Upgrading Thambo Square Play Park(Rubber matting)	50 000	D Kearney	Operational
Hermanus	Zwelihle	12	Upgrading Zwelihle Community Hall (Ceiling Tiles)	200 000	D Kearney	Operational
				<b>400 000</b>		
Hermanus	Onrus/Vermont	13	Atlantic Drive Walkway	200 000	D Kearney	Capital
Hermanus	Onrus/Vermont	13	Coastal Path	50 000	D Kearney	Operational
Hermanus	Onrus/Vermont	13	De Wet Hall (Roof & Floor)	120 000	D Kearney	Operational
Hermanus	Onrus/Vermont	13	Street Lights (6)	30 000	D Kearney	Capital
				<b>400 000</b>		
<b>TOTAL</b>				<b>5 200 000</b>		





**HOUSING - PROPOSED 3 YEARS OPEX/CAPEX SPLIT**

	Cost code	OPEX 2015/16	ADJUSTMENT	DRAFT OPEX 2015/16	CAPEX2015/16	ADJUSTMENT	DRAFT CAPEX2015/16	OPEX 2016/2017	CAPEX 2016/2017	OPEX 2017/2018	CAPEX 2017/2018
Top Structures PB	1010299548	R 2 000.00	R2 000.00								
Services PB	50105028051										
Masakhane	50105028121								R 15 269 100.00		R 15 537 259.00
Mount Pleasant TS		R 5 500 000.00	(R5 522 917.00)	R 11 022 917.00							
Mount Pleasant IRDP	50105028211				R 3 514 600.00	R 3 160 600.00	R 354 000.00	R 8 508 186.00			
Bettys bay	1010299547										
Beverly Hills	50105028141								R 4 953 319.00		
Overhills	50105028221										R 4 362 600.00
EHP	1010290508	R 240 000.00	R240 000.00								
Blompark	50105028131										R 2 835 885.00
Hawston IRDP	50105028101								R 4 362 600.00	R 8 875 760.00	R 10 121 232.00
Swartdamweg TS		R 5 019 396.00	(R7 748 507.00)	R 12 758 905.00							
Swartdamweg IS	50105028151				R 3 313 558.00	R 3 313 558.00		R 4 326 933.00			
Stanford IRDP	50105028231				R 654 318.00	R 654 318.00					R 6 543 900.00
Admin Site					R 9 864 644.00	R 2 709 980.00	R 7 154 664.00				
Site C2					R 7 939 836.00	R 2 181 204.00	R 5 758 632.00	R 14 645 004.00			
Transit Camp									R 7 983 558.00		
Tambo Square											R 4 973 364.00
Buffeljagsbaai									R 2 181 300.00		
Garden Site TS		R 6 380 000.00	R6 380 000.00								
Mandela Square /Garden Site	50105028241		(R6 434 926.00)	R 6 434 926.00	R 4 685 648.00	R 1 064 690.00	R 3 620 958.00				
		R 17 141 396.00			R 29 972 604.00			R 27 480 123.00	R 34 749 877.00	R 8 875 760.00	R 44 374 240.00
Dora	TOTALS	R 47 114 000.00	R (13 084 350.00)	R 30 216 748.00		R 13 084 350.00	R 16 888 254.00	R 62 230 000.00		R 53 250 000.00	
	YEARS	2015/2016						2016/2017		2017/2018	





## **ANNEXURE F**

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

Municipal Blue Drop Score **96.82 %**

Performance Area	System	Greater Hermanus 	Buffels River 	Kleinmond 	Standford Oog 
<b>Water Safety Planning</b> (35%)		<b>98</b>	<b>98</b>	<b>100</b>	<b>91</b>
<b>Treatment Process Management</b> (10%)		<b>85</b>	<b>65</b>	<b>65</b>	<b>65</b>
<b>DWQ Compliance</b> (30%)		<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Management, Accountability</b> (10%)		<b>96</b>	<b>96</b>	<b>96</b>	<b>96</b>
<b>Asset Management</b> (15%)		<b>100</b>	<b>87</b>	<b>87</b>	<b>87</b>
Bonus Scores		0.50	1.58	1.15	1.76
Penalties		0	0	0	0
<b>Blue Drop Score (2012)</b>		<b>97.93 % (↑)</b>	<b>95.00 % (↑)</b>	<b>95.27 % (↑)</b>	<b>92.73 % (↓)</b>
2011 Blue Drop Score		87.23 %	95.07 %	93.09 %	95.15 %
2010 Blue Drop Score		75.31 %	63.83 %	60.06 %	Not Assessed
System Design Capacity (Ml/d)		28	5.5	5.8	0.259
Operational Capacity (% ito Design)		32.14	50.91	43.10	96.53
Population Served		42 824	3 037	9 822	5 315
Average daily Consumption (l/p/d)		210.16	921.96	254.53	47.04
Microbiological Compliance (%)		<b>99.0%</b>	<b>99.0%</b>	<b>99.0%</b>	<b>99.0%</b>
Chemical Compliance (%)		<b>99.5%</b>	<b>99.0%</b>	<b>99.0%</b>	<b>99.0%</b>

Performance Area	System	Greater Gansbaai 	Buffeljagsbaai 	Baard-skeerdersbos 	Pearly Beach 
<b>Water Safety Planning</b> (35%)		<b>97</b>	<b>93</b>	<b>91</b>	<b>97</b>
<b>Treatment Process Management</b> (10%)		<b>90</b>	<b>65</b>	<b>65</b>	<b>65</b>
<b>DWQ Compliance</b> (30%)		<b>100</b>	<b>100</b>	<b>91</b>	<b>100</b>
<b>Management, Accountability</b> (10%)		<b>96</b>	<b>96</b>	<b>96</b>	<b>96</b>
<b>Asset Management</b> (15%)		<b>91</b>	<b>91</b>	<b>91</b>	<b>91</b>
Bonus Scores		0.91	1.50	2.66	1.51
Penalties		0	0	0	0
<b>Blue Drop Score (2012)</b>		<b>97.12 % (↑)</b>	<b>93.81 % (↑)</b>	<b>91.57 % (↓)</b>	<b>95.22 % (↑)</b>
2011 Score		95.10 %	75.37 %	93.68 %	94.31 %
2010 Score		63.81 %	Not Assessed	Not Assessed	Not Assessed
System Design Capacity (Ml/d)		6.5	2.064	3.6	1.44
Operational Capacity (% ito Design)		55.38	4.17	0.56	24.31
Population Served		15 924	290	229	897
Average daily Consumption (l/p/d)		226.07	296.55	87.34	390.19
Microbiological Compliance (%)		<b>99.0%</b>	<b>99.0%</b>	<b>99.0%</b>	<b>99.0%</b>
Chemical Compliance (%)		<b>99.7%</b>	<b>99.0%</b>	<b>96.1%</b>	<b>99.0%</b>

## Regulatory Impression

The Overstrand Local Municipality can again take pride in the commitment of all officials that are responsible for the remarkable Blue Drop performance during this audit cycle. In spite of losing out on one certification (Stanford Oog) the Blue Drop tally improved from three in 2011 to five in 2012 and this is reflected in the overall Blue Drop score which increased from 90.56% (2011) to 96.82% (2012). The improvement of drinking water quality management in all systems is commendable and it is trusted that this performance will be sustained.

Water loss figures were not reported and this is a concerning factor which requires attention since consumption figures for the Buffels River system is rather excessive in comparison with other volumes used in other supply systems. Even though drinking water quality management in this particular system is deemed excellent when measured against the stringent criteria set, this certification will be reviewed should the municipality fail to supply the Department with meter readings that prove the contrary or an acceptable plan to improve water use efficiency.

The improvement in the chemical compliance is another commendable feat since this was noted in the previous cycle as an area of concern. Further improvement in this regard is expected for the system of Baardskeedersbos.

## Site Inspection Report

**Buffelsrivier WTW** 62.6 %\*

**Franskraal WTW (G. Gansbaai)** 90.6 %

The inspectors were not impressed with general appearance of the Buffelsrivier water treatment facility during the on-site audit. However the accommodative nature of the municipality as well as the speedy reaction to shortcomings identified at this plant are impressive. The housekeeping concerns and signs of neglect were dealt with by the swiftness of a team evidently reluctant to lose certification at all cost.



*The neat environment at the Franskraal WTW*



*Proud display of previous award*

The on-site audit at Franskraal confirmed that the water supply system of the Greater Gansbaai is worthy of its Blue Drop certification status. It is however trusted that the risks posed by not having a spare chlorinator and the difficulty of cleaning the sedimentation tanks will be given the required attention.

\* It was proven that the on-site situation improved since the audit; making this score no longer relevant.



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		Piensaars 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		Piensaars 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	

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 **orange** and **red** 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.

# 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 ( $-2 \geq z\text{-score} \geq 2$ 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 system1. 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) Updated sanitation / wastewater Infrastructure Asset Register</b>  1. Proof of Asset Register, evidence to be submitted. Asset register to include movable equipment and immovable infrastructure / assets with matching detail.  The asset register must detail :  a) relevant equipment and infrastructure  b) indicate asset description  c) location  d) condition (remaining life)  e) replacement value</p>
	(8.4) <b>O&amp;M BUDGET &amp; EXPENDITURE</b>	<p><b>e) Operation and maintenance budget and comparative expenditure detail for:</b>  1. <i>wastewater treatment (in cents/m<sup>3</sup>), and</i>  2. <i>collection system (R/m<sup>3</sup>)</i>  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. Regrettably, 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.

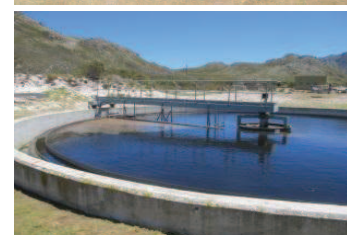
## Site Inspection Report

**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 G**

### **SERVICE LEVEL STANDARDS**

Province: Municipality(WC032) - Schedule of Service Delivery Standards	
Description	
Standard	Service Level
<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/N0 drop)	5 Blue Drops 96.82% ; 4 Green Drops 89.14% (2012)
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)	1.00
Up to 5 service connection affected (number of hours)	2.00
Up to 20 service connection affected (number of hours)	3.00
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
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?	94% (Eskom Loadshedding included) 98.6% (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 4 621 375.00 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</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
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)	2.00
Sewer blocked pipes: Large pipes? (Hours)	2.00
Sewer blocked pipes: Small pipes? (Hours)	2.00
Spillage clean-up? (hours)	4.00
Replacement of manhole covers? (Hours)	2.00
<b>Road Infrastructure Services</b>	
Time taken to repair a single pothole on a major road? (Hours)	2.00
Time taken to repair a single pothole on a minor road? (Hours)	2.00
Time taken to repair a road following an open trench service crossing? (Hours)	5.00
Time taken to repair walkways? (Hours)	6.00
<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 Balaince?	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</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 H**

# **SCOA REGULATIONS, NT BUDGET CIRCULARS & FINANCIAL RATIOS AND NORMS**



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## GOVERNMENT NOTICE

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### NATIONAL TREASURY

No. R. 312

22 April 2014

#### **LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003: MUNICIPAL REGULATIONS ON STANDARD CHART OF ACCOUNTS**

The Minister of Finance has, in terms of section 168 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), and acting with the concurrence of the Minister of Cooperative Governance and Traditional Affairs, made the regulations as set out in the Annexure.



## ANNEXURE

### Preamble

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. The Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), determines those measures for the local sphere of government and enables the Minister of Finance to further prescribe by regulation such measures in terms of section 168 thereof. The National Treasury is responsible for enforcing compliance with such measures, in addition to those functions assigned to it in terms of the Public Finance Management Act, 1999 (Act No. 1 of 1999). The National Treasury must compile national accounts incorporating all three spheres of government.

Uniform expenditure classifications have already been established and implemented for national and provincial government departments. 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. Currently, each municipality manages and reports on its financial affairs in accordance with its own organisational structure and unique chart of accounts. The result is a disjuncture amongst municipalities and municipal entities and between municipalities and the other spheres of government as to how they classify revenue and expenditure and consequently report thereon. This compromises transparency, reliability and accuracy throughout the planning and reporting process and impedes the ability of national government to integrate information and to formulate coherent policies in response to the objectives of local government.

Therefore it is necessary for the Minister of Finance to specify national norms and standards for the recording and collection of local government budget, financial and non-financial information which will include in some instances the specification of information required for national policy coordination and reporting. This will result in an improved understanding of the role of local government in the broader national policy framework and linkage to other government functions.

The Municipal Budget and Reporting Regulations, 2009, provide for the formalisation of norms and standards in order to improve the credibility, sustainability, transparency, accuracy and reliability of municipal budgets. The prescribed budget formats provide the framework for the identification of the categories of municipal

financial and non-financial information required in developing municipal budgets. A key objective of the proposed Regulations is to enable the alignment of budget information with information captured in the course of the implementation of the budget.

Additional key objectives, which also illustrate the potential benefits, include-

- (a) improved data quality and credibility;
- (b) the achievement of a greater level of standardisation;
- (c) the development of uniform data sets critical for 'whole-of-government' reporting;
- (d) the standardisation and alignment of the 'local government accountability cycle' by the regulation of not only the budget and in-year reporting formats but also the annual report and annual financial statement formats;
- (e) the creation of the opportunity to standardise key business processes with the consequential introduction of further consistency in the management of municipal finances;
- (f) improved transparency, accountability and governance through uniform recording of transactions at posting account level detail;
- (g) enabling deeper data analysis and sector comparisons to improve financial performance; and
- (h) the standardisation of the account classification to facilitate mobility in financial skills within local government and between local government and other spheres as well as the private sector and to enhance the ability of local government to attract and retain skilled personnel.

These Regulations apply to all municipalities and municipal entities and indicate its applicability and relevance to each specific municipal environment while accommodating organisational uniqueness and structural differences. These Regulations also proposes the specification of minimum business process requirements for municipalities and municipal entities as well as the implementation of processes within an integrated transaction processing environment.

**TABLE OF CONTENTS****CHAPTER 1****INTERPRETATION, OBJECT AND APPLICATION**

1. Definitions
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## SEGMENTS OF STANDARD CHART OF ACCOUNTS FOR MUNICIPALITIES AND MUNICIPAL ENTITIES

### CHAPTER 1

#### INTERPRETATION, OBJECT AND APPLICATION

##### Definitions

1. In these Regulations, a word or expression to which a meaning has been assigned in the Regulation has the same meaning as in the Act and unless the context indicates otherwise—

**“Act”** means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

**“board of directors”**, in relation to a municipal entity, has the meaning assigned to it in section 1 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);

**“business processes”** means the set of activities taking place from the initiation of a process within a municipality or municipal entity to the completion thereof;

**“classification framework”** means the classification framework provided for in the standard chart of accounts;

**“Director-General”** means the Director-General of the National Treasury;

**“general ledger”** means the central depository of accounting data transferred from all sub-ledgers;

**“minimum business process requirements”** means the set of minimum components of all business processes determined in terms of regulation 6;

**“minimum system requirements”** means those specifications for an integrated software solution, incorporating an enterprise resource management system determined in terms of regulation 7;

**“municipal entity”** has the meaning assigned to it in section 1 of the Local Government: Municipal Systems Act, 2000;

**“municipal council”** has the meaning assigned to it in section 1 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);

**“municipality”** has the meaning assigned to it in section 1 of the Local Government: Municipal Systems Act, 2000;

**“SCOA Committee”** means the Technical Committee for the Standard Chart of Accounts for municipalities and municipal entities established by regulation 8; and

**“standard chart of accounts”** means a multi-dimensional classification framework providing the method and format for recording and classifying financial transaction information in the general ledger forming part of the books of account containing a standard list of all available accounts.

### **Object of these Regulations**

2. The object of these Regulations is to provide for a national standard for the uniform recording and classification of municipal budget and financial information at a transaction level by prescribing a standard chart of accounts for municipalities and municipal entities which—

- (a) are aligned to the budget formats and accounting standards prescribed for municipalities and municipal entities and with the standard charts of accounts for national and provincial government; and
- (b) enable uniform information sets recorded in terms of national norms and standards across the whole of government for the purposes of national policy coordination and reporting, benchmarking and performance measurement in the local government sphere.

### **Application of these Regulations**

3. These Regulations apply to all municipalities and municipal entities.

## **CHAPTER 2**

### **STANDARD CHART OF ACCOUNTS FOR MUNICIPALITIES AND MUNICIPAL ENTITIES**

#### **Segments and classification framework for the standard chart of accounts**

4.(1) The standard chart of accounts for a municipality or municipal entity must contain the segments as set out in the Schedule.

(2) The Minister must, by notice on the website of the National Treasury, determine the classification framework provided for in the standard chart of accounts.

**Implementation requirements**

5.(1) The standard chart of accounts of a municipality or municipal entity—

- (a) must contain the segments in the Schedule as required by regulation 4(1);
- (b) must accurately record all financial transactions and data in the applicable segment; and
- (c) may not contain data which is mapped or extrapolated or which otherwise does not reflect transactions recorded or measured by the municipality or municipal entity.

(2) The financial and business applications or systems used by a municipality or municipal entity must—

- (a) provide for the hosting of the general ledger structured in accordance with the classification framework determined in terms of regulation 4(2);
- (b) be capable of accommodating and operating the standard chart of accounts;
- (c) provide a portal allowing for free access, for information purposes, to the general ledger of the municipality or municipal entity, by any person authorised by the Director-General or the Accounting officer of the municipality.

(3) Each municipality and municipal entity must have, or have access to, computer hardware with sufficient capacity to run the software which complies with the requirements in sub-regulation (2).

**CHAPTER 3****MINIMUM BUSINESS PROCESS AND SYSTEM REQUIREMENTS****Minimum business process requirements**

6.(1) The Minister may, by notice in the *Gazette*, determine minimum business process requirements for municipalities and municipal entities to enable implementation of regulations 4 and 5.

(2) Each municipality and municipal entity must implement the minimum business process requirements by the date determined in the notice referred to in sub-regulation (1).

**Minimum system requirements**

7.(1) The Minister may, by notice in the *Gazette*, determine the minimum system requirements for municipalities and municipal entities to enable implementation of regulations 4 and 5.

(2) Each municipality and municipal entity must implement the minimum system requirements by the date determined in the notice referred to in sub-regulation (1).

**CHAPTER 4****TECHNICAL COMMITTEE FOR STANDARD CHART OF ACCOUNTS****Establishment of Technical Committee for Standard Chart of Accounts**

8. A committee known as the Technical Committee for the Standard Chart of Accounts is hereby established as a structure of the National Treasury.

**Composition of SCOA Committee**

9.(1) The SCOA Committee must consist of—

- (a) a chairperson;
- (b) a deputy chairperson;
- (c) five other members, each representing the functional areas of public finance, intergovernmental relations, accounting, budget office and supply chain management; and
- (d) such further members as the Director-General considers necessary;

(2) The Director-General must designate employees of the National Treasury as members of the SCOA Committee in the respective capacities for a term of three years.

(3) A member referred to in sub-regulation (1)(c) or (d) may nominate an alternate to act in that member's stead if unavailable.

(4) The deputy chairperson of the SCOA Committee must act in the place of the chairperson of the Committee if unavailable.



(5) The Director General must take all reasonable steps to ensure that the SCOA Committee is provided with the technical, administrative, financial and logistical resources to enable it to fulfil its function and must determine its procedures.

#### **Functions of SCOA Committee**

**10. The SCOA Committee—**

- (a) must review the classification framework and, where required, make recommendations to the Minister on amendments to that framework;
- (b) must develop guidelines and training material that are aligned to the classification framework determined from time to time in terms of regulation 4(2);
- (c) must review the implementation of the standard chart of accounts in government as a whole to ensure the alignment of the standard chart of accounts provided for in these Regulations and the standard chart of accounts applicable in national and provincial government;
- (d) when required to align these Regulations with changes to other legislation applicable to local government, must make recommendations to the Minister on amendments to these Regulations;
- (e) must undertake such other functions relating to the implementation of these Regulations as the Minister may direct;
- (f) may make recommendations to the Director-General and the Minister on any matter referred to in paragraphs (b), (c) and (e); and
- (g) must undertake any functions necessarily ancillary to any matter referred to in paragraphs (a) to (f).

#### **Meetings of SCOA Committee**

**11.** The chairperson of the SCOA Technical Committee or the Director-General may, as required, convene meetings of the Committee, but the Committee must convene at least once a year.

## CHAPTER 5

### RESPONSIBILITIES OF MUNICIPAL FUNCTIONARIES

#### Responsibilities of municipal councils and boards of directors

12. The municipal council of a municipality and the board of directors of a municipal entity must take the necessary steps to ensure that these Regulations are implemented by the adoption of any resolutions, policies and budgetary provisions necessary for the implementation of these Regulations.

#### Responsibilities of accounting officers

13. The accounting officer of a municipality or municipal entity must take all necessary steps to ensure that these Regulations are implemented by at least—

- (a) delegating the necessary powers and duties to the appropriate officials;
- (b) ensuring that the responsible officials have the necessary capacity by providing for training and ensuring that they attend training or workshops provided by the National Treasury;
- (c) ensuring that the financial and business applications of the municipality or municipal entity have the capacity to accommodate the implementation of these Regulations and that the required modifications or upgrades are implemented; and
- (d) submitting reports and recommendations to the municipal council or the board of directors, as the case may be, that provide for the adoption of any resolutions, policies and budgetary provisions necessary for the implementation of these Regulations.

## CHAPTER 6

### GENERAL

#### Access by National Treasury

14.(1) All municipalities and municipal entities must ensure that—

- (a) the business and financial applications used by them incorporate a portal allowing for free access to their general ledgers for information purposes to any person authorised by the Director-General; and
- (b) such access is provided.

(2) The accounting officer of a municipality and a municipal entity must ensure that its system providers cooperate with the National Treasury to implement the necessary programme amendments to provide the standard of access required by the National Treasury.

(3) The National Treasury may use any of the information to which it has access in terms of this regulation for the purposes of—

- (a) preparing national accounts for the whole of government;
- (b) development of consolidated accounts for the local government sphere;
- (c) verifying the correctness of municipal financial and business information;
- (d) assessment of municipal financial performance and benchmarking; and
- (e) fulfilling any obligations in terms of legislation.

#### **Postponement of implementation and exemption**

15.(1) The Minister may, by notice in the *Gazette* on good cause shown by a municipality or municipal entity and after considering any recommendations of the SCOA Committee, exempt such municipality or municipal entity from the application of a provision of these Regulations, for the period and on the conditions determined in the notice.

(2) A postponement or exemption in terms of sub-regulation (1) may—

- (a) apply to—
  - (i) municipalities generally; or
  - (ii) municipal entities generally, or
- (b) be limited in its application to a particular—
  - (i) municipality;
  - (ii) category of municipalities, which may be defined either in relation to a type or budgetary size of municipality or in any other manner;
  - (iii) municipal entity; or

- (iv) a category of municipal entities, which may either in relation to a type or budgetary size of municipal entity or in any other manner.

**Short title and commencement**

16. These Regulations are called the Standard Chart of Accounts for Local Government Regulations, 2014, and take effect on 1 July 2017.

## **SCHEDULE**

### **SEGMENTS OF STANDARD CHART OF ACCOUNTS FOR MUNICIPALITIES AND MUNICIPAL ENTITIES**

The standard chart of accounts must consist of at least the following segments, each of which incorporates a classification within the general ledger to record transaction information identified by codes within fields within the database:

#### **Funding Segment**

1. This segment identifies 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. The appropriate classification code of a transaction in this segment will be determined according to the source of funding against which a payment is allocated and the source of revenue against which income is received.

#### **Function Segment**

2. 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 with due regard to specific service delivery activities and responsibilities of each individual municipality or municipal entity.

#### **Municipal Standard Classification Segment**

3. This segment provides for the organisational structure and functionality of an individual municipality, which is not prescribed, but must incorporate the structure and functionality as determined by that municipality.

#### **Project Segment**

4. This segment provides for the classification of capital and operating projects as provided for in the integrated development plan, as provided for in the Municipal Structures Act, 1998 (Act No. 117 of 1998), and funded in the budget and records information on spending as against the budget as well as the utilisation of funds provided for the project. The appropriate classification code of a transaction in this segment will be determined on the basis of whether it relates to a specific project and if so, the type of project.

#### **Regional Indicator Segment**

5. This segment identifies and assigns government expenditure to the lowest relevant geographical region as prescribed and the appropriate classification code will be determined according to the defined geographical area within which the

intended beneficiaries of the service or capital investment are located who are deriving the benefit from the transaction.

#### **Item Segment**

6. This segment provides for the classification of item detail in the presentation of the financial position, performance and cash flow of the municipality or municipal entity. The appropriate classification code will be determined according to the nature of the transaction either as revenue, expenditure, asset, liability or net asset.

#### **Costing Segment**

7. This segment provides for a classification structure for secondary cost elements and acts as a cost collector in determining inter alia total cost of a service or function, identification of productivity inefficiencies and tariff determination of municipal services. Classification codes are identified with reference to departmental charges, internal billing and activity based recoveries for purposes of recording specific activities and functions in terms of their unit costs and cost categories.



## **Municipal Budget Circular for the 2015/16 MTREF**

This circular provides further guidance to municipalities and municipal entities for the preparation of their 2015/16 Budgets and Medium Term Revenue and Expenditure Framework (MTREF). It must be read together with all previous MFMA Budget Circulars.

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## Key focus areas for the 2015/16 budget process

### The Medium Term Budget Policy Statement 2014

The MTBPS highlights that South Africa's economic performance has deteriorated over the past several years. Gross domestic product (GDP) growth of 1.4 per cent is estimated in 2014, down from 3.6 per cent in 2011. GDP growth is projected to improve over the medium term as infrastructure constraints ease, private investment recovers and exports grow. Economic growth is expected to rise gradually over the medium term, reaching 3 per cent by 2017.

Key priorities of government are to reshape South Africa's urban environment through integrated spatial planning, investment in dynamic city development, integrated housing and transport programmes, and support for business activity and job creation. The Medium Term Strategic Framework (MTSF) priorities for structural reform over the period ahead include:

- ***Building the capacity of local government through the "back to basics" approach*** which will focus on improving service delivery, accountability and financial management. Local government should be effective and efficient; and this will be measured by its ability to perform the basic mandate of service delivery.
- Reshaping South Africa's urban environment through **integrated spatial planning and an expansion of the municipal debt market**. Municipalities play a critical role in growing the economy through well-planned and well-managed urbanisation. In order to achieve this, large municipalities require massive investment to stimulate growth, maintain infrastructure and ensure that basic services are provided for growing populations. Over the next three years, the government will roll-out a new approach to local government infrastructure financing. Incentives will be introduced to encourage large urban municipalities to promote more compact, efficient and equitable cities. Planning will focus on developing mixed-use precincts that can help to catalyse economic activity, and on upgrading informal settlements.

Municipalities require capacity to be able to implement the MTSF's priorities for structural reform. This means that the state's capacity to plan, manage and maintain its programmes and infrastructure must improve. Government is providing the following support to enable cities to promote growth and urban spatial transformation:

- A project preparation facility which helps municipalities to build a robust pipeline of well-designed, catalytic projects for implementation;
- The infrastructure delivery management system is being expanded from provinces to large cities; and
- Technical assistance will support the review of borrowing strategies.

In addition, support will be provided to municipalities to improve revenue collection and the management of infrastructure financed from both own revenue and grants. National government will work with municipalities to expand their own contributions to local infrastructure investment, while reforms to the grant system will allow for more flexibility in the design of locally appropriate solutions; thereby facilitating more efficient use of available resources for social infrastructure. Greater integration between the capital investment plans of state-owned companies and city development strategies will also be encouraged.

Government will also work with private investors and development finance institutions to expand debt financing for municipal infrastructure. The Development Bank of Southern Africa (DBSA) is currently examining ways to encourage greater private investment in the municipal infrastructure market through infrastructure bonds, municipal bond underwriting, project



finance and various contracting models. These initiatives will aim to improve liquidity and extend maturities in the municipal bond market – and to encourage, rather than crowd out, private investment. The policy objectives will seek to reshape the urban landscape, through the renewal of investment in affordable housing and lenders will be encouraged to expand the debt-finance market for municipal infrastructure in support of infrastructure investment.

As mentioned above, **sustainable job creation** remains a national priority and municipalities must ensure that in drafting their 2015/16 budgets and MTREFs they continue to explore opportunities to mainstream labour intensive approaches to delivering services, and more particularly to participate fully in the Expanded Public Works Programme.

The economic growth plays a critical role in job creation; therefore greater private sector investment in the economy is encouraged. Municipalities must continue to undertake joint planning with their communities and respective business sectors that drive the local economy.

### Local government conditional grants and additional allocations

The division of available funds to Local Government has increased to R99.2 billion or 9.1 per cent for 2015/16. This is expected to increase to R110.0 billion by 2017/18. The *Medium Term Budget Policy Statement 2014* indicates that over the 2015 MTEF period, transfers to local government total R313 billion, with 61.4 per cent transferred as unconditional allocations such as the equitable share and sharing of the general fuel levy. The remainder is allocated through conditional grants. As an interim measure municipalities MUST ensure that their tabled budgets reflect the conditional grant allocations set out in the 2015 Division of Revenue Bill.

Municipalities are advised to use the indicative numbers as set out in the 2014 Division of Revenue Act to compile their 2015/16 Medium-term Revenue and Expenditure budgets. In terms of the outer year of the 2015/16 municipal MTREF (2017/18 financial year), it is proposed that municipalities conservatively limit funding allocations to the indicative numbers as proposed in the 2014 Division of Revenue Act for 2016/17. **These numbers should then be updated once the 2015 Medium-term Expenditure Framework (MTEF) is tabled by the Minister of Finance in Parliament towards the end of February 2015.** The 2015 Medium-term Expenditure Framework will be published the day after the Minister's budget speech on National Treasury's website at: <http://www.treasury.gov.za/legislation/acts/2014/Default.aspx>

The Medium Term Budget Policy Statement 2014 highlighted that the country's weaker-than-expected economic performance and outlook pose new fiscal challenges. Lowering the expenditure ceiling is one of the measures implemented. Therefore decreases in indicative baselines will be allocated proportionately across national, provincial and local government according to their share of national revenue.

In the case of local government, reductions will only be made to conditional grants and not to the local government equitable share. Reductions will be spread across the grants and larger reductions will be applied to grants that have a history of underspending and non-infrastructure grants. This translates to a reduction in baseline allocations for local government conditional grants of R920.6 million in 2015/16 and R1.4 billion in 2016/17.

The **Municipal Human Settlements Capacity Grant** was introduced in 2014/15 to facilitate the development of capacity to manage human settlements programmes in Cape Town, Ekurhuleni, eThekweni, Johannesburg, Nelson Mandela Bay and Tshwane Metropolitan Municipalities. While the process of assigning the housing function is being reviewed, strengthening the capacity of these cities to manage the built environment remains a priority.

Allocations in terms of this grant will be reduced and the structure and conditions of the grant will be amended to reflect these changes. Details will be announced in the 2015/16 Budget.

A new grant is also proposed to fund the anticipated administrative costs of municipalities in KwaZulu-Natal and Gauteng that will be affected by mergers after the 2016 local government elections.

Additions are also proposed for the **Regional Bulk Infrastructure Grant** and **Municipal Water Infrastructure Grant**. These allocations are intended to allow government to accelerate the provision of clean water to households.

While the review of local government infrastructure grants will continue in 2015, two changes emerging from the review's recommendations so far are proposed for 2015/16:

- Rationalising four grants administered by the Department of Water and Sanitation. These grants, which have overlapping objectives, are the *Municipal Water Infrastructure Grant*, *Water Services Operating Subsidy Grant*, *Rural Households Infrastructure Grant* and *Regional Bulk Infrastructure Grant*; and
- Merging the *Public Transport Infrastructure Grant* and the *Public Transport Network Operations Grant* into a single grant that provides more flexibility to cities in choosing public transport solutions.

### **Changes in the 2014 Division of Revenue Amendment Bill**

The Minister of Finance tabled the 2014 Division of Revenue Amendment Bill on 22 October 2014. The details of the changes to municipal allocations and the reasons for these changes are discussed in the explanatory memorandum to the Bill, available on the National Treasury's website at: <http://www.treasury.gov.za/documents/mtbps/2014/default.aspx>

The 2014 Division of Revenue Amendment Bill includes a rollover of R80.2 million on Municipal Infrastructure Grant for projects in nine municipalities where transfers were stopped in 2013/14. These municipalities are in the Eastern Cape, KwaZulu-Natal, Northern Cape, North West and Western Cape. An amount of R157 million will be transferred to municipalities through the Municipal Disaster Recovery Grant in response to requests for post disaster funding. This is to repair and replace infrastructure damaged as a result of declared disasters that occurred in 2013 and 2014. The changes will be gazetted in December 2014.

The explanatory memorandum to the 2014 Division of Revenue Amendment Bill also sets out technical corrections to the conditional grant frameworks for the Rural Households Infrastructure Grant and the Municipal Human Settlements Capacity Grant.

### **Strengthening procurement to obtain value for money and combating corruption**

A large share of the national budget is spent to build infrastructure, and to procure goods and services. This expenditure contributes to production and jobs throughout the economy. Government must ensure that its procurement processes are prudent, deliver value for money and help to improve service delivery.

An objective of the Office of the Chief Procurement Officer that was established within the National Treasury in April 2013 is to minimise waste and corruption, and ensure that government derives maximum social and economic benefits from every Rand spent.

This centralised oversight of public procurement will also improve efforts to root out tender fraud. Over the next three years, the Office of the Chief Procurement Officer will build a foundation for more cost-effective procurement operations in the public sector. The range and

scope of nationally negotiated contracts will be expanded, a national price-referencing system will be introduced, and government will draw on private-sector expertise and best practice in procurement systems. The fight against corruption also depends on an active citizenry, which the National Development Plan stresses is a precondition for South Africa to achieve its ambitious social and economic objectives.

## Local government budget and financial management reforms

### *Regulation of a 'Standard Chart of Accounts' (SCOA) for local government*

The Minister of Finance promulgated the Municipal Regulations on the Standard Chart of Accounts (SCOA) on 22 April 2014. The Municipal Regulations on the Standard Chart of Accounts, Project Summary Document and Detailed Classification Framework of the 7 Segments (SCOA Version 5) can be accessed at:

<http://mfma.treasury.gov.za/RegulationsandGazettes/MunicipalRegulationsOnAStandardChartOfAccountsFinal/Pages/default.aspx>

Similarly to that of national and provincial government, the municipal SCOA essentially provides for a uniform and standardised financial classification framework by which municipalities are required, at a transactional level, to record all expenditure, revenue, assets and liabilities. While the overall objective and benefits of the municipal SCOA vary, the introduction of the municipal SCOA across all 278 municipalities will undoubtedly improve the ability of municipalities and councils to take informed decisions and improve service delivery outcomes through improved evidence based financial management. Importantly, it will also facilitate the aggregation of budgets and financial performance to ensure 'whole of government' reporting.

In preparation for SCOA implementation by all 278 municipalities by 01 July 2017, the National Treasury has commissioned SCOA Project Phase 4. SCOA Project Phase 4 incorporates various activities including the piloting of the SCOA classification framework in selected municipalities (across all financial systems currently operational in municipalities) with the implementation of the 2015/16 budget (01 July 2015). In addition, as a lead-up to the SCOA implementation by 01 July 2017, there will be a host of change management initiatives including the introduction of a formal training programme.

The selection of pilot municipalities have been finalised and forms part of the SCOA Integrated Consultative Forum. This is a stakeholder engagement forum that was established to oversee and assist stakeholders, vendors and municipalities with the transition to the SCOA classification framework and to date three meetings have taken place. Pilot sites should from 01 July 2015 implement the 2015/16 MTREF in accordance with SCOA classification framework and report accordingly. **Non-piloting municipalities are advised to start comparing their chart of accounts to SCOA in preparation for the implementation in July 2017.**

While non-piloting municipalities do not formally partake in the SCOA ICF, there are a host of immediate activities that need to be undertaken by all municipalities concurrently to the piloting process in preparation for implementation in July 2017. These include, among others:

- Tabling the Municipal Regulations on Standard Chart of Accounts in the municipal council to bring about broader awareness;
- Studying the Regulation, SCOA Project Document, associated Segments and Frequently Asked Questions which can be accessed at the above mentioned website;
- Compilation of a high level project plan and associated activities, including:

- ✓ Identification of a project manager / coordinator within the municipality which should preferably be within the finance department at a senior manager level;
  - ✓ Matching the SCOA classification framework to the current chart of accounts (general ledger) currently operational in the municipality and the identification of any anomalies;
  - ✓ Matching the Function Segment of the SCOA classification framework to the current vote and cost centre structures and identification of any anomalies;
  - ✓ Incorporating all senior managers across the municipality into the project through internal awareness and information sharing;
  - ✓ Incorporating the project plan and associated milestones as part of a standing agenda item at the monthly senior manager team meetings; and
  - ✓ Tabling a progress report, including a risk matrix at the municipal council on a quarterly basis.
- Attendance of, among others, the provincial CFO Forums which will be used to provide feedback with the piloting process. In addition, there will be sessions scheduled, such as the recent provincial one day SCOA introductory sessions, which will provide further clarity as it relates to the SCOA classification framework. Attendance of these sessions by relevant officials, including the municipal SCOA project manager / coordinator, will be essential if the municipality is to proactively manage any hurdles to ensuring SCOA compliance.

The National Treasury is in the process of finalising a MFMA Circular that will specifically deal with guidance as it relates to the SCOA and SCOA Project Phase 4. The Circular will be released early in 2015 and all municipalities are urged to diligently study the Circular in preparation for full SCOA implementation.

In addition, all queries, clarity seeking questions, challenges and associated issues relevant to SCOA can be directed to the following email address: [lgscoa@treasury.gov.za](mailto:lgscoa@treasury.gov.za)

### ***Financial applications (systems) and the impact of SCOA***

Municipalities are reminded that MFMA Circular No. 57 is still in effect and the guidance, processes and procedures provided in the Circular are still applicable. **Currently no system vendor (financial systems) could demonstrate SCOA compliance** and municipalities are therefore strongly advised not to proceed with any configuration or upgrades to their current core financial systems as this could potentially lead to fruitless and wasteful expenditure not to mention exposing the municipality to unnecessary risk as it relates to SCOA compliance. As indicated above, as part of SCOA Project Phase 4 all system vendors have been included in the piloting process and are currently undertaking reconfiguration and upgrades to their system functionality in support of the multidimensional chart as prescribed by the SCOA Regulations.

Only once the piloting process has been finalised will the National Treasury be in a position to issue a follow-up MFMA Circular to MFMA Circular No. 57. It is envisaged that the objectives of the piloting process will be finalised towards the end of the first quarter of the 2015/16 financial year subsequent to which the follow-up MFMA Circular will be issued.

Notwithstanding the abovementioned facts, municipalities continue to replace their current financial applications against the guidance supplied in MFMA Circular No. 57. While it is acknowledged that in some cases municipalities feel that limitations associated with their current financial system functionality is impeding overall performance improvements, municipalities are advised to proceed with the outmost caution. Municipalities should follow the procedures and processes as outlined in MFMA Circular No. 57 and attempt to keep any decisions relating to changing financial systems in abeyance until the finalisation of the piloting process. In the interim, the National Treasury is of the opinion that each case should be

managed based on the unique circumstances and challenges experienced by each municipality.

Furthermore, municipalities are advised that in many cases the implementation of the SCOA classification framework could be considered a reimplementation of a financial system as it relates to take on balances of previous financial years and setting up of a new general ledger. Consequently the opportune time to change financial applications would in most cases be with the implementation of the SCOA classification framework and will undoubtedly be the most cost efficient approach. Further guidance in this regard will be provided in the MFMA Circular that will be issued in early in 2015.

## Headline inflation forecasts

Municipalities must take the following inflation forecasts into consideration when preparing their 2015/16 budgets and MTREF. This information will be updated in a further Budget Circular to be issued after the tabling of the National Budget.

Fiscal year	2014	2015	2016	2017	2018
	Actual	Estimate	Forecast		
CPI Inflation	5.6%	6.2%	5.8%	5.5%	5.3%

Source: Medium Term Budget Policy Statement 2014

## Revising rates, tariffs and other charges

### Operating Revenue

Municipal revenues and cash flows are expected to remain under pressure in 2015/16 due to the state of the economy; therefore municipalities should adopt a conservative approach when projecting their expected revenues and cash receipts. Municipalities should also pay particular attention to managing all revenue and cash streams effectively, by paying particular attention to their revenue management processes and procedures.

Municipalities are therefore required to realistically provide for revenue as part of the statement of financial performance, cash flow and capital programme.

Another challenge identified was that municipalities are not able to set cost-reflective tariffs as advised in previous circulars because the cost drivers are not known. Municipalities are advised to determine the costs per service in determining tariffs. The use of tariff models will not yield positive results in municipalities that do not know their cost drivers as would any financial model based on incorrect information.

When municipalities and municipal entities revise their rates, tariffs and other charges for the 2015/16 budgets and MTREFs, they need to take into account the primary and secondary costs of services provided, local economic conditions and affordability of services to ensure financial sustainability.

National Treasury also 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** upper boundary of the South African Reserve Bank's inflation target in the budget narratives.



## Management accounting and tariff setting

A costing guideline will be issued to respond to the demand by local government practitioners for guidance and tools in the costing of services rendered to consumers. The guideline is informed by the outcome of a pilot study that was undertaken. It addresses the inability to produce consistent data by municipalities on the cost of rendering a trading service.

This process will assist practitioners to improve their understanding of the principles and techniques of cost allocation. The adopted methodology is based on a consistent approach across municipalities, functions and projects, and so allow for cost comparisons and benchmarking. In addition, the information will be critical for tariff setting not only across main trading services but also in ensuring transparency in revenue generated across consumer categories. The process will also assist municipalities to better understand their costs and the factors that have the greatest influence on these costs (i.e. the cost drivers).

The rationale and concepts explained in this guideline envisage the establishment of a shared understanding among the various roleplayers involved.

## Interpretation of section 43 of the MFMA

The municipal electricity tariff increase is regulated in terms of the Municipal Finance Management Act (MFMA) and the Electricity Regulation Act (ERA). ERA empowers NERSA to determine electricity tariffs to be charged by municipalities on an annual basis. The MFMA prescribes the timelines within which NERSA must finalise the process of determining the municipal tariff for a financial year.

### ***Section 43 of the MFMA deals with the applicability of tax and tariff capping on municipalities***

Section 43 of the MFMA requires an organ of state (NERSA) to make a determination of the municipal tariff increase on or before 15 March in a year for the tariff to be effective in 1 July of that year. If the determination is done after 15 March in a year, such determination will take effect 1 July in the next year. For example, if NERSA advises a municipality of its tariff determination by 15 March 2015, the tariff determination by NERSA with respect to the municipal electricity tariffs will be effective from 1 July 2015 but if NERSA fails to inform a municipality of its determination by 15 March 2015, the tariff determination by NERSA will only be effective from 1 July 2016. This implies that municipalities must submit their tariff applications before 15 March to enable NERSA to comply with the stipulated deadline (15 March).

Municipalities are also required in terms of section 16(2) of the MFMA to table the municipal budget in council no later than 31 March. The annual budget must be accompanied by amongst others draft resolution for imposing any municipal tax and setting any municipal tariffs as may be required for the budget year. The tabled municipal budget must be published for consultation with their local community and their views must be considered before the municipal council approves the budget.

With respect to electricity tariffs, NERSA determines the maximum tariffs that should be imposed by each municipality and they can be adjusted downwards depending on the circumstances of each municipality and resolution taken by the municipal council. A municipality may not charge a customer a higher tariff than that approved by NERSA. Therefore the determination made by NERSA should be used as a basis for consultation with local community and may be adjusted downward depending on the outcomes of the consultations. In cases where the outcomes of the consultations necessitate upward adjustment of the tariffs, a municipality should apply to NERSA for the review of the tariffs.

through an appeal process which is provided for in the Electricity Regulation Act. This should also be done in time to ensure that the processes are finalised before the approval of budget by municipal council.

### **NERSA's process to approve electricity tariffs**

Municipalities will submit tariff applications from December 2014 aligned with the requirements of section 43 of the MFMA and subsequently NERSA will endeavour to finalise and complete all municipal tariff applications by 15 March 2015.

NERSA held workshops and one-on-one interactions with municipalities per province in order to assist municipalities with the completion of the D-forms. This process ran parallel with the submission of the D-forms. Municipalities are urged to ensure that correct and accurate information is submitted timeously to NERSA in order to ensure that proper analysis is done, and approval of tariff applications is achieved timeously.

In this regard municipalities are reminded to submit all outstanding D-forms to NERSA as a matter of urgency as the deadline for submission was 31 October 2014. NERSA will not be in a position to evaluate municipal tariff applications in the absence of complete D-forms. It is important that municipalities and NERSA work together to ensure that the process of approving electricity tariffs are finalised before 30 June 2015.

### **Eskom bulk tariff increases**

Municipalities are advised to structure their 2015/16 electricity tariffs based on the **12.69 per cent** guideline and provide for a **14.24 per cent** increase in the cost of bulk purchases for the tabled 2015/16 budgets and MTREF. Any changes to these guidelines will be communicated to municipalities in a further Budget Circular for the 2015/16 financial year to be issued shortly after the tabling of the National Budget.

National Treasury supports the use of the following formula, proposed by NERSA, for calculating municipal electricity tariff increases:

$$MG = (B \times BPI) + (S \times SI) + (R \times RI) + (C \times CCI) + (OC \times OCI)$$

Where:

MG = % Municipal Guideline Increase  
 B = % Bulk purchases  
 BPI = % Bulk purchase increase  
 S = % Salaries  
 SI = % Salaries increase  
 R = % Repairs  
 RI = % Repairs increase  
 C = % Capital charges  
 CCI = % Capital charges increase  
 OC = % Other costs  
 OCI = % Other costs increase

All cost shares and increases must relate to the electricity function of the municipality

**The formula for calculating the guideline:**

$$\begin{aligned} MG &= (B \times BPI) + (S \times SI) + (R \times RI) + (C \times CCI) + (OC \times OCI) \\ &= (73 \times 14.24) + (10 \times 7.3) + (6 \times 6.3) + (4 \times 6.3) + (7 \times 6.3) \\ &= 10.40 + 0.73 + 0.38 + 0.25 + 0.54 \\ &= 12.20\% \end{aligned}$$

Municipalities are urged to examine the cost structure of their electricity undertakings and apply to NERSA for electricity tariff increases that are cost reflective and ensure continued financial sustainability.

Where a municipality's evaluation of its cost structure results in a lower or higher tariff increase to that proposed by NERSA, the municipality must structure its tariffs accordingly and ensure it provides the necessary motivation and information in its tariff application to NERSA. Municipalities must refer to NERSA's 'Consultation paper for municipal tariff guideline benchmarks for 2015/16 financial year' for requirements on approving tariffs above the guideline, which can be accessed at [www.nersa.org.za](http://www.nersa.org.za).

### **Water and sanitation tariffs must be cost-reflective**

If a municipality's water and sanitation tariffs are not fully cost reflective, 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. ***As per the guidance in various previous Budget Circulars, municipalities were expected to apply cost reflective tariffs in the 2014/15 MTREF for both water and sanitation.*** 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.

To mitigate the need for water tariff increases, municipalities must put in place an appropriate strategy 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.

## **Funding choices and management issues**

### **Employee related costs**

The *Salary and Wage Collective Agreement* for the period 01 July 2012 to 31 June 2015 has come to an end. In the absence of other information from the South African Local Government Bargaining Council, municipalities are advised to budget for a 5.8 per cent cost-of-living increase adjustment to be implemented with effect from 01 July 2015 (in line with the increase proposed in the 2014 MTBPS). Municipalities must further use the inflation forecast to project increases in the outer years.

### **General –Expenditure (Cost-containment measures and non-priority spending)**

Building on cost containment guidelines approved by Cabinet in October 2013, government at all levels will need to identify opportunities to increase efficiency and reduce waste. At a national level, the 2015 budget will pay particular attention to reducing line items that are not critical to service delivery to reinforce cost containment. Municipalities are still urged to implement the cost containment measures on six focus areas namely, consultancy fees, no credit cards, travel and related costs, advertising, catering, events costs and accommodation.

Related to cost-containment measures is the elimination of non-priority spending. The National Treasury has continuously through circulars provided advice to municipalities to eliminate non-priority spending. It was noted that there are municipalities that continue to excessively sponsor music festivals and arts festivals. With the implementation of cost-containment measures, municipalities must control unnecessary spending on nice-to-have items and non-essential activities. Municipalities are urged to refer to MFMA Circular 70 on examples of non-priority expenditure that must be eliminated.



## The use of consultants

The National Treasury (Office of the Chief Procurement Officer) has observed that many municipalities make use of consultants and other service providers in the course of daily operations. Owing to the fact that there are no standardised tariffs and rates currently regulated as it relates to professional service providers and consultants, many municipalities are charged exorbitant fees for such services.

The response received from municipalities on the VAT reconciliation questionnaire indicates that most municipalities use consultants to review and submit these returns to the South African Revenue Services (SARS). Municipalities are advised to refrain from the use of consultants and other service providers in completing or reviewing their VAT returns. It is the responsibility of the Chief Financial Officer to review the VAT returns.

## Budgeting for unfunded/ underfunded mandates

In previous budget years, it was noted that a number of municipalities are budgeting for unfunded/underfunded mandates. The South African Cities Network (SACN, 2007:78) defines an unfunded/underfunded mandate as when municipalities perform the functions of other spheres of government and bear significant costs out of their own revenue sources. These unfunded/underfunded mandates pose an institutional and financial risk to the municipality as substantial amounts of own funding is being allocated to non-core functions at the expense of basic service delivery.

One of the main objectives of local government is to ensure the provision of basic services to communities. Section 153 of the Constitution requires that budgeting processes must prioritise the basic needs of the community. Municipalities must therefore prioritise the provision of basic services such as electricity, water, sanitation and refuse removal in their MTREF budgets. Municipality may only budget for non-core functions such as crèches, sports fields, libraries, museums, health services, etc. if:

- The function is listed in Schedule 4B and 5B of the Constitution;
- The function is assigned to municipality in terms of national and provincial legislation;
- The municipality has prioritised the provision of basic services; and
- It does not jeopardise the financial viability of the municipality.

Municipalities are urged to sign service level agreements and recover costs where unfunded/underfunded mandates are performed on behalf of other spheres of government. However it will not constitute an unfunded / underfunded mandate if the municipality provides services beyond what is stipulated in the service level agreement.

## 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 transfers to municipalities

As indicated above, National Treasury will issue a further Budget Circular for the 2015/16 financial year shortly after the tabling of the National Budget. This Circular will deal with any new conditional grant issues and processes related to the management of conditional grants.

### 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.

## The Municipal Budget and Reporting Regulations

National Treasury has released Version 2.7 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 2015/16 Budget and MTREF.

Download Version 2.7 of Schedule A1 by clicking [HERE](#)

The Municipal Budget and Reporting Regulations are designed to achieve a range of objectives, including improving the local government sphere's ability to deliver services by facilitating improved financial sustainability and better medium term planning. The regulations, formats and associated guides etc. are available on National Treasury's website at:

<http://mfma.treasury.gov.za/RegulationsandGazettes/Pages/default.aspx>

Since 01 July 2009, all municipalities and municipal entities must prepare their annual budgets, adjustments budgets and in-year reports for the 2015/16 financial year in accordance

with the Municipal Budget and Reporting Regulations. In this regard, municipalities must comply with both:

- The formats set out in Schedules A, B and C; and
- The relevant attachments to each of the Schedules (the Excel Formats).

If a municipality fails to prepare its budget, adjustments budget and in-year reports in accordance with the relevant formats,

- The municipality will be required to resubmit their documentation in the regulated format by a date determined by the National Treasury;
- The municipality's non-compliance with the required formats will be reported to the Auditor-General; and
- A list of municipalities that fail to comply with the required formats will be tabled in Parliament and the provincial legislatures.

### Assistance with the compilation of budgets

If you require advice with the compilation of your budgets, the budget documents or Schedule A1 please direct your enquiries 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 Katlego Mabiletsa	012-315 5539 012-395 6742	<a href="mailto:Vincent.Malepa@treasury.gov.za">Vincent.Malepa@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 Walter Munyai	012-315 5936 012-315 5171 012-395 6793	<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> <a href="mailto:Walter.Munyai@treasury.gov.za">Walter.Munyai@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 Mlungisi Mthembu	012-315 5661 012-315 5725 012-395 6554	<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> <a href="mailto:Mlungisi.Mthembu@treasury.gov.za">Mlungisi.Mthembu@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>

### Addressing gaps identified in municipalities budgets

It is the sixth year of the implementation of the Municipal Budget and Reporting Regulations and it is acknowledged that there is improvement in the number of municipalities complying with the required formats. However the quality of data contained in the A schedules and

supporting table is still a challenge. Municipalities should consider the following when compiling the 2015/16 MTREF budgets:

### ***Budgeting for revenue on Table A2***

Municipalities must include capital transfers and contributions in total operating revenue budgeted for on table A2. The total revenue will reconcile to operating revenue plus capital transfers and contributions as on table A4.

### ***Budgeting for Asset Register value on Table A9***

The total asset register summary – PPE (WDV) must include the capital budget expenditure for the budget year. e.g. 2015/16 total asset register summary should include the capital expenditure for 2015/16. Municipalities must ensure that the capital expenditure aligns to Table a5.

### ***Completion of service delivery information on Table A10***

It was observed that the completion of table A10 is still a challenge to most municipalities. During the assessment of the 2014/15 MTREF, it was observed that the table lacked credibility and municipalities were requested to make amendments and resubmit.

Municipalities must ensure that the table is correctly completed and accurate to depict their actual position. The information on the cost of providing free basic services and the revenue cost of providing services must be completed. In completing table A10 care must be given to the required unit of measure i.e. kilolitres, kilowatt-hour etc.

### ***Budgeting for revenue foregone and free basic services to indigents***

Regardless of the guidance provided on MFMA Circular 51 in relation to budgeting for revenue foregone, it was evident during the 2014/15 budget assessment process that municipalities are struggling to distinguish between revenue foregone and transfers and grants expenditure on table A4.

The key concept in determining the difference between revenue foregone and grants expenditure, is that a rates rebate that is 'generally available to all' is in practice an adjustment to the rates tariff. Therefore, the revenue was never there to be collected (the revenue was foregone), and should therefore not be considered to be revenue in the first instance. This is why it is deducted on Table SA1 - and the net amount is reflected on Table A4.

The provision of free basic services to the indigents must be budgeted for as non-cash flow grant expenditure on Table A4 supported by Table SA21. Since the municipality will not collect any revenue from indigents and free basic services to indigents are funded through the Equitable Share, this constitutes grant expenditure.

### ***Tabling funded budgets***

In MFMA Circular no. 72 it was highlighted that municipalities must budget for a surplus operating budget. National Treasury received enquiries from municipalities highlighting that the circular is in contradiction with MFMA Circular no. 55 which referred to budgeting for operating deficit. It should be noted that MFMA Circular no. 55 encouraged municipalities to budget for a moderate surplus on its Financial Performance Budget so as to be able to contribute to the funding of the Capital Budget. When the circular was issued, it was highlighted that there may be temporary circumstances that make this difficult; for instance the



implementation of GRAP 17, which may result in increased 'depreciation and asset impairment' that is not fully accommodated in the municipality's tariffs and as a result drives the operating budget into deficit.

MFMA Circular no. 59 was accordingly issued during March 2012, whereby table SA1 was amended to include under the detail of 'depreciation and asset impairment' 'depreciation resulting from the revaluation of PPE'. The effect is that the depreciation resulting from the revaluation of PPE will be deducted from the total depreciation on PPE, resulting in only the depreciation on the cost price being reflected in the statement of financial performance as an expense. Therefore, if the municipality's operating budget shows a deficit it is indicative that there are financial imbalances that need to be addressed. These problems may be related to a failure to collect revenues, tariffs that are too low or expenditures that are too high. The municipality needs to put in place appropriate strategies to address the problems causing a deficit, and explain these measures in its budget document.

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:

- *Table A7 Budgeted Cash Flows* shows how the municipality's operations are expected to impact on its cash position. If a municipality's cash position at year end is negative it is a strong indication that the overall budget is not funded; and
- *Table A8 Cash-backed reserves / accumulated surplus reconciliation* shows whether the municipality has sufficient cash and investments available to finance commitments and short term provisions and reserves. If the net results reflect a shortfall, this is an indication that the budget is not funded.

### **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).

### **Budget process and submissions for the 2015/16 MTREF**

Over the past number of years there have been significant improvements in municipal budget processes. Municipalities are encouraged to continue their efforts to improve their budget processes based on the guidance provided in previous and current MFMA Circulars.

Once more, municipalities are reminded that the IDP review process and the budget process should be combined into a single process.

### Submitting budget documentation and schedules for 2015/16 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. The deadline for such submissions is Friday, **10 April 2015**.
- Section 24(3) of the MFMA, read together with regulation 20(1), requires that the approved annual budget must be submitted **within ten working days** after the council has approved the annual budget. So if the council only approves the annual budget on 30 June 2015, the date for such a submission is Tuesday, **14 July 2015**, otherwise an earlier date applies.

The municipal manager must submit:

- 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) in both printed and electronic format;
- the draft service delivery and budget implementation plan in both printed and electronic format;
- in the case of approved budgets, the council resolution;
- Signed Quality Certificate as prescribed in the Municipal Budget and Reporting Regulations; and

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) and inform the National Treasury official responsible for your province that the budget was submitted to this address to ensure that National Treasury is aware of your submission. Any problems experienced in this regard can be addressed with Elsabe Rossouw (email: [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

After receiving tabled budgets, National Treasury will complete a compliance checklist. This checklist will indicate the level of compliance to the Municipal Budget and Reporting Regulations. A copy of the checklist will be sent to the municipality in order to facilitate

improvements in the quality of tabled and approved budgets. Please review the municipality's previous year performance and ensure that the gaps are addressed.

In addition to the above mentioned budget documentation, metropolitan municipalities must submit the Built Environment Performance Plan (BEPP) approved by council on 31 May 2015 to [Yasmin.coovadia@treasury.gov.za](mailto:Yasmin.coovadia@treasury.gov.za).

### **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).

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).

### **Reporting in terms of section 71**

*Performance reporting template* – all 278 municipalities must complete the quarterly SDBIP performance reports on the prescribed template as circulated with the request to verify the S71 quarterly reports and submit to [lgdocuments@treasury.gov.za](mailto:lgdocuments@treasury.gov.za) as it forms part of quarterly reporting.

*Unbundling of debt* – the debtors age analysis return makes provision for municipalities to select the category of the government department owing them. However municipalities capture the figures without selecting the relevant government department when completing the return. As the database stores the figures against a department, these unidentified departmental figures can therefore not be stored which results in discrepancies on the amount owed by individual government departments when compared to the total.

Municipalities must ensure that all figures are captured against a selected national or provincial department on the Age Debtors Analysis for Government (ADG) worksheet and are balanced.

### **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



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**12 December 2014**

## Annexure A – Changes to Schedule A1 – the ‘Excel formats’

As noted above, National Treasury has released Version 2.7 of Schedule A1 (the Excel Formats). It incorporates the following changes:

No.	Sheet	Amendment	Reason
1	A5	Insertion of a validity check formula.	Ensure that funding and expenditure balances.
2	A6	Insertion of a validity check formula.	Ensure that net assets and total community wealth balances.
3	A7	Insertion of receipts from property rates and service charges line items.  Insertion of formulae linking A7 to SA30 for the MTREF.	Simplification of data gathering for determining the collection rate from main services.
4	A10	Insertion of new footnote.	Improve reporting of services provided including informal settlements.



## Municipal Budget Circular for the 2015/16 MTREF

This circular provides further guidance to municipalities and municipal entities for the preparation of their 2015/16 Budgets and Medium Term Revenue and Expenditure Framework (MTREF). It must be read together with all previous MFMA Budget Circulars, and specifically MFMA Circular No. 74.

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## **1. Key focus areas for the 2015/16 budget process**

### **1.1 The Medium Term Budget Review 2015**

The 2015 Budget Review notes that the global economic outlook has weakened and the pattern of slow growth is likely to persist, with consequences for all developing economies. South Africa's gross domestic product (GDP) forecast for 2015 has also been revised down. The National Treasury projects GDP growth of 2 per cent in 2015, rising to 3 per cent by 2017. Average growth over the forecast period is 0.4 percentage points lower than at the time of the 2014 *Medium Term Budget Policy Statement*. Inadequate electricity supply, however, will impose a serious constraint on output and exports over the short term.

The slowdown in economic growth since 2012 has highlighted structural constraints in the domestic economy. Achieving faster sustainable growth and large-scale job creation will require structural shifts in the economy, stronger supply-side value chains, higher exports, moderation in wage increases and, crucially, growing private-sector investment based on confidence in the long-term business environment.

The 2015 Budget allocates resources to core social and economic priorities while containing aggregate expenditure growth. Spending plans give effect to the priorities of the NDP and the MTSF. Initiatives under way include: large public-sector infrastructure investments in electricity and transport; expanded partnerships to encourage private investment; better cooperation between government, the private sector, trade unions and civil society; incentives to attract new entrants in the economy; special economic zones to boost exports; programmes to reshape the urban spatial landscape; and programmes to improve the quality of education and skills development.

Fiscal constraints mean that transfers to municipalities will grow more slowly in the period ahead than they have in the past. Accordingly, municipalities must renew their focus on core service delivery functions and reduce costs without adversely affecting basic services. Furthermore they must ensure that efficiency gains, eradication of non-priority spending (cost containment measures) and the reprioritisation of expenditure relating to core infrastructure continue to inform the planning framework.

The state of the economy has an adverse effect on the consumers. As a result municipalities' revenues and cash flows are expected to remain under pressure. Furthermore municipalities should carefully consider affordability of tariff increases, especially as it relates to domestic consumers while considering the level of services versus the associated cost.

## **2. Division of Revenue Bill 2015**

### **2.1 Transfers to local government 2015**

Over the 2015 MTEF period, R313.7 billion will be transferred directly to local government and a further R31.9 billion has been allocated to indirect grants. Direct transfers to local government in 2015/16 account for 9.1 per cent of national government's non-interest expenditure, and when indirect transfers are added, total spending on local government increases to 10 per cent of national non-interest expenditure.

The 2015 Budget Review and the Division of Revenue Bill provides for no reductions to the baseline of the local government equitable share in order to protect funding for free basic services. The baseline allocation for local government conditional grants, however, has been reduced in the 2015 Budget as part of the fiscal adjustment announced in the 2014 *Medium Term Budget Policy Statement*. The reductions in 2015/16 range between 0.9 per cent and 5.5 per cent of the allocation for each grant, with larger reductions on slow-spending and non-infrastructure grants. In order to maintain planned outputs and ease the impact of reductions, grant administrators and municipalities need to spend funds efficiently and effectively and alleviate any unnecessary (non-priority) spending.

The allocations for priority grants such as the *integrated national electrification programme (INEP) grant* and the *municipal water infrastructure (MWIG) grant* will grow significantly. Over the MTEF, the INEP grant grows at an average annual rate of 14.9 per cent and the MWIG at an average of 52.2 per cent, including both direct and indirect grant allocations. An addition of R2.4 billion has been made to the MWIG and the *regional bulk infrastructure grant* over the MTEF period to accelerate the provision of basic water supply to all households and improve the state of water services infrastructure nationwide.

A new grant has also been introduced to subsidise the costs of municipalities that will be merged before the 2016 local government elections as a result of demarcation changes. This grant is allocated R139 million over the MTEF specifically for municipalities that will be impacted by the changes in KwaZulu-Natal and Gauteng. The effect of further changes to demarcations proposed by the Minister of Cooperative Governance and Traditional Affairs and currently being considered by the Municipal Demarcation Board (MDB) will be considered as part of the 2016 budget process for any changes that are approved by the MDB. Municipalities should therefore not budget for the proposed changes in 2015/16.

The 2015 Budget document is available on the National Treasury website at:

<http://www.treasury.gov.za/documents/national%20budget/2015>

In addition, National Treasury will send out allocation letters informing each municipality of its equitable share, national conditional grants and provincial transfers (as reflected in the relevant provincial budget and gazette).

Municipalities must ensure that their tabled budgets reflect the equitable share and conditional grant allocations set out in the 2015 Division of Revenue Bill.

## **2.2 Changes in the 2015 Division of Revenue Bill**

### ***Review of local government infrastructure grants***

The collaborative review of the local government infrastructure grant system led by the National Treasury is still underway. The first phase of the review, completed in 2014, identified two necessary reforms that will be made in 2015/16:

- The rules in the *municipal infrastructure grant* will be amended to allow funds to be used to refurbish and replace infrastructure, but only if municipalities demonstrate that assets have been maintained on a regular basis. Maintenance must be budgeted for as part of the normal business of municipalities.
- The number of conditional grants will be reduced to ease the burden of grant reporting. The two public transport grants will merge in 2015/16 into a single *public transport network grant*. The number of water and sanitation grants is also likely to be reduced from 2016/17.

Further changes to local government infrastructure grants will be announced in the 2015 MTBPS. In preparing for 2016/17 grant allocations, municipalities are advised to continue preparing business plans and project plans for the existing grants as there will be a phase-in period for any changes to the grant system.

The *local government financial management grant (FMG)* and the *municipal systems improvement grant (MSIG)* provides funds for the implementation of the Municipal Standard Chart of Accounts (mSCOA).

Other changes to local government allocations are more technical and reflect the shift of funds between direct and indirect grants, and the impact of the national macro-organisation of the state that followed the 2014 national elections. For example, the sanitation function, including all sanitation-related grants, has shifted from the Department of Human Settlements to the Department of Water and Sanitation.

## **2.3 Shaping urban development to support growth in cities**

South Africa's cities continue to reflect the spatial legacy of apartheid, which impedes economic growth. Cities must play a leading role in driving urban investment programmes, including a pro-active role in introducing new financing arrangements. Over the next three years, government will expand investment in the urban built environment, using resources more effectively to transform human settlements, and drawing in private investment to support more dynamic and inclusive economic growth. The 2015 Budget inaugurates a fundamental realignment in achieving these goals.

The National Treasury will introduce a new fiscal package to help large cities to mobilise the resources necessary to implement strategic investment projects. All participating metros are expected to make measurable commitments to good governance, and effective revenue and expenditure management. The new package includes:

- Modifying the infrastructure grant system to support greater alignment of public resources and to ensure that public investments, services, regulations and incentives are focussed in defined spatial areas (integration zones) to optimise overall access, connectivity and efficiency enabling spatial transformation and inclusive urban economic growth;
- Development of mixed-use and mixed-income precincts and catalytic projects to attract private financial and implementation partnerships. Grants will be consolidated, conditions streamlined, and allocations made more predictable and responsive to the needs of specific investment projects. Furthermore, performance-based allocations to reward cities that demonstrate progressive changes in their urban form, improve access to basic services, reduce barriers to social and economic opportunity, and improve mobility of urban residents will be strengthened;
- Focusing the Neighbourhood Development Partnership Grant to support the identification, development and management of strategic nodes in dense urban townships and township clusters in order to serve as transit orientated precincts;
- Reforming the system of development charges to improve fairness and transparency, and reduce delays in infrastructure provision for private land developments;
- Expanding opportunities for private investment in municipal infrastructure through the Development Bank of Southern Africa (DBSA) increasing its origination of longer-term loans, packaging pooled finance instruments, where appropriate, and supporting the introduction of new lending instruments such as revenue bonds; and



- Reviewing the sustainability of existing own-revenue sources for metropolitan municipalities, particularly in light of their expanding responsibilities in public transport and human settlements.

Metropolitan municipalities should announce further details on their investment plans when they table their 2015/16 budget. Furthermore, cities need to improve their collection of own revenue as a greater share of capital investment needs to come from own generated revenue, in partnership with the private sector.

### 3. Headline inflation forecasts

Municipalities must take the following macro-economic forecasts into consideration when preparing their 2015/16 budgets and MTREF.

Fiscal year	2014 Actual	2015 Estimate	2016	2017 Forecast	2018
Real GDP growth	2.2	1.4	2.0	2.6	3.0
CPI Inflation	5.8	5.6	4.8	5.9	5.6

Source: Budget Review 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. Revising rates, tariffs and other charges

#### 4.1 Eskom bulk tariff increases

On the 29 January 2015, NERSA approved and published guidelines on municipal electricity price increase for the 2015/16 financial year. A guideline increase of **12.20 per cent** has been approved based on the following assumptions:

- Bulk purchases have increased by 14.24 per cent in line with Eskom's electricity tariff increase to municipalities;
- A consumer price index (CPI) of 6.3 per cent as indicated in the Medium Term Budget Policy Statement (MTBPS) 2014;
- Salary and wage increases; and
- Repairs and maintenance, capital charges and other costs have increased by the CPI.

It should be noted that the guideline is not an automatic increase in tariffs. Therefore all municipalities with distribution licenses are still required to apply to NERSA for the approval of their tariffs.

#### 4.2 Electricity levy increase

During his budget speech on 25 February 2015, the Minister of Finance announced that the electricity levy will be increased by 2 cents per kWh. A special municipal circular will be issued in due course to guide municipalities on the implementation of the 2 cents per kWh electricity levy. In the interim municipalities are advised to use the guideline issued by NERSA to set their tariffs for the 2015/16 financial year.



## 5. Funding choices and management issues

### 5.1 Employee related costs

The *Salary and Wage Collective Agreement* for the period 01 July 2012 to 30 June 2015 has come to an end. The South African Local Government Association issued a press release on 03 March 2015 indicating that it tabled the following offer for salaries and wages increase:

- 2015/16 Financial Year – 4.4 per cent (inflation linked)
- 2016/17 and 2017/18 Financial Years – inflation related increase plus additional 0.25 per cent

As the negotiations are still underway, municipalities are advised to use the above proposed guidelines in preparing their 2015/16 budgets.

### 5.2 Remuneration of councillors

Municipalities are advised to budget for the actual costs approved in line 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 by the Department of Cooperative Governance and Traditional Affairs. The gazette for 2015 will be released in due course. Municipalities are advised to refer to the circular issued on 23 January 2015 by the Department of Cooperative Governance and Traditional Affairs.

### 5.3 Budgeting for contingency plans for prolonged power outages

Municipalities have indicated that they are in the process of implementing contingency plans to address Eskom power outages such as the procurement of generators and indicated the need for funding from national government. The government is collectively working with Eskom to mitigate the impact of power cuts. These efforts will improve the availability of electricity over the medium term, and plans are under way to ensure that South Africa can generate sufficient energy to power its economy over the long term. The government therefore consistently encourages a reduction in energy consumption and promotion of energy efficiency.

Consequently the response from government is to address the immediate challenge and it would therefore be premature for municipalities to invest in contingency infrastructure with the expectation of funding.

### 5.4 Service level standards

MFMA circular No. 72 indicated that all municipalities must formulate service level standards which must form part of the 2015/16 tabled MTREF budget documentation. The service level standards need to be tabled before the municipal council for formal adoption. A broad guideline was provided on the minimum service standards to be incorporated in the budget documentation. In addition to the guideline, a framework was developed as an outline to assist municipalities in finalising their service level standards. The outline can be accessed by clicking [HERE](#).

It is acknowledged that it is not possible to have the same service level standards across all municipalities. Therefore the outline must be used as a guideline and be amended accordingly to align to the municipality's specific circumstances. Municipalities should also refer to other guidelines issued by other institutions available on the link indicated above.

### 5.5 Non-payment of Eskom and water boards as creditors

Section 65(2)(e) of the Municipal Finance Management Act, 2003 (MFMA, Act No. 56 of 2003) clearly states that "The accounting officer of a municipality is responsible for the management

of the expenditure of the municipality” and “that all money owing by the municipality be paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure”.

It has become a common trend between certain municipalities that outstanding debt to Eskom and the water boards is not prioritised for payment. ***Municipalities are cautioned that if they do not immediately settle the current accounts of Eskom and the water boards, the March 2015 tranche of the Equitable Share will be withheld.*** In addition, the payment arrangements to address arrear amounts must be concluded by relevant municipalities, implemented and effected in the budget.

Furthermore, going forward municipalities will be closely monitored and those found to be averting payment to Eskom and the water boards will be deemed as contravening the MFMA and consequently section 216(2) of the Constitution will be imposed.

Municipalities are also reminded of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, which the Minister of Finance promulgated on 31 May 2014. Failure by the Accounting Officer to comply with the requirements of section 65(2)(e) of the MFMA is an act of financial misconduct as defined in section 171 of the MFMA and municipalities is obliged to deal with such breach in terms of the regulations mentioned above.

## 5.6 VAT on Conditional Grants

Guideline was provided in MFMA Circular No. 58 that ALL conditional grant allocations in the Division of Revenue Act (DoRA) are VAT inclusive, i.e. national government has budgeted to pay the VAT inclusive price of the goods and services purchased by municipalities using conditional grant funding. Further guidelines were issued in MFMA Circular No. 59 on assessing VAT consequences of transactions involving the equitable share grant and conditional grants.

It is critical that municipalities distinguish between the following:

- *Transaction one – the transfer of funds from national or provincial government to a municipality.* The VAT on these transactions is zero-rated, and therefore the issue of paying and reclaiming VAT related to these transactions does not arise.
- *Transaction two – the expenditure of the grant funds by the municipality.* These transactions are subject to the normal VAT provisions. Depending on the nature of goods and services purchased the municipality may or may not be required to pay input VAT.

Municipalities are still advised to follow the guideline provided in the above-mentioned circulars as the position has not changed. Further reference should also be made to the **VAT 419 Guideline for Municipalities**.

## 6. mSCOA Training

### 6.1 Non-accredited training

The National Treasury will embark on non-accredited training for pilot municipalities during April and May 2015 as per the dates in the table below. Please note that this training is only for pilot municipalities, applicable vendors and provincial treasuries. The training will be on a nomination and invitational basis.

Province	Dates
----------	-------

KwaZulu-Natal	14-15 April 2015
Limpopo	
Mpumalanga	
Free State	
Northern Cape	21-22 April 2015
Eastern Cape	
Western Cape	
Gauteng	5 – 6 May 2015
North West	

Non- accredited training will be provided to the metropolitan municipalities in 2 sessions on 05 and 06 May 2015. This training is intended to provide piloting stakeholders with a broader understanding of the mSCOA classification framework, typical transactional environment and linkage to reporting as part of the piloting output.

## 6.2 Accredited training

The National Treasury is in the process of developing the necessary unit standards for municipal SCOA (mSCOA). These unit standards will be accredited by LGSETA during the 2015 calendar year. National Treasury will develop unit standards aligned training material that will be accredited by LGSETA to be rolled out to all municipalities from the beginning of the 2016 calendar year.

National Treasury will also embark on a process of accreditation of service providers and more particularly facilitators and assessors to be able to roll out the unit standard aligned training from the beginning of the 2016 calendar year and guidelines in this regard will be issued towards the end of 2015.

## 6.3 mSCOA training provided by service providers

National Treasury is aware of the need to train all municipalities on mSCOA within a tight timeline to ensure that municipalities are in the position to be mSCOA compliant by 01 July 2017. On the same token National Treasury is aware of service providers engaging with municipalities that are offering mSCOA training. **Municipalities need to take note that currently there is no formal unit standard and no service provider can offer accredited training as it relates to the mSCOA. Consequently, municipalities are advised to refrain from entering into agreements with training service providers as it would constitute fruitless and wasteful expenditure.**

It is however acknowledged that there exists a need for broader mSCOA awareness and municipalities are advised to directly contact the National Treasury and respective Provincial Treasury to facilitate and consider these requests. Service providers that are approached to facilitate such awareness sessions should also directly liaise with the National Treasury. Municipalities are reminded to adhere to the supply chain management requirements at all times. In this regard municipalities are informed that there are limited specialists in this field at this point in time.

Please note that the current material available on the National Treasury's website (One day training – Demystify mSCOA) is available for use by all parties and no service provider is allowed to charge any fee for this material.

## 7. Conditional Grant Transfers to Municipalities

Section 214 of the Constitution provides for national government to transfer resources to municipalities in terms of the annual DoRA to assist them in exercising their powers and

performing their functions. These allocations are announced annually in the national budget. Transfers to municipalities from national government are supplemented with transfers from provincial government. Furthermore, transfers are also made between district municipalities and local municipalities.

The DoRA provides for funds to be allocated in different 'schedules'. Each of the schedules provide for grants of a particular type as follows:

Schedule 1		Equitable division of revenue raised nationally among the three spheres of government
Schedule 2		Determination of each province's equitable share of the provincial sphere's share of revenue raised nationally (as a direct charge against the National Revenue Fund)
Schedule 3		Determination of each municipality's equitable share of the local government sphere's share of revenue raised nationally
Schedule 4	Part A	Allocations to provinces to supplement the funding of programmes or functions funded from provincial budgets
	Part B	Allocations to municipalities to supplement the funding of programmes or functions funded from municipal budgets
Schedule 5	Part A	Specific purpose allocations to provinces
	Part B	Specific purpose allocations to municipalities
Schedule 6	Part A	Allocations-in-kind to provinces for designated special programmes
	Part B	Allocations-in-kind to municipalities for designated special programmes
Schedule 7	Part A	Allocations to provinces for immediate disaster response
	Part B	Allocations to municipalities for immediate disaster response

It is important that the transfers applicable to municipalities are made transparently, and properly captured in municipalities' budgets. In this regard, regulation 10 of the *Municipal Budget and Reporting Regulations* provides guidance on when municipalities should reflect a transfer or donation in their budgets. Note that promises of funds that do not meet the requirements set out in regulation 10 must not be included in the municipality's budget.

Municipalities are advised not to provide for transfers from national or provincial departments that are not gazetted in terms of the 2015 Division of Revenue Act (once enacted) or the relevant provincial budget, or for which a properly approved agency agreement is not in place. Such ad hoc transfers are very often unauthorised expenditure at the national and provincial level, and are invariably related to fiscal dumping.

Also note that grants-in-kind (e.g. capital assets transferred by a district to a local municipality) need to be budgeted for as a 'transfer or grant' on Table A4 by the district municipality (and not on their Table A5 (Budgeted Capital Budget – since the expenditure does not get capitalised), and as a 'contributed asset' on Table A4 (Budgeted Financial Performance) by the local municipality, and from there directly on Table A6 (Budgeted Financial Position).

In support of regulation 10 of the *Municipal Budget and Reporting Regulations*, the 2015 Division of Revenue Bill provides that –

1. In terms of section 16, National Treasury is required to publish in the *Government Gazette* the allocations and indicative allocations for all national grants to municipalities;
2. In terms of section 30, each provincial treasury is required to publish in the *Government Gazette* the allocations and indicative allocations per municipality for every allocation to be made by the province to municipalities from the province's own funds; and
3. In terms of section 29, each category C municipality must indicate in its budget all allocations from its equitable share and conditional allocations to be transferred to each category B municipality within the category C municipality's area of jurisdiction.

The Government Gazette reflecting the allocations and indicative allocations for all national grants to municipalities will be available within 14 days of the 2015 Division of Revenue Act being signed into law at the following address:

<http://www.treasury.gov.za/legislation/bills/2015/Default.aspx>

In addition, National Treasury publishes a payment schedule that sets out exactly when the equitable share and national conditional grant funds are to be transferred to municipalities.

This will be available at:

[http://mfma.treasury.gov.za/Media\\_Releases/Municipal%20Payment%20Schedule/Pages/default.aspx](http://mfma.treasury.gov.za/Media_Releases/Municipal%20Payment%20Schedule/Pages/default.aspx)

## **7.1 Timing of municipal conditional grant transfers**

In order to facilitate synchronisation of the national / provincial financial year (01 April to 31 March) with the municipal financial year (01 July to 30 June), the 2015 Division of Revenue Bill requires that all equitable share and Schedule 4 and 5 conditional allocations to municipalities must be transferred to municipalities within the period 01 July 2015 to 31 March 2016. Municipalities must not accept any equitable share or Schedule 4 and Schedule 5 transfers from national or provincial departments outside of these timeframes.

National and provincial departments are also advised to only transfer grant funds and to only make agency payments to municipalities within the period 01 July 2015 to 31 March 2016. This is to ensure the municipality is able to include such funds on its budget for 2015/16 and to ensure that reporting on the use of the funds is properly aligned across the national, provincial and municipal financial years.

## **7.2 Payment schedule for transfers**

National Treasury has instituted an automated payment system for transfers to municipalities in order to ensure that appropriate safety checks are put in place.

Section 23 of the 2015 Division of Revenue Bill requires transfers to municipalities to be made as per the approved payment schedule published by National Treasury. Through this system, any transfers not in line with the payment schedule will be rejected. In addition, *if the payment details of the municipality are not up-to-date the transfers will also be rejected.*

## **7.3 Provincial allocations and payment schedules**

Provincial Treasuries must publish in a gazette all provincial allocations envisaged to be transferred to municipalities and submit the gazette to National Treasury on a date not later than 14 days after the Division of Revenue Act has been enacted.

Provinces must also submit to the National Treasury the payment schedule against all provincial allocations to municipalities 14 days after the Act takes effect. The payment schedule must include the date of transfer, the amount and the name of the grant. The



Provincial Treasuries must notify the receiving officers of any deviations from the payment schedule. The payment schedules that provincial treasuries are required to submit to National Treasury in terms of section 30(5) of the 2015 Division of Revenue Bill will be published on National Treasury's website, along with the national payment schedule.

#### **7.4 Relationship between Category C and Category B municipalities**

The Division of Revenue Bill (DoRB) provides that the revenues raised nationally in respect of the 2015/16 financial year must be divided among the national, provincial and local spheres of government. Furthermore, section 29 of the DoRB states that category C municipality must, within 10 days after the Act takes effect, submit to the National Treasury and all category B municipalities within that municipality's area of jurisdiction, the budget, as tabled in accordance with section 16 of the MFMA, for the 2015/16 financial year.

Transfers are always made to the municipality (district or local) authorised to perform a function. In cases where basic services functions are assigned to district municipalities National Treasury publishes, for information purposes, the amounts that would have been allocated to each local municipality through the formulas for the local government equitable share and municipal infrastructure grant if local municipalities were assigned these basic services functions. These amounts are published in Appendix W1 and Appendix W2 to the 2015 Division of Revenue Bill (see pages 271-284 of the Bill).

The budget of a category C municipality must indicate all allocations from its equitable share and conditional allocations to be transferred to each category B municipality within the category C municipality's area of jurisdiction and disclose the criteria for allocating funds between the category B municipalities. The following practical arrangement will apply:

- Step 1: District Municipality (category C municipality) must when tabling their budgets indicate which municipalities within their area of jurisdiction will receive allocations from the municipality;
- Step 2: After the DoRA takes effect the District Municipality must within 10 days submit the tabled budget that contains allocations to be made to category B municipalities;
- Step 3: The District Municipality must share with the municipalities within its jurisdiction how much is allocated to them, what criteria was used to make allocations and agree with the affected municipalities on how the monies are going to be disbursed. The disbursement schedule (payment schedule) must be sent to National Treasury and respective Provincial Treasury before the beginning of the municipal financial year;
- Step 4: The District Municipality, having the authority to provide municipal services, must before implementing any capital project consult with the category B municipality affected and agree in writing through a Service Level Agreement (SLA) who will be responsible for operational costs and collection of rates; and
- Step 5: District Municipality must make transfers to their local municipalities according to the agreed upon payment schedule.

National Treasury may withhold or stop any funding allocated to a category C municipality and reallocate it to a category B municipality if the category C municipality fails to:

- i) make allocations to their respective municipalities within their jurisdiction;
- ii) reach an agreement with the category B municipality; and
- iii) submit the payment schedule to National Treasury and respective Provincial Treasury.

## 7.5 Responsibilities of transferring and receiving authorities

The legal obligations placed on transferring and receiving officers in terms of the 2015 DoRB are very similar to previous requirements. National Treasury intends ensuring strict compliance in order to improve spending levels, and the quality of information relating to the management of conditional grants.

Municipalities are again reminded that compliance with the annual DoRA is the responsibility of the municipal manager as the “receiving officer”. The municipal manager is responsible for, among other things, the tabling of monthly reports in council on whether or not the municipality is complying with the DoRA. He/she is also responsible for reporting on any delays in the transfer or the withholding of funds. Failure on the part of a municipal manager to comply with the Act in this regard will have financial implications for the municipality as it will lead to the municipality losing revenue when funds are stopped and/or reallocated.

Where the municipality is unable to comply, or requires an extension, the municipal manager must apply to the National Treasury and provide comprehensive motivation for the non-compliance.

## 7.6 Criteria for the rollover of conditional grant funds

Section 22 of the 2014 Division of Revenue Act requires that any conditional grants which are not spent at the end of the municipal financial year must revert to the National Revenue Fund, unless the receiving officer proves to the satisfaction of National Treasury that the unspent allocation is committed to identifiable projects, in which case the funds may be rolled over.

When applying to retain unspent conditional allocations committed to identifiable projects or requesting a rollover in terms of section 22(2) of the Division of Revenue Act, municipalities must supply National Treasury with the following information –

1. A formal letter addressed to the National Treasury requesting the rollover of unspent conditional grants in terms of section 22(2) of the 2014 of DoRA. The letter must be signed by the accounting officer;
  2. List of all the projects that are linked to the unspent conditional grants and indicate how much was allocated and spent per project;
  3. Evidence that work on each of the projects has commenced, namely either of the following:
    - a. Proof that the project tender was published and the period for tender submissions closed before 31 March; or
    - b. Proof that a contractor or service provider was appointed for delivery of the project before 30 June.
  4. A progress report (also in percentages) on the state of implementation of each of the projects;
  5. The amount of funds committed to each project, and the conditional allocation from which the funds come;
  6. Reasons why the grants were not fully spent in the year that it was originally allocated as per the DoRA;
  7. Municipalities must not include previous year’s unspent conditional grants as a rollover request. Rollover of rollovers will not be considered;
  8. An indication of the time-period within which the funds are to be spent; and
  9. Proof that the Chief Financial Officer and Municipal Manager are permanently appointed.
- No rollover requests will be considered for municipalities with vacant or acting chief financial officers and Municipal Managers for a period exceeding 4 months.***

**If any of the above information is not provided or the application is received by National Treasury after 31 August 2015, the application will be declined.**

In addition, National Treasury will also take into account the following information when assessing rollover applications, and reserves the right to decline an application if there is non-performance by the municipality in any of these areas:

1. Compliance with the in-year reporting requirements in sections 71 and 72 of the MFMA and section 12 of the 2014 DoRA, including the municipal manager and chief financial officer signing-off on the information sent to National Treasury;
2. Submission of the pre-audit Annual Financial Statements information to National Treasury by 31 August 2015;
3. Accurate disclosure of grant performance in the 2014/15 pre-audit Annual Financial Statements;
4. Under no circumstance would the National Treasury approve the entire allocation of the municipality i.e. The municipality must spend a minimum of 50 per cent of the allocation per programme;
5. Cash available in the bank as at 30 June 2015 and in line with the cash flow statements to finance the roll-over request;
6. No approval will be granted for municipalities requesting roll over of the same grant for the 3<sup>rd</sup> consecutive time; and
7. Incorporation of the Appropriation Statement (discussed in point 6.7 below) as part of the pre-audit Annual Financial Statements.

When approving any rollover requests, National Treasury will use the latest conditional grant expenditure information available at the time, which in this instance is likely to be the disclosure of grant performance in the 2014/15 pre-audit Annual Financial Statements which must be concluded by 31 August 2015.

Similar to the above mentioned rollover process and in accordance with section 22(3)(b) of Division of Revenue Act, provincial treasuries are encouraged to institute measures and criteria for the rollover of conditional grant funds that municipalities receive from provincial departments. Refer to MFMA Budget Circular No.51 for more information.

## **7.7 Unspent conditional grant funds for 2014/15**

The process to ensure the return of unspent conditional grants for the 2014/15 financial year will be managed in accordance with section 22 of the DoRA. In addition to the previous MFMA circulars, the following practical arrangements will apply –

- Step 1: Municipalities must submit their June 2015 conditional grant expenditure reports according to section 71 of the MFMA reflecting all accrued expenditure on conditional grants and further ensure that expenditures reported to both National Treasury and national transferring officers are the same.
- Step 2: When preparing their annual financial statements a municipality must determine what portion of each national conditional allocation it received remained unspent as at 30 June 2015. These amounts **MUST** exclude all interest earned on conditional grants, retention and all VAT related to conditional grant spending that has been *reclaimed from SARS*, which must be disclosed separately.
- Step 3: If the receiving officer wants to motivate in terms of section 22(2) of the DoRA 2014 that the funds are committed to identifiable projects or wants to propose an alternative payment method or schedule, the required information must be submitted to National Treasury by 31 August 2015. **National Treasury will not consider any rollover requests that are incomplete (see item 7.6 below) or that are received after this deadline.**



- Step 4: National Treasury will confirm in writing whether or not the municipality may retain any of the unspent funds as a rollover based on the evidence that the funds are committed to identifiable projects by **02 October 2015** or whether it has agreed to any alternative payment arrangement or schedules.
- Step 5: A municipality must return the remaining unspent conditional grant funds that are not subject to a specific repayment agreement with National Treasury to the National Revenue Fund by **23 October 2015**. Failure to return these unspent funds by this date will constitute financial misconduct in terms of section 34 of the DoRA.
- Step 6: Any unspent conditional grant funds that should have, but has not been repaid to the National Revenue Fund by 23 October 2015 will be offset against the municipality's November 2015 equitable share allocation unless the municipality has agreed to an alternative payment arrangement or schedule.

All the calculations of the amounts to be surrendered to the National Revenue Fund will be audited by the Auditor-General.

### **7.8 Appropriation statement (Reconciliation: Budget and in-year performance)**

In terms of GRAP 24 (Presentation of budget information in AFS) municipalities are required to present their original and adjusted budgets against the actual outcome in the annual financial statements; this is considered an appropriation statement. This statement is subject to auditing and accordingly supporting documentation would be required to substantiate the compilation of this statement. All municipalities were required to compile an appropriation statement with the 2012/13 AFS.

Many municipalities neglected to compile the appropriation as part of their 2012/13 AFS. National Treasury considers this non-compliance in a serious light and going forward the incorporation of an appropriation statement in the AFS will form part of the ***evaluation criteria in considering and approving conditional grant rollovers. In the absence of an appropriation statement National Treasury will not consider conditional grant roll over applications.***

### **7.9 Reporting and accounting for municipal approved conditional grant roll-overs**

All reporting on rollover approvals must be reported to respective treasuries, national transferring officers and provincial departments responsible for monitoring the conditional grants.

A municipality must report separately on the spending of approved conditional grant roll overs. National Treasury will provide a separate reporting template to facilitate this. This template must be submitted together with the normal in-year template for reporting conditional grant spending for the year. The template is customised per municipality and must be requested by e-mail: [lgdataqueries@treasury.gov.za](mailto:lgdataqueries@treasury.gov.za).

## **8. The Municipal Budget and Reporting Regulations**

National Treasury has released Version 2.7 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 2015/16 Budget and MTREF.

Download Version 2.7 of Schedule A1 by clicking [HERE](#)

The Municipal Budget and Reporting Regulations are designed to achieve a range of objectives, including improving the local government sphere's ability to deliver services by

facilitating improved financial sustainability and better medium term planning. The regulations, formats and associated guides etc. are available on National Treasury's website at:

<http://mfma.treasury.gov.za/RegulationsandGazettes/Pages/default.aspx>

Municipalities are required to submit their budget related electronic returns to [lgdatabase@treasury.gov.za](mailto:lgdatabase@treasury.gov.za) for both the draft budget and the final adopted budget. This will assist the National and Provincial Treasuries with the benchmark process.

## 8.1 Assistance with the compilation of budgets

If you require advice with the compilation of your budgets, the budget documents or Schedule A1 please direct your enquiries 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>
	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>
	Walter Munyai	012-395 6793	<a href="mailto:Walter.Munyai@treasury.gov.za">Walter.Munyai@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>
Northern Cape	Willem Voigt	012-315 5830	<a href="mailto:Willem.Voigt@treasury.gov.za">Willem.Voigt@treasury.gov.za</a>
	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>
	Mlungisi Mthembu	012-395 6554	<a href="mailto:Mlungisi.Mthembu@treasury.gov.za">Mlungisi.Mthembu@treasury.gov.za</a>
Technical issues with Excel formats	Elsabe Rossouw	012-315 5534	<a href="mailto:lgdataqueries@treasury.gov.za">lgdataqueries@treasury.gov.za</a>

National Treasury, working with the provincial treasuries, will carry out a compliance check and where municipalities have not provided complete information, the budgets will be referred back to the Mayor and municipal manager. Municipal managers are reminded that the annual budget must be accompanied by a 'quality certificate' in accordance with the format 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 that they need to produce consolidated budgets and in-year reports for both the parent entity and entity in that they need 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.

In addition, the A Schedule that the municipality submits to National Treasury must be the consolidated budget for the municipality (plus entities) and not the budget of the parent municipality.

## **8.2 Benchmarking process**

National Treasury and provincial treasuries will be conducting benchmark budget hearings on the municipalities' tabled budgets during April and early May 2015 to assess whether the budgets are realistic, sustainable and relevant, and the extent to which they are funded in accordance with the requirements of the MFMA. In this regard, National Treasury will communicate further with the non-delegated municipalities, while the provincial treasuries will communicate with their respective delegated municipalities.

Municipalities are required to table the reports and recommendations provided by the respective treasury in Council and submit a copy of the council resolution in this regard to National Treasury and the respective Provincial Treasury.

## **8.3 The difference between the collection rate on table SA8 and SA10**

The collection rate (cash receipts % of ratepayer & other revenue) on table SA10 - Funding measurement, is a cash collection rate calculated on operating revenue at the rate at which funds are 'collected'. This measure is intended to analyse an underlying conservative assumed collection rate; i.e. how much cash is expected to be collected from property rates, service charges and other revenue (excluding grants and interest earned).

The collection rate (cash receipts % of ratepayer & service charges) on table SA8 – Performance indicators and benchmarks row 18 refers to a "Current Consumer Debtors Collection Rate" – this measure is intended to analyse the actual consumer collection rate from property rates and service charges only, excluding other revenue.

# **9. Budget process and submissions for the 2015/16 MTREF**

Over the past number of years there have been significant improvements in municipal budget processes. Municipalities are encouraged to continue their efforts to improve their budget processes based on the guidance provided in previous and current MFMA Circulars.

Once more, municipalities are reminded that the IDP review process and the budget process should be combined into a single process. Municipalities are reminded to prepare for the budget verification process that will be undertaken on the adopted budgets.

## **9.1 Tabling of the MFMA budget circular in municipal council**

Municipalities are advised to table the annual municipal budget Circulars in council together with the budget documents.

## **9.2 Submitting budget documentation and schedules for 2015/16 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 2015, the final date of submission of the electronic budget documents and corresponding electronic returns is **Wednesday, 01 April 2015**. The deadline for submission of hard copies including council resolution is **Friday, 10 April 2015**.
- Section 24(3) of the MFMA, read together with regulation 20(1), requires that the approved annual budget must be submitted **within ten working days** after the council has approved the annual budget. If the council only approves the annual budget on 30 June 2015, the final date for such a submission is Tuesday, **14 July 2015**, otherwise an earlier date applies.

The municipal manager must submit:

- 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) in both printed and electronic format;
- the draft service delivery and budget implementation plan in both printed and electronic format;
- the draft integrated development plan;
- in the case of approved budgets, the council resolution;
- Signed Quality Certificate as prescribed in the Municipal Budget and Reporting Regulations; and
- Signed budget locking certificate as found on the website.

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 (email: [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) approved by council on 31 May 2015 to [Yasmin.coovadia@treasury.gov.za](mailto:Yasmin.coovadia@treasury.gov.za).

### 9.3 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 [lqdatabase@treasury.gov.za](mailto:lqdatabase@treasury.gov.za).

Returns for the 2015/16 budget must be submitted to the Local Government Database by the latest **24 July 2015**.

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).

### 9.4 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



**national treasury**  
Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

**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**  
**09 March 2015**

## Annexure A – Changes to Schedule A1 – the ‘Excel formats’

As noted above, National Treasury has released Version 2.7 of Schedule A1 (the Excel Formats). It incorporates the following changes:

No.	Sheet	Amendment	Reason
1	A5	Insertion of a validity check formula.	Ensure that funding and expenditure balances.
2	A6	Insertion of a validity check formula.	Ensure that net assets and total community wealth balances.
3	A7	Insertion of receipts from property rates and service charges line items. Insertion of formulae linking A7 to SA30 for the MTREF.	Simplification of data gathering for determining the collection rate from main services.
4	A10	Insertion of new footnote.	Improve reporting of services provided including informal settlements.



## 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).



## **Municipal Budget Circular for the 2015/16 MTREF**

This circular provides further guidance to municipalities and municipal entities for the preparation of their 2015/16 Budgets and Medium Term Revenue and Expenditure Framework (MTREF) relating to the likelihood of further increases to the bulk price of electricity.

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## 1. Budgeting for bulk electricity price increases

In terms of section 42(4) of the Municipal Finance Management Act (MFMA), the executive authority for an organ of state responsible for the provision of water, electricity or other bulk services to a municipality is required to table the amendments to its pricing structure in Parliament by 15 March annually for any increases to take effect from 1 July of that year. In the case of bulk electricity provided by Eskom the Minister of Public Enterprises is responsible for tabling these increases. Section 42(5) provides that the Minister of Finance may grant approval that the executive authority tables amendments to the pricing structure in Parliament after 15 March that can still take effect from 1 July of that year.

The Minister of Finance received requests in terms of section 42(5) of the MFMA to extend the deadline to provide adequate time for the National Energy Regulator of South Africa (NERSA) to review Eskom's applications with regard to the selective re-opener for MYPD3 and liquidation of its equity returns. The Minister of Finance approved that this deadline be extended to 15 May 2015 so as to ensure that municipalities are still able to table their budgets in the respective municipal councils by 31 May 2015 as per the requirements of the MFMA.

Should NERSA approve a further increase to Eskom's pricing structure, the implication will be that the municipal electricity guidelines already published by NERSA will have to be adjusted to account for the increase in Eskom's amended pricing structure. It is expected that any further increase to Eskom's bulk price that are approved by NERSA will be added to the 12.20 per cent bulk tariff increase for 2015/16 already approved. Municipalities will be advised of NERSA's determination in this regard as soon as available.

Consideration is also being given as to whether the 2 cent per kilowatt hour increase in the electricity levy that was announced by the Minister of Finance in his 2015 Budget Speech will also be implemented from 1 July 2015. An announcement in this regard will be made shortly and municipalities should be prepared to also take this into account in the costing of their bulk electricity purchases.

If any further increase to the bulk electricity tariff for 2015/16 is approved by NERSA, municipalities should make corresponding adjustments to their municipal electricity tariff structures as part of their budgets for the 2015/16 MTREF. **The budgets tabled in municipal councils by 31 May 2015 (as required by the MFMA) must fully account for the final bulk price increases approved by NERSA and be incorporated into electricity tariff structures.** Provision for free basic electricity to poor households should be protected in the municipal budget as part of electricity tariff structuring.

National Treasury acknowledges the difficulties that these late changes to the bulk price of electricity will create for municipalities as they finalise their budgets. Consideration of such late changes is part of the extraordinary measures government is taking to stabilise the future supply of electricity in South Africa. As such, while these measures may cause difficulties in the short-term they are in all of our long-term interest.

For any further advice or guidance on compiling your budget, please contact the budget analyst in your provincial treasury or National Treasury responsible for assisting your municipality.

## Contact



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## 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%**

### ***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.

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**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) × 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR	10% - 20%		9.73%	Please refer to page 2 of MFMA Circular No. 71	Maximum capital accommodated according to resources
					Total Operating Expenditure	964 529 285		
					Taxation Expense	-		
					Total Capital Expenditure	103 914 091		
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) × 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	3 122 146 945		
					Investment at carrying value	164 500 500		
					Intangible Assets at carrying value	5 368 442		
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 12.4% of total expenditure. Asset value was enhanced with the introduction of GRAP i.r.o. Depreciated Replacement Cost.
					Total Repairs and Maintenance Expenditure	121 077 256		
					PPE at carrying value	3 122 146 945		
					Investment Property at Carrying value	164 500 500		
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%		100%	Please refer to page 5 of MFMA Circular No. 71	
					Gross Debtors closing balance	67 774 367		
					Gross Debtors opening balance	69 091 265		
					Bad debts written Off	500 000		
					Billed Revenue	729 514 703		
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,	100%		100%	Please refer to page 5 of MFMA Circular No. 71	
					Consumer Debtors Bad debts written off	500 000		

RATIO	FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION	MUNICIPAL COMMENTS (#)
		Notes to the AFS, Budget and AR		Consumer Debtors Current bad debt Provision	500 000		

3	Net Debtors Days	((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue)) × 365	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	30 days	<div>26 days</div> <div>Gross debtors67 774 367</div> <div>Bad debts Provision16 000 000</div> <div>Billed Revenue729 514 703</div>	Please refer to page 6 of MFMA Circular No. 71	
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### C. Liquidity Management

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 equivalents97 546 579</div> <div>Unspent Conditional Grants-</div> <div>Overdraft-</div> <div>Short Term Investments-</div> <div>Total Annual Operational Expenditure830 375 777</div>	Please refer to page 7 of MFMA Circular No. 71	
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2	Current Ratio	Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1	<div>1.19</div> <div>Current Assets207 929 391</div> <div>Current Liabilities174 459 111</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. 5 years. Additional cash generation vs affordability by the consumers is being considered
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### D. Liability Management

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>7%</div> <div>Interest Paid46 894 846</div> <div>Redemption23 935 655</div> <div>Total Operating Expenditure964 529 285</div> <div>Taxation Expense</div>	Please refer to page 8 of MFMA Circular No. 71	
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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>51%</div> <div>Total Debt444 111 706</div> <div>Total Operating Revenue895 035 198</div> <div>Operational Conditional Grants25 726 396</div>	Please refer to page 9 of MFMA Circular No. 71	Ever aware of the high gearing. Due to much needed infrastructure investment over the past decade. Policy in place to lower the gearing by 10% over a period of ten years
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### E. Sustainability

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>4778%</div> <div>Cash and cash Equivalents97 546 579</div> <div>Bank Overdraft</div> <div>Short Term Investment</div> <div>Long Term Investment28 454 570</div> <div>Unspent Grants</div> <div>Net Assets2 736 313 740</div> <div>Share Premium</div> <div>Share Capital</div> <div>Revaluation Reserve</div> <div>Fair Value Adjustment Reserve</div> <div>Accumulated Surplus2 733 676 575</div>	Please refer to page 9 of MFMA Circular No. 71	
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## 2. FINANCIAL PERFORMANCE

### A. Efficiency

RATIO		FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION	MUNICIPAL COMMENTS (#)
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/0!	Please refer to page 10 of MFMA Circular No. 71	N/A - With the introduction of GRAP assets were assessed at DRC, which included assets already depreciated but adjusted because of useful remaining life. Due to enhanced depreciation this indicator is not a true reflection. Based on the criteria, this indicator would be 8%.
					Total Operating Revenue	-		
					Depreciation - Revalued Portion (Only populate if depreciation line item in the Statement of Financial Performance is based on the revalued asset value)	-		
					Total Operating Expenditure	-		
					Taxation Expense	-		
2	Net Surplus /Deficit Electricity	Total Electricity Revenue less Total Electricity Expenditure/Total Electricity Revenue × 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	0% - 15%		11%	Please refer to page 10 of MFMA Circular No. 71	Includes secondary costs (Overheads)
					Total Electricity Revenue	338 360 730		
					Total Electricity Expenditure	301 229 532		
3	Net Surplus /Deficit Water	Total Water Revenue less Total Water Expenditure/Total Water Revenue × 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%		8%	Please refer to page 11 of MFMA Circular No. 71	Includes secondary costs (Overheads)
					Total Water Revenue	102 644 773		
					Total Water Expenditure	94 817 407		
4	Net Surplus /Deficit Refuse	Total Refuse Revenue less Total Refuse Expenditure/Total Refuse Revenue × 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%		-5%	Please refer to page 12 of MFMA Circular No. 71	Includes secondary costs (Overheads)
					Total Refuse Revenue	59 544 160		
					Total Refuse Expenditure	62 809 547		
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 × 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	= or > 0%		4%	Please refer to page 12 of MFMA Circular No. 71	Includes secondary costs (Overheads)
					Total Sanitation and Water Waste Revenue	66 925 990		
					Total Sanitation and Water Waste Expenditure	64 225 056		
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) × 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	229 700 000		
					Number of units sold	216 033 000		
2	Water Distribution Losses (Percentage)	(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified × 100	Annual Report, Audit Report and Notes to Annual Financial Statements	15% - 30%		20%	Please refer to page 13 of MFMA Circular No. 71	
					Number of kilolitres purchased and/or purified	7 196 903		
					Number of kilolitres sold	5 743 727		
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		2%	Please refer to page 14 of MFMA Circular No. 71	
					Number of Active Debtors Accounts (Previous)	44 116		
					Number of Active Debtors Accounts (Current)	45 128		
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		11%	Please refer to page 15 of MFMA Circular No. 71	
					CPI	5%		
					Total Revenue (Previous)	867 899 658		
					Total Revenue (Current)	959 388 802		
	Revenue Growth (%) - Excluding capital grants-	(Period under review's Total Revenue Excluding capital grants- previous period's Total Revenue	Statement of Financial Performance,			12%	Please refer to page 15 of	
					CPI	5%		



RATIO	FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION	MUNICIPAL COMMENTS (#)
3	Revenue Growth (%) - Excluding capital grants $\frac{\text{Capital grants - previous period's Total Revenue excluding capital grants} / \text{previous period's Total Revenue excluding capital grants}}{1} \times 100$	Notes to AFS, Budget, IDP, In-Year reports and AR	= CPI	Total Revenue Excl.Capital (Previous)	810 350 925	Please refer to page 16 of MFMA Circular No. 71	
				Total Revenue Excl.Capital (Current)	908 211 148		

#### 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	32 184 383		
				Contracted Services	90 127 712		
				Repairs and Maintenance	75 902 358		
				General expenses	31 853 720		
				Bulk Purchases	193 573 082		
				Capital Credit Purchases (Capital Credit Purchases refers to additions of Investment Property and Property, Plant and Equipment)	103 914 091		

2	Irregular, Fruitless and Wasteful and Unauthorised Expenditure / Total Operating Expenditure	(Irregular, Fruitless and Wasteful and Unauthorised Expenditure) / Total Operating Expenditure x100	Statement Financial Performance, Notes to Annual Financial Statements and AR	0%	#DIV/0!	Please refer to page 16 of MFMA Circular No. 71	N/A
				Irregular, Fruitless and Wasteful and Unauthorised Expenditure			
				Total Operating Expenditure			
				Taxation Expense			

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%	31%	Please refer to page 17 of MFMA Circular No. 71	
				Employee/personnel related cost	291 593 222		
				Councillors Remuneration	8 674 498		
				Total Operating Expenditure	964 529 285		
				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%	13%	Please refer to page 17 of MFMA Circular No. 71	Cost analysis conducted to deliver cost effective service
				Contracted Services	125 321 575		
				Total Operating Expenditure	964 529 285		
				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	38%	Please refer to page 18 of MFMA Circular No. 71	
				Internally generated funds	6 753 374		
				Borrowings	32 345 596		
				Total Capital Expenditure	103 914 091		

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	6%	Please refer to page 18 of MFMA Circular No. 71	
				Internally generated funds	6 753 374		
				Total Capital Expenditure	103 914 091		

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	97%	Please refer to page 18 of MFMA Circular No. 71	
				Total Revenue	895 035 198		
				Government grant and subsidies	90 324 396		
				Public contributions and Donations	-		
				Capital Grants	64 353 604		

# **ANNEXURE I**

## **COMMENTS ON THE DRAFT BUDGET**

## COMMENTS ON DRAFT 2015/2016 BUDGET

#	ORGANISATION/	LODGED BY:	DATE	WATER & ELEC	SEWER	REFUSE	REMUNERATION	OTHER (SPECIFIED)
1	Individual	Anton Kruger Hermanus	01-Apr-15					OBJECTION AGAINST PAYMENT OF PARKING FEES AT GROTTA BEACH
<p>The following recommendation will serve before the council on 28 May 2015:  Tariff Codes: S32A – S32E Parking Fee Beaches: Grotto &amp; Kleinmond • Scrap Tariff Codes S32A – S32E</p>								
2	Individu	Mev. S Hamman	08-Apr-15	RECONSIDERING OF WATER TARIFFS FOR SCALE BETWEEN THE 8 kl & 18kl				
<ul style="list-style-type: none"> <li>• 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;</li> <li>• 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</li> <li>• Water tariffs are designed to encourage efficient and sustainable consumption.</li> </ul> <p>In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2014.</p> <p>Better maintenance of infrastructure and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability. 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 now been implemented. This is the reason for the higher than 6% increase in this category of the tariffs.</p>								
3	Kleinmond Belastingbetalersvereniging	Jan van Staden	08-Apr-15					REQUEST THAT THE APPLICATION FOR ENCROACHMENT BE FREE OF CHARGE DUE TO PROPERTIES TOO SMALL
<p>The following recommendation will serve before the council on 28 May 2015:  Tariff Codes: S72K2A &amp; S72K2B Application for Departure (Building Lines) • No increase</p>								
4	Individual	Alan Morrison	09-Apr-15	GENERAL ELECTRICITY TARIFFS				
<ul style="list-style-type: none"> <li>• The electricity distribution losses have been managed downwards from 8.3 per cent in the 2010/2011 financial year to 5,9 per cent over the MTREF. This includes measureable technical losses, which amounts to 5 percent as at 30 Junw 2014. The non-technical losses are thus less than 1 percent.</li> </ul> <p>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.</p>								
5	Individual	Lina Steenkamp Klipfonteyn 2, Gansbaai	13-Apr-15	15% INCREASE IN WATER UNACCEPTABLE & REQUEST THAT 5kl FREE WATER SHOULD BE RE-INSTATED TO PENSIONERS AND THE POOR				REQUEST TARRING OF ROADS FOR FUTURE BUDGETS, ESPECIALLY IN FRANSKRAAL
6	Individual	Stefanie De Waal Klipfonteyn 2, Gansbaai	13-Apr-15					
7	Individual	Bernard Olivier Franskraal	13-Apr-15					

## COMMENTS ON DRAFT 2015/2016 BUDGET

#	ORGANISATION/	LODGED BY:	DATE	WATER & ELEC	SEWER	REFUSE	REMUNERATION	OTHER (SPECIFIED)
	<p>The figures reflected in Table 11 (Household Bills) on page 15 of the draft budget report which indicated that the water consumption would increase by 15% were incorrect. This has been corrected in the final budget report. The correct figure is 6,35%.</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• 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</li> <li>• Water tariffs are designed to encourage efficient and sustainable consumption.</li> </ul> <p>In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2014.</p> <p>Better maintenance of infrastructure and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability.</p> <p>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 now been implemented. This is the reason for the higher than 6% increase in this category of the tariffs.</p> <p>The following request for tarring of Roads is included in the Draft IDP Review 2015/16:  <u>Gansbaai Mkhane/Ekraal Ward 1 - Tarring of roads R5.000.000</u></p>							
8	Hermanus Ratepayers Association	Bob Stanway	15-Apr-15					OBJECTION AGAINST PAYMENT OF PARKING FEES AT GROTTA BEACH
	<p>The following recommendation will serve before the council on 28 May 2015:                      Fee Beaches: Grotto &amp; Kleinmond • Scrap Tariff Codes S32A – S32E</p>							Tariff Codes: S32A – S32E Parking
9	Individu	Tommy Snibbe Kleinmond	17-Apr-15					CRITISISES ENTIRE BUDGET

## COMMENTS ON DRAFT 2015/2016 BUDGET

#	ORGANISATION/	LODGED BY:	DATE	WATER & ELEC	SEWER	REFUSE	REMUNERATION	OTHER (SPECIFIED)
	<p>1. A full explanation of the accounting deficit has been provided in every budget report over the past number of years, as with this budget again: It should be noted that although the 2015/2016 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 R6,1 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.</p> <p>2. The outcome of the LG MTEC 3 FINAL ASSESSMENT REPORT BUDGET &amp; IDP ANALYSIS provides a factual confirmation by the Western Cape Provincial Government (Provincial Treasury) of the healthy status of Overstrand Municipality, in interpreting relevant legislation and financial discipline:</p> <p>Findings:</p> <p>Table 11 Budget Assumptions</p> <p>No. Description of the Budget Assumptions</p> <p>1. The forecasted CPIX is estimated at 4.8 per cent for 2015/16, 5.9 per cent for 2016/17 and 5.6 per cent for the 2017/18 financial years.</p> <p>2 The 2015/16 budget was prepared on a projected revenue collection rate of 99.5 per cent annually.</p> <p>3 The following principles and tariff increases, based on the cost reflectiveness of the tariffs are proposed:</p> <ul style="list-style-type: none"><li>- Property Rates = 7%.</li><li>- Electricity = basic charge increases by 6% and consumption by 12.2%.(with a free 50 kWh per month to indigent households only, to be financed from the Equitable share).</li><li>- Water = Basic charge increase by 6% and consumption 15% (with 6 kilolitres plus the basic levy for water free of charge to indigent households).</li><li>- Refuse = 6%; Sewerage = 6%.</li></ul> <p>4. Costs of free basic services are covered by the Equitable Share provided by National Government. Any costs over and above the allocation must be paid by the consumer.</p> <p>5. Cost containment measures were provided for in the budget.</p> <p>6. Employment related costs for the entire MTREF period were budgeted at an annual increase of 6.1% (inclusive of annual notch increases). The bargaining council is currently in negotiation on salary increases for 2015/2016.</p> <p>7. The municipality projected to achieve performance of 99% on the operational expenditure and 95% for capital expenditure.</p> <p>8. Bulk electricity purchases are projected to increase by 14.2% in 2015/16.</p> <p>9. Debtors' revenue is assumed to increase at a rate that is influenced by the consumer debtors' collection rate, tariff/rate pricing, real growth rate, household growth rate and the poor household change rate.</p> <p>Findings:</p> <p>The overall budget assumptions are credible and reasonable. It is noted for the 2014/15 financial period that the adjusted collection rate is 99.6 per cent. The municipality is commended for its efficient revenue management strategies.</p>							
10	Individual	Leon Papenfus Vermont	20-Apr-15				OBJECT TO THE SALARY INCREASES, RELATED TO LABOUR DEMANDS	
	In terms of a national agreement between SALGA and the trade unions, all employees, excluding the municipal manager and the directors, receive nationally negotiated salary increases. As part of the Municipality's cost reprioritisation and cash management strategy vacancies have been significantly rationalised downwards. A total of twenty three posts were abolished from the organisational structure. The Protection Services directorate has been restructured whereby a shift system has been introduced resulting in substantial savings on overtime and standby allowances. The outsourcing of the water and waste water treatment plants, in respect of operational efficiencies, are currently being considered.							
11	Individu	Daan Oosthuizen Erf 999, De Kelders Gansbaai	21-Apr-15					OBJECTION AGAINST INCREASE IN VARIOUS TARIFFS, ALSO WITH REFERENCE TO RELEVANT NATIONAL TREASURY CIRCULARS

## COMMENTS ON DRAFT 2015/2016 BUDGET

#	ORGANISATION/	LODGED BY:	DATE	WATER & ELEC	SEWER	REFUSE	REMUNERATION	OTHER (SPECIFIED)
<p>The various comments received are viewed as constructive. We do not believe that our average rate increases are one of the highest in the country compared to those of other municipalities, in proportion to the level of services. Where we have compared our rates with 5 municipalities in the Western Cape during 2014, providing similar levels of services, our rates are in line with their rates. We believe that we have tightened our belts by cutting our costs for services to the bare minimum. A total of twenty three posts were abolished from the organisational structure. The Protection Services directorate has been restructured whereby a shift system has been introduced resulting in substantial savings on overtime and standby allowances. The outsourcing of the water and waste water treatment plants, in respect of operational efficiencies, are currently being considered.</p> <p>The outcome of the LG MTEC 3 FINAL ASSESSMENT REPORT BUDGET &amp; IDP ANALYSIS provides a factual confirmation by the Western Cape Provincial Government (Provincial Treasury) of the healthy status of Overstrand Municipality, in interpreting relevant legislation and financial discipline:</p> <p>Findings:</p> <p>Table 11 Budget Assumptions</p> <p>No. Description of the Budget Assumptions</p> <p>1. The forecasted CPIX is estimated at 4.8 per cent for 2015/16, 5.9 per cent for 2016/17 and 5.6 per cent for the 2017/18 financial years.</p> <p>2 The 2015/16 budget was prepared on a projected revenue collection rate of 99.5 per cent annually.</p> <p>3 The following principles and tariff increases, based on the cost reflectiveness of the tariffs are proposed:</p> <ul style="list-style-type: none"> <li>- Property Rates = 7%.</li> <li>- Electricity = basic charge increases by 6% and consumption by 12.2%.(with a free 50 kWh per month to indigent households only, to be financed from the Equitable share).</li> <li>- Water = Basic charge increase by 6% and consumption 15% (with 6 kilolitres plus the basic levy for water free of charge to indigent households).</li> <li>- Refuse = 6%; Sewerage = 6%.</li> </ul> <p>4. Costs of free basic services are covered by the Equitable Share provided by National Government. Any costs over and above the allocation must be paid by the consumer.</p> <p>5. Cost containment measures were provided for in the budget.</p> <p>6. Employment related costs for the entire MTREF period were budgeted at an annual increase of 6.1% (inclusive of annual notch increases). The bargaining council is currently in negotiation on salary increases for 2015/2016.</p> <p>7. The municipality projected to achieve performance of 99% on the operational expenditure and 95% for capital expenditure.</p> <p>8. Bulk electricity purchases are projected to increase by 14.2% in 2015/16.</p> <p>9. Debtors' revenue is assumed to increase at a rate that is influenced by the consumer debtors' collection rate, tariff/rate pricing, real growth rate, household growth rate and the poor household change rate.</p>								
12	Franskraal Belastingbetalersvereniging	Theuns Roodman	23-Apr-15	CONCERNED ABOUT WATER ADJUSTMENT OF 11,5% FOR THE CATEGORY 0 - 6kl AND SEWERAGE TARIFFS	CONCERNED ABOUT SEWERAGE TARIFFS AND REQUEST FOR SEWERAGE PIPES IN WARD 1 & 2			COMBINED CONCERN REGARDING THE EXTENT & STANDARD OF INFRASTRUCTURE IN FRANSKRAAL & KLEINBAAI, THAT THE MUNICIPALITY IS NOT REPLACING EQUIPMENT FOR GRASS CUTTING AND OTHER SERVICES. ALSO CONCERNED ABOUT TARRING OF ROADS, STREETLIGHTS AND SIDEWALKS
13	Kleinbaai Belastingbetalersvereniging	Johan Wiese	23-Apr-15					

## COMMENTS ON DRAFT 2015/2016 BUDGET

#	ORGANISATION/	LODGED BY:	DATE	WATER & ELEC	SEWER	REFUSE	REMUNERATION	OTHER (SPECIFIED)
	<p>To ensure the long term sustainability of the municipal area and its sub-region, the efficient provision, operation and maintenance of infrastructure for basic services are crucial. In the municipal context, basic services are electricity, water, sanitation (sewerage and solid waste) and roads (with associated storm water).</p> <p>Effective Management, Operation and Maintenance of Municipal Infrastructure/Services</p> <p>The Infrastructure Maintenance Management Policy of the Overstrand Municipality applies to the ongoing maintenance of infrastructure assets, excludes any capital renewal expenditure and includes:</p> <p>Water &amp; sanitation assets Roads, sidewalks, paths and transportation assets Solid waste assets Storm water assets Building assets Community facilities</p> <p>Further objectives of the policy:</p> <p>To ensure the proper maintenance of the infrastructure assets of the municipality as captured in the Asset Management Policy of Overstrand Municipality, and To benchmark the maintenance management approach of Overstrand Municipality in the relevant government guidelines.</p> <p>Maintenance plans for the following services has been implemented:</p> <ul style="list-style-type: none"><li><input type="checkbox"/> Reseal of roads</li><li><input type="checkbox"/> Pothole repairs</li><li><input type="checkbox"/> Storm water maintenance</li><li><input type="checkbox"/> Mechanical, electrical and telemetry installations at –</li><li>- Water treatment plants</li><li>- Wastewater treatment plants</li><li>- Water-and wastewater pump stations</li><li>- Boreholes</li><li>- Reservoirs</li><li><input type="checkbox"/> Parks</li><li><input type="checkbox"/> Amenities (community facilities and sport fields)</li><li><input type="checkbox"/> Water meters</li><li><input type="checkbox"/> Cemeteries</li></ul> <p>An asset maintenance plan has been completed with the 2014 asset register (AR) used as the basis for the plan. The maintenance plans developed provide the municipality with a basis for establishing a planned maintenance approach for the municipality's full asset base.</p> <p>Current maintenance plans will be reviewed in 2015/16 taking in consideration the availability of funding to maintain the assets.</p> <p>Funding requirements for the maintenance needs are based on the guidelines of the National Infrastructure Maintenance Strategy (NIMS) which is based on a percentage of the value of the assets of the respective services.</p>							
14	Individual	Terry McCarthy Hermanus	24-Apr-15				ENQUIRIES REGARDING SALARY INCREASE AND INCOMES.	REQUEST OUTCOME OF UNFUNDED AND UNDERFUNDED MANDATES. CONCERNED ABOUT SURPLUS AND REQUEST HOW IT WORKS.VARIOUS TECHNICAL ENQUIRIES TO UNDERSTAND BUDGET: COMMENT ON SCA.

## COMMENTS ON DRAFT 2015/2016 BUDGET

#	ORGANISATION/	LODGED BY:	DATE	WATER & ELEC	SEWER	REFUSE	REMUNERATION	OTHER (SPECIFIED)
	<p>1. The assumptions regarding the surplus are correct. The one factor that drives the swing from 2014/15 to 2015/16 is the non-cash provision for the rehabilitation of tip sites in the 2014/15 amounting to R46,2m. Further cash flows that impact on the annual cash surplus relates to redemption on external loans, WSP projects on the capital budget, cash portion of post-retirement benefits etc.</p> <p>2. The Executive Mayor utilises every opportunity to address unfunded mandates on numerous forums.</p> <p>3. As part of the Municipality's cost reprioritisation and cash management strategy vacancies have been significantly rationalised downwards. A total of twenty three posts were abolished from the organisational structure. The Protection Services directorate has been restructured whereby a shift system has been introduced resulting in substantial savings on overtime and standby allowances. The outsourcing of the water and waste water treatment plants, in respect of operational efficiencies, are currently being considered.</p> <p>4. We do not foresee a restatement per line item as a result of SCOA. Most of the line items in Table A4 are comparable except for Other materials, Contracted Services and Other expenditure (Inventory, Contractors, Operational Cost), where major shifts occurred with the SCOA classification.</p> <p>5. All remuneration increases have been provisionally budgeted at 6,1%, pending the outcome of salary negotiations and determinations. A 1% change would increase or decrease remuneration by approx. R2,9m.</p> <p>6. The amounts for the outer years were inadvertently omitted in Table 17, but reflected in Table 26. The revenue cost refers to all social assistance provided, which would also include the provision of housing, the reason for the disparity in the amounts. The 'lost' revenue on services is recouped from the Equitable Share allocation from National Government.</p> <p>7. Compliance measurements are monitored on a monthly basis. These are also reported monthly in the Monthly Budget Report which is placed on the website.</p> <p>8. The significant variance relates to expenditure on top structures from the Housing Grant. These variances would occur depending on the timing of the building of top structures. The infrastructure services portion for housing would be reflected in the capital budget expenditure.</p> <p>9. The fines estimate is based on information collected during 2013/2014. The introduction of IGRAP1 brought about this change in estimate. All possible fines issued, where by local or provincial authorities are considered. The estimated no-collection is indicated as impairment. This methodology will be reviewed after the finalisation of the AFS for 30 June 2015.</p>							
15	Fynbospark	Jurie Hamman	25-Apr-15			OBJECTION TO REFUSE POLICY AS PER 2015/16 Draft Budget		
<p>Services relevant to refuse removal, refuse dumps and solid waste disposal mechanisms must comply with stringent legislative requirements such as the National Environmental Management: Waste Act, No 59 of 2008.</p> <p>A tariff such as that for refuse removal is thus required to be adequate to cover collection, transport, disposal and ultimately the rehabilitation of waste disposal sites. Concomitant with the aforementioned, the Local Government: Municipal Systems Act, No 32 of 2000, provides that a Municipality's tariff policy must reflect at least that users of municipal services should be treated equitably in the application of tariffs and the amount individual users pay for services should generally be in proportion to their use of the service.</p> <p>The municipality thus had no other choice than to rectify, as from the 2013/14 financial year, its tariff structure for domestic refuse removal to adhere to the provisions of the legislation referred to above.</p>								
16	Individual	Lisel Krige	30-Apr-15					CONCERN RAISED REGARDING CAPITAL BUDGET, PRIORITISING, INFRASTRUCTURE IN THE AREA AND LACK OF PROPER STORM WATER SYSTEM.



## COMMENTS ON DRAFT 2015/2016 BUDGET

#	ORGANISATION/	LODGED BY:	DATE	WATER & ELEC	SEWER	REFUSE	REMUNERATION	OTHER (SPECIFIED)
	<p>To ensure the long term sustainability of the municipal area and its sub-region, the efficient provision, operation and maintenance of infrastructure for basic services are crucial. In the municipal context, basic services are electricity, water, sanitation (sewerage and solid waste) and roads (with associated storm water).</p> <p>The master plans for each basic infrastructure service was reviewed and realigned to support the GMS.</p> <p>The Water Services Development Plan (WSDP) 2014/15 is attached as Annexure 1 to the IDP Document as published on the website. The next WSDP review will be for 2016/17.</p> <p>The Overstrand Municipality has two distinct structures through which formalised public participation with its communities takes place i.e.</p> <ul style="list-style-type: none"> <li>- Its Ward Committees as well as</li> <li>- The Overstrand Municipal Advisory Forum (OMAF)</li> </ul> <p>The Ward Committees are chaired by the respective elected ward councillors and meet on a scheduled monthly basis. Quarterly meetings are advertised on bill boards, media and with loudhailers in certain areas to enhance participation by the broader communities.</p> <p>Ward Committees are responsible for the identification and communication of needs within their local wards as specified in the municipal council's budget process. These —need assessment sessions are held annually with the ward committees between September – January. The costing for the highest prioritised needs/ projects is also done for budgeting purposes. Ward committees are furthermore involved in a consultation process regarding the draft municipal budget.</p> <p>Ward committee consultation sessions:</p> <p>During September/ October 2013 IDP consultation sessions were held with the thirteen (13) ward committees and broader stakeholders (service organisations) to gather information on the “community needs” per ward.</p> <p>The information on community needs was classified as either core municipal functions of Overstrand municipality or a National/ Provincial competence.</p>							

**CFO - Fwd: FW: Objection to payment at Grotto**

**From:** Dudley Coetzee  
**To:** CFO  
**Date:** 30-Apr-15 10:44 AM  
**Subject:** Fwd: FW: Objection to payment at Grotto

>>> "Kari Brice" <karibrice@hermanus.co.za> 2015/04/29 01:57 PM >>>

**From:** Anton Kruger [[antonsurfer@gmail.com](mailto:antonsurfer@gmail.com)]  
**Sent:** 29 April 2015 09:24 AM  
**To:** Ratepayers Hermanus; Kari Brice  
**Subject:** Objection to payment at Grotto

I would hereby like to object once again, as I did 3 years ago, to payment at Grotto by Hermanus Locals for the following reasons:

1. A proper Public Participation Process was never followed before Grotto was declared a Blue Flag Beach and a levy was raised for the first time 3 years ago. According to Don Curney the levy was simply hidden between all the others in the budget proposal. This is not at all sufficient and seems like an attempt to slip it in unnoticed by the municipality. This whole process should be reviewed.
2. Their is no levy Hawston, which is also a Blue Flag Beach.
3. The rest of Hermanus is also overcrowded during December but you don't have to pay a levy to get in there. It is therefore unfair to charge a levy to get in at Grotto.
4. This whole business is alienating the Municipality from its ratepayers.
5. The ratepayers have already payed for the huge initial cost of construction at the blue flag beach, why should they have to pay to use it as well?
6. According to Don Curney people are passing on the passes between each other. How is this possible when the Car Registration number appears on the pass?
7. Also, according to Don Curney, people are swearing at the levy collectors. This should also be a good indication of the general public feeling about the levies!
8. I have also submitted a petition against the payment at Grotto. I would like to point out that every single person I approached said it was nonsense that they had to pay to go to their own beach.

Therefore please stop this nonsense now.

Anton Kruger

Geelhoutlaan 16

Kleinmond.

8 April 2015

Aan: Finansiële Direkteur

Overstrand Munisipaliteit

Hermanus.

Geagte Heer/ Dame,

Na aanleiding van bespreking is. konsepbegroting van 4 deser, die volgende:

Daar is weer beklemtoon dat insette van belastingbetalers van belang is MAAR, dit is geensins die geval nie, wat deur die raad besluit is, is finaal.

Die afgelope drie jaar lewer ek die dieselfde inset, nl. dat die skale waarteen die water tariewe bereken word hersien moet word, maar sonder enige sukses.

Ek het weereens Dinsdagaand [4 April] die voorstel ingedien dat nog een skaal tussen 8 kl en 18kl ingevoeg word. Meneer Dudley Coetzee het verduidelik hoekom en waarom die skale so moet bly, toe ek hom meedeel dat sy redenasie nie vir my bevredig nie, kry ek sarkastiese teenvraag, of ek weet wat een kl water die munisipaliteit kos, ek vra nie verlaging van tariewe, net nog een skaal wat dit vir ons wat min water gebruik 'n bietjie minder sal kos.

Op my vraag of 70% van water verbruik in somer maande vir riool geboek regverdig is daar groot deel van die water vir tuine gebruik word en glad nie in die rioolstelsel beland nie, weer sarkastiese antwoord, "wees bly dis nie 100% nie'.

Ek is nie 'n kind nie en met my verstand skort ook niks.

Ek hoop dat wie ookal vir vasstelling van die water tarief verantwoordelik is hierdie eenkeer die storie van belastingbetalers se insette in aanmerking sal neem en die woord van die Burgemeester gestand sal doen.

Die uwe,

S. Hamman.

Hamman

## Coenie Groenewald - BEGROTINGS VOORSTELLE

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**From:** "Jan Willem van Staden" <staden@kingsley.co.za>  
**To:** <cgroenewald@overstrand.gov.za>  
**Date:** 08/04/2015 03:00 PM  
**Subject:** BEGROTINGS VOORSTELLE  
**Attachments:** 2015afslagopoorskreiding.pdf; Minutes ward 9 - 16 October 2014.pdf; Minutes ward 9 - 13 November 2014 (1).pdf

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Geagte Mnr Groenewald,

Hieraan geheg is voorstelle tov die nuwe begroting.

Vriendelike groete,

J.W. van Staden



## KLEINMOND BELASTINGBETALERSVERENIGING KLEINMOND RATEPAYERS ASSOCIATION

Posbus 134, Kleinmond, 7195.

Voorsitter: Jan-Willem van Staden. 028 271 4281 / 082 887 6466

Vonkpos: [staden@kingsley.co.za](mailto:staden@kingsley.co.za)

Sekretaris: Jannie Viljoen. 028 271 5958 / 084 589 7444

Vonkpos: [janniev100@gmail.com](mailto:janniev100@gmail.com)

VOORKEUR KORRESPONDENSIE WYSE is 'n Skrywe na BEIDE bostaande Epos-adresse.

Die Munisipale Bestuurder  
Overstrand Munisipaliteit  
HERMANUS

8 April 2015

Geagte Mnr Groenewald,

### KONSEP BEGROTING 2015/16

Die problematiek ten opsigte van die oorskryding van boulyne is die volgende:

1. Die meeste erwe in Kleinmond is betreklik klein – 595 vk meter. Weens die klein erwe het die meeste huiseienaars tot op die bestaande boulyne gebou.
2. Die boulyne langs en agter op die erwe was 1,5m.
3. Nadat die standaard verlede jaar in die Overstrand Munisipale gebied na 2m vergroot is, beteken dit dat die oorgrootte meerderheid van die huise nou tegnies oor die boulyne gebou is.
4. Wanneer 'n eienaar nou enige verandering aan sy geboue wil aanbring (in elke geval, wat die indien van planne noodsaak) oorskry hy/sy die huidige boulyne en moet daar aansoek gedoen word vir die oorskryding.
5. Aansoeke vir oorskreiding is nie verniet nie (Item S72K2B – R2178)
6. Ons versoek is dat die goedkeuring vir oorskreiding amper outomaties (gratis) aan die aansoeker toegeken moet word. Om aansoek te doen vir oorskreiding kos geld, beide ten opsigte van OM kostes en baie eienaars kry kundige persone om dit namens hulle te hanteer, wat ook uitgawes meebring.
7. Aanbouings het bepaalde voordele vir die OM in die opsig dat dit eiendoms waarde verhoog, werk skep en slegs 'n geringe las op die verskaffing van dienste plaas.
8. Eienaars wat veranderinge aan hulle eiendomme oorweeg sal positief beïnvloed word indien hierdie vergunning gemaak kan word. Die moontlike verlies aan inkomste vir die OM word meer as vergoed deur faktore wat in paragraaf 7 genoem is.

U gunstige oorweging van hierdie voorstel sal hoog op prys gestel word.

Die uwe

JW VAN STADEN Voorsitter,

---

VOORKEUR KORRESPONDENSIE WYSE in 'n skrywe (PDF-Lêer) na BEIDE  
[staden@kingsley.co.za](mailto:staden@kingsley.co.za) en [janniev100@gmail.com](mailto:janniev100@gmail.com)

**HANGKLIP- KLEINMOND ADMINISTRATION  
WARD 9**

**MINUTES OF THE PUBLIC WARD COMMITTEE MEETING HELD ON  
THURSDAY, 16 OCTOBER 2014 AT 16:00 IN THE LIBRARY HALL, KLEINMOND**

**Present:** Cllr P Appelgrein (Chairperson)

**Members:** Mr G Fredericks (Kleinmond Tourism Bureau)  
Mr EJ Watson (Individual)  
Mr AM Drenth (Individual)  
Mr JW van Staden (Kleinmond Ratepayers'  
Association)  
Mr JJ De Clerk (Individual)  
Mrs HS Bruwer (Individual)  
Mrs H Apollis (Mthimkhulu Village)  
Mrs A Mason (Kleinmond Nature  
(Conservation Association)  
Mr J Burger (Kleinmond Skietklub)

**Municipal Officials:** Mr D Lakey (Senior Manager:  
Kleinmond Administration)  
Mr D van Rhodie (Senior Manager:  
Operational Services)  
Mrs S Antonie (Committee Official)  
Mr R Kuchar (Manager: Town Planning)

**Members of the public:** 3 Residents of Kleinmond

**Apology:** Mr R Crowther (Gemeenskapspolisie  
Forum)

**1. VERWELKOMING / WELCOME**

Rdl Appelgrein verwelkom almal hartlik teenwoordig by die vergadering. Hy reik 'n spesiale woord van verwelkoming uit aan Mnr R Kuchar, Bestuurder van die Stadsbeplanningsafdeling.

**2. STADSBEPLANNINGSAANGELEENTHEDE – MNR R KUCHAR**

Geleentheid word aan Mnr R Kuchar gebied om die vergadering oor verskeie stadsbeplanningsaangeleenthede in te lig.

Mnr Kuchar deel mee dat met die amalgamasie van die verskillende munisipaliteite in die jaar 2000, die Raad besluit het om gedesentraliseerde kantore daar te stel. Elke dorp, Hermanus, Kleinmond en Gansbaai het 'n stadsbeplanningsafdeling gehad. 'n Versoek is onlangs deur die Raad aan alle direktorate gerig om te kyk hoe kostes bespaar kan word sonder om die kwaliteit

van werk en dienslewering in te kort. Die stadsbeplanningsafdeling het toe besluit om te sentraliseer, omrede addisionele kantore vir gedesentraliseerde kantore gehuur moes word, en Klerk poste en Administratiewe personeel gedupliseer is. In terme van mannekrag kon met sentralisering 'n Senior Administratiewe pos en Stadsbeplanner pos afgeskaf word wat 'n besparing teweeg gebring het, en mannekrag kan nou geoptimaliseer word.

Hy deel verder mee dat nuwe beplanningswetgewing uitgevaardig is deur die Nasionale Departement van Landelike Ontwikkeling en Nedersetting, en dat dit nog nie in werking gestel is nie. Die wetgewing verander die hele proses waarvolgens die munisipaliteit beplannings en beplanningsaansoeke in die toekoms sal moet goedkeur. In terme van stadsbeplanning sal alle stadsbeplanningsaansoeke deur die munisipaliteit hanteer moet word, en geen besluite sal in die toekoms meer na Provinsiale of Nasionale owerhede verwys word nie. Hy verduidelik breedvoerig die drie vlakke van besluitneming wat in terme van die nuwe wetgewing ingestel sal word, en kostes wat aan die munisipaliteit toegewys sal word.

Mnr Kuchar deel verder mee dat 'n Senior Stadsbeplanner elke tweede Vrydag Kleinmond besoek, en dat afsprake vir daardie dae gereël kan word. Indien daar in die tussentyd dringende aangeleenthede opduik, kan afsprake gereël word. Aansoeke word nog steeds plaaslik ingedien, maar dit sal in Hermanus geprosesseer word. Alle aansoeke word geadverteer en by die betrokke administrasie beskikbaar gestel. Enige ander versoeke kan met Mnr Lakey opgeneem word.

Die vergadering word verder oor ander stadsbeplanningsaspekte ingelig, die "Spatial Development Framework", Verdigtingstrategie, "Environmental Framework" en ook die Erfenis register wat opgestel is. Die nuwe Geïntegreerde Skemaregulasies vir Overstrand Munisipaliteit het op 1 Januarie 2014 in werking getree, en Mnr Kuchar stel voor dat wykskomiteelede genoemde dokument bestudeer. In terme van die nuwe wetgewing moet binne vyf jaar na die inwerkingtreding van SPLUMA nuwe Skemaregulasies aanvaar word. 'n Tender is vir die opstel van Oorlegsones voorberei en Mnr Kuchar verduidelik breedvoerig wat dit behels. Dit word ook beoog om na die opstel van die Oorlegsones, sektorale planne vir die sakesentrums en verkeersvloei op te stel.

Melding word gemaak dat met die inwerkingtreding van die nuwe Skemaregulasies, die boulyne vanaf 2m na 1.5m verander het. Dit het tot gevolg dat alle erfeienaars, insluitend diegene wat jare gelede hul wonings opgerig het, nou aansoek om oorskryding moet doen wanneer hulle aanbouings wil doen. Dit bring ook addisionele kostes mee. Die algemene gevoel is dat 'n klousule in die Skemaregulasies ingevoeg moes gewees het wat magtiging vir oorskrydings aan bestaande geboue verleen.

Various aspects were discussed and enquiries were made regarding the "rezoning of land for the construction of cluster housing, extension of commercialisation beyond 7<sup>th</sup> street, the provision of commercial properties in the Western area, strip development, granting of commercial licence to home owners, etcetera".



**Aanbeveling:**

Dat oorweging daaraan geskenk word om voorsiening in die Skemaregulasies te maak sodat magtiging vir oorskryding aan bestaande geboue sonder addisionele vergoeding verleen kan word.

**Verantwoordelike persoon:** Rdl Appelgrein / D Lakey

**3. VERSKONINGS / APOLOGIES**

Kennis word geneem dat verskoning van Mnr R Crowther ontvang is.

**4. BEKRAGTIGING VAN NOTULE**

Item 3.1: Die notule van die Wykskomitee vergadering gehou op 11 September 2014 word goedgekeur.

**4. SAKE VOORTSPRUITEND UIT DIE VORIGE NOTULES / MATTERS ARISING FROM THE PREVIOUS MINUTES**

**Item 4.4: Uitbreiding van Kleinmond Biblioteek**

Rdl Appelgrein deel mee dat hy die bouplanne vir die uitbreiding van Kleinmond Biblioteek aangevra het, maar dat hy dit nog nie ontvang het nie.

Kennis geneem.

**5. VERSLAG VAN DIE WYKSRAADSLID / REPORT OF THE WARD COUNCILLOR**

**ITEM 5.1: SAKE DEUR DIE BURGEMEESTERSKOMITEE EN RAAD AFGEHANDEL / MATTERS RESOLVED BY THE MAYORAL COMMITTEE AND COUNCIL**

Rdl Appelgrein deel mee dat Rdl B Solomon en Rdl P Scholtz bedank het. Rdl R Smit is as Onder-Burgemeester aangestel en hy sal ook die Infrastruktuur en Beplanning Portefeulje behartig. Rdl M Opperman word vanaf Beskermingsdienste na Gemeenskapsdienste Portefeulje verskuif. Raadslid, D Coetzee sal die Finansies & Ekonomiese Ontwikkeling Portefeulje behartig, en Rdl Appelgrein sal Beskermingsdiense sowel as die Bestuursdiense portefeulje hanteer.

Rdl Appelgrein deel verder mee dat die Munisipaliteit huidiglik besig is met herstrukturering en dat 'n strategiese sessie gehou was waartydens sekere aspekte goedgekeur is, en sekere nie. Produktiwiteit Suid-Afrika is huidiglik besig om elke Direkoraat in Overstrand Munisipaliteit te ondersoek.

Dit word ook beoog om 'n skof stelsel vroeg in die nuwe jaar in werking te stel. Wetstoepassing sal dan 24 uur per dag plaasvind. Die implikasie is dat 60 nuwe poste geskep moet word wat deur EPWP gedryf sal word. Dit sal 'n besparing van R5, 2 miljoen teweeg bring.



**HANGKLIP- KLEINMOND ADMINISTRATION  
WARD 9**

**MINUTES OF THE WARD COMMITTEE MEETING HELD ON  
THURSDAY, 13 NOVEMBER 2014 AT 16:00 IN THE LIBRARY HALL, KLEINMOND**

<b>Present - Councillors:</b>	Cllr P Appelgrein	(Chairperson)
<b>Members:</b>	Mr EJ Watson	(Individual)
	Mr AM Drenth	(Individual)
	Mr JW Van Staden	(Kleinmond Ratepayers' Association)
	Mr JJ De Clerk	(Individual)
	Mrs HS Bruwer	(Individual)
	Mrs H Apollis	(Mthimkhulu Village)
	Mrs A Mason	(Kleinmond Nature Conservation Association)
	Mr J Burger	(Kleinmond Skietklub)
<b>Municipal Officials:</b>	Mr D Lakey	(Senior Manager: Kleinmond Administration)
	Mr D van Rhodie	(Senior Manager: Operational Services)
	Mrs S Antonie	(Committee Official)
<b>Members of the public:</b>	4 Residents of Kleinmond	
<b>Apology:</b>	Mr R Crowther	(Gemeenskapspolisie Polisie Forum)
<b>Absent:</b>	Mr G Fredericks	(Kleinmond Tourism Bureau)

**1. VERWELKOMING / WELCOME**

Rdl Appelgrein verwelkom almal hartlik by die laaste vergadering van die jaar, en open die vergadering daarna met gebed.

**2. VERSKONINGS / APOLOGIES**

Verskoning is van Mnr R Crowther ontvang, omrede hy die algemene jaarvergadering van die Gemeenskapspolisie Forum gaan bywoon.

**3. BEKRAGTIGING VAN NOTULE**

**Item 3.1: Notule van die vergadering gehou op 16 Oktober 2014**

Die notule van die vergadering gehou op 16 Oktober 2014 word goedgekeur.

**4. SAKE VOORTSPRUITEND UIT DIE VORIGE NOTULES / MATTERS ARISING FROM THE PREVIOUS MINUTES**

**Item 4.1: Betaling van tarief vir oorskryding van boulyne**

Rdl Appelgrein deel mee dat hy die aanbeveling van die Wykskomitee dat voorsiening in die Skemaregulasies gemaak word om magtiging vir oorskryding aan bestaande geboue sonder addisionele vergoeding te verleen, aan die Portefeuljekomitee sal voorlê.

Verantwoordelike persoon: Rdl Appelgrein / D Lakey

**CFO - Draft Budget 2015/2016**

---

**From:** "Alan Morrison" <alan.morrison@absamail.co.za>  
**To:** <cfo@overstrand.gov.za>  
**Date:** 09-Apr-15 05:03 PM  
**Subject:** Draft Budget 2015/2016

---

Dear Mrs Reyneke-Naudé

I would appreciate if you could comment on electricity theft i.e. illegal electrical connections in the Municipal Area and the assumed cost of the electricity stolen. I note in the Budget document that there is a target of 8.5% or less identified, related to the number of units of electricity that should be unaccounted for and these I assume to be kWh or kVAh.

In my brief look through the draft budget document, I could not find an estimate of the value in Rand terms of this 8.5 % target or the measures that the Municipality intends to take to achieve this target. I also note that this target is significantly higher than the audited result achieved in the 2012/2013 FY. I would have expected, given the massive NERSA approved Eskom tariff increases, with more in the pipeline, that the Municipality would be endeavouring to have a zero tolerance approach to this matter as this is a cost that has to be borne by the legitimate electricity consumers in the Municipality through the higher electricity tariffs that are foreseen in the draft budget.

I would appreciate that this matter be more thoroughly addressed in the budget and that the target losses be revised downward to reflect the seriousness of this issue.

Alan Morrison  
P.O. Box 1565  
Hermanus 7200

Tel.: [028 316 2992](tel:0283162992)  
Cell: [082 370 8839](tel:0823708839)

From: Nomexesibe Nqinata <nnqinata@overstrand.gov.za>  
To: fmyburgh@overstrand.gov.za  
Date: 2015/04/13 03:19 PM  
Subject: Fwd: Public Meeting for Ward 1: Objections  
Attachments: 115041313463803829

Sent from my Vodafone Smart



----- Forwarded message -----

From: Lina Steenkamp <Lina.Steenkamp@MF.co.za>  
Date: 13 Apr 2015 13:46  
Subject: Public Meeting for Ward 1: Objections  
To: Nomexesibe Nqinata <nnqinata@overstrand.gov.za>  
Cc:

>  
>  
> Dear Councilor,  
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>  
> During a recent visit to Gansbaai a visit was paid to the library to review the budget and IDP.  
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>  
> It was noticed that a public meeting for Wards 1 and 2 is scheduled for today at 18:00. Our property forms part of Ward 1, but since we are currently in Johannesburg we will not be able to attend the public meeting. Please be so kind to forward the following objections to the relevant person/s.  
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> OPERATIONAL BUDGET  
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> WATER  
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>  
> More than 50% of Overstrand's residents are either pensioners or unemployed. It is proposed that water will increase with 15% This is more than double the CPIX. Although this is a water scarce area this increase is totally unacceptable, especially taking into account that water is a basic human right.  
> We also object to the fact that the 5kl free water was discontinued whilst in all the ANC led Councils this is still allocated to their residents. As residents we would like an answer to why this was cancelled and demand that this be re-instated especially to alleviate the burden on pensioners and the poor.  
>  
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>  
> BASIC FEES (Council policy indicates that this may be charged)  
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>  
> Surely this constitutes double taxing of residents and we wish to strongly object to this. The argument that it is to maintain infrastructure is no longer valid because there is also an infrastructure charge. We fail to understand why the residents must pay a basic tariff when indeed services are used and billed accordingly. According to council this tariff is charged to all residents in Overstrand. Is this indeed correct

or is it levied to only a few resulting in discrimination? We as residents in conjunction with residents from Hermanus will also start with a petition against these tariffs as it has simply become unaffordable.

>

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>

> IDP (CAPITAL)

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>

> On the IDP nothing is mentioned for any tarring of roads for ward 1 especially in the Franskraal area, yet it was noticed that Council workers are busy installing sidewalk curbing. Although we fully understand that the IDP is already fixed for the next three years, we wish to list the tarring of roads in Franskraal as an urgent priority. The roads are deteriorating at an alarming rate. You are welcome to visit Nico road to see the condition of our roads. Since we cannot drive on curbing, immediate action should be taken to improve the quality of our roads.

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> Your kind assistance is appreciated.

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> Lina Steenkamp.

>

> Klipfonteyn 2

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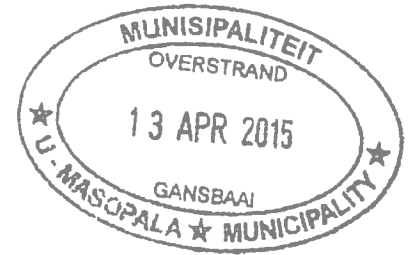
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**From:** Nomexesibe Nqinata <nnqinata@overstrand.gov.za>  
**To:** fmyburgh@overstrand.gov.za  
**Date:** 2015/04/13 03:19 PM  
**Subject:** Fwd: Objections - Public meeting today for ward 1

Sent from my Vodafone Smart



----- Forwarded message -----

**From:** "de Waal, Stefanie S" <Stefanie.deWaal@standardbank.co.za>  
**Date:** 13 Apr 2015 10:32  
**Subject:** Objections - Public meeting today for ward 1  
**To:** Nomexesibe Nqinata <nnqinata@overstrand.gov.za>  
**Cc:**

> Dear Councillor

>  
>  
>

> I visited the library to read through the budget and IDP and noticed that there will be a public meeting today at 18:00 for ward 1. We recently moved to Klipfonteyn 2. Unfortunately I will not be able to attend the public meeting and trust that, as ward councillor, you will forward my objections to the relevant person/s.

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> OPERATIONAL BUDGET

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> WATER

>

> More than 50% of Overstrand's residents are either pensioners or unemployed. It is proposed that water will increase with 15%. This is more than double the CPIX and, although this is a water scarce area, this increase is really unacceptable. Water is a basic human right and should be affordable for all.

>

> I also object to the fact that the 5kl free water was discontinued. As residents, we want to know why this was cancelled? And demand that this be re-instated as all the ANC led Councils still receive this benefit. Again, this is an additional burden on pensioners and the poor.

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> BASIC FEES

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> I fail to understand why the residents must pay a basic tariff when services are used and billed accordingly. The maintenance of infrastructure has its own charge. This is nothing more than double taxing of residents and I strongly object to the basic tariffs. (It may make sense to have a minimum tariff for a holiday home standing vacant for most of the year.) Is this charge applicable to all residents in Overstrand? Or is it levied to a discriminated few?

>

> We are planning a petition against these tariffs as it has become unaffordable. Council policy indicates that they may charge this tariff, but no details are forthcoming.

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> IDP (CAPITAL)

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> Provision is made for sidewalk curbing but not for the tarring of roads in ward 1. I fully understand that the IDP is already fixed for the next three years but wishes to list the tarring of roads in Franskraal as an urgent priority. The roads are deteriorating at an alarming rate. Nico road is a typical example of the condition of our roads

>

>

>

>

>

> Best Regards

>

> Stefanie de Waal

**From:** Nomexesibe Nqinata <nnqinata@overstrand.gov.za>  
**To:** fmyburgh@overstrand.gov.za  
**Date:** 2015/04/13 03:19 PM  
**Subject:** Fwd: Objections

Sent from my Vodafone Smart



----- Forwarded message -----

**From:** VJ Olivier <vjolivier@mweb.co.za>  
**Date:** 13 Apr 2015 10:31  
**Subject:** Objections  
**To:** Nomexesibe Nqinata <nnqinata@overstrand.gov.za>  
**Cc:**

>  
>  
>  
>

> Dear Councillor,

>  
>  
>

> I have read through the budget and IDP. I noticed that there will be a public meeting today at 18.00 for ward 1 and 2. We are residing in Franskraal which forms part of ward 1. Unfortunately I will not be able to attend the public meeting. I therefore take the liberty in forwarding you this mail and trust that as ward councillor you will forward my objections to the relevant person/s.

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> OPERATIONAL BUDGET

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> WATER

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>

> 1. More than 50% of Overstrand's residents are either pensioners or unemployed. It is proposed that water will increase with 15%. This is more than double the CPIX! Although this is a water scarce area this increase is really unacceptable especially taking into account that water is a basic human right.

>

> 2. I would also like to object to the fact that the 6kl free water was discontinued (which was implemented by national government) whilst in all the ANC led Councils this is still allocated to their residents. As residents we would like an answer to why this was cancelled and to demand that this be re-instated especially to alleviate the burden on pensioners and the poor. Friends of mine in Kleinmond, was forced to sell their house because of Overstrand's taxes.

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> BASIC FEES (Council policy indicates that they MAY charge this tariff.)

>  
>  
>

> 1. Councillor this is nothing more than double taxing of residents and I wish to strongly object to these tariffs!!!!!! The answer that it is to maintain infrastructure just does not hold any water as there is also an infrastructure charge. I fail to understand why the residents must pay a basic tariff when indeed

services are used and billed accordingly. If it is a holiday home standing vacant for most of the year, yes then it makes sense to have this tariff. A friend of Mosselbay does not pay the levy since he became a permanent resident, and not just a holidaymaker. According to council this tariff is charged to all residents in Overstrand. Is this indeed correct or is it levied to only a few resulting in discrimination? We as residents in conjunction with residents from Hermanus will also start with a petition against these tariffs as it has just become unaffordable.

&gt;

&gt;

&gt;

&gt; IDP (CAPITAL)

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&gt;

> 1. On the IDP I do not see any tarring of roads for ward 1, especially in the Franskraal area, yet Council are busy installing sidewalk curbing along du Toit street and Seaview drive! I wish to list the tarring of roads in Franskraal as an urgent priority. The roads are deteriorating at an alarming rate. Please visit Nico road to see the condition of our roads. We cannot drive on curbing! Every week a truck comes by and dumps gravel/sand into the potholes, just to be repeated the next week again. This is a scandalous waste of taxpayers money. Why can it not be fixed properly. It seems there is always money to do a job over and over, but no money to do it right the first time ! There was an article in the Gansbaai Courant that Loop street would be tarred in last years financial budget, but it was cancelled as there was not enough funds. Residents in Loop street was promised 14 years ago that the street would be tarred ??

&gt;

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&gt; Kind regards

&gt;

&gt; Bernard Olivier.

&gt;

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&gt; CONFIDENTIALITY &amp; DISCLAIMER NOTICE

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&gt;

&gt;

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>

>



28 January 2015

The Municipal Manager  
Overstrand Municipality  
P O Box 20  
Hermanus  
7200

**Attention:** Don Kearney

cc: Cllr Kari Brice

Dear Sir,

**CHARGING OVERSTRAND RATEPAYERS TO ACCESS GROTTA BEACH DURING  
PEAK HOLIDAY PERIODS**

The Hermanus Ratepayers' Association (HRA) has been copied in the recent correspondence in the above respect between a certain Mr Anton Kruger and the Overstrand Municipality.

Albeit a small amount of money - especially for an annual permit - a number of Overstrand ratepayers as well as the Executive Committee (EXCO) of the Hermanus Ratepayer's Association are opposed to the current practice of charging Overstrand Ratepayers to access their own Grotto Beach.

The HRA EXCO fully appreciates that Grotto Beach is the most vulnerable to the hordes that descend on peak holiday periods such as Boxing Day, New Year's Day, etc. however we believe that Overstrand residents who pay their rates and other service fees to the Municipality, should be exempt from paying additional fees to access our own beaches.

People who drive or bus in from elsewhere, or even fly in from Europe, etc. on holiday have no such rights, and they should be required to pay some contribution to the upkeep of our tourism infrastructure such as Grotto and even our other Blue Flag beaches.

Please can consideration be given to waiving the access fee to Grotto beach for Overstrand ratepayers? Perhaps the annual beach access permit, or an identification card such as that which used to be used for accessing the solid waste depots, or a car windscreen sticker allocated to Overstrand ratepayers for no charge would solve the problem?

Thanking you,

Yours sincerely,

Bob Stanway

## CHAIRMAN

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WHALE FESTIVAL OFFICE •  
CORNER MAIN ROAD AND PATERSON STREET •  
PO BOX 134 • HERMANUS • 7200  
TEL: 028 313 1351  
FAX : 086 544 8682  
E-MAIL: [ratepayers@hermanus.co.za](mailto:ratepayers@hermanus.co.za)  
[www.ratepayers.co.za](http://www.ratepayers.co.za)  
OFFICE HOURS  
MONDAY TO FRIDAY: 09H00 – 12H00

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HOEK VAN HOOFWEG EN PATERSON STRAAT •  
POSBUS 134 • HERMANUS • 7200  
TEL: 028 313 1351  
FAKS: 086 544 8682  
E-POS: [ratepayers@hermanus.co.za](mailto:ratepayers@hermanus.co.za)  
[www.ratepayers.co.za](http://www.ratepayers.co.za)  
KANTOOR URE  
MAANDAG TOT VRYDAG: 09H00 – 12H00

**CFO - KONSEP BEGROTING 2015/16**

---

**From:** Tommy Snibbe <tommysnibbe@gmail.com>  
**To:** CFO@overstrand.gov.za  
**Date:** 17-Apr-15 06:46 AM  
**Subject:** KONSEP BEGROTING 2015/16  
**Attachments:** OVERSTRAND MUNISIPALITEIT KONSEP BEGROTING 2015 - 2016.pdf

---

Goeie More Me Ryneke,

Hierby aangeheg vind asseblief my kommentaar op die bogemelde Konsep Begroting wat tans ter insae in die Munisipale Kantore beskikbaar is.

Ek wil die vertroude uitspreek dat daar tog iets in die kommentaar vervat is wat u nuttig sal kan gebruik met die opstel van toekomstige begrotings.

Graag maak ek dan ook van die geleentheid gebruik om my opregte dank en waardering teenoor u uit te spreek vir die heelwat meer "verbruikers vriendelike" Begroting wat hierdie jaar ter insae lê. Dit wil tog voorkom of u van ons kommentaar in die verlede ter harte geneem het. Baie dankie daarvoor.

Dit waaroor ek persoonlik en ek wil glo die publiek in die algemeen ontevrede is, gaan nie oornag reggestel word nie maar ten minste is daar in sommige gevalle 'n stap in die regte rigting en dit gee my moed vir die toekoms.

Vriendelike Groete / Kind Regards

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# OVERSTRAND MUNISIPALITEIT

## KONSEP BEGROTING 2015 / 2016

### INLEIDING:

Ter inleiding net kommentaar op die volgende aanhaling deur die Agbare Burgemeester. Die aanhaling is so van toepassing op ons as Belastingbetalers, ek wil amper skaam kry dat ek deel was van die "Opstandelinge" in die verlede!

*Before you assume, learn the facts.  
Before you judge, understand why.  
Before you hurt someone, feel.  
Before you speak, think.*

Kom ons vra die Agbare Burgemeester om hierdie aanhaling ook op haarself, die Raad en die Top Bestuur van die Munisipaliteit van toepassing te maak:

*Before you assume, learn the facts* – Vergewis uself van die feit dat sowat 80% van Kleinmond se Inwoners pensioenarisse is en dit nie kan bekostig om buitensporige verhogings in Munisipale tariewe te betaal nie.

*Before you judge, understand why* – Moenie die mense veroordeel omdat hulle in opstand kom teen buitensporige tarief en salaris verhogings nie. Hê eerder begrip vir die feit dat u die brood en botter van die mense se tafels afneem om u eie onbesonnenheid te finansier! Gaan dink asseblief daaraan hoeveel armoede u oor die afgelope paar jaar waartydens u aan bewind was, met u onsensitiewe tarief en salaris verhogings geskep het!

*Before you hurt someone, feel* – Voordat u verhogings bo die amptelike Inflasie koers op die Publiek afdwing, dink eerder daaraan hoe u sou voel as u in hulle skoene gestaan het!

*Before you speak, think* – Moenie u onbesonne Raadsbesluite probeer regverdig met die woorde "Dit was 'n Raadsbesluit" nie. Kom na vore met sinvolle antwoorde, reguit, op die man af en veral eerlik. Hierdeur sal u ontsettend baie vertroue en geloofwaardigheid van die Publiek ontvang! Al is dit Pensioenarisse wat vir u gelag moet betaal, is hulle nie sinie! nie! U sal dit moontlik regkry om sommige van hulle somtyds om die bos te lei maar u sal beslis nie almal altyd om die bos te lei nie!!!

Ek was nooit 'n Munisipale amptenaar nie en is dus nie heeltemaal vertrou met die binne werking van die Munisipale strukture nie. Dit keer my egter nog nie om 'n ontleding van die Begroting te doen en die betrokke Amptenary op sekere punte wat, na my beskeie mening, aandag behoort te ontvang uit te lig nie. Daar is geen kwade bedoelings in my voorstelle nie

maar sommige punte behoort na my mening prioriteit aandag te geniet en ek skroom nie om dit aan die Munisipaliteit deur te gee nie.

Daar is geen sin daarin om net te kritiseer en geen moontlike oplossings aan die hand te doen nie. Daarom dat ek gepoog het om, waar moontlik, oplossings wat moontlik, ten volle of gedeeltelik, oorweeg en geimplimenteer kan word om sake te verbeter, aan die hand te doen.

Die punte wat uitgelig word is maar soos ek die Begroting sien en ervaar en is nie noodwendig hoe die Munisipaliteit dit interpreteer nie!

Syfers in BLOU is nie amptelike syfers van die Munisipaliteit nie maar syfers wat bereken is op 'n gemiddeld van die Historiese sowel as geraamde syfers en persentasies soos in die Begroting vervat. Daar sal geredeneer word dat hierdie gemiddelde persentasies nie so bereken kan word nie en ek gee tot 'n groot mate toe. Daar is egter na my wete geen ander manier waarop ek enige berekenings tot 2019/20 kan maak nie.

Berekenings tot 2019/20 is gemaak om die effek van die huidige Finansiële beleid van die Munisipaliteit in die langer termyn te weerspieël. Ek is eerste om te erken dat die syfers nie korrek is nie maar dit gee tog 'n aanduiding van waarheen ons op pad is.

Die berekenings is gedoen op 'n aanname dat daar 30.000 huishoudings in die Overstrand Munisipale gebied is. Ek het later eers op die begrote syfers afgekom. Die gemiddelde hoeveelheid huishoudings in die Overstrand gebied was bereken op 31.957.

Hoe akuraat hierdie gemiddeld is, kan ek nie sê nie aangesien die hoeveelheid huishoudings vanaf 2010/11 tot 2012/13 bereken is teen net meer as 30,000. Daarna skiet die syfer op na 35,521 vir 2013/14 en daal weer in 2014/15 na 31.450. Die berekening vir 2015/16 is 32,686.

Na my mening sal 'n ekstra twee duisend huishoudings nie veel aan die syfers doen nie. Dit gaan eerder oor die tendens as oor die werklike kostes per huishouding.

Ten opsigte van die vooruitskattings vir 2016/17 en 2017/18 maak dit nie altyd sin nie en ek sal graag wil weet of die vooruitskattings volgens 'n formule bereken word. Indien wel sal dit interessant wees om te weet wat die formule is.

Uit die Begroting merk ek dat daar 'n bedrag van R2,74M aan die bevordering van Toerisme toegeken is. Toerisme is ons grootste bate en alhoewel dit nie maklik is om die Begroting te laat klop en almal tevrede te hou nie, is ek nogtans van mening dat ons 'n groter belegging in Toerisme kan oorweeg.

**DIE BEGROTINGS PROSES:** (Soos ek dit verstaan).

Publieke deelname bestaan nie in die Begrotingsproses nie. Die eerste stap in die Begrotingsproses is die Wenslyste wat deur die Wykskomitees ingedien moet word. Dit is die enigste inset wat 'n lid van die publiek moontlik kan maak en as hulle nie lede is van die Wykskomitee nie, is die kans uiters gering dat die Wykskomitee wel 'n voorstel vanuit die Openbare Galery sal goedkeur.

Gedurende Oktober / November elke jaar vergader die Direkteure van die onderskeie Departemente met die "Budget Steering Committee". Die publiek word nie hier toegelaat nie en kan dus geen insette lewer nie. Alle latere vergaderings van die "Budget Steering Committee" word agter geslote deure gehou – die Publiek word dus uitgesluit.

Die publiek word op die "Budget Steering Committee" verteenwoordig deur Politici wat eenvoudig net voorstelle kan aanvaar en verwerp soos dit hulle, die Koukus of die Leierskorps van die Politieke Party waaraan hulle behoort, pas. Publieke insette kan dus hier summier verwerp word sonder dat ons ooit weet of dit eers ter tafel gelê is.

Gedurende Desember word die Konsep Begroting aan die Provinsiale Regering deurgegee vir Kennisname / Goedkeuring. Tot hiertoe was die enigste inset wat die Publiek kon lewer beperk tot die Wykskomitee vergadering waartydens die Wenslys saamgestel is. Daarna is ons aan die genade van die Politici uitgelewer.

Gedurende Maart word die Konsep Begroting vir kommentaar aan die Publiek beskikbaar gestel. Gedurende April word Inligtingsvergaderings gehou waarheen die Publiek uitgenooi word. Wie of wat se kommentaar ookal oor die Konsep Begroting gelewer word op hierdie Inligtingsvergaderings, word hoflikheidshalwe beantwoord op 'n wyse wat geen Raadslid, Amptenaar of Departement spesifiek verbind nie. Daar is feitlik geen kans dat enige kommentaar van die Publiek 'n verandering in die Konsep Begroting tot gevolg sal hê nie. Daarna word die Konsep Begroting op 'n Raadsvergadering wat gedurende Mei gehou word aanvaar en op 1 Julie is dit net eenvoudig Betaal of trek!! Die Konsep Begroting word nou die aanvaarde Begroting en geïmplimenteer – of die Publiek daarmee saamstem of nie!!

## INLIGTINGSVERGADERINGS:

In die lig van die voorafgaande ontstaan daar twyfel oor die uiteindelijke doel van die Inligtingsvergaderings wat jaarliks onder die dekmantel van sogenaamde "Publieke Deelname" gehou word.

Vrae wat onder andere hieruit voortvloei is die volgende:

1. Wat is die werklike doel van die Inligtingsvergaderings? Word dit net gehou om die Publiek 'n rat voor die oë te draai? Nou kan niemand sê dat hulle nie voor die datum van aanvaarding van die Konsep Begroting, die geleentheid gehad het om kommentaar te lewer nie! Na my beskeie mening is dit eenvoudig 'n mors van tyd!
2. Onreëlmatighede in die Konsep Begroting kan gedurende die Inligtingsvergaderings uitgewys word tot ons blou is in die gesig. Daar word absoluut geen regtellings gemaak nie! "n Gewysigde Konsep Begroting is dus net eenvoudig nie moontlik nie en die foutiewe Konsep Begroting word op die end die Begroting en dus afdwingbaar op die Publiek, foute en al!!!
3. Die Publiek word genooi om op die Inligtingsvergaderings kommentaar oor die Begroting te lewer. Wat word met hierdie kommentaar gedoen? Word dit ooit deur die Raad in ag geneem op enige stadium in die toekoms of word dit gerieflikheidshalwe net eenvoudig van die tafel af gegee? Miskien is ons gelukkig en hou die Raad tesame met die "Budget Steering Committee" 'n lekker lag sessie voordat hulle ons voorstelle van die tafel af vee!
4. Kwartaallikse Begrotingsverslae word op die Internet gepubliseer. 'n Groot gedeelte van die Publiek het nie toegang tot die Internet nie en is dus nie eens bewus daarvan dat daar Begrotingsverslae gepubliseer word nie. Waarom kan die Wykskomitee nie hierdie Begrotingsverslae op 'n spesiale Inligtingsvergadering wat wyd geadverteer word, volledig bespreek en die Publiek se insette ook hier kry nie. Al word daar dan niks mee gedoen nie!
5. Ons het in die verlede ondervind dat sekere belangrike inligting liefers op hierdie vergaderings verswyg word omdat dit ongewild deur die Publiek ervaar sou word. Dit was wel in die kommentaar in die Begroting vervat maar met die beperkte tyd tot die Publiek se beskikking kan die begroting net eenvoudig nie volledig deurgewerk word nie. Waarom moet hierdie punte verswyg word? Kan die Munisipaliteit dan nie meer openlik en eerlik met die Publiek kommunikeer nie?



## KONSEP BEGROTING:

**Table 1 Consolidated Overview of the 2016/16 MTREF**

	Budget Year 2014/15	Budget Year 2015/16	Budget Year + 1 2016/17	Budget Year + 2 2017/18			
Revenue	810 548	908 211	973 373	1 028 569	12,0%	7,2%	5,7%
Expenditure	932 125	977 506	1 037 493	1 098 292	4,9%	6,1%	5,9%
Surplus (Deficit)	(121 577)	(69 295)	(64 120)	(69 723)			
Capital	117 588	65 515	94 606	103 561	-27,3%	10,6%	9,5%

**MTREF = Medium Term Revenue and Expenditure Framework.**

### REVENUE:

2014/15 = 5,5%	R784.474 / 30K huishoudings P.J. = R26,149 /12 = R2,179 P.M.		
2015/16 = 12,0%	R908.211	R30,274	R2,523
2016/17 = 7,2%	R973.373	R32,446	R2,704
2017/18 = 5,7%	R1.028.569	R34,286	R2,857
2018/19 = 7,6%	R1.106.740	R36,891	R3,074
2019/20 = 7,6%	R1.190.852	R39,695	R3,308

### EXPENDITURE:

2014/15 = 5,0%	R869.588	R28,986	R2,416
2015/16 = 4,9%	R977.508	R32,584	R2,715
2016/17 = 6,1%	R1.037.493	R34,583	R2,882
2017/18 = 5,9%	R1.098.292	R36,610	R3,051
2018/19 = 5,5%	R1.158.698	R38,623	R3,219
2019/20 = 5,5%	R1.222.426	R40,748	R3,396

### CAPITAL:

2014/15 = -22,7%	R97.721	R3,257	R271
2015/16 = -27,3%	R85.515	R2,851	R238
2016/17 = 10,6%	R94.606	R3,154	R263

2017/18 = 9,5%	R103.561	R3,452	R288
2018/19 = -7,5%	R111.328	R3,711	R309
2019/20 = -7,5%	R119.678	R3,989	R332

In die bostaande tabel word begroot vir 'n styging in Inkomste van 12% teenoor die Begrote syfer vir 2014/15. Hierdie styging is die gevolg van 'n verwagte styging in toelaes. Kom ons vra hier net een belangrike vraag: Hoeveel toelaes is daar oor die afgelope paar jaar van die Sentrale sowel as die Provinsiale Regerings aan die Munisipaliteit toegeken en hoeveel van daardie toekennings is nog uitstaande / agterstallig?

Meer kommerwekkend is die tekort op die Begroting van R69,2M vir 2015/16; R64,1M vir 2016/17 en R69,7M vir 2017/18. Daar word vir hierdie tekorte begroot ten spyte van die toename in toelaes van die Sentrale Regering / Provinsiale Regering. Die vraag is nou, hoe gaan hierdie tekorte gefinansier word?

Die Kapitale Begroting verlaag met 27,3% teenoor die Begrote syfers vir 2014/15. Hierdie verlaging is die gevolg van 'n verlaging in die beskikbare fondse vir die finansiering van die Kapitaal Begroting. Alhoewel daar begroot word vir 'n styging van sowat 10% gemiddeld vir die Boekjare 2016/17 en 2017/18 moet ons nogtans vra of ons nie miskien in ESKOM se voetspore volg nie? Is verouderde toerusting en swak of geen onderhoud op die bestaande toerusting ons voorland?

Daar word ook gemeld "The Municipality has reached its prudential borrowing limit of 60% of operational revenue in 2012 and has embarked on a strategy to manage this rate down by at least 10%. At the current borrowing programme this rate will be managed down to 44% by 2017/18 in this MTREF". Dit wil dus voorkom of die Kapitaal Begroting tot ten minste 2017/18 onder druk sal wees.

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

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Revenue By Source</b>									
Property rates	110 413	131 779	134 613	143 640	153 509	153 509	142 730	171 166	184 471
Property rates - penalties & collection charges	525	772	621	1 050	1 050	1 050	551	550	1 075
Service charges - electricity revenue	224 950	217 263	228 362	210 083	210 083	210 083	228 277	271 235	407 747
Service charges - water revenue	63 755	65 243	66 139	95 697	95 697	95 697	102 345	117 730	112 631
Service charges - sanitation revenue	57 212	26 885	62 798	63 453	63 453	63 453	66 175	75 281	74 015
Service charges - refuse revenue	19 496	16 637	52 467	56 130	56 130	56 130	59 408	47 371	64 849
Service charges - other	-	-	-	-	-	-	-	-	-
Rent of properties and equipment	6 723	7 212	7 541	7 956	7 956	7 956	11 459	12 354	14 176
Interest earned - on financial assets	6 681	7 223	6 352	4 159	6 165	6 165	6 348	6 348	6 348
Interest earned - outstanding debtors	2 331	2 199	2 118	2 293	2 261	2 293	2 437	2 580	2 445
Grants received	-	-	-	-	-	-	-	-	-
Fines	5 278	14 244	22 739	7 563	30 873	30 873	31 259	32 756	32 752
Licences and permits	1 769	1 968	1 959	2 223	2 223	2 223	2 140	2 406	2 619
Agency services	1 912	2 025	2 365	2 480	2 480	2 480	2 570	2 557	2 534
Transfer payments received	18 005	41 660	67 835	58 107	62 032	62 032	109 163	117 266	97 171
Other revenue	17 375	68 978	10 204	21 717	15 387	15 387	16 781	15 301	15 372
Gains on disposal of PPE	1 520	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>567 482</b>	<b>703 871</b>	<b>736 374</b>	<b>784 474</b>	<b>810 433</b>	<b>810 548</b>	<b>848 211</b>	<b>973 173</b>	<b>1 028 569</b>

#### PROPERTY RATES:

In die meegaande tabel word die volgende verhogings in "Property Rates" aangetoon:

2011/12 = -15,4%	R108.913
2012/13 = 10.9%	R120.799
2013/14 = 11,6%	R134.813
2014/15 (Aangepaste Begroting) = 13,9%	R153.509
2015/16 = 6,0%	R162.730
2016/17 = 6,5%	R173.308
2017/18 = 6,5%	R184.573
2018/19 = 6,3%	R196.201
2019/20 = 6,3%	R208.561

In die lig van die geskiedenis vanaf 2012/13 tot die aangepaste Begroting vir 2014/15 kon die Munisipaliteit nie daarin slaag om binne die Inflasiekoers van 6% te bly nie. Die vraag is nou: Gaan hulle dit regkry om in die toekoms binne die Begrote 6% en 6,5% te bly?

#### PROPERTY RATES – PENALTIES AND COLLECTION CHARGES:

Die volgende verhogings / verlaging in die tariewe word in die Konsep Begroting gereflekteer:

2011/12 = + 8,4%	R925
2012/13 = - 16,5%	R772
2013/14 = + 6,4%	R821
2014/15 = + 27,9%	R1.050
2015/16 = - 15,1%	R891
2016/17 = + 10%	R980
2017/18 = + 10%	R1.078
2018/19 = + 4,4%	R1.125
2019/20 = + 4,4%	R1.175

Met verwysing na die verlaging van 15,1% in die 2015/16 Boekjaar moet ons vra hoe realisties die verhogings van 10% oor die daaropvolgende twee jaar is.

#### SERVICE CHARGES – ELECTRICITY:

Hierdie tarief verhogings word deur NERSA vasgestel en die Munisipaliteit het klaarblyklik geen beheer daaroor nie. Die vraag ontstaan egter of die Munisipaliteit op enige stadium beswaar aangeteken het teen enige van die voorgestelde tarief verhogings soos deur NERSA aanbeveel?

Die Munisipale Amptenary is in diens van die Belastingbetalers en daar kan dus met reg ver wag word dat hulle na die Belastingbetalers se belange moet omsien. Hulle kan dus nie soos wafferse skoothondjies net JA en AMEN sê op alles wat ESKOM en NERSA aan hulle wil voorskryf nie. As hulle nie in opstand kom nie word ons in 'n kringloop van nimmereindigende onrealistiese hoë tarief verhogings vasgevang en ons sal maar in die maalkolk bly vir solank dit ESKOM en NERSA behaag!

Na my mening sal ESKOM se probleme nie in my leeftyd uitgesorteer word nie en die kanse op 'n totale ineenstorting is groter as die kanse op herstel.

Met die voorafgaande in gedagte is ek van mening dat die Munisipaliteit leiding moet neem en dit ernstig behoort te oorweeg om Privaat Instansies aan te moedig om 'n Windplaas en/of Sonpanele en selfs Generators in die see, in die streek te kom vestig om dan krag aan die streek te voorsien. Ons sal, veral aan die begin, nie voldoende krag van hierdie bronne kan ontvang nie maar kom ons sien dit dan as 'n babatreetjie in die rigting van onafhanklikheid.

Daar is reeds 'n gevestigde Windplaas in Caledon waar sowat 11 Windlaaiers krag opwek. Net buite Tulbagh, op die pad na Wellington, is 'n Windplaas met sowat 45 Windlaaiers.

Kan ons nie begin met onderhandelings om dan moontlik krag van soortgelyke ontwikkelaars wat dan in die Overstrand gevestig is, aan te koop nie. Hulle mag moontlik nie aan die ESKOM netwerk gekoppel wees nie maar daar kan tog seker 'n plan gemaak word om 'n addisionele toevoer stelsel aan die Munisipale netwerk te koppel. Sou ons dan probleme met ESKOM ondervind kan ons net na hierdie alternatiewe bron oorskakel met die minimum impak op die Inwoners. Om die winsgewendheid van ons "eie" kragbron te verseker wil ek eerder soveel krag as moontlik van hierdie bron aankoop en die ESKOM koppeling dan as alternatiewe kragbron gebruik. Bygesê indien krag van hulle af beskikbaar is!

Vir solank die Verbruiker maar stilbly en betaal, so lank sal dit ESKOM neem om sy sake in orde te probeer kry. As 'n kind stout is en hy word nie tereggewys nie, sal hy aanhou om

stout te wees! Dit is dus nie verkeerd om aan ESKOM te wys dat hulle monopolie besig is om ten einde te kom nie!

SERVICE CHARGES – WATER REVENUE:

2011/12 = 13,0%	R83.755 / 30K HUISHOUDINGS P.J. = R2.792 / 12 = R233 P.M.		
2012/13 = 1,8%	R85.243	R2.841	R237
2013/14 = 11,6%	R95.136	R3.171	R264
2014/15 = 0,8%	R95.897	R3.197	R266
2015/16 = 6,4%	R102.045	R3.401	R283
2016/17 = 5,5%	R107.700	R3.590	R299
2017/18 = 5,6%	R113.691	R3.790	R316
2018/19 = 6,3%	R120.854	R4.028	R336
2019/20 = 6,3%	R128.467	R4.282	R357

Hier moet die korrektheid van die Begrote syfers bevraagteken word. Die verhoging vir die Jaar 2012/13 is slegs 1,8% terwyl die verhoging vir die jaar 2014/15 'n skamele 0,8% beloop! Met 'n Inflasiekoers van 6% per jaar gemiddeld kan sulke verhogings slegs as ondenkbaar beskryf word.

Die gratis 6Kl water wat aan alle inwoners toegestaan is, is, as ek reg kan onthou, in die 2012/13 Boekjaar van die sogenaamde "Gegoede" deel van die gemeenskap weggeneem. Indien die Inkomste wat die Munisipaliteit daaruit verkry het, in berekening gebring word, sal die verhoging aansienlik meer wees as die genoemde 1,8%.

Die verhoging vir die Boekjaar 2013/14 is bereken op 11,6% terwyl die verhogings vir 2015/16 = 6,4%; 2016/17 = 5,5% en 2017/18 = 5,6%, ietwat meer realisties is.

SERVICE CHARGES – SANITATION REVENUE:

2011/12 = 13.6%	R57.212 /30K HUISHOUDINGS P.J.	R1.907 / 12 = R159 P.M.	
2012/13 = -0,5%	R46.637	R1.555	R130
2013/14 = 10,4%	R52.957	R1.765	R147
2014/15 = 1,1%	R56.130	R1.871	R156
2015/16 = 4,6%	R59.488	R1.983	R165

2016/17 = 5,6%	R63.061	R2.102	R175
2017/18 = 5,6%	R66.849	R2.228	R186
2018/19 = 5,8%	R70.726	R2.358	R196
2019/20 = 5,8%	R74.828	R2.494	R208

Hier moet ons weereens die verlaging van -0.5% vir die Boekjaar 2012/13 sowel as die verhoging van slegs 1,1% vir die Boekjaar 2014/15 bevraagteken. Die verhoging van 10,4% vir 2013/14 is meer in lyn met die ondervinding in die verlede. Hoe betroubaar die verwagte verhogings van 4,6% vir 2015/16, 5,6% vir 2016/17 en 5,6% vir 2017/18 is, sal die tyd wel leer. Na my mening moet ons nie te veel waarde aan hierdie syfers heg nie!

SERVICE CHARGES – REFUSE REVENUE:

2011/12 = 6,9%	R39.498 /30K HUISHOUDINGS P.J.	R1.317 /12 =	R110 P.M.
2012/13 = 17,8%	R46.637	R1.555	R130
2013/14 = 13,6%	R52.957	R1.765	R147
2014/15 = 6,0%	R56.130	R1.871	R156
2015/16 = 6,0%	R59.488	R1.983	R165
2016/17 = 6,0%	R63.061	R2.102	R175
2017/18 = 6,0%	R66.849	R2.228	R186
2018/19 = 8,9%	R72.799	R2.426	R202
2019/20 = 8,9%	R79.278	R2.643	R220

Verhogings van 17,8% in die Boekjaar 2012/13 en 13,6% vir 2013/14 word in die Konsep Begroting weergegee. Verhogings vir al die ander jare in die Konsep Begroting, d.w.s. vanaf 2014/15 tot 2017/18 word bereken teen 6%.

Met die Karwyderskraal fiasko is 'n addisionele heffing op vullis verwydering geplaas as gevolg van die feit dat die Munisipaliteit verder moes ry om die vullis in Gansbaai te gaan stort. Na die herinbedryfstelling van Karwyderskraal gedurende die loop van die jaar is geen afslag aan die Belastingbetaler deurgegee nie. Daar is ook nie 'n toegewing gemaak in die tarief verhoging vir die jaar 2015/2016 nie. Gebruik die Munisipaliteit nou hierdie geleentheid om 'n ekstra winsie uit die verbruiker te maak?

Ons moet aan die ander kant ook gelyk gee dat die ontwikkeling van die Karwyderskraal sel sekere koste op die skouers van die Munisipaliteit geplaas het. Hierdie koste kan egter oor die leeftyd van die sel verhaal word en hoef nie in die eerste jaar van gebruik verhaal te word nie.

Verder is daar tans 'n moontlikheid van 'n vennootskap met die Theewaterskloof Munisipaliteit om weer hulle Vaste Afval op Karwyderskraal te kom stort. Overstrand Munisipaliteit sal dom wees as hulle 'n ooreenkoms met Theewaterskloof Munisipaliteit aangaan wat ons tot nadeel sal strek. Die koste vir die ontwikkeling van die sel sal sekerlik pro rata deur so 'n ooreenkoms verhaal kan word.

#### OTHER INCOME:

Ander Inkomste bronne in die tabel vervat, is nie ontleed nie aangesien dit nie werklik deel vorm van Inkomste uitsluitlik uit die plaaslike Inwoners se sakke nie.

#### TOTAL REVENUE (EXCLUDING CAPITAL TRANSFERS AND CONTRIBUTIONS):

Die volgende verhogings in die totale Inkomste van die Munisipaliteit word as volg in die Konsep Begroting aangetoon:

2011/12 = - 1,6%	R597.482 /30K HUISHOUDINGS P.J.	R19.916 /12 = R1.660 P.M.	
2012/13 =17,8%	R703.871	R23.462	R1.955
2013/14 = 4,6%	R736.376	R24.546	R2.046
2014/15 = 10,1%	R810.548	R27.018	R2.252
2015/16 = 12,1%	R908.211	R30.274	R2.523
2016/17 = 7,2%	R973.373	R32.446	R2.704
2017/18 = 5,7%.	R1.028.569	R34.286	R2.857
2018/19 = 8,0%	R1.110.854	R37.028	R3.086
2019/20 = 8,0%	R1.199.723	R39.991	R3.333

Die verhoging in inkomste vir die Boekjare 2016 tot 2018 is na my mening nie haalbaar nie en ek grond my stelling op die volgende feite:

Ons moet in gedagte hou dat daar toenemend druk op die Munisipaliteit se dienste geplaas gaan word hoofsaaklik as gevolg van die instroming van mense in die laer inkomste groep wat uiteraard gaan kwalifiseer vir die toegewings van gratis water en elektrisiteit. Verder moet daar nog in gedagte gehou word dat daar ander koste stygings soos bv. Brandstof,

Lone, Salarisse, Kontrakteursfooie, Onderhoud en Herstelwerk, Prysverhogings in Onderdele en Chemikalië ens. aan die uitgawe kant in berekening gebring sal moet word. Ek sal graag wil weet hoe die Munisipaliteit beplan om hierdie koste te beperk.

#### ELEKTRISITEIT:

Uit die onderstaande tabel blyk dit dat die Munisipaliteit begroot vir 'n wins uit Elektrisiteitsverkope van R37.131.198 vir die 2015/16 Boekjaar teenoor 'n Wins van R37.724.728 in die vorige jaar en R41.045.505 vir die 2013/14 Boekjaar. Ons kyk dus na 'n verlaging van R593.530 of 1,6% vir die huidige Begroting.

Die begrote styging in koste beloop 10,6% teenoor 'n begrote styging in die Inkomste van 9,12%.

#### WATER:

Die Munisipaliteit se wins uit die voorsiening van water styg vanaf R3.744.597 in 2013/14 en R3.814.371 in 2014/15 tot R7.705.881 vir 2015/16. 'n Astronomiese styging van 102%!

Die begrote koste styging met betrekking tot die Water voorsiening beloop 2,02% teenoor 'n styging aan die Inkomste kant van 5.96%.

#### WASTE WATER MANGEMENT:

Ten opsigte van die bestuur van afvalwater beloop die verhoging in koste vir die Munisipaliteit 4.93% teenoor 'n styging in die Inkomste van 5,69%. Die totale Begrote wins uit hierdie bron vir die 2015/16 Boekjaar beloop R2.822.419 teenoor die vorige jaar se wins van R2.230.796 en die R5.884.273 in 2013/14. Dit verteenwoordig 'n styging van 26,5% vir die jaar.

#### WASTE MANAGEMENT:

Ten opsigte van vullis verwydering beloop die styging in die koste vir die Munisipaliteit 11,19% teenoor 'n styging in die Inkomste van slegs 6,08%. Die wins van R3.752.241 vir 2013/14 word omgeswaai na 'n verlies van R359.141 in 2014/15. Die verlies styg vanaf die vorige Boekjaar tot R3.265.387 vir die 2015/16 Boekjaar. 'n Styging van slegs 809,2%.



The following table sets out the costing of services.

Table 5 Costing of services

COSTING OF SERVICES	Amended Budget 2014/2015	Original Budget 2015/2016	
<b>Service : 1200 ELECTRICITY</b>			
** SALARIES, WAGES & ALLOWANCES	16 008 002		
** GENERAL EXPENSES	213 578 651		
** REPAIRS & MAINTENANCE	4 560 080		
** CAPITAL CHARGES	38 213 845		
Bulk Purchases		193 573 082	
Contracted Services		2 531 636	
Depreciation and Amortisation		22 144 494	
Employee Related Cost		19 049 774	
Interest Dividends and Rent on Land		15 927 856	
Inventory		3 644 998	
Operational Cost		406 200	
Costing: overheads (dept charges)		43 551 492	
<b>TOTAL EXPENDITURE</b>	<b>272 360 578</b>	<b>301 220 632</b>	10.60%
<b>TOTAL INCOME</b>	<b>-310 086 306</b>	<b>-338 360 730</b>	9.12%
<b>(SURPLUS)/DEFICIT</b>	<b>-37 724 728</b>	<b>-37 131 108</b>	
	13.86%	12.33%	
<b>Service : 1300 WATER</b>			
** SALARIES, WAGES & ALLOWANCES	16 672 866		
** GENERAL EXPENSES	28 603 656		
** REPAIRS & MAINTENANCE	9 905 706		
** CAPITAL CHARGES	37 871 229		
** EMPLOYEE RELATED COST		17 250 742	
** OPERATIONAL COST		203 766	
** BULK PURCHASES		3 263 296	
** CONTRACTED SERVICES		7 968 743	
** INTEREST DIVIDEND RENT ON LAND		18 022 914	
** DEPRECIATION AND AMORTISATION		18 968 693	
** INVENTORY		12 696 587	
Costing: overheads (dept charges)		16 564 152	
<b>TOTAL EXPENDITURE</b>	<b>93 067 467</b>	<b>94 038 892</b>	2.02%
<b>TOTAL INCOME</b>	<b>-90 871 828</b>	<b>-102 044 773</b>	6.90%
<b>(SURPLUS)/DEFICIT</b>	<b>-3 814 371</b>	<b>-7 706 881</b>	
	4.10%	8.12%	
<b>Service : 1400 WASTE WATER MANAGEMENT</b>			
** SALARIES, WAGES & ALLOWANCES	18 433 913		
** GENERAL EXPENSES	9 734 044		
** REPAIRS & MAINTENANCE	8 439 440		
** CAPITAL CHARGES	24 486 603		
Bulk Purchases		720 915	
Contracted Services		6 492 674	
Depreciation and Amortisation		17 060 567	
Employee Related Cost		17 409 311	
Interest Dividends and Rent on Land		7 783 445	
Inventory		4 729 979	
Operational Cost		255 734	
Costing: overheads (dept charges)		9 650 956	
<b>TOTAL EXPENDITURE</b>	<b>61 094 000</b>	<b>64 109 671</b>	4.93%
<b>TOTAL INCOME</b>	<b>-63 324 706</b>	<b>-66 026 090</b>	6.00%
<b>(SURPLUS)/DEFICIT</b>	<b>-2 230 706</b>	<b>-2 822 419</b>	
	3.65%	4.40%	
<b>Service : 1500 WASTE MANAGEMENT</b>			
** SALARIES, WAGES & ALLOWANCES	20 315 436		
** GENERAL EXPENSES	25 859 582		
** REPAIRS & MAINTENANCE	1 789 307		
** CAPITAL CHARGES	5 524 816		
** CONTRIBUTION TO PROVISIONS	3 000 000		
** EMPLOYEE RELATED COST		21 432 276	
** OPERATIONAL COST		4 821 999	
** CONTRACTED SERVICES		18 432 173	
** INTEREST DIVIDEND RENT ON LAND		1 751 952	
** DEPRECIATION AND AMORTISATION		5 159 240	
** INVENTORY		2 666 294	
Costing: overheads (dept charges)		8 545 653	
<b>TOTAL EXPENDITURE</b>	<b>56 499 141</b>	<b>62 809 647</b>	11.10%
<b>TOTAL INCOME</b>	<b>-60 130 000</b>	<b>-69 644 160</b>	6.08%
<b>(SURPLUS)/DEFICIT</b>	<b>-369 141</b>	<b>-3 266 387</b>	
	-0.64%	-6.20%	
<b>Notes</b>			
1. Disparity of expenditure categories from implementation of mscOA.			
2. Increased refuse expenditure resulting from new waste disposal infrastructure			
3. Secondary costs indicated in line with previous allocations + 5%.			
4. The waste management deficit addressed in para. 1.4.5			

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

RATES TARIFF 2015/2016					
Tariff Code	Detail	2015/2016		2014/2015	
		Exclude VAT	Include VAT	Exclude VAT	Include VAT
RATES	YEAR OF GENERAL VALUATION: 01 JULY 2011				
RATE1	Commercial Land and Improvements	0.0000	0.0000	0.0000	0.0000
RATE2	Residential Land and Improvements * See attached schedule of Exemptions and Reductions applicable	0.0000	0.0000	0.0000	0.0000
RATES	Municipal Properties - Residential Properties	Applicable to Properties Commercial or Residential	Applicable to Properties Commercial or Residential	Applicable to Properties Commercial or Residential	Applicable to Properties Commercial or Residential
RATE4	Municipal Properties - Property Plant and Equipment	0.0000	0.0000	0.0000	0.0000
RATES	Improvement Duties: Surcharge (FFI) on the rates payable to approved local authority	0.0000	0.0000	0.0000	0.0000
RATE6	Building Charge	Equity interest for rates (no property)	Equity interest for rates (no property)	Equity interest for rates (no property)	Equity interest for rates (no property)
RATE7	Farm - procedure (Exemption)	0.0000	0.0000	0.0000	0.0000
RATES	Industrial Properties	0.0000	0.0000	0.0000	0.0000
RATES	Government Properties - Commercial	0.0000	0.0000	0.0000	0.0000
RATE10	Government Properties - Residential	0.0000	0.0000	0.0000	0.0000
PLEASE NOTE: VAT IS LEVIED AT A RATE OF 0% ON ASSESSMENT RATES					

Die verhoging in Erfbelasting is deurgaans 6,85% en verdere kommentaar hierop word nie geag nodig te wees nie.

Table 7 Comparison between current water charges and Increases (Domestic)

Tariff Code	Detail	2015/2016		2014/2015		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
W1B	CONSUMPTION - HOUSEHOLDS					
	Normal Tariff					
W1B1	0 - 6 kl per kl	3.62	4.13	3.25	3.71	11.50%
W1B2	7 - 18 kl per kl	9.12	10.39	8.60	9.80	6.00%
W1B3	19 - 30 kl per kl	14.79	16.86	13.95	15.90	6.00%
W1B4	31 - 45 kl per kl	22.76	25.95	21.48	24.48	6.00%
W1B5	46 - 60 kl per kl	29.57	33.71	27.90	31.61	6.00%
W1B6	>60kl per kl	39.43	44.95	37.20	42.40	6.00%

Met verwysing na die styging in die koste van huishoudelike watervoorsiening is alle koste stygings op 6% vasgestel behalwe die van 0 to 6 Kl wat met 11,5% styg.

Waar kom hierdie styging vandaan? Volgens die Munisipaliteit is dit die gevolg van 'n tarief verhoging aan diegene wat tans moet betaal vir hulle water in hierdie kategorie met die doel om die koste van water voorsiening te verhaal. Hiermee het ek in beginsel geen probleem nie.

Dit sou egter meer regverdig wees om die koste van water wat vermors word deur bv. brandkrane wat nie toegedraai word nie of pype wat swak herstel word, bars ens. van die totale koste af te trek voordat hierdie verhogings bereken word. Hierdie "verbruik" is deur die toedoen van die Munisipaliteit en sy werknemers en behoort dus vir die rekening van die Munisipaliteit te wees.

Ek wil dit verder ook aan die Munisipaliteit stel dat hierdie verhoging moontlik nie nodig sou wees of dan heelwat laer sou kon wees indien daar verhoogde produktiwiteit was en indien hulle van oortollige en/of onbekwame personeel in hierdie Departement ontslae geraak het.

Swak werk moet oor gedoen word – dit verhoog kostes! Werkers wat onproduktief is verdien 'n Inkomste, al doen hulle nie veel nie – dit verhoog kostes! Onbekwame personeel kan nie die werk na behore doen nie en dan is die Munisipaliteit, na my mening, net te gretig om Kontrakteurs aan te stel om die werk te doen sonder om die reeds aangestelde werkers in die pad te steek – 'n verdere bydraende faktor tot die hoë kostes wat dan maar gerieflikheidshalwe van die Verbruiker verhaal moet word om die Departement op 'n winsgewende grondslag te kry.

Wie ookal vir hierdie voorstel om die tarief te verhoog verantwoordelik was, net die volgende: Kry asseblief eers julle huis in orde voordat julle weer sulke stommiteite in die Begroting opneem en op die Verbruiker afdwing!

Dit wil voorkom asof die Munisipaliteit net daarop ingestel is om die koei, genaamd Verbruiker, te melk en dit glad nie eers oorweeg om daaraan te dink dat daar dalk net 'n probleem aan hulle kant kan wees nie! Om die Verbruiker se sak te tap is eenvoudig die maklikste uitweg! So – "Go for it"!!

Indien die minder gegoede deel van die bevolking wat in hierdie kategorie val, nou meer vir hulle water moet betaal, wat wel die geval blyk te wees, is ek van mening dat die Munisipaliteit se slegte skuld 'n aansienlike hupstoot gaan kry. Nie noodwendig omdat die mense nie wil betaal nie maar veel eerder omdat hulle nie kan betaal nie!

Ons moet in gedagte hou dat 'n geraamde 68,4% van die Overstrand Streek se Inwoners minder as R76.400 per jaar verdien.

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

Tariff Code	Detail		2015/2016		2014/2015		
			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	216.83	247.19	204.56	233.20	6.00%
	kWH Unit cost						
E1A2	IBT BLOCK 1 0 - 350 kWh	c	107.67	122.74	95.66	109.39	12.20%
E1A3	IBT BLOCK 2 351 - 600 kWh	c	145.88	166.30	130.02	148.22	12.20%
E1A4	IBT BLOCK 3 > 600 kWh	c	175.82	200.43	158.70	178.64	12.20%
E1B	Two-Part Tariff: Pre-Paid up to 60 Amp (13.8 kVA BDMD) (Included Resorts)						
E1B1	Basic Monthly charge per meter	R	216.83	247.19	204.56	233.20	6.00%
	kWH Unit cost						
E1B2	IBT BLOCK 1 0 - 350 kWh	c	99.45	113.38	88.64	101.05	12.20%
E1B3	IBT BLOCK 2 351 - 600 kWh	c	137.46	156.71	122.52	139.67	12.20%
E1B4	IBT BLOCK 3 > 600 kWh	c	169.00	192.66	150.82	171.71	12.20%

Die basiese heffing per meter styg met 'n aanvaarbare 6%.

Ten opsigte van die verbruik is die styging deur die Bank 12,2% soos deur NERSA aanbeveel.

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

Tariff Code	Detail	2015/2016		2014/2015		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
<b>SE7A</b>	<b>SEWERAGE - SINGLE AND INTERMEDIATE RESIDENTIAL (Dwelling house and Duplex flats, Conventional Sewers, small bore sewers and conservancy tanks)</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.	10.88	12.40	10.26	11.70	6.00%
<b>SE8</b>	<b>BASIC CHARGE</b>					
SE8A	Basic Monthly Charge Developed sites per erf/unit per month	96.61	110.13	91.14	103.90	6.00%

Tarief verhogings in hierdie afdeling styg met 6%.

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

Tariff Code	Detail	2016/2018		2014/2015		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
SAN1	REFUSE REMOVAL (1 removal per week of 4 bags or 1X240 Bin)	R	R	R	R	
SAN1A	Residential (All registered ervens until with approved building plan) 1 x removal per week (R1/month)	137.99	157.30	130.19	148.40	8.00%

Hierdie tariere styg met 6% wat aanvaarbaar is. Ten opsigte van die bedrag wat drie jaar gelede gehef is om die koste van die vervoer van vullis na Gansbaai te verhaal, het ek begrip vir die Munisipaliteit se verduideliking dat die geld nou aangewend moet word om te betaal vir die ontwikkeling van Karwyderskraal en 'n nuwe sel by Gansbaai.

Dit is egter kommerwekkend dat die Munisipaliteit, toe die verhoging drie jaar gelede ingestel is, slegs melding gemaak het van die verhoogde uitgawes ten opsigte van vervoer. Daar is dus 'n persepsie by die publiek geskep dat dit slegs 'n tydelike verhoging sou wees. Dit blyk nou dat hierdie heffing van 'n meer permanente aard is en ek is van mening dat die Munisipaliteit meer duidelikheid aangaande hierdie heffing aan die Publiek verskuldig is.

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

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Expenditure By Type</b>									
Employee related costs	207 938	231 642	260 645	280 066	276 217	276 217	291 593	305 408	323 583
Remuneration of councillors	6 717	7 084	7 933	8 516	8 516	8 516	8 874	9 192	9 741
Debt impairment	28	6 688	12 526		22 792	22 792	22 792	22 792	22 792
Depreciation & asset impairment	104 041	104 408	99 361	109 265	105 461	105 461	111 362	118 043	125 126
Finance charges	31 727	37 331	39 927	45 162	44 480	44 480	46 895	46 780	47 279
Bulk purchases	126 669	145 022	157 055	169 444	169 444	169 444	193 573	221 138	252 628
Other materials	54 582	12 441	13 595	17 295	17 315	17 315	70 885	69 631	53 593
Contracted services	24 079	67 697	72 754	81 062	81 875	81 875	126 986	129 953	137 384
Transfers and grants	28 454	35 856	38 749	41 370	41 668	41 668	48 497	54 667	62 244
Other expenditure	158 290	102 148	117 460	117 407	164 357	164 357	56 251	59 890	63 924
Loss on disposal of PPE		1 756	12 017						
<b>Total Expenditure</b>	<b>742 525</b>	<b>752 070</b>	<b>832 022</b>	<b>869 588</b>	<b>932 125</b>	<b>932 125</b>	<b>977 508</b>	<b>1 037 483</b>	<b>1 098 292</b>

### EMPLOYEE RELATED COSTS:

Hierdie koste toon die volgende stygings:

2011/12 = 11,0%	R207.938 /30K HUISHOUDINGS P.J. R6.931 /12 =	R578 P.M.	
2012/13 = 11,4%	R231.642	R7.721	R643
2013/14 = 12,5%	R260.645	R8.688	R724
2014/15 = 6,0%	R276.217	R9.207	R767
2015/16 = 5,6%	R291.593	R9.720	R810
2016/17 = 4,7%	R305.408	R10.180	R848
2017/18 = 6,0%	R323.583	R10786	R899
2018/19 = 8,2%	R350.117	R11.671	R973
2019/20 = 8.2%	R378.826	R12.628	R1.052

Of die geskatte begrotings vir die tydperk 2015 tot 2018 haalbaar is, moet nog gesien word. Alle aanduidings is dat Staatsdiens Amptenare gaan aandrang op verhogings van meer as 10% en sou hulle dit nie kry nie, beplan hulle 'n staking. Die vraag is nou of ons Munisipale werkers gaan agteroor sit en kyk hoe die Amptenare in die Staatsdiens en moontlik ook ander Munisipaliteite verhogings van 10% en meer kry terwyl hulle met slegs 5,6% tevrede moet wees.

'n Ander punt om in gedagte te hou is die groeiende bevolking in die Overstrand gebied (7de vinnigste in die land). Om tred te hou met die groeiende bevolking en die eise op Dienslewering wat dit tot gevolg gaan hê, sal die Werkerskorps noodwendig daarby aangepas moet word. Dit plaas onmiddelik 'n vraagteken agter die 4,7% verhoging vir 2016/17 en die 6,0% vir die 2017/18 Boekjare.

Hierdie verhogings kan alleenlik realisties wees indien die Top Bestuur dit regkry om die produktiwiteit in hul onderskeie Departemente te verbeter. Iets waaroor daar al jare gepraat word en waaraan daar net mooi niks gedoen is nie. Waarom sal daar in die volgende jaar of drie 'n klemverskuiwing kom?

Dit het wel onder my aandag gekom dat die Munisipaliteit 'n Konsultante Maatskappy se dienste ingeroep het om te help om produktiwiteit in die Munisipaliteit te verhoog. Wat die uitkoms van hierdie studie gaan wees, sal nog gesien moet word.

Verder is dit een ding om die studie te laat doen en 'n verslag van die konsultante op die tafel te kry. Die implimentering daarvan is totaal en al 'n ander uitdaging!

Indien die personeel wat geraak gaan word, nie ten volle inkoop en hulle kant bring nie, en die toesighouers nie na behore toesig hou en eienaarskap neem vir die werkspanne onder hulle beheer nie, is die hele operasie 'n mors van tyd en geld. Gaan die Munisipale Top Bestuur voldoende maatreëls in plek stel om die aanbevelings van die Konsultasie Maatskappy af te dwing en volhoubaar te monitor?

Die bostaande tabelle toon ook aan dat die Belastingbetaler in 2011/12 slegs R578 per maand tot die Salarisse van die Munisipale Werknemers bygedra het. Na verwagting sal hierdie bydrae styg tot R1.052 per maand in 2019/20. Die Salarisse van Raadslede is nie hierby ingesluit nie en vergoeding aan Kontrakteurs is ook nog uitgesluit.

#### CONTRACTED SERVICES:

Die volgende stygings word in die Begroting weerspieël:

2011/12 = 18,9%	R24.079 /30K HUISHOUDINGS P.J.	R803 / 12 =	R67
2012/13 = 181,2%	R67.697	R2.257	R188
2013/14 = 7,5%	R72.754	R2.425	R205
2014/15 = 12,5%	R81.875	R2.729	R227
2015/16 = 55,1%	R126.986	R4.232	R353
2016/17 = 2,3%	R129.953	R4.332	R361
2017/18 = 5,7%	R137.384	R4.580	R382
2018/19 = 38,7%	R190.551	R6.352	R529
2019/20 = 38,7%	R264.295	R8.810	R734

Is die verhogings in die Jare 2012/13 en 2015/16 die gevolg van nuwe kontrakteurs wat aangestel is of nog aangestel gaan word?

Dit is kommerwekkend dat die bedrae aan Kontrakteurs in 2011/12 slegs R67 per huishouding per maand beloop het teenoor 'n geskatte R734 per maand in 2019/20. Alhoewel die syfers vir 2018/19 en 2019/20 op gemiddeldes bereken is, het ons geen waarborg hoegenaamd dat dit minder sal wees nie. Hierdie syfers is gegrond op die gemiddeld van die historiese sowel as verwagte begrotingsyfers vir die jare 2011/12 tot

2017/18. Ons kan maar slegs vertrou dat die Munisipaliteit hulle daarvan sal weerhou om sommer net vir die lekker daarvan Kontrakteurs aan te stel om werk gedoen te kry.

Die dienste van Kontrakteurs behoort slegs oorweeg te word, eerstens, wanneer die koste om 'n spesifieke diens te lewer goedkoper deur 'n kontrakteur gedoen kan word as deur die Munisipaliteit self en tweedens, in die geval waar die Munisipaliteit werklik nie oor die vermoë beskik om 'n sekere werk te kan doen nie. Hier dink ek as voorbeeld aan die bou van teerstrate waar gesofistikeerde masjiene en 'n grondige kennis van die werking daarvan nodig is.

#### EMPLOYEE RELATED COSTS + CONTRACTED SERVICES:

Die gekombineerde Begroting vir die twee betrokke kategorië lyk soos volg:

2011/12 = 11,8%	R232.017 / 30K HUISHOUDINGS P.J.	R7.734 /12 =	R645 P.M.
2012/13 = 29,0%	R299.339	R9.978	R832
2013/14 = 11,4%	R333.399	R11.111	R926
2014/15 = 7,4%	R358.092	R11.936	R995
2015/16 = 16,9%	R418.579	R13.953	R1.163
2016/17 = 4,0%	R435.361	R14.512	R1.209
2017/18 = 4,0%	R460.967	R15.366	R1.281
2018/19 = 12,1%	R540.668	R18.022	R1.502
2019/20 = 12,1%	R643.121	R21.437	R1.786

'n Verdere berekening is ook hier gedoen om die styging in die koste vir hierdie gekombineerde kategorie te bepaal vir die tydperk 2011/12 tot 2015/16 en 'n styging van 80,4 % is bereken. Kan ons so voortgaan? Wat is die kanse om in die volgende 4 tot 5 jaar 'n verdere styging van 80% in die Salaris en Kontrakteur kostes te absorbeer?

Uit die bostaande berekenings blyk dit asof die kontrakteurs aangestel is sonder om werklik 'n dienooreenkomstige besparing in die salaris rekening te sien. Hoe volhoubaar kan hierdie praktyk vir die Belastingbetaler wees?

Hou asseblief in gedagte dat die syfers vir 2018/19 en 2019/20 bereken is op die gemiddelde syfers vanaf 2011/12 tot 2017/18.



Die bostaande tabel toon aan dat die gesamentlike betaling ten opsigte van Salarisse en Kontrakteursfooie in 2011/12 slegs R645 per maand per huishouding beloop het. Hierdie syfer verhoog tot 'n geskatte R1.786 per huishouding per maand in 2019/20.

Die Munisipaliteit sal hierdie aangeleentheid indringend moet ondersoek en daadwerklike stappe moet neem om te voorkom dat dinge verder handuit ruk!

#### REMUNERATION OF COUNCILLORS:

Die volgende verhogings is aan Raadslede toegeken:

2011/12 = 38.8%	R6.717 /30K HUISHOUDINGS P.J.	R224 / 12 =	R19 P.M.
2012/13 = 5,5%	R7.084	R236	R20
2013/14 = 12,0%	R7.933	R264	R22
2014/15 = 7,4%	R8.516	R284	R24
2015/16 = 1,8%	R8.674	R289	R24
2016/17 = 6,0%	R9.192	R306	R26
2017/18 = 6,0%	R9.741	R325	R27
2018/19 = 11,1%	R10.822	R361	R30
2019/20 = 11,1%	R12.024	R401	R33

Die vraag is nou waarom daar 'n verhoging van slegs 1,8% aan Raadslede toegeken word vir die 2015/16 boekjaar?

Is dit om moontlike ongeregverdigde verhogings in die verlede (38,8% in 2011/12) reg te stel of probeer hulle gesig koop in die lig van die naderende Munisipale Verkiesings?

Sou die Raadslede die verhoging van 38.8% in 2011/12 wil regstel, is ek bevrees hulle sal maar nog vir 'n jaar of wat langer sonder verhoging moet gaan!

**TOTAL OF EMPLOYEE RELATED COSTS, CONTRACTED SERVICES AND REMUNERATION OF COUNCILLORS:**

2011/12 = 12,4%	R238,734 / 30K HUISHOUDINGS P.J.	R7.958 /12 =	R663 P.M.
2012/13 = 28,4%	R306,423	R10.214	R851
2013/14 = 11,4%	R341,332	R11.378	R948
2014/15 = 7,4%	R366,608	R12.220	R1,018
2015/16 = 16,5%	R427,253	R14.242	R1,168
2016/17 = 4,1%	R444,553	R14.818	R1,234
2017/18 = 5,9%	R470,708	R15.690	R1,308
2018/19 = 17,2%	R551,490	R18.383	R1,531
2019/20 = 18,8%	R655,145	R21.838	R1,820

Uit die bostaande berekenings is dit duidelik dat die Belastingbetaler in 2011/12 R663 per maand aan koste spandeer het om die werk gedoen te kry. Na verwagting kan hierdie bedrag in 2019/20 R1.820 beloop, 'n styging van 174,5% vir die tydperk.

Ek is van mening dat die Werksmag nie in dieselfde verhouding gestyg het nie. Daar is wel hoër salarisse oor die tydperk betaal maar na my beskeie mening lê die probleem juis daarin dat die Munisipaliteit kontrakteurs aanstel waar die mense wat aangestel is om die werk te doen onbekwaam is. Hierdie mense word dan in diens gehou teen 'n salaris wat vir die Belastingbetaler net onbekostigbaar geraak het. Waar gaan dit eindig as ons nie beswaar aanteken nie?

**TOTAL EXPENDITURE:**

Die totale uitgawes volgens die begroting styg as volg:

2011/12 = 15,4%	R742,525 /30k HUISHOUDINGS P.J.	R24,750 /12 =	R2,063 P.M.
2012/13 = 1,3%	R752,070	R25,069	R2,089
2013/14 = 10,6%	R832,022	R27,734	R2,311
2014/15 = 12,0%	R932,125	R31,071	R2,589
2015/16 = 4,9%	R977,508	R32,584	R2,715
2016/17 = 6,1%	R1,037,493	R34,583	R2,882

2017/18 = 5,9%	R1,095,292	R36,510	R3,043
2018/19 = 8,0%	R1,182,915	R39,430	R3,286
2019/20 = 8.0%	R1,277,549	R42,585	R3,549

Dit wil voorkom of die totale uitgawes vir sommige van die jare wat nagegaan is, met minder as die heersende Inflasie koers gestyg het. Dit wil dus lyk of die Munisipaliteit hulle uitgawes onder beheer het. As ons egter na die gemiddeld kyk wat weereens op die historiese sowel as die verwagte persentasies bereken is, kom ons op 'n gemiddeld van 8% uit wat in werklikheid hoër is as die amptelike Inflasie koers.

Ons moet ook daarop let dat die totale uitgawes van die Munisipaliteit vir die jaar 2011/12 R2,063 per huishouding per maand beloop het. Die geskatte uitgawe per huishouding per maand word bereken op R3,549 vir die jaar 2019/20 – 'n styging van 72%.

Kom ons kyk nou na die vergelykende syfers aan die Inkomste kant. Die Munisipaliteit se maandelikse Inkomste per huishouding in 2011/12 was gewees R1,660 teenoor 'n uitgawe van R2,063 'n verskil van R403 per huishouding per maand. Hierdie verskil is deur die Munisipaliteit gedra. Vir die jaar 2019/20 word die verwagte maandelikse Inkomste bereken op R3,333 teenoor 'n uitgawe van R3,549 per huishouding. Ons kyk dus hier na 'n verskil van R216 ('n verlaging in die subsidie van net meer as 46%) per huishouding per maand. Hou in gedagte dat hierdie Inkomste slegs uit Dienste geld uit kom, daar is nie enige Toewysings (Grants) van die Sentrale of Provinsiale Regerings in berekening gebring nie.

Wat sê dit vir ons? Eenvoudig net dat die Munisipaliteit besig is om die gaping tussen sy Inkomste en Uitgawe Rekening al hoe kleiner te maak. Dit is nie noodwendig sleg nie maar dit gaan al meer druk op ons huishoudings plaas om meer te betaal vir die dienste wat gelewer word.

**Table 13 Operational repairs and maintenance**

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

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Actual Outcome	Actual Outcome	Actual Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R1 thousand</b>									
<b>by Expenditure Item</b>									
Employment related costs	21 505	27 360	33 935	37 285	37 285	37 285	42 179	37 797	50 603
Other salaries	5 198	4 153	3 853	3 517	3 517	3 517	14 511	16 536	16 361
Contracted services	72 570	77 740	82 675	84 151	84 151	84 151	25 134	31 720	33 883
Other Expenditure	11 721	96 361	72 917	79 352	79 352	79 352	25 167	25 250	13 663
<b>Total Repairs and Maintenance Expenditure</b>	<b>111 395</b>	<b>114 412</b>	<b>151 353</b>	<b>152 253</b>	<b>152 253</b>	<b>152 253</b>	<b>127 077</b>	<b>126 312</b>	<b>194 174</b>

#### EMPLOYEE RELATED COSTS:

Die styging in Personeel kostes is as volg:

2011/12 = 11,3%	R15,563 /30K HUISHOUDINGS P.J.	R519 /12 =	R43 P.M.
2012/13 = 76,4%	R27,460	R915	R76
2013/14 = 30,8%	R35,905	R1,197	R100
2014/15 = 12,2%	R40,285	R1,343	R112
2015/16 = 12,1%	R45,175	R1,506	R126
2016/17 = 5,8%	R47,787	R1,593	R133
2017/18 = 6,0%	R50,645	R1,688	R141
2018/19 = 22,1%	R61,838	R2,061	R172
2019/20 = 22,1%	R75,504	R2,517	R210

Hier moet ons weereens na die geskiedenis kyk en dan vra of die Begrote syfers vir die 2016/17 en 2017/18 Boekjare realisties is. Waarom die groot uitgawes in die 2012/13 en 2013/14 Boekjare en dan die aansienlike daling in die daaropvolgende jare? Is dit gedoen in die lig van die naderende verkiesing en die feit dat daar 'n Verbruikers weerstand opgebou het?

Personeel koste ten opsigte van herstelwerk was in 2011/12 R43 per huishouding per maand. Die verwagte uitgawe vir 2019/20 beloop R210 per huishouding per maand. 'n Styging van R167 of 288% oor die periode van 9 jaar! Sal die Belastingbetaler kan volhou om hierdie druk te hanteer?

#### CONTRACTED SERVICES:

Kostes betaal aan Kontrakteurs is as volg bereken:

2011/12 = 11,3%	R12,320 /30K HUISHOUDINGS P.J.	R411 /12 =	R34 P.M.
2012/13 = 76,5%	R21,740	R725	R60
2013/14 = 50,3%	R32,675	R1,089	R91
2014/15 = 4,6%	R34,161	R1,139	R95
2015/16 = 3,0%	R35,194	R1,173	R98

2016/17 = 7,3%	R37,739	R1,258	R105
2017/18 = 5,6%	R39,865	R1,329	R111
2018/19 = 22,7%	R48,914	R1,631	R136
2019/20 = 22,9%	R60.116	R2,004	R167

Hier moet weereens gevra word wat die rede was vir die buitengewone kostestygings in 2012/13 en 2013/14. Daarna is daar 'n totale afplating te bespeur. Het die Munisipaliteit toe tot hul sinne gekom na die betoging in Kleinmond?

Ek kan nie glo dat uitgawes ten opsigte van Personeel en Kontrakteurs kostes so drasties gesny kon word sonder dat daar nie erns anders iets ingeboet is nie. Is hierdie kostes na ander bronne gekanaliseer? Is hierdie besparings die gevolg van beplanning wat na die betoging eerder afgestel of op die langtermyn geskuif is? Gaan dit ons nou nie weer voorkant toe in die hakskeen kom byt nie?

Die maandelikse koste afgebreek per huishouding ten opsigte van herstelwerk het in 2011/12 slegs R34 beloop. Die geskatte uitgawe vir 2019/20 beloop R167 of 391% meer!

#### EMPLOYEE RELATED COSTS + CONTRACTED SERVICES:

Die gesamentlike koste van hierdie twee afdelings is as volg bereken:

2011/12 = 11,3%	R27,883 /30K HUISHOUDINGS P.J.	R929 /12 =	R77 P.M.
2012/13 = 76,5%	R49,200	R1,640	R137
2013/14 = 39,4%	R68,580	R2,286	R191
2014/15 = 8,6%	R74,446	R2,482	R207
2015/16 = 8,0%	R80,369	R2,679	R223
2016/17 = 6,4%	R85,526	R2,851	R238
2017/18 = 5,8%	R90,510	R3,017	R251
2018/19 = 22,3%	R110,694	R3,690	R308
2019/20 = 22,3%	R135,378	R4,513	R376

Aangesien hierdie tabel aan die twee voorafgaande tabelle gekoppel is, geld die kommentaar onder die bogemelde twee opskrifte ook vir hierdie kombinasie van syfers.

Die bostaande tabel toon egter aan dat die verbruiker R77 per maand ten opsigte van arbeid moes opdok vir herstelwerk. Hierdie syfer verhoog na verwagting na R376 per maand in 2019/20. 'n Styging van R299 per maand of dan 388%.

Weereens moet ek die mening uitspreek dat die Munisipaliteit Kontrakteurs aangestel het om die werk te doen sonder dat die personeel verminder of herontplooï is.

As ons na die voorafgaande tabelle kyk moet ons vra hoe volhoubaar hierdie beleid van die Munisipaliteit kan wees?

Dit is my beskeie mening dat daar ernstig herbeplan sal moet word om die Munisipaliteit uit hierdie benarde situasie te bestuur. Die salaris perd is al holrug gery maar ons moet maar aanhou om te kla totdat die Munisipaliteit kennis neem van die erns van hulle swak of onbeplande aanstellings.

Maak nie 'n fout nie, ek het begrip daarvoor dat die dienste gelewer moet word. Daarmee saam moet mens ongelukkig ook voorsiening maak vir die betaling van lone en salarisse en selfs ook vir die dienste van kontrakteurs om sekere take te verrig waar die Munisipale werkers nie oor die nodige vaardighede beskik nie.

In die lig van die voorafgaande wil ek graag die volgende vergelykings maak:

**TOTALE UITGAWES TEN OPSIGTE VAN SALARISSE (INSLUITEND VERGOEDING AAN RAADSLEDE EN KONTRAKTEURS) AS 'N PERSENTASIE VAN DIE TOTALE INKOMSTE:**

	INKOMSTE	ARBEID	PERSENTASIE
2011/12	R597,482	R238,734	40%
2012/13	R703,871	R306,423	44%
2013/14	R736,376	R341,332	46%
2014/15	R810,548	R366,608	45%
2015/16	R908,211	R427,253	44%
2016/17	R973,373	R444,553	46%
2017/18	R1,028,569	R470,708	46%
2018/19	R1,110,854	R551,490	50%
2019/20	R1,199,723	R655,145	55%

Die totale koste van Arbeid is deurgaans meer as 40% van die totale Inkomste Begroting en die tendens is dat dit eerder styg as daal! Dit voorspel niks goed nie en sou ons aannames met betrekking tot die Inkomste en koste van Arbeid vir 2018/19 en 2019/20 net naastenby korrek is, het ons Munisipaliteit meer moeilikheid as wat hulle kan opgebruik!!

Die norm is dat die totale koste van arbeid nie meer as 30 – 35% in enige besigheid behoort te wees nie. Daar sal dus indringend na hierdie koste gekyk moet word!

In die lig van die huidige hoë salarisse van die Top Bestuur moet ons in die lig hiervan weereens die vraag vra: Hoe bekostigbaar is hierdie mense vir die Munisipaliteit.

Daar is tog mos nou net geen sin in om Bestuurders / Direkteure aan te stel teen sulke salarisse en dan oor 'n jaar of twee verder uit te vind dat jy jou besigheid se deure moet sluit omdat jy nie langer in die bedryf kan bly nie. Wanneer gaan ons Munisipaliteit dan hierdie somme begin maak en bietjie beplanning doen wat tot hul eie voordeel sal strek en nie tot voordeel van die Top Bestuur alleen nie???

Net vir ingeval die personeel belas met die vasstelling van die salarisse dit nie weet nie – daar bestaan nie iets soos “'n land van melk en heuning” nie! Betaal 'n realisties en bekostigbare vergoeding aan die personeel en red die Munisipaliteit. Indien u aangaan soos dit die afgelope paar jaar die geval was, sluit asseblief nou al julle deure en vra die Top Bestuur om ander werk te gaan soek. ONS KAN HULLE NIE BEKOSTIG NIE!!!!

Indien die Munisipaliteit 'n besigheid was, sou ek beslis twee keer gedink het voor ek geld in hulle besigheid sou belê!!!

Wat kan gedoen word om die probleem aan te spreek?

Om een spesifieke oplossing voor te stel gaan nie werk nie. Daar moet verskeie oplossings oorweeg en gesamentlik geïmplementeer word om hierdie probleem te bestuur tot op 'n vlak waar dit dan nie meer as 'n probleem gesien word nie.

Een “oplossing” kan wees om tariewe te verhoog. Soos reeds uitgewys word die Munisipaliteit gedwing om 'n al groter deel van sy Inkomste aan Arbeid te betaal. Verhoogde tariewe om hierdie koste van die Verbruiker te verhaal is dus voor die hand liggend. Met die huidige Verbruikers weerstand jeens die Munisipale tarief verhogings twyfel ek of dit die pad is wat die Munisipaliteit moet loop. Veral in die lig van die naderende verkiesing kan dit 'n ernstige probleem raak!

Iets meer prakties uitvoerbaar en meer permanent sou wees om die huidige Personeel se vaardighede te verhoog deur effektiewe opleiding. Hierdeur kan ons ons mense toerus met die nodige vaardighede om die werk by die Kontrakteurs oor te neem en daardeur dan ten minste die koste van die Kontrakteursvergoeding bespaar. Hierdie opleiding sluit lede van

die Raad en Top Bestuur in. As hulle soos sakemanne begin dink en doen sal dit met almal van ons beter gaan. Die kopskuif sal egter nie gebeur as hulle nie weet wat aan die anderkant van die grensdraad vir hulle wag nie!

Verder sal daar indringend gekyk moet word na die verhoging van die werkers se produktiwiteit. Dit is moontlik 'n term wat nie so bekend is in die Staatsdiens nie maar, glo my, dit kan 'n aansienlike besparing aan die uitgawe kant van die Begroting tot gevolg hê. Soos hierbo gemeld word daar tans 'n studie gedoen aangaande die produktiwiteit van die Munisipale Amptenare. Dit is 'n stap in die regte rigting. Implimenteer asseblief net die aanbevelings van hierdie studie vir sover dit enigsins moontlik mag wees. Dit kan net tot almal se voordeel wees! As 'n werker nie hierby wil inkoop nie, kry dan maar iemand anders wat bereid sal wees om te werk!

Nog 'n moontlikheid waaraan ek vinnig kan dink maar wat ek as absolute laaste uitweg wil voorstel, is om van surplus personeel ontslae te raak. Ons kan nie bekostig om dooie hout te dra nie! Dit sal ongelukkig bydra tot 'n hoër werkloosheid syfer. Jammer daaroor maar hou asseblief in gedagte dat, indien die Munisipaliteit hierdie surplus werkers in diens hou, verhoog hulle aan die anderkant armoede en al meer mense sal op 'n stadium in die toekoms moet aansoek doen vir deernishulp wat dan nog 'n verdere finansiële las op die Munisipaliteit sal plaas.

Indien hierdie besparings 'n werklikheid word, kan dit mos maar aan die Belastingbetalers deurgegee word om die nood in die geledere van die mense wie se getroue maandelikse bydraes om die Munisipaliteit aan die gang te hou en al die lekker salarisse te betaal, te verlig.

Net een versoek aan die Munisipale Amptenare op hierdie stadium: Hou asseblief op om die hand wat julle kos gee te byt!

'n Laaste bron van kommer is die feit dat lede van die Top Bestuur na bewering lewenslange werk kontrakte met die Munisipaliteit gesluit het. Dit is na my mening een van die grootste foute wat die Munisipaliteit nog gemaak het.

Ons werk almal hard en bereik 'n piek tyd in ons onderskeie loopbane. Daarna raak ons op die afdraende pad en presteer nie meer soos in die verlede nie. Wat word dan?

Hierdie amptenare kan dan nog in 'n kleiner munisipaliteit wondere verrig, veral in die lig van die ondervinding wat hulle in 'n groter munisipaliteit opgedoen het. In 'n groter munisipaliteit is hulle egter nie veel werd nie en slaag hulle dalk net daarin om dinge so min of meer aanmekeer te hou.



Sou dit met een van ons Amptenare gebeur, is daar net mooi geen manier waarop ons van hom / haar kan ontslae raak nie en moet ons maar tevrede wees om te sit en wag tot hy / sy aftree voordat ons weer volstoom aan die gang kan kom.

Dieselfde geld vir iemand wat nie opgewasse is vir die werk wat hy moet doen nie. Hierdeur sê ek nie ons mense is nie opgewasse vir hulle werk nie maar daar kan mos nou erns in die toekoms 'n verkeerde aanstelling gemaak word en wat dan?

Ek eis om te dink hoe nadelig so 'n situasie op die Begroting gaan inwerk!

Hier eindig my kommentaar en uiteensetting van die Operasionele Begroting.

## **KAPITAAL BEGROTING:**

### **1.6 Capital expenditure**

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

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

Vote Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<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	-	-	-	-	-	-	-	-	-
Vote 4 - Finance	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services	-	-	5 000	4 950	3 505	3 565	20 436	4 900	4 000
Vote 6 - Local Economic Development	-	-	-	-	-	-	-	-	-
Vote 7 - Infrastructure & Planning	-	-	-	-	-	-	7 900	3 000	3 000
Vote 8 - Protection Services	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	-	-	5 000	4 950	3 505	3 565	27 936	7 900	7 000
<b>Single-year expenditure to be appropriated</b>									
Vote 1 - Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Management Services	926	1 274	1 700	2 548	2 501	2 591	2 528	-	-
Vote 4 - Finance	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services	119 306	110 111	74 422	71 999	82 038	82 002	44 030	72 108	19 581
Vote 6 - Local Economic Development	-	945	-	-	-	-	-	-	-
Vote 7 - Infrastructure & Planning	42 354	31 434	48 518	12 230	15 400	15 400	10 820	16 000	17 000
Vote 8 - Protection Services	645	-	-	-	-	-	100	-	-
<b>Capital single-year expenditure sub-total</b>	163 276	143 764	120 630	82 787	114 022	114 022	67 878	87 108	36 581
<b>Total Capital Expenditure - Vote</b>	163 276	143 764	120 630	87 737	117 527	117 587	88 814	94 008	43 581

Die totale Kapitaal Begroting lyk as volg:

2011/12 = 5,9%	R136,275 /30K HUISHOUDINGS P.J.	R4,543 /12 =	R379 P.M.
2012/13 = - 11,9%	R143,764	R4,792	R399
2013/14 = - 8,9%	R130,930	R4,364	R364
2014/15 = - 10,2%	R117,588	R3,920	R327
2015/16 = - 27,3%	R85,515	R2,851	R238
2016/17 = 10,6%	R94,606	R3,154	R263
2017/18 = 9,5%	R103,561	R3,452	R288
2018/19 = - 4,6%	R98,797	R3,293	R274
2019/20 = - 4,6%	R94,253	R3,142	R262

Uit die bogemelde berekenings blyk dit dat die Kapitaal Begroting vanaf 2011/12 tot met die geskatte berekening in 2019/20 gedaal het vanaf R379 per huishouding per maand tot R262 per huishouding per maand. Dit verteenwoordig 'n daling van 31% oor die periode.

In die lig van die Bevolkingsgroei wat die streek ondervind (7de grootste in die Land), moet daar noodwendig gekyk word na Behuising, Water, Krag, Vaste Afval en Riool. Dit plaas 'n enorme druk op die Munisipaliteit se reserwes en alhoewel daar Toekenning (Grants) van die Sentrale en Provinsiale Regerings aan die Munisipaliteit beskikbaar gestel word vir hierdie ontwikkelings, is ek tog van mening dat dit nie voldoende is nie. Daarmee saam gaan ook ander uitgawes soos bv. Ontspannings geriewe, Sekuriteit, Wetstoepassing, Bou van strate, Stormwater Dreinerings, Brandweer Dienste en dies meer.

Dit beteken dus dat die Munisipaliteit dan moet besluit of hulle die genoemde ontwikkeling gaan finansier, waarvoor hulle onder druk is, en of hulle die ontwikkeling gaan los en die bestaande Infrastruktuur onderhou of opgradeer. Tans reken ek hulle slaag tog daarin om die ontwikkeling gedeeltelik te finansier en aan die ander kant ook onderhoud aan die bestaande infrastruktuur te doen sowel as opgradering.

Nie een van hierdie aspekte kry egter die aandag wat dit behoort te kry nie en so raak ons al verder agter. Is ons dan nou op dieselfde paadjie as ESKOM waar ons nie voldoende onderhoud en opgradering kan doen nie? Dan gaan ons mos nou voorkant toe duur betaal as my berekenings reg is!

Wat sou die situasie oor 10 of 20 jaar van nou af wees as ons dit nie kan regkry om hierdie negatiewe groei na 'n positiewe groei om te skakel nie?

Table 17 MBRR|Table A1 - Budget Summary

Description	2010/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year H1 2016/17	Budget Year H2 2017/18
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	109 838	121 576	135 633	149 690	154 559	154 559	163 621	174 288	185 651
Service charges	405 415	426 439	479 253	525 567	525 567	525 567	566 784	612 475	662 296
Investment revenue	6 881	7 525	6 352	6 166	6 166	6 166	6 343	6 343	6 340
Transfers recognised - operational	38 005	41 620	67 835	58 407	62 032	62 032	103 363	107 886	97 173
Other own revenue	37 344	56 627	47 302	44 644	62 224	62 224	68 095	72 375	77 102
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>597 482</b>	<b>703 877</b>	<b>755 375</b>	<b>784 474</b>	<b>810 548</b>	<b>810 548</b>	<b>908 211</b>	<b>973 373</b>	<b>1 028 569</b>
Employee costs	207 938	231 642	260 645	280 066	276 217	276 217	291 533	305 408	323 583
Remuneration of councillors	6 717	7 034	7 933	8 516	8 516	8 516	8 674	9 182	9 741
Depreciation & asset impairment	104 041	104 408	99 361	109 265	105 461	105 461	111 362	119 043	125 126
Finance charges	31 727	37 331	39 927	45 162	44 480	44 480	46 895	46 780	47 279
Materials and bulk purchases	181 251	157 422	170 650	186 739	186 759	186 759	254 453	290 763	306 221
Transfers and grants	29 454	35 856	33 745	41 370	41 668	41 668	42 497	54 567	62 244
Other expenditure	182 395	178 257	214 757	198 469	269 024	269 024	205 029	212 634	204 099
<b>Total Expenditure</b>	<b>742 325</b>	<b>759 370</b>	<b>832 922</b>	<b>869 588</b>	<b>932 125</b>	<b>932 125</b>	<b>977 508</b>	<b>1 037 493</b>	<b>1 093 280</b>
<b>Surplus/(Deficit)</b>	<b>(145 043)</b>	<b>(48 129)</b>	<b>(85 547)</b>	<b>(85 114)</b>	<b>(121 577)</b>	<b>(121 577)</b>	<b>(69 297)</b>	<b>(64 120)</b>	<b>(64 711)</b>
Transfers recognised - capital	54 233	53 809	39 090	34 234	50 301	50 301	50 315	60 876	73 561
Contributions recognised - capital & contributed to other organisations	8 603	5 289	12 542	2 134	2 051	2 051	-	-	-
<b>contributions</b>	<b>(81 607)</b>	<b>10 859</b>	<b>(45 015)</b>	<b>(48 747)</b>	<b>(69 225)</b>	<b>(69 225)</b>	<b>(18 991)</b>	<b>(3 244)</b>	<b>3 838</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>(81 607)</b>	<b>10 859</b>	<b>(45 015)</b>	<b>(48 747)</b>	<b>(69 225)</b>	<b>(69 225)</b>	<b>(18 991)</b>	<b>(3 244)</b>	<b>3 838</b>
<b>Capital expenditure &amp; funds sources</b>									
Capital expenditure	163 275	143 764	150 930	97 721	117 588	117 588	85 515	94 606	103 561
Transfers recognised - capital	54 833	53 809	39 090	36 368	52 352	52 352	50 315	60 876	73 561
Public contributions & donations	14 309	5 967	7 985	-	885	885	-	-	-
Borrowing	73 964	67 544	79 634	46 923	48 770	48 770	30 000	30 600	30 000
Internally generated funds	20 170	17 345	14 222	14 430	15 582	15 582	5 200	3 730	-
<b>Total sources of capital funds</b>	<b>163 275</b>	<b>143 764</b>	<b>150 930</b>	<b>97 721</b>	<b>117 588</b>	<b>117 588</b>	<b>85 515</b>	<b>94 606</b>	<b>103 561</b>
<b>Financial position</b>									
Total current assets	230 633	205 658	175 455	197 146	209 911	209 911	209 462	238 485	288 238
Total non current assets	3 209 100	3 250 140	3 302 111	3 316 479	3 327 579	3 327 579	3 302 336	3 284 279	3 269 268
Total current liabilities	137 580	150 331	149 801	153 849	153 113	153 113	174 459	179 435	201 387
Total non current liabilities	452 301	483 951	520 970	549 267	593 707	593 707	617 662	629 376	635 7

In die bostaande tabel wil ek net aan die Munisipaliteit se totale skuld las raak:

2011/12 = 24,4%	R589,881 /30K HUISHOUDINGS	R19,663
2012/13 = 9,2%	R644,282	R21,476
2013/14 = 3,5%	R666,771	R22,226
2014/15 = 12,0%	R746,820	R24,894
2015/16 = 6,1%	R792,127	R26,404
2016/17 = 1,9%	R806,810	R26,894
2017/18 = 3,8%	R837,121	R27,904
2018/19 = 8,7%	R909,950	R30,332
2019/20 = 8,7%	R989,116	R32,971

Die skuld las van die Munisipaliteit het sedert 2011/12 toegeneem vanaf R19,663 per huishouding tot 'n verwagte R32,971 in 2019/20. 'n Toename van 68%.

In die laaste paragraaf op Bladsy 4 van die Konsep begroting erken die Munisipaliteit dat hulle tot op hulle maksimum geld geleen het. Dit wil voorkom of die Munisipaliteit nou tot die besef gekom het dat dinge nie reg is nie en hulle het onderneem om die skuld las met 10% te verminder oor die volgende jaar en tot 44% teen 2017/18. Daar is dus 'n ligpunt voor in die tonnel! Hoe hulle dit gaan regkry weet ek nie maar die tyd sal wel leer.

Of die finansiële dissipline daar is om hierdie terugbetaling af te dwing, is ook iets waaroor ek my twyfel wil uitspreek. Ek is slegs bereid om my geskatte syfers afwaarts aan te pas indien hulle daarin sou slaag om die terugbetaling van 10% te maak soos in die Begroting onderneem is.

Om hierdie onderneming gestand te doen sal uiterste Finansiële dissipline sowel as deeglike beplanning en bestuur verg. Ons vertrou dat die Munisipaliteit wel die nodige sal kan vermag. Na my mening is die Munisipaliteit se Finansies nie baie gesond nie en om dinge reg te ruk sal nie oornag gebeur nie. Ek is steeds daarvan oortuig dat die beste belegging wat enige besigheid of individu kan maak, juis is om sy skuld terug te betaal.

Verhoogde lenings bring verhoogde kostes (rentes) mee. Is ons nie miskien klaar in 'n posisie waar die rentes ons begin baasraak nie? Om geld te leen terwyl dit beskikbaar is, is maklik en dit kan tot gevolg hê dat die Munisipaliteit projekte kan finansier wat andersins op

die Medium Termyn geskuif sou moes word. Die knoop lê egter waar dit by die terugbetaling van die Kapitaal sowel as die volhoubare betaling van rente kom. Indien ons hierdie hekkies kan oorkom is die lening bekostigbaar en het ek in beginsel nie 'n probleem daarmee nie. Pas egter op dat dinge nie handuit ruk nie!

### **RATIOS (VERHOUDINGS):**

In die onderstaande tabel is daar een verhouding wat soos 'n seer toon uitstaan naamlik:

#### **GEARING:**

Long Term Borrowing / Funds and Reserves.

Hierdie verhouding bepaal die hoeveelheid vreemde kapitaal in 'n besigheid.

Hierdie verhouding het opgeskiet vanaf 77,9% in 2010/11 tot 'n astronomiese 15,774.5% in 2015/16. Die verhogings deur die jare word in die Begroting aangetoon en ek sal graag wil weet waarom daar nooit in die verlede aan die Munisipaliteit gesê is dat dinge besig is om verkeerd te loop nie?

Het die Tesourie gesit en slaap? Weet hulle nie waaroor hierdie verhouding gaan nie of het hulle maar liefs die gevaarlike geïgnoreer om nie ongewild te wees nie?

WC032 Overstrand - Supporting Table SAII Performance indicators and benchmarks

WC032 Overstrand - Supporting Table SA0 Performance indicators and benchmarks										
Description of financial indicator	Basis of calculation	2011/12	2012/13	2013/14	Current Year 2014/15			2016/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	P/L Year Forecast	Budget Year 2016/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Borrowing Management</b>										
Credit Rating										
Capital Charges to Operating Expenditure	Interest & Principal Paid/Operating Expenditure	0.2%	0.2%	7.3%	7.5%	7.0%	7.0%	7.2%	7.1%	7.2%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.2%	7.7%	2.1%	0.1%	0.0%	0.0%	0.2%	2.5%	0.2%
Servicing funding of 'net' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	157.5%	45.1%	50.2%	74.2%	71.0%	71.0%	82.0%	65.2%	25.2%
<b>Balance of Capital Gearing</b>										
Long Term Borrowing/ Funds & Reserves		11772.0%	18277.2%	12300.0%	21394.4%	19245.0%	18045.0%	15774.2%	12321.7%	14222.2%
<b>Liquidity</b>										
Current Ratio:	Current assets/Current liabilities	1.7	1.2	1.2	1.2	1.4	1.4	1.2	1.3	1.4
Current Ratio: adjusted for aged debtors	Current assets less debtors > 90 days/Current liabilities	1.7	1.2	1.0	1.1	1.2	1.2	1.1	1.2	1.2
Liquidity Ratio	Monetary Assets/Current Liabilities	0.9	0.5	0.4	0.5	0.8	0.8	0.2	0.7	0.7
<b>Revenue Management</b>										
Annual Debtor Collection Rate (Payment Late %)	Late 12 Mths Repaid/Late 12 Mths Billing		105.2%	01.2%	103.1%	09.6%	104.5%	0.2%	121.2%	26.2%
Current Debtors Collection Rate (Cash receipts % of Ratespay & Other revenue)		104.0%	91.5%	122.1%	26.0%	102.0%	102.0%	101.2%	90.2%	26.2%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	14.0%	14.4%	13.2%	12.4%	12.2%	12.2%	12.6%	2.7%	0.2%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	60.1%	20.2%	07.2%	100.2%	100.2%	100.1%	26.2%	90.2%	26.2%
<b>Creditors Management</b>										
Creditors System Efficiency	% of Creditors Paid Within Terms (within 10 days of due date)	99.2%	100.2%	97.2%	95.0%	95.0%	95.0%	98.0%	98.2%	92.0%
Creditors to Cash and Investments		40.0%	55.2%	07.4%	02.4%	55.7%	55.7%	74.0%	54.2%	42.2%
<b>Other Indicators</b>										
Electricity Distribution Losses (C)	Total Volume Losses (kWh)	10112650	1951477	1395807	1589000	1589000	1589000	13967000	12665426	13564000
	Total Cost of Losses (Rand 1000)	0.512	7.10	7.22	0.127	0.127	0.127	7.027	7.222	7.025
	% Volume (units purchased and generated less units sold/units purchased and generated)	7.12%	0.21%	0.05%	0.07%	0.07%	0.07%	5.22%	0.94%	0.05%
Water Distribution Losses (C)	Total Volume Losses (l/s)	1423	1442	1433	1470	1470	1470	1432	1431	1440
	Total Cost of Losses (Rand 1000)	380122	382920	572222	3065	3065	3065	4570	4254	4200
	% Volume (units purchased and generated less units sold/units purchased and generated)	20.30%	20.21%	21.47%	20.22%	20.22%	20.22%	20.12%	20.05%	20.00%
Employee costs	Employee costs (Total Revenue - capital revenue)	34.0%	32.2%	35.4%	35.7%	34.1%	34.1%	33.1%	31.4%	31.5%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	25.0%	22.2%	26.2%	26.0%	25.1%	25.1%	23.1%	20.2%	22.4%
Repairs & Maintenance	RPM/(Total Revenue excluding capital revenue)	12.0%	10.2%	20.4%	22.7%	20.2%	20.0%	12.1%	13.0%	14.7%
Finance charges & Depreciation	FCMD/(Total Revenue - capital revenue)	22.7%	20.1%	16.0%	10.7%	16.5%	13.2%	17.4%	16.0%	10.0%
<b>DDP regulation financial viability indicators</b>										
I Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	24.0	22.6	22.7	24.0	24.2	24.0	22.4	22.2	23.8
LOS: Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	12.0%	17.2%	15.0%	14.2%	15.7%	15.7%	12.2%	11.8%	11.4%
II Cost coverage	(Available cash - investments)/monthly fixed operational expenditure	3.1	1.6	1.2	1.0	1.2	1.0	1.0	1.2	2.4

### ANDER DIENSTE:

#### ALGEMEEN:

Met verwysing na ander dienste styg die pryse oor die algemeen met tussen 6% en 10%.  
Met 'n Inflasiekoers van 6% is dit moeilik te verstane hoe die Munisipaliteit op 'n bedrag van 10% afgekom het. Ek is weereens van mening dat hulle hiermee probeer geld maak deur die publiek uit te buit!

#### RIOOL:

Die koste van 'n Riool Aansluiting by die Netwerk styg met 'n skamele 10,0% tot R4,533.

Ek wil hier net noem dat die publiek gestraf word omdat die Munisipaliteit nie oor die vermoë beskik om die netwerke in al die dorpe uit te brei en die huishoudings aansluiting te gee nie.

#### ELEKTRISITEIT:

Die koste vir die omskakeling vanaf 'n Rekening Meter na 'n Voorafbetaal Meter styg met 10% na R1,064-80 (Enkel Fase)

Die koste vir die omskakeling vanaf 'n Rekening Meter na 'n Voorafbetaal Meter daal met - 28,1023% van R3,520 to R2,530-80. (3 Fase).

Die vervanging van 'n Sleutelbord (Keypad) vir voorafbetaal Meters styg met 10% na R966.

#### WATER:

Die koste vir die verskuiwing van 'n Water Meter verhoog met 9,99% na R 822-00.



S Reynolds Nande  
B King  
Mayor

34 Krintang Crescent

Vermont

7201

20 April 2015

Dear Mayor,

I refer to the Budget meeting held on 9 April 2015 at the De Wet saal. I took the liberty of expressing my opinion on the demands by labour on salary demands.

Labour is demanding an increase substantially in excess of the current inflation rate.

This is substantially greater than your present budget can accommodate.

It is incumbent on you to explain to labour that our municipality only has so much funds available. If demands exceed this availability there will have to be retrenchments.

Those who do not accept this are at liberty to seek alternative employment.

As a pensioner and longtime resident of Hermanus, I am unable to afford any further increases in our rates.

Yours sincerely,

Leon Papenfus

FILE NO:	5111/17
SCAN NO:	
COLLABORATOR NO:	778177





S Reyneke  
B King

5/11/17
COLLABORATOR NO:
SCAN NO: 778264
FILE NO:

Posbus 841,  
Gansbaai,  
7220.  
Tel 028 384 3777  
Sel 084 584 3777  
Epos daanoosthuizen@telkomsa.net  
21 April 2015

Die Munisipale Bestuurder,  
Overstrand Munisipaliteit,  
Hermanus.  
7200.  
Meneer,

**Insake Beswaar 2015 2016 konsep begroting**

Ek verwys na die 2015/2016 konsep begroting wat op 25 Maart 2015 ter tafel gelê was. Ek teken beswaar aan teen die volgende tarief stygings volgens aanhangsel C van die begrotings dokument. Voordat ek na individuele tarief stygings verwys noem ek graag die volgende.

- Die verbruikers prysindeks vir die jaar geëindig 28 Februarie 2015 was 3.91% en die verwagting is dat dit nie bo 5% sal styg vir die 2015/2016 begrotingsjaar nie. Hier verwys ek na verklaring deur die reserwebank tydens die aankondiging van die VPI syfers in Maart 2015. Ek verwys ook na die "Municipal Budget Circular for the 2015/2016 MTREF" wat op 9 Maart 2015 deur Nasionale Tesourie uitgereik was, waarin hulle voorspel dat VPI vir die 2016 jaar 4.8% sal wees.
- Dat Overstrand munisipaliteit ernstig oorweging gee aan die die Nasionale Tesourie se "MFMA" sirkulêre nr. 75. Ek kwoteer uit hul sirkulêre omsendbrief nr. 75 gedateer 9 Maart 2015 "Municipalities must take the following makro- economic forecasts into consideration when preparing the 2015/16 budgets and MTREF.
- Die persentasie tarief stygings wat ek hieronder kwoteer is almal voor BTW.

**Beswaar teen tarief stygings**

- Eiendomsbelasting tarief vir residensiële eiendom wat met 6.76% styg van .00414 na .00442. Die styging verlede jaar vir eiendomsbelasting was ook buitengewoon hoog naamlik 15%. Die styging die afgelope twee jare was 22.8% en die gemiddelde jaar op jaar styging oor die laaste vyf jaar 7.4%. Die VPI het jaar op jaar oor die vyf laaste jaar 5.1% gestyg. Daarom het eiendomsbelasting oor vyf jaar 45.1% hoër as VPI-inflasie gestyg. Ek versoek u dus om u eiendomsbelasting tarief vir 2015/2016 te verlaag na .00435 wat 'n 6% styging verteenwoordig.
- Water.
  - Die tarief styging van 11.38% vir die nul tot 6 kℓ water W1B1. Ek verstaan die verduideliking oor die riglyn van Minister Gordhan aan munisipaliteite in hierdie verband, maar stel voordat u dit ernstig oorweeg om die basiese tarief te verlaag sodat die kombinasie van die basiese tarief en die eerste 6 kℓ tesame 6% styg. Dit beteken dat die basiese tarief W1A1 na R107.37 voor BTW in 2015/2016 styg en die 0 tot 6 kℓ tarief R3.62 bly soos in die konsep.
  - Die ander tarief stygings vir water bly 6% soos per die konsep.
- Vullis. Die vullis tarief het in die 2012/2013 begrotingsjaar 35.8% gestyg as gevolg van die sluiting van Karwyderskraal. Die verhoogde vervoerkoste na Gansbaai stortingssterrein was die rede vir die buitengewoon hoë tarief styging. In 2012/2013 was die riool tarief styging ±6.5%. Die vullis tarief was R83.33 in die 2011/2012 jaar. As ek dit nou as 'n basis gebruik en Karweiderskraal nie gesluit het nie sou vullis tariewe heel waarskynlik soos volg gestyg het.

#### Vullis tariewe voor BTW

Begrotingsjaar	Tarief	% verhoging
2011/2012	83.33	
2012/2013	89.16	7.0%
2013/2014	96.74	8.50%
2014/2015	102.55	6.00%
2015/2016	108.70	6.00%

Daarom stel ek voordat die 2015/2016 vullisverwydering tarief SAN1A vir 2015/2016 jaar R108.70 voor BTW moet wees, nou dat Karwyderskraal weer ten volle in werking gestel is. Ek stel ook voordat al die ander vullis tariewe vir 2015/2016 ook op dieselfde basis verlaag word. Tydens die begroting aanbidding in Gansbaal is daar genoem dat TWK nog nie bevestig het dat hulle ook die Karwyderskraal stortings terrein gaan gebruik nie. My inligting is dat TWK wel vanaf 1 Julie 2015 Karwyderskraal sal gebruik. U het wel 'n onderneming gegee dat sou TWK wel ook die Karwyderskraal stortingsterrein gebruik, u wel 'n afwaartse vullis tarief regstelling in 'n aanpassings begroting sal maak. Ek stel egter voordat so 'n regstelling in die aanpassings begroting effektief van dieselfde datum wat TWK Karwyderskraal begin gebruik, gaan wees. Heel waarskynlik terugwerkend tot 1 Julie 2015.

#### 4. Ander tariewe

Ek merk dat al die diverse tariewe 10% of hoër styg. Dit is meer as dubbel VPI-inflasie. Verlede jaar het diverse tariewe ook meer as 10% gestyg. Ek teken beswaar aan teen die styging en stel voor dat u al die diverse tarief stygings tot 6% beperk.

#### Algemeen

Reg aan die begin van my brief verwys ek na VPI styging asook die sirkulêre van Nasionale Tesourie waarin hulle dit stel dat munisipaliteite moet die makro-ekonomiese VPI voorspelling in ag neem met die vasstelling van tariewe en uitgawe styging in die 2015/2016 begroting en MTREF. Nie net is Overstrand se tarief styging van 2014/2015 tot 2015/2016 minstens 60% hoër as VPI nie, maar wil ek graag u aandag vestig op die baie hoër styging van Overstrand Munisipaliteit se uitgawes (uitgesonderd elektrisiteit aankope) oor die afgelope 10 jaar. 2005/2006 tot 2015/2016. Sien die onderstaande tabel.

Uitgawe uitgesonderd elektrisiteit aankope	2005/2006 jaar Geouditeerde Resultaat R000's	2015/2016 jaar Konsep Begroting R000's	% Verhoging oor 10 Jaar periode	Gemiddelde jaar op jaar % verhoging oor 10 jaar
Personeel koste	80 469	291 593	262.4%	13.74%
Ander bedryfsuitgawes	136 715	492 342	260.1%	13.67%
Totaal uitgawes	217 184	783 935	261.0%	13.70%
Aantal gedienste erwe	40 500	41 848	3.3%	0.33%
Uitgawe per gedienste erf	R 5 363	R 18 733	249.3%	13.32%
VPI indeks Februarie	62.3	111.5	79.0%	5.99%

Alhoewel daar 'n afplating in die persentasie verhoging in uitgawes in die 2014/2015 en ook in die 2015/2016 jaar, was die styging in die vorige 8 jaar so hoog dat tarief stygings oor die 10 jaar ± 3 tot 4 maal die VPI koers is. Overstrand se gedienste erwe het net met 3.3% oor tien jaar gestyg (dit is minder

as 'n halwe persent styging per jaar )terwyl uitgawes 261% gestyg het ( 13.70% jaar op jaar vir 10 jaar) .  
Verhoging in die aantal gedienste erwe kan dus nie as verskoning vir die buitengewoon hoë uitgawe  
styging gebruik word nie. Alhoewel dienslewering oor die 10 jaar periode wel verbeter het, is die baie  
hoë uitgawe styging nie naastenby in verhouding met verbetering in dienste nie.

As daar gesê word dat VPI nie as die korrekte maatstaf gebruik mag word om munisipale uitgawes te  
meet nie, vra ek dan watter maatstaf gebruik moet word. Ons kan PPI gebruik maar die resultaat sal nie  
noemenswaardig verander nie. Die "bottom line" is Overstrand se uitgawes het buitengewoon hoog in  
verhouding tot dienslewering gestyg en sal ernstig aangespreek moet word. Die Makro-Ekonomiese  
toestand waarin ons belastingbetalers onself bevind kan net nie die Overstrand se tarief stygings  
absorbeer nie. Dit is 'n groot prestasie om as nommer een munisipaliteit in die land aangewys te word.  
Die vraag is egter is dit koste-effektief? Ek twyfel.

Daarom versoek u vriendelik om u tariewe aanpas sodat geen tarief styging hoër as 6% sal wees nie. Sny  
dan bedryfsuitgawes om begroting te laat kloep. Hou egter kapitaal uitgawes soos begroot.

Die uwe,



L D en P.A. Oosthuizen  
Erf 999 De Kelders



Franskraal Belastingbetalersvereniging ←  
Schneiderstraat 80  
Franskraal  
GANSBAAI  
7220

Kleinbaai Belastingbetalersvereniging ←  
Steenbokstraat 46  
Kleinbaai  
GANSBAAI  
7220

23 APRIL 2015

Die Munisipale Bestuurder  
Munisipaliteit Overstrand  
Posbus 20  
HERMANUS  
7200

Geagte Meneer

#### KONSEP BEGROTING 2015/16

FILE NO:	571117
SCAN NO:	
COLLABORATOR NO:	779662

Die uitnodiging om beswaar aan te teken/kommentaar te lewer op bovermelde begroting wat op 2 April 2015 in die Gansbaai Courant verskyn het, verwys.

Die bestuur van die Franskraal- sowel as die Kleinbaai Belastingbetalersvereniging het besluit om gesamentlik op die uitnodiging te reageer. Die inset moet nie noodwendig as 'n beswaar beskou word nie, maar het eerder ten doel om die Munisipaliteit Overstrand bewus te maak van kritieke aspekte wat in die medium en langer termyn daadwerklik in ag geneem moet word. Die kommentaar wat op rekord geplaas word is soos volg:

1. Die Uitvoerende Burgemeester en Raad word geloof vir die inisiatief wat nou vir die tweede agtereenvolgende jaar geneem is om eerstehandse inligting na die belastingbetalers in elke wyk te bring deur 'n geleentheid te skep vir inwoners om redes aan te hoor oor die samestelling van die begroting en die tariewe wat ten opsigte van dienste betaalbaar is.
2. Alhoewel dit opmerklik is dat daar ernstige pogings aangewend is om die koste van dienste so laag as moontlik te hou, is dit duidelik dat daar nie onderskeid gemaak word in tariewe wat betaalbaar is nie. Wat egter kommer wek, en wat selfs as onregverdig beskou word is dat, daar aansienlike verskille bestaan in die omvang en standaard van infrastruktuur wat in verskillende areas van die Overstrand aangetref word. Die oorgrote deel van Hermanus beskik byvoorbeeld oor teerstrate, 'n volwaardige rioolnetwerk, straatligte, sypaadjies en vele meer waaroor ander gebiede soos Franskraal, Kleinbaai, De Kelders en ander gebiede nie beskik nie. Die kostes vir die munisipaliteit om voormelde infrastruktuur te onderhou moet noodwendig baie hoër wees as in daardie gebiede waar dit nie bestaan nie. Die gevolg is dat die agtergeblewe gebiede (wat dieselfde tariewe moet betaal) in werklikheid die bevoorregtes subsidieer. Hierdie toedrag kan reggestel word deur doelgerigte pogings om 'n groter deel van die kapitaalbegroting aan die agtergeblewe gebiede toe te wys sodat daar ook pariteit in gehalte van infrastruktuur bewerkstellig kan word. Daar is reeds pariteit ten opsigte van die tariewe wat betaal moet word.

3. Daar word opgemerk dat die kapitaalprojekte wat vir wyke 1 en 2 in die vooruitsig gestel word slegs R6.5m oftewel minder as 8% van die totale begroting van R85m beloop. Bykans 96% van hierdie toekenning lê opgesluit in 3 elektrisiteitsprojekte wat nie naastenby gedurende die IDP as die hoogste prioriteit beskou is nie. Daar is ook geen verduideliking gegee waarom die inwoners van Franskraal en Kleinbaai dit as die hoogste prioriteit moet erken nie. Hierdie toedrag reflekteer sleg op die integriteit van die IDP en verdien dringende aandag.
4. Daar is opgemerk dat daar geen voorsiening gemaak is vir die vervanging/hernuwing van gereedskap, toerusting en voertuie nie. Dit wil voorkom of hierdie uiters belangrike begrotingsvoorsiening net sal realiseer as daar surplus fondse uit besparings op ander projekte beskikbaar gemaak sal word. Hierdie toedrag is kommerwekkend en sal ongetwyfeld in die nabye toekoms ernstige gevolge vir die munisipaliteit hê. Gegewe die huidige ekonomiese klimaat, moet daar met groot erns omgesien word na die behoorlike instandhouding, behoud en beskikbaarheid van basiese hulpmiddele om die administrasie in staat te stel om dienste te kan lewer. Dit baat nie om aan te hou om nuwe infrastruktuur te skep as die bestaandes nie instand gehou kan word nie.
5. Die teer van strate bly 'n bron van groot frustrasie by die belastingbetalers en mag dalk lei tot 'n negatiewe houding jeens die munisipaliteit as hierdie behoefte nie op een of ander wyse bevredig word nie.
6. Die rioolnetwerke in die gebied is beperk tot gedeeltes van die woongebiede van Masakhane, Blompark en 'n gedeelte van die sakekern van Gansbaai. Die projek wat ongeveer drie tot vier jaar gelede begin is om 'n rioolstelsel in Gansbaai aan te lê, het na die eerste jaar daarna 'n stil dood getref. Dit is onregverdig dat daar geen voorsiening vir dié doel in wyke 1 en 2 gemaak is nie en daar kan met reg daarop aangedring word dat daar in volgende jaar se begroting hiervoor voorsiening gemaak word.
7. Die konsep kapitaalbegroting foutiewelik verwys na talle projekte wat in die "Overstrand Ward" moet geskied. Hierdie handeling reflekteer nie 'n betroubare toewysing van die begroting in spesifieke gebiede nie (bv. Minor Assets: Area Manager: D Kearney) moet eerder na 'n spesifieke wyk of area toegedeel word.
8. Wat die tariewe betref word die voorgestelde tariewe vir huishoudelike verbruik (W1B) waar die eerste kategorie (0 - 6kl wat met 11.5% aangepas word) nie ondersteun nie, aangesien dit juis in hierdie kategorie is waar 'n groot getal verbruikers vir deernishulp kwalifiseer en waar die ekstra las in werklikheid uit subsidies goedgemaak word. Dit sou egter vir verbruikers wat daadwerklik poog om water spaarsamig te gebruik gebaat het as die sprong tussen die eerste en die tweede kategorie (R4.13 teenoor R10.39/kl) kleiner gemaak kan word. Ernstige oorweging behoort in die volgende begroting hieraan gegee te word. Indien 'n verhoging in die onderste kategorie veroorsaak dat die "equitable share" nie voldoende is nie, behoort daar by die Nasionale Regering aansoek gedoen te word vir 'n groter toekenning.
9. Daar behoort daadwerklik oorweging gegee te word aan 'n goedkoper metode om gruisstrate te teer/van 'n permanente of semi-permanente oppervlakte te voorsien. Franskraal kan getuig van uitstekende resultate wat in die verlede realiseer is.

10. Laastens wens ons die munisipaliteit geluk te wens met die inisiatief om 'n munisipale hof in werking te stel. Daar word met groot verwagting uitgesien na die positiewe resultate wat gevolglik in die inkomste begroting kan realiseer.

Daar word uitgesien na u kommentaar op bovermelde insette.

Vriendelike groete




---

THEUNS ROODMAN  
VOORSITTER



---

KRISTO JOOSTE  
INDIVIDU  
FRANSKRAAL BBV



---

JOHAN WIESE  
VOORSITTER



---

FRANCIA VAN DYK  
INDIVIDU  
KLEINBAAI BBV

## CFO - Fwd: FW: Notes on Budget 2015/16

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**From:** Dudley Coetzee  
**To:** CFO  
**Date:** 28-Apr-15 11:23 AM  
**Subject:** Fwd: FW: Notes on Budget 2015/16  
**Attachments:** Ward Three written submission.docx

---

>>> "Kari Brice" <karibrice@hermanus.co.za> 2015/04/26 11:20 AM >>>

Many thanks Terry  
Kind regards  
Kari

**From:** Terry McCarthy [[tpjmccarthy@telkomsa.net](mailto:tpjmccarthy@telkomsa.net)]  
**Sent:** 24 April 2015 05:40 PM  
**To:** Kari Brice  
**Cc:** Rob Stanway  
**Subject:** Notes on Budget 2015/16

Hi Kari

Please find attached my notes regarding the draft budget. You will recall that we raised certain points at the recent meeting. Please forward the attached notes to the necessary Overstrand officials in response to their request that the comments of Ward 3 should be in writing. If you need any clarification on the points made I would be happy to respond.

Regards  
Terry

### Ward Three – Written submission on the 2015/16 Budget and Integrated Development Plan

1. The Mayor's address includes the following statement. "...We also need to put in place measures to generate a more substantial surplus. "

	R million			
Year	2014/15	2015/16	2016/17	2017/18
Operating (deficit)	(121 577)	(69 296)	(64 120)	(69 723)
Depreciation and asset impairment	105 461	111 362	118 043	125 126
Operating surplus/(deficit) before Depn and asset impairment	(16 116)	42 066	53 923	55 403
(1) Contracted services	81 875	126 986	The change between 2014/15 and 2015/16 is a reduction of R63 995 million	
(2) Other	164 357	56 251		
<b>Sum of (1) and (2)</b>	<b>246 232</b>	<b>182 237</b>		
(3) Bulk purchases	169 444	193 573	The change between 2014/15 and 2015/16 is an increase of R77 699 million	
(4) Other materials	17 315	70 885		
<b>Sum of (3) and (4)</b>	<b>186 759</b>	<b>264 458</b>		

The draft budget does seem to support this objective if the forecast operating result before depreciation and impairment for 2015/16 and the two outer years are considered. See table above. However the 2015/16 forecast shows a significant improvement on 2014/15 – a swing of some R58 million (namely a deficit of R16 116 to a surplus of R42 066). Given the significant swing from a deficit to a surplus how confident is management that this significant swing is achievable? There does not appear to be any one factor that drives this swing and it is difficult to identify the causes given what appears to be a change in the way expenses have been reported year on year. See table above when comparing expenses items (1) to (4). Can you comment? See also point 4 below.

2. And again the Mayor's address includes the following statement ...*"The impact of unfunded/underfunded mandates on the budget remains a challenge for the municipality*

We understand that the Overstrand has made representations, through SALGA, that the financing of unfunded mandates represents double tax on rate payers and is seeking relief in the form of additional funding from central or provincial government.

We request that we be informed of the outcome of these representations with a view to making representations through parliamentary structures in the event that these request are not addressed.

3. The documentation refers to the results of independent financial assessment performed by INCA Portfolio managers, and specifically

..... *It was recommended that the municipality, amongst others avoid excessive overtime and standby time costs by filling critical vacancies,*



*optimise the use of internal capacity and external service providers, and explore more sharing of services with other municipalities.*

Please confirm that the budget has embodied these recommendations with specific details. For example what critical vacancies have been or are to be filled, how internal capacity and external service providers are to be used and what shared services are to be looked at.

4. The documentation mentions that the new Standard Chart of Accounts SCOA has been implemented in preparing the budget. Can we assume that the comparative figures for previous periods have not be restated , thereby making line by line comparisons of little value
5. As regards councillor and employee benefits it is noted that the draft budget uses as an assumed increase of 5.5 per cent (see Table 4.5) on the previous full year. The final percentage will only be known once the bargaining council has completed its deliberations. Please confirm that for every 1 per cent change in this assumption expenditure on this line item would increase by some R2,84 million.
6. Free services. On table 17 the cost of free services is listed. The figures for 2014/15 shows 42 637 but there is no entry for 2015/16 and the two outer years. Can you explain this. On the same subject there are amounts reflected in all years against the line item "Revenue cost of free services provided". Does this later entry refer to the lost revenue because free services are provided?
7. Page 68,69 and 70 of the budget lists fourteen compliance measurements. Please confirm that these are monitored monthly and if so can the results be included in information forwarded to the respective wards for their consideration? On the same point it is noted that the budget is split into monthly amounts. Again please confirm that the actual results are monitored and, if so, can this information also be forwarded to the various wards for consideration.
8. IN the draft budget on page 5 there is a summary of revenue sources. There is a significant increase in the line item "Transfers recognised – operational" namely 62 032 in 2014/15 and 103 363 in 2015/16. It is noted that the equivalent expense item also increases. Please explain. The change may be as a result of the new accounting standard.
9. The revenue expected from fines is some R32 million in each of 2015/16 and two outer years. What fines are referred to and how is this figure made up?

**CFO - OBJECTION to Refuse Policy as per 2015/16 Draft Budget for public comment**

---

**From:** "Jurie Hamman" <juriehamman@gmail.com>  
**To:** CFO@overstrand.gov.za; cgroenewald@overstrand.gov.za; dudley.coetzee@vod...  
**Date:** 4/25/2015 3:46 PM  
**Subject:** OBJECTION to Refuse Policy as per 2015/16 Draft Budget for public comment  
**Attachments:** OSM 2015-04-20 Objection to 2015-25 Draft Refuse Policy V2.docx

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Dear Mrs, Botha-Guthrie,

Kindly note that we give credit to Overstrand Municipality for all the good work they do. However, our objection to The Overstrand Municipality as introduced from 2013/14, repeated in 2014/15 and currently proposed still stands.

The included document "OSM 2015-04-20 Objection to 2015-25 Draft Refuse Policy V2" is our official objection against the policy for this year.  
Please read with previous correspondence.

We are well aware that policies are usually subject to criticism and compromise, but are convinced that a more reasonable policy can and should be found.

Kindly reconsider and amend the policy.

Yours faithfully

*Jurie Hamman*

Jurie Hamman  
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[juriehamman@gmail.com](mailto:juriehamman@gmail.com)  
151/152 Fynbos Park  
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HERMANUS, 7200 HERMANUS, 7200

**Fynbos Park and Others vs. Overstrand Municipality (OSM)**  
**REFUSE POLICY DISPUTE: HEART of the MATTER**

It is common cause that both Parties to the dispute agree that:

- 1 The Local Government: Municipal Systems Act, No 32 of 2000 & other Acts apply.
- 2 Service income must cover service costs
- 3 The four services referred to under Legislation and OSM Policies are:  
Electricity, Water, Sewerage (waste water) and Refuse removal (solid waste)

Fynbos Park and Others maintain that Overstrand Municipality **correctly** applies proportionality principles on tariffs for the first 3 services, electricity, water and sewerage but **incorrectly** deviates from proportionality on the 4<sup>th</sup> service, **refuse**.

**HEART OF THE MATTER**

In formulating its "Refuse Policy" OSM used the "equitable" principle incorrectly by declaring all "Residential Property" as identical. In the process OSM **disconnected** the principle of "Proportion" between "payment and usage". The "Refuse Policy" effectively ignores the "Proportionality Principal" in totality.

A careful analysis of "The Local Government: Municipal Systems Act, 32 of 2000" is required:

**1 74(2)(b): "pay in proportion to use"**

*74.(2) A tariff policy must reflect at least the following principles, namely that-*

*74.(2)(b) the amount individual users pay for services should generally be in proportion to their use of that service.*

(General Meanings of "Proportion" = Amount, Quantity, Part, Percentage, Section, Fraction, **Ratio**, Comparison, Relative Amount, **Relationship**.)

A proportion defines the **relationship** between two "items", using the two items' Standard Unit of Measurement ("**SUM**"). In this case: "refuse tariff" in **relation** to "refuse service".

Mathematically described as:- "**a:b**"

OSM defined the proportion (ratio) a:b as follows in Schedule C, page 16 for 2015/16:

a = tariff = R157-30/month/one collection per week (2015/16 Draft Tariff).

b = quantity = 240 litre Wheeley Bin.

Therefore: 1 X 240 litre Wheeley Bin = 1 X R157-30 and

19 X 240 litre Wheeley Bin = 19 X R157-30 = **R2,988-70/month.**

OSM collects 19 Bins from Fynbos Park every Thursday.

Under the previous policy Fynbos Park Body Corporate received the monthly account for **19** Bins and OSM would receive revenue of **R2,988-70** for the refuse service (2015/16 Draft Rate).

That policy and its application **conformed** 100% to the principle of **proportionality**:

*"pay for services should generally be in proportion to their use of that service."*

The new (and current) policy incorrectly **disconnected** the payment for the service from the use of that service and destroyed the **proportionality** principle by replacing the 240 litre Wheeley Bin by a different "item" being "Residential Property" and more confusingly, "*one removal per **household** as per OSM Tariff Policy 9.4.4.*"

**NB: A Home Owners Association is not a property form.**

The Sectional Title Act legislated a new kind of **property** based on **shared** costs/services to **benefit** both **owners** and **municipality**. The new policy undermines this Act.

The **outcome** of this incorrect **disconnect** is that OSM charges individual "Residential Property" owners of Erven and Units a flat fee of R157-30 **per Erven/Unit**. (Note: OSM uses the word Unit to describe a "Residential Sectional Title Property" and Erven to describe a "Residential Full Title Property".)

The **outcome** of this incorrect **disconnect** is a Revenue Income for OSM as follows:  
According to OSM Fynbos Park has 148 rate paying Units and therefore:

$$148 \text{ Units} \times R157-30 = R23,280-40/\text{Month}$$

The difference in income:  $R23,280-40 - R2,988-70$  (New Policy vs. Old Policy)  
=  $R20291-70/\text{month} \times 12$   
= **R243,500-40/Year for NO ADDITIONAL SERVICE.**

The **effective** tariff is therefore  $R23,280-40/\text{month} \div 19 \text{ Bins} = \mathbf{R1,225-28/\text{Bin}}$ .  
Many, if not all, Sectional Title Schemes have been detrimentally affected in the same way.

## 2 74(2)(d): "tariffs must reflect costs"

74(2)(d) "tariffs must reflect the costs reasonably associated with rendering the service, ...."

We cannot comment properly on this section as we haven't received the consultants' report on which the new policy was apparently based. However, we cannot imagine that costs to collect and process 19 bins from in front of Fynbos Park is "reasonably" similar to collect and process 148 bins in the streets of say Hermanus Heights or any other full title residential suburb, as the new policy implies.

## 3 73(2)(a) and 74(2)(a): "Equitable"

74.(2) A tariff policy must reflect at least the following principles, namely that –  
74.(2)(a) users of municipal services should be treated equitably in the application of tariffs.

We contend that the intention of this clause is to make sure that, once the **proportion** under 74(2)(b) has been established, a Municipality cannot charge R157-30 for one Bin and R1,225-28 for another **identical** Bin, which is the **effective** charge for removing a Fynbos Park Bin under the new policy.

It is common cause that properties in a municipality differ in many ways, most notably in **size** and **value** that can be expressed in a Standard Unit of Measurement ("**SUM**").

**Size** is measurable, exact and expressed as surface area i.e.  $\text{m}^2$ .

**Value** is commonly accepted as "Municipal Valuation" and expressed in Rands.

Both the above are used by OSM, depending on the need and policy, **but not** for refuse.

NOTE: Households (as per 9.4.4 of tariff policy) must also have a size, i.e. number of "heads".

This caused an error in logic because "Residential Property" (Full Title Erven and Sectional Title Units) are **only descriptions** of one "item" to be used in a "**proportion**". If OSM wants to use "Residential Property" as one "item" in the equation to satisfy Section 74.(2)(b), it must continue to define the "item's" SUM and work out the rate per SUM: i.e. **value** ("Property Municipal Valuation") in Rand or property **size** in  $\text{m}^2$ . OSM has detailed information on both. A cursory inspection of Municipal value and size of "Residential Property" will highlight the vast differences between "Residential Properties" in both **value** and **size**. They are true variables.

"Households" also differ vastly and give rise to the same problem as "property".

However, using Residential Property **values** or **size** pose many problems that make them very difficult to arrive at a fair and reasonable tariff for refuse. Numerous problems also arise with the use of "Household Size". A volumetric SUM appears to be more fair and reasonable, even if not perfect. We support this approach.

## 4 Additional problems with policy

Defining Full Title Erven and Sectional Title Property Units both in one category, "Residential Property", **discriminates** against Sectional Title Units, as OSM allows 2 dwellings per Erven, effectively a 50% **discount**, violating the "equitability" principle. We stand by all previous documents and objections.

## 5 Conclusion

**The new OSM Refuse policy does not comply with "The Local Government: Municipal Systems Act, No 32 of 2000 74.(2)(a) and especially 74.(2)(b)" and should be repealed.**

## CFO - Kommentaar: Konsepbegrotingsverslag 2015/2016

---

**From:** "Lisel Krige" <lisel@solidstuff.co.za>  
**To:** "Coenie Groenewald" <cgroenewald@overstrand.gov.za>  
**Date:** 4/30/2015 3:08 PM  
**Subject:** Kommentaar: Konsepbegrotingsverslag 2015/2016  
**CC:** "Nicolette Botha Guthrie" <nbotha-guthrie@overstrand.gov.za>, <dcoetzee@...

---

Beste Munisipale Bestuurder

Graag stuur ek hiermee in 'n neutedop aan u 'n inset oor die jongste begrotingsverslag:

Dit is vir my kommerwekkend dat daar weer eens feitlik geen toewysings vir kapitaalbegrotingsprojekte in wyk 10 is nie. (Infrastruktuur-skepping en –instandhouding.) (Ek wil uit die staaspoor drie opmerkings byvoeg – naamlik i)dat ek die sokkerveld-ontwikkeling, asook die installering van elektrisiteit, in Overhills in ag neem; ii)dat ek deeglik bewus is van die egrotingsbeperkings en dit ook in ag neem; en iii)dat die R400 000 vir wyksprojekte nie eens naastenby die kleiner behoeftes in my uitgestrekte wyk dek nie.)

Die skuld kan waarskynlik gedeeltelik voor my eie deur gelê word vir gebrekkinge motiverings en/of voorleggings. Maar myns insiens het ek met die afgelope vier begrotingsprosesse elke poging aangewend om die nypende behoeftes en noodsaaklikhede in my wyk deur die regte kanale voorgelê te kry vir dringende oorweging.

As daar iets is wat ek nie kan versuim om uit te lig nie, is dit die ernstige gebrek aan 'n stormwaterstelsel.

Met die vloedskade van die afgelope paar jaar se opeenvolgende seisoenale en veral buite-seisoenale vloedreëns het dit krisis-afmetings aangeneem in sowel Rooiels as Pringlebaai, Bettysbaai en die informele woongebied (Overhills), maar veral in die geval van laasgenoemde drie.

Ek sou dit waardeer indien 'n verteenwoordiger van die area – hetsy ekself of die senior bestuurder – toepaslike voorstelle of selfs motiverende aanbiedings sou kon doen.

Groete.

Lisel

LISEL KRIGE

Ward Councillor / Wyksraadslid

OVERSTRAND

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## **ANNEXURE J**

### **LG MTEC 3 ASSESSMENT**



**BETTER TOGETHER.**

# **OVERSTRAND MUNICIPALITY**

## **LG MTEC 3 FINAL ASSESSMENT REPORT BUDGET & IDP ANALYSIS**

**Western Cape Government**

**APRIL 2015**

***FINAL: 15 May 2015***

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## LIST OF ACRONYMS

AQMP	Air Quality Management Plan
BESP	Built Environment Support Programme
CBA	Critical Biodiversity Areas
CBD	Central Business District
CML	Coastal Management Line
CMP	Coastal Management Programme
CSIR	Council for Scientific and Industrial Research
DCAS	Department of Cultural Affairs and Sport
DEADP	Department of Environmental Affairs and Development Planning
DHS/DOHS	Department of Human Settlements
DLG	Department of Local Government
DM	District Municipality
DWA	Department of Water Affairs
EMP	Estuary Management Plan
EPWP	Extended Public Works Programme
ESA	Environmental Strategic Assessment
FBE	Free Basic Electricity
FTE	Full-time equivalent
HSP	Human Settlement Plan
IDP	Integrated Development Plan
IGP	Infrastructure Growth Plan
IGF	Inter-Governmental Forum
IIAMP	Integrated Infrastructure Asset Management Plan
IIF	Infrastructure Investment Framework
IPWIS	Integrated Pollutant Waste Information System
ITP	Integrated Transport Plan
ISDF	Integrated Strategic Development Framework
IYM	In-year Monitoring
IWMP	Integrated Waste Management Plan
JOC	Joint Operations Centre
kl	kilolitre
KPA	Key Performance Area
KPI	Key Performance Indicator

kWh	kilowatt-hour (1 000 watt hours)
LED	Local Economic Development
LUPO	Land Use Planning Ordinance
MBRR	Municipal Budget and Reporting Regulations
MDG	Millennium Development Goal
MFIP	Municipal Finance Improvement Programme
MI	Municipal Infrastructure
MIG	Municipal Infrastructure Grant
MIP	Municipal Infrastructure Plan
MMP	Maintenance Management Plan
MVA	Megavolt amperes (1 Million volt amperes)
MWh	Megawatt-hour (1 Million watt hours)
NDHS	National Department Human Settlements
NEM: AQA	National Environmental Management: Air Quality Act
NRW	None Revenue Water
O&M	Operations and Maintenance
OD	Overberg District
ODM	Overberg District Municipality
PLS	Public launch sites
PMS	Performance Management Systems
PSDF	Provincial Spatial Development Framework
PSG	Provincial Strategic Goal
RMP	Road Management Plan
SDBIP	Service Delivery Budget Implementation Plan
SDF	Spatial Development Framework
SOP	Standard Operating Procedure
SPC	Spatial Planning Category
SWMP	Stormwater Management Plan
WC	Water Conservation
WDM	Water Demand Management
WSDP	Water Service Development Plan
WTW	Water Treatment Works
WWTW	Wastewater Treatment Works

## SECTION 1: EXECUTIVE SUMMARY

The annual assessment of municipal budgets and Integrated Development Plans (IDPs) by provincial governments is essential. The importance of this assessment is stipulated in Chapter 5 of the Local Government Municipal Systems Act 32 of 2000 (MSA), the MSA Regulations and the Local Government Municipal Finance Management Act 56 of 2003 (MFMA). Provincial assessments afford the provincial sphere of government an opportunity to exercise its monitoring and support role to municipalities as stipulated by the Constitution. In addition, the assessments provide an indication of the ability and readiness of municipalities to deliver on their legislative and Constitutional mandates.

This report encapsulates comments by the Western Cape Provincial Government on the draft 2015/16 MTREF Budget, 2015/16 reviewed Integrated Development Plan (IDP) and Spatial Development Framework (SDF).

The assessment covers the following key areas:

- Outstanding findings from previous LG MTEC 3 engagements;
- Conformance with the MFMA, MSA & Municipal Budget and Reporting Regulations (MBRR);
- Responsiveness of draft budget, IDP and SDF; and
- Credibility and sustainability of the Budget.

The MBRR A-Schedules, budget documentation, IDP and SDF submitted by the Municipality are the primary sources for the analysis. The quality of this assessment report therefore depends on the credibility of the information contained in the documents submitted by the Municipality.

The Provincial Government plans to meet the executives of your Municipality on 28 April 2015 where the key findings and recommendations of this report will be presented and deliberated upon. The planned engagement will contextualise the Municipality's challenges and responses as taken up in the draft budget, IDP, LED, SDF and various other strategies and plans.

An overview of the detailed assessment is set out below to provide the Municipality with a synopsis from each of the main sections of the report.

### **Outstanding findings from previous LG MTEC 3 engagements**

In terms of coastal management, the development of a Coastal Management Plan is still outstanding. The municipality indicates that the Coastal Management Line, which links with the development of a Coastal Management Plan for the entire Overberg region, is currently being developed jointly by the Department of Environmental Affairs and Development Planning and the Overberg District Municipality.

### **Conformance with the MFMA, MSA & Municipal Budget and Reporting Regulations (MBRR)**

The municipality has demonstrated good technical proficiency in compilation of the budget as required by the Municipal Budget Reporting Regulations and can easily progress to full compliance.

### **Responsiveness of IDP, SDF and Budget**

The Municipality has successfully completed SA5 and SA6 and demonstrated that its budget is aligned to the strategic objectives as identified in the IDP review of 2015/16.

### **Credibility and sustainability of the Budget**

The Municipality has tabled deficit budgets across the entire MTREF period, as a result of non-cash items like depreciation and asset impairment. Albeit the tabled deficit budget reported on the statement of financial performance, the municipality is commended for its co-ordinated efforts to put forth a funded budget.

With the current slow economic growth, it is understandable that the municipality's cash flow is expected to remain under pressure for 2015/16; however, the municipality managed to set conforming tariff increases and prioritised the budget towards infrastructure and economic development as per the National Development Plan. To note is that the Municipality has taken cognisance of cost containment measures by budgeting only for services that are critical to service delivery.

## SECTION 2: PREVIOUS UNRESOLVED LG MTEC FINDINGS

### 2.1 IDP ANALYSIS

Finding	Action required	Progress
<p><b><u>COASTAL MANAGEMENT:</u></b></p> <p>Development of a Coastal Management Plan.</p>	Develop a Coastal Management Plan.	<p><b>Work in progress:</b> The Coastal Management Line, which links with the development of a Coastal Management Plan for the entire Overberg region, is in the process of being developed by DEADP and the Overberg District Municipality (IDP p 82).</p>

### 2.2 BUDGET ANALYSIS

Finding	Action required	Progress
Improving spending on Capital Programme.	Full implementation and monitoring of the Demand Management Plan and Capital Programme.	Audit outcome of 2013/14 reported that 101 per cent of the capital budget was utilised.
Water Distribution losses reported at 20.10%	Review and monitor the implementation of the Infrastructure Improvement Plan.	Audit outcome of 2013/14 reported that non-technical water losses amounted to 21.47 per cent due to unmetered connections, aging pipeline infrastructure, burst pipes, old reticulation networks and other leakages.

## SECTION 3: COMPLIANCE REVIEW

This section outlines the level of compliance with the preparation and submission of the IDP, draft SDBIP and the Annual Budget.

### 3.1 THE DRAFT IDP

Document description	Level of Compliance	Comments
The Draft IDP	Fully compliant	<p>The Municipality's draft Reviewed 2015/16 IDP was prepared in compliance with a revised Process Plan/Time Schedule, and the IDP is fully compliant with all legislative requirements. The draft Reviewed 2015/16 IDP was tabled to Council on 25 March 2015.</p> <p>The draft Reviewed 2015/16 IDP deals well and extensively with performance management aspects. It provides a year-on-year summary of performance per key basic services, and the draft Reviewed 2015/16 IDP includes a dashboard view of the Top Layer SDBIP deliverables vis-à-vis IDP objectives. Furthermore, the key performance indicators and targets for the new financial year are clearly quantified.</p> <p>Ward Committees are utilised as the primary consultative structure. The draft Reviewed 2015/16 IDP provides a synopsis of public participation engagements with several Forums, and it gives an indication of further special public ward consultation sessions planned before the adoption of the final reviewed 2015/16 IDP.</p>

### 3.2 THE ANNUAL BUDGET

Document description	Level of Compliance	Comments
The Annual Budget		<p>The Budget Supporting Document SA18 fully aligns to the 2015 Division of Revenue Bill and the Provincial Gazette No. 7360 of 15 March 2015. Review of the Supporting Documentation indicated that the supporting Table SA7: Measurable Performance Objectives did not reflect the measures for the two outer years of the 2015/16 MTREF.</p>

### 3.3 THE BUDGET RELATED POLICIES

Document description	Level of Compliance	Comments
The relevant Budget related policies	Fully complied	None

### 3.4 THE DRAFT SDBIP

Document description	Level of Compliance	Comments
The Draft SDBIP	Complied	A Draft Service Delivery and Budget Implementation Plan were presented with the Tabled Budget.  However, there are slight differences in the reporting of household targets in Table A10 and in supporting Table SA7 and the SDBIP.

### 3.5 SUMMARY

The Municipality's IDP has full complied with the requirements.

The Municipality has successfully completed SA5 and SA6 and demonstrated that its budget is aligned to the strategic objectives as identified in the IDP review of 2015/16

From the Draft Service Delivery and Budget Implementation Plan it is observed that there are slight differences in the reporting of household targets in Table A10 and in supporting Table SA7 and the SDBIP. This could affect the audit of PDOs regarding its usefulness.

#### **Municipal Response:**

*Will address in the Final documents.*

## **SECTION 4: INTEGRATED PLANNING AND SPATIAL ANALYSIS**

### **4.1 INTRODUCTION**

The 2015/16 IDP Assessment was undertaken with a consideration of the following additional information:

The Overstrand Municipality's final adopted 2012 – 2017 five year IDP;

The Overstrand Municipality's final adopted Annual Reviewed IDPs for the 2013/14 and 2014/15 financial years;

The LG MTEC 3 report on the Draft Reviewed 2014/15 Overstrand Municipality's IDP; and

The final 2014/15 SDBIP of Overstrand Municipality and the draft 2015/16 SDBIP of Overstrand Municipality.

This approach was followed due to the fact that the Reviewed IDP of a Municipality is not a stand-alone process; it forms part of wider, holistic and cyclical process of municipal planning (which includes objective and target setting), budgeting, implementation, monitoring, review and amendment.

#### **4.1.1 Specific findings on the current draft 2015/16 IDP**

The findings on the draft Reviewed 2015/16 IDP of Overstrand Municipality can be summarised as follows:

- The draft Reviewed 2015/16 IDP contains a clear statement on the "review" status of the 2015/16 IDP, and states that this reviewed IDP should be read in conjunction with the 5-year IDP (2012 - 2017).
- A particularly commendable feature of the draft Reviewed 2015/16 IDP is how it responds to MSA Section 41(1)(a) in terms of setting appropriate key performance indicators as a yardstick for measuring performance, outcomes and impact. In this regard, the draft Reviewed 2015/16 IDP well portrays the Municipality's performance against the development priorities, targets and indicators as set in the 5-year IDP (2012 - 2017).
- The Municipality demonstrates a keen consciousness toward social services. To this end, the Municipality's planned social development initiatives are clearly spelled out in a comprehensive table in the draft Reviewed 2015/16 IDP.
- The key aspects of National Government's Back-to-Basics programme are well captured in the draft Reviewed 2015/16 IDP, suggesting that the Municipality is cognisant of aligning itself with the intended outcomes of the Back-to-Basics



initiative. Additionally, alignment with national and provincial directives, and in particular the Municipality's response in terms of strategies and actions to meet those objectives, are well articulated in the draft Reviewed 2015/16 IDP.

- The draft Reviewed 2015/16 IDP makes reference to the provincial joint planning approach by providing a snapshot of the identified Joint Planning Initiatives for the Overstrand Municipality.
- Overstrand Municipality's draft Reviewed 2015/16 IDP is a concise, responsive planning and performance reporting tool, which ably guides the Municipality towards achieving its strategic objectives.

## **4.2 BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT**

### **4.2.1 Municipal Infrastructure Planning**

The draft Reviewed 2015/16 IDP indicates that there are no basic water and sanitation services backlogs in the urban areas of the Overstrand municipal area. According to the StatsSA 2011 Census, there are some households on the farms in the rural areas with existing service levels are below RDP standard.

The Municipality receives funding from other sources such as MIG, RBIG etc. The draft Reviewed 2015/16 IDP mentions that one of the Municipality's strategies is to explore all possible sources of additional external funding to address the bulk infrastructure backlogs that exist in the various towns.

The draft Reviewed 2015/16 IDP comments on the Municipality's commitment to collaborate with private landowners in order to ensure that basic services are provided by the private landowners to all households on the farms.

### **4.2.2 Integrated Infrastructure Asset Management Plan**

Whilst there is no reference of a Municipal Infrastructure Growth Plan in the draft Reviewed 2015/16 IDP, the Municipality has however developed a Growth Management Strategy (GMS) which forms part of the SDF, and was approved by council in January 2011.

The draft Reviewed 2015/16 IDP indicates that there is a clear alignment between the IDF, SDF, SEMF, HSP, GMS and other planning policy initiatives. The draft Reviewed 2015/16 IDP also refers to several plans that are aligned to SDF and GMS, such as Master Plans for each basic infrastructure as well as the Water Master Plan which has been revised in line with the Growth Management Strategy.

The Department of Local Government is also planning to assist Overstrand Municipality with the development of Infrastructure Growth Plan (IGP) in the 2015/16 financial year.

### **Recommendation:**

It is recommended that the draft Reviewed 2015/16 IDP should mention that the Department of Local Government will assist with the development of Municipal Infrastructure Growth Plan during the 2015/16 financial year.

### **Municipal Response:**

*Noted, will include in Final IDP review.*

#### **4.2.3 Roads and Transport**

The Municipality has an Integrated Transport Plan (ITP) in place, which also doubles as its Road Transport Plan.

The draft Reviewed 2015/16 IDP reports clearly on the status of public transport, as well as the level of backlogs.

A Roads Operations and Maintenance Plan is in place, and the draft Reviewed 2015/16 IDP reports comprehensively on the strategies, programmes and projects to improve access and quality of roads and transport services.

#### **4.2.4 Human Settlements**

The Municipality is commended for an overall good report and strategy argument in terms of human settlements. It aligns with the new departmental strategic direction and highlights the Municipality's support to accelerate the upgrading of informal settlements through incremental housing. The draft Reviewed 2015/16 IDP confirms its support towards targeting the most deserving beneficiaries to receive housing assistance in future.

The total capital budget presented aligns with the business plan for 2015/16 – 2017/18. A Housing Pipeline is also incorporated and to a large extent synchronises with the housing pipeline approved by Project Planning Committee (PPC) in August 2014. A detailed budget breakdown per project is included, but cognisance must be taken of the fact that there are outer year projects that do not correspond to the 2015/16 Business Plan.

#### **4.2.5 Disaster Management**

The draft Reviewed 2015/16 IDP contains a very thorough Disaster Management chapter; all the required indicators can be located in the draft Reviewed 2015/16 IDP, except for the budget for Disaster Management (the previous IDP review indicated an amount of R10.6 million).

Ample references are made to specific contingency plans and to the fact that the Disaster Management Plan was reviewed in 2014. The Municipality is also commended for correctly utilising the Disaster Risk Register.

The draft Reviewed 2015/16 IDP contains a matrix of the top 10 risks that the Municipality faces but it does not clearly indicate when the last risk assessment was performed and when the next one is planned.

A positive finding is the Municipality's intention to develop departmental Disaster Management Plans; more clarity, though, could be provided on progress made.

#### **Recommendations:**

It is recommended that:

- i. The Reviewed 2015/16 IDP indicates the disaster management budget.
- ii. The status of the risk assessment is indicated in the Reviewed 2015/16 IDP.
- iii. Reference is made to the progress and status of the development of departmental Disaster Management Plans.

#### **4.3 LOCAL ECONOMIC DEVELOPMENT**

The Municipality displays a good analysis of sector trends in the local economy and the potential actions required to support growth.

The status quo for each of the key economic sectors is provided in the draft Reviewed 2015/16 IDP (pages 29 – 30), and is summarised as follows: Sectors directly aligned to tourism experienced significant growth. Growth has taken place with regard to aquaculture exports. Manufacturing activities have grown moderately in the past year. Finance, real estate and business services, the largest sector, grew the fastest and created a significant number of jobs. Secondary service industries have had significant growth over the years due to demand in services, support, and information to deal with growing development demands due to the increasing population.

The following interventions have been prioritised in the 1 - 2 year period as an outcome of the Participatory Appraisal of Competitive Advantage (PACA) process

(IDP, page 96), namely: a destination marketing campaign, better utilisation of festivals for marketing, penguin and sea bird sanctuary, Gansbaai version of a Township tour, service excellence and associated training program, small scale abalone production, as well as skills development and support in terms of safety and security.

Some longer term initiatives that were identified through participation by business and communities include harbour developments, a marine centre in Kleinbaai, the potential future power station, and exploring possible new and viable fish farming business models.

The success of many of the identified projects requires the establishment and maintenance of strong partnerships between the Municipality and local businesses and organisations.

### **Recommendation:**

It is recommended that the Municipality indicates the role it will play in facilitating the implementation of the Participatory Appraisal of Competitive Advantage (PACA) interventions, and how it will monitor and evaluate its impact.

#### **4.3.1 Agriculture**

Over the past 10 years the Overstrand Municipality has been experiencing rapid population growth. This population growth is putting pressure on natural undeveloped land and agricultural land which is utilised for urban development. What makes this matter even more complicated is the fact that the available land which is suitable for urban development in Overstrand Municipality is limited (IDP p32). In this regard, the Municipality is commended for the pro-active response by developing a Growth Management Plan whereby densification is used as the main tool to positively redress and counteract the effects of urban sprawl.

The draft Reviewed 2015/16 IDP for Overstrand Municipality does reflect the alignment with the National Development Plan. However, the Reviewed 2015/16 IDP needs to be revised in order to show alignment with the latest Provincial Strategic Plan (PSP, 2015 - 2019). [The draft Reviewed 2015/16 IDP currently reflects alignment to the 12 Strategic Objectives as contained in the previous PSP (IDP Chapter 9)].

During the recent IDP Indaba 2 engagements held in February 2015 at Houwhoek Inn the Municipality requested to engage the Department of Agriculture on land for new farmers. This matter does not feature in the draft Reviewed 2015/16 IDP as a priority. Likewise, the aspect of the plight of farm workers was raised by the Municipality at the Indaba engagement; the draft Reviewed 2015/16 IDP is silent on

this aspect as well. It is recommended that the Municipality include a section on each of these aspects in the final Reviewed 2015/16 IDP.

In terms of support with respect to Farm Worker Support, it is noted that the Provincial Farm Worker Household Survey conducted in two districts per year will provide an improved understanding of the farm worker profile in the municipalities where the survey has been completed. It is recommended that the Municipality actively engages with other Sector Departments on the findings of the survey.

#### **4.4 GOOD GOVERNANCE AND PUBLIC PARTICIPATION**

The Municipality has a dedicated Communication Unit that ensures that the Municipality's Communication Strategy is actively implemented. The draft Reviewed 2015/16 IDP dedicates a section to its communication portfolio, outlining the various communication channels and processes utilised to inform and engage the community.

An Overstrand Municipal Advisory Forum (OMAF) is active, which serves as a platform where relevant stakeholders, inclusive of ward committee members and stakeholders from Tourism and Agriculture, advise the Mayor on service delivery and other issues.

The draft Reviewed 2015/16 IDP does not indicate the status of a Public Participation Policy. It is understood though, that the current Ward Committee Policy will be customised into a Public Participation Policy, which is due for completion by December 2015.

The draft Reviewed 2015/16 IDP states that consultative sessions were held with ward committees during 2013. It is further indicated that, whilst no new community needs assessment was conducted for the 2015/16 IDP review, ward committees duly reviewed the previously recorded needs at Ward Committee meetings held during September – November 2014 (IDP page 11). It is also clear that IDP public meetings were held during this same period. Additionally, the draft Reviewed 2015/16 IDP (page 11) refers to special public ward consultation meetings that are scheduled to take place from 7-23 April 2015.

## **4.5 SOCIAL, HEALTH, EDUCATION, SAFETY AND SECURITY, CULTURAL AFFAIRS AND SPORTS SERVICES**

### **4.5.1 Social Development**

The draft Reviewed 2015/16 IDP makes reference to the HIV/AIDS policy that was approved in 2009. The document furthermore makes reference to gender as a strategic objective with aligned activities. In fact, the Municipality is commended for their internal gender mainstreaming programme.

Youth development is adequately referenced in the draft Reviewed 2015/16 IDP, inclusive of aligned activities and programmes. The Municipality is commended for establishing their Junior Town Council programme with its supporting activities throughout the year.

A Memorandum of Understanding with the Department of Social Development exists which acts as a baseline for social development and human development activities and programmes.

Furthermore, the Municipality has entered strategic partnerships, especially in the Early Childhood Development (ECD) and Disability sectors.

#### **Recommendations:**

It is recommended that:

- i. The Municipality should prioritise the establishment of a Local Drug Action Committee.
- ii. Statistics/situational analysis (figures, demographics and data) be disaggregated in terms of male, female, disability and youth in order to assist with the analysis of progress towards achieving gender equality.

#### **Municipal response:**

- *Overstrand Municipality **is** in the process to establish a LDAC. Will convene a workshop on 20 May 2015 to draft our local action plan.*
- *Overstrand Municipality **will** endeavour to include the statistics we have available.*

### **4.5.2 Cultural Affairs and Sport**

The draft Reviewed 2015/16 IDP comments on the great need for sports facilities in almost all the wards of the Municipality. According to the Overstrand Municipality's 5-year IDP a number of new sports projects as well as upgrades are proposed for the

5-year period, but no specific start or completion date is indicated. The draft Reviewed 2015/16 IDP does, however, reflect that the Municipality will be funding minor upgrades of sports facilities during the current financial year. It further indicates some major upgrades will be funded via the MIG allocation for the ensuing two years.

Although the 5-year IDP promotes access to sport and recreation for people with disabilities, the draft Reviewed 2015/16 IDP is silent on projects to attain this goal.

The draft Reviewed 2015/16 IDP reflects that the Kleinmond Library will be upgraded over the next 2 years with funding received from the Department of Cultural Affairs and Sport, but there is no reference to funding for the upgrading of any other library in the municipal area.

No mention is made of whether the Municipality will spend its full 15 per cent of the MIG allocation on sports facility development.

### **Recommendations:**

It is recommended that:

- i. The Reviewed 2015/16 IDP should indicate the Municipality's intention to spend the 15 per cent of its MIG allocation on sports infrastructure.
- ii. An arts and culture strategy be developed in support of economic development.

### **Municipal response:**

- *Overstrand Municipality spend more than the required 15% within the 3 year budget cycle.*
- *The Development of an arts and culture strategy is not budgeted for in 2015/16.*

### **4.5.3 Department of Education**

The inclusion of education-specific statistics in the draft Reviewed 2015/16 IDP is noted. However, additional Basic Education-related statistics are available from the WCED offices.

It is noted that all schools and clinics are provided with high level of water and sanitation services. Schools, however, spend substantial amounts annually on municipal services in support of maintenances of sports fields, gardens etc.

Education is amongst the top 5 needs for almost all wards within the Municipality. The Provincial Education Department strives to improve education outcomes in line with the Provincial Strategic Plan (2015 - 2019).

It should be mentioned that the National Department of Higher Education is now responsible for tertiary education, including FET Colleges and Adult Basic Education Centres.

### **Recommendations:**

It is recommended that:

- A focus be placed on enhancing learner safety by:
  - Clearing the municipal owned land surrounding schools;
  - Improving lighting/tarring of roads and reporting to the Principal/District Office any unroadworthy vehicles transporting learners; and
  - Improving pedestrian crossings and speed humps near and around schools.

#### **4.5.4 Department of Health**

The Overstrand Municipality does not make reference of the Burden of Disease that may have an impact on their economic growth. The Municipality can obtain the Department of Health spatial plan and services document where more detail is provided on the burden of disease as well as current services and budget spent in municipal space.

### **Recommendations:**

It is recommended that:

- i. The environmental health issues that are linked to the Burden of Disease be highlighted along with the inter-sectoral plans.
- ii. The Overberg District Health Council be included in the Municipality's IGR provincial forum list.

### **Municipal Response:**

*Dept. of Health to provide their spatial plan and service document to municipality for inclusion in the Final IDP review.*

#### **4.5.5 Safety and Security**

Although the draft Reviewed 2015/16 IDP does refer to safety and security it does not provide sufficient depth of evidence of existing safety programmes and projects to address safety concerns in the municipal area.

In terms of the basket of services that are offered, the Department of Community Safety will enter a Memorandum of Understanding (MOU) with the Municipality.



#### **4.5.6 Thusong Programme**

The Overstrand Municipality is commended for including information on the Thusong Centres in the draft Reviewed 2015/16 IDP.

#### **Recommendations:**

It is recommended that:

- i. The Reviewed 2015/16 IDP illustrates how the Thusong Programme addresses the socio-economic challenges within the municipal area.
- ii. The Municipality roll out the Municipal Outreach Projects to ensure that more citizens may access the services.

#### **Municipal Response:**

*Municipal outreach programmes to be rolled out at satellite community centres/halls.*

### **4.6 INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION**

The Municipality's organisational structure, which was reviewed in January 2015, comprises 1 022 posts, of which 81 posts are vacant. This translates into a vacancy rate of 8 per cent. All the Senior Management positions are filled.

The Municipality has a functional Performance Management System (PMS) in place which was adopted by council in November 2008. The PMS has been fully implemented virtually throughout the organisation, from Section 57 Managers to middle management, and right down to staff up to level 6.

An approved Employment Equity Plan is in place, and the Municipality is implementing its Workforce Skills Plan.

### **4.7 ENVIRONMENTAL AND DEVELOPMENT PLANNING ANALYSIS**

#### **4.7.1 Spatial Development Analysis**

The assessment of spatial development and planning in the Overstrand Local Municipality aims to test whether the Spatial Development Framework (SDF), being a core component of the IDP, links with the IDP, with specific reference to the alignment of the budget allocation within the IDP to the capital investment/implementation framework of the SDF; as well as whether the budget is spatially depicted in the IDP. Furthermore, a key shift in focus in terms of the assessment is the shift in not only looking at the quality of the SDF in terms of content,

but to consider the actual performance/implementation in terms of the spatial and development imperatives set out in the SDF. While in this regard the new Spatial Planning and Land Use Management Act (SPLUMA), which will come into effect in 2015, has refined some of the performance areas in terms of SDFs, most of these areas have been required by the existing planning legislation since 2001. Moving forward it will be incumbent upon evaluations such as this to assess progress regarding the physical implementation of Spatial Justice (incl. settlement restructuring), Spatial Sustainability (incl. how Critical Biodiversity Areas (CBAs) and Ecological Support Areas (ESAs) are taken into account in terms of SDF amendments and land use decision making), Efficiency (incl. resource-use efficiency) and Spatial Resilience (incl. Climate Change Mitigation and Adaptation).

The current SDF was approved by Council in 2006. The Overstrand Municipality does, however, have a Growth Management Strategy (2011) as well as a draft Integrated Development Framework (2013), which is a broad, overarching document. The current 5-year IDP as well as the 2015/2016 review makes a concerted effort to align with the current approved SDF as well as the two more recent supporting documents mentioned above. The latest IDP review provides plans extracted from the IDP as well as a detailed description of the spatial priorities for each town/settlement. This includes a map showing the planned municipal expenditure and its spatial depiction in the form of a ward- based spatial expenditure map. This expenditure is aligned with the areas identified for priority intervention.

Regarding spatial justice, it should be noted that the municipal approved SDF promotes the principles of settlement restructuring. The SDF, in conjunction with the Growth Management Strategy, provide policies and guidelines with regard to projected population growth. The Growth Management Strategy addresses the issue of densification more specifically and provides clear guidance on how this is to be achieved for each town. It further builds on the foundation of the SDF and has detailed spatial proposals for each town which attempt to provide practical measures to encourage densification and other settlement restructuring principles.

The Overstrand SDF does not explore the significance of features in terms of CBAs and ESAs which speak to spatial sustainability. However, relevant and appropriate conservation programmes and plans are assessed, referenced, mapped and its implications are incorporated into the SDF.

Sustainability is highlighted as an important issue in the SDF however the mainstreaming thereof is not fully addressed. Neither is the optimisation of resource-use efficiency. The Municipality does, however, have an Environmental Management Services Section that strives towards sustainable environmental management by means of an environmental, social and economic development

best practice approach. Accordingly, this section strives to coordinate, plan and manage all human activities in a defined environmental system to accommodate the broadest possible range of sustainable short and long term objectives. This section is also in the process of revising its Environmental Management Plan (EMP), which includes an Environmental Management Audit System.

With regard to spatial resilience, the SDF and in relation, the IDP, begin to look at the optimal use and protection of the water and natural resources in the Overstrand region which in part addresses some aspects of spatial resilience. The IDP further highlights climate change as an important aspect which will impact on future development.

Lastly, the Overstrand SDF meets the majority of MSA regulation requirements and is, in theory, aligned with the PSDF with regards to settlement restructuring. There is also partial alignment with neighboring municipalities.

### **Biodiversity management**

The relevant conservation issues are considered throughout the SDF (Oct 2006). The SDF was produced prior to the Western Cape Biodiversity Framework/Fine Scale Planning (FSP) in 2010 and therefore don't have specified CBA and ESA categories. However the SDF does make use of the appropriate Spatial Planning Categories (SPC) as per bioregional planning principles. In terms of the IDP review (2015/16), no mention is made of CBA's and SDF's. However the municipality refers to various biodiversity conservation strategies such as the management of municipal nature reserves and open spaces of biodiversity significance, Cape Whale Coast Hope Spot Initiative, Citizen Science Frog monitoring project. The IDP also acknowledges the importance of biodiversity conservation in maintaining the other sectors such as agriculture, fisheries, tourism, energy and forestry. The IDP refers to the Spatial Development Strategy which focuses on public owned land that is of high conservation importance, to be included in a formal municipal reserve network. The mechanism being to establish contract nature reserves negotiated in conjunction with the CapeNature stewardship programme, providing legally binding guidelines for land-use.

### **Climate change**

The Overstrand municipality has an Electricity Master Plan in place and has highlighted the need for energy efficiency to be considered in human settlement developments and new (private) developments. The Integrated Transport Plan is in place and although it highlights the need for public and non-motorised transport, a number of concepts are identified, but not necessarily being implemented. The inclusion of climate change mitigation responses is lacking in the IDP. A Disaster

Management Plan is in place and will be reviewed by the end of the municipal Financial year (June 2015), it does mention the need to consider climate change, but this is not fully extracted out in the document. The Water Services Development Plan has highlighted climate change, including the need to adapt to climate change in terms of water supply for the municipality. They highlight the need for the identification of robust and alternative sources of supply as well as a conservation approach to the management of water sources. The Plan has stresses the need to understand the implications of water sources for new developments.

#### **Municipal Response:**

- *Climate change adaptation was considered in our coastal setback lines that is in process of being determined by the ODM.*
- *Overstrand Municipality diversifies its water resources to be more resilient to water scarcity.*

#### **4.7.2 Coastal management**

Final draft for the Coastal Management Plan (CMP) was due for end of February 2015; this draft will now go out for public participation. This draft addressed the need for an assessment of municipal capacity to be implemented in the CMP. No projects are implemented in the CMP, as projects can only commence when budget is available. Projects must therefore be provided for in IDP

Access strips have been designated in terms of the municipal zoning schemes. Designation of these strips in terms of Integrated Coastal Management Act (ICMA) will be addressed in the Coastal Management Plan. The Department of Environmental Affairs and Development Planning (DEA&DP) will assist Overstrand Municipality with designation of the coastal access land in terms of ICMA where required. Delineation of the Coastal Management Line (CML) was initiated by the DEA&DP, which is now facilitating this process to ensure alignment between ICMA, LUPA and SPLUMA. The National Coastal Management Programme has just been launched on 14 March 2015, however the Provincial Coastal management programme are still in draft. Public launch sites are identified and submitted to DEA&DP for consideration. Public Participation process followed, notices and public meetings held and draft Public launch sites list is submitted to MEC for approval. Most estuaries have draft EMP's in place. These draft EMP's need to be aligned with the National Estuarine Management Protocol and the Estuarine Management Framework. Currently no EMP's have been finalised and adopted.

### 4.7.3 Air quality management

Overstrand Municipality has an Air Quality Management Plan (AQMP) which was approved by their council in 2013. The municipality also does not have an air pollution by-law; however an air quality officer was designated and appointed to attend to air quality management issues. Through coordination by the Overberg District Municipality, the Overstrand Municipality provides input into the Western Cape State of Air Report. Ambient Air Quality Monitoring is not conducted by the municipality, nor any awareness raising campaigns in terms of their AQMP have been implemented.

#### **Municipal Response:**

- *The Act states you may, not must have an air pollution by-law. Overstrand Municipality **doesn't** have an air pollution problem.*
- *Overstrand Municipality has an AQ monitoring station in Mount Pleasant.*

### 4.7.4 Waste management

#### **Waste Management Planning**

The municipality provides services to all households in urban areas including informal settlements and they have access to a weekly refuse removal service. The municipality provides free basic service to 6 879 indigent household with support via the Municipality's Indigent Policy. The municipality has not submitted an Annual Report as per section 13(3) of the Waste Act hence the Directorate: Waste Management (D: WM) is unaware of the status regarding the implementation of their Integrated Waste Management Plan (IWMP). The D: WM has provided feedback to the municipality on the assessment of their IWMP. Their plan does not meet the content requirement of the Waste Act; therefore the MEC has not yet endorsed it. The D: WM is waiting the Council resolution for approval of their 2<sup>nd</sup> generation IWMP. The review IDP does specify the waste management targets and indicators, and they have only indicated budget of R10 000 in the SDBIP for the year 2015/16.

#### **Municipal Response:**

- *Previous IWMP (3<sup>rd</sup> generation) was not compliant, therefor developed the 4<sup>th</sup> generation plan, included as Annexure 2 in draft IDP review (pg.188-191).*

## **Waste Compliance and Licensing**

Overstrand Municipality has various licenced closed Waste Disposal Facilities (WDF) and one fully operational disposal facility. The Karwyderskraal WDF is in the process of being reopened for the disposal as well as the availability of various drop-off facilities and transfer stations. The current overall operational compliance is moderate where surface water management needs to improve; cover material and windblown litter have been identified as common non-compliances. Internal and external auditing from the municipality is lacking recently.

## **Information Management**

All operational waste management facilities need to be registered on the Integrated Pollutant and Waste Information System (IPWIS). The following landfill facilities need to continue capturing their Waste Calculator data on the IPWIS from January 2014 up until the current date:

- Overstrand Municipality
- Gansbaai Landfill
- Hermanus Transfer Station
- Kleinmond Transfer Station
- Betty's Bay Drop Off
- Hawston Drop Off
- Voelklip Drop Off
- Pearly Beach Drop Off
- Stanford drop off

Drop off facilities must be registered as a recycling/recovery activity on IPWIS. All municipal waste facilities that do not have weighbridges must use the Waste Calculator and submit the Waste Calculator spreadsheet to the D: WM by the 7<sup>th</sup> of the new month for the previous month. Municipal waste facilities that make use of service providers for waste recycling and recovery must ensure that the service providers are registered on IPWIS, as the municipalities need to select the service providers when reporting on IPWIS.

## **Waste Minimisation and Policy**

The municipality has a well-developed waste recovery system. They have a Material Recovery Facility (MRF) and a two bag separation programme that has been rolled out extensively to all communities in all their towns. They also have drop-off facilities

and support community based recycling programmes in the form of a swap shop. The municipality has an updated waste bylaw published in 2013 which is aligned to the National Environmental Management: Waste Act (NEMWA), Act 59 of 2008.

### **Recommendations**

- i. Moving forward a key focus area of the SDF must be the strengthening of the performance in terms of Spatial Justice, Spatial Sustainability, Efficiency and Spatial Resilience.
- ii. It is acknowledged that the described spatial proposals for each town provide valuable and detailed information, however the inclusion of a composite map would provide an overall view.
- iii. While more detail in the form of a spatial depiction of its expenditure overlaid on top of the approved SDF maps (to illustrate the degree to which the IDP aligns with the SDF) can still be provided, the inherent constraints experienced by medium sized municipalities to produce these maps are acknowledged.
- iv. The SDF should be updated to incorporate CBA's and ESA's as Core 1 areas.
- v. The optimisation of resource-use efficiency and the mainstreaming of sustainability should be incorporated into the SDF. This section must indicate how the municipality proposes to incorporate these issues into development planning with comparable significance to economic and social factors.
- vi. Greater emphasis on spatial resilience (ability to recover from uncertain environmental and possibly economic changing circumstances) and the incorporation of these concepts into the spatial plans is recommended.

### **Municipal Response:**

- *A review of the SDF is planned in the 2015/16 financial year and we endeavour to include recommendations 4-6 in the review process*

## SECTION 5: ASSESSMENT OF THE BUDGET RESPONSIVENESS

### 5.1 SOCIO-ECONOMIC IMPACT & ALLOCATIVE EFFICIENCY

#### 5.1.1 Introduction

This section examines if the tabled 2015/16 MTREF Budget is responsive from an economic and socio-economic perspective and whether the municipality is able from its limited resources to meet the legitimate expectations of the community for services. It further aims to test the allocative efficiency of the budget which in essence means that “expenditures should be based on [government] priorities and on effectiveness of (public) programmes. The budget system should spur reallocation from less to higher priorities and from less to more effective programmes”.

#### 5.1.2 Socio-economic context of Municipality

<sup>1</sup>Current projections of global and national growth for 2015 suggest that slow economic growth is expected to persist. The Western Cape economy is forecast to grow at 2.1 per cent in 2015, and on average 2.7 per cent over the 2014 – 2019 period. Key recent economic developments at a macro level include the decline in oil prices, depreciation in the exchange rate and the recent moderation of the inflation rate which impact on national and regional growth prospects.

Key risks include energy supply constraints, and the resultant impact of lower investor confidence. The implication of the weak economic environment is a more constrained fiscal outlook, which has translated into expenditure reductions and tax proposals as highlighted in the National budget which requires a strong emphasis on balancing public finances while also targeting initiatives to support inclusive economic growth and job creation.

**Table 1 Socio-economic indicators**

Municipality	Population size				Unemployment Rate (%)		Youth Unemployment (%)		GDP (2013)			Human Development Index		Gini coefficient	
	2001	2011	2013	Average Annual Growth	2001	2011	2001	2011	GDP (R in Millions)	GDP Per capita 2013	Real GDP-R Growth (2000-2013)	2011	2012	2011	2012
Overberg District	203 520	258 176	265 858	2.3%	17.5	17.0	22.4	21.4	8083	30403	5.2%	0.69	0.69	0.58	0.59
Theewaterskloof	93 276	108 790	111 814	1.5%	18.6	14.9	18.6	19.8	2873	25692	4.0%	0.66	0.66	0.58	0.59
Overstrand	55 735	80 432	83 602	3.4%	22.0	23.3	29.3	31.1	2766	33082	6.6%	0.73	0.73	0.58	0.58
Cape Agulhas	26 183	33 038	33 710	2.1%	13.6	13.8	19.5	19.5	1400	41536	5.8%	0.70	0.70	0.57	0.57
Swellendam	28 077	35 916	36 731	2.3%	15.7	11.4	22.1	15.0	1021	27785	5.1%	0.67	0.68	0.58	0.59

Source: STATS SA, Global Insight, Department of Social Development

<sup>1</sup> Western Cape Government Budget Overview of the Provincial Revenue and Expenditure 2015



Overstrand Municipality has the second largest population (2013: 83 602), following after Theewaterskloof (2013: 111 814). According to the population estimates by the Department of Social Development, Overstrand's population is expected to grow by 1.78 per cent on average per annum from 83 602 in 2013 to 89 726 in 2017.

Overstrand had the highest unemployment rate in 2011 (23.3 per cent). Although Overstrand's HDI measured relatively high at 0.73 in 2012, there is still room for improvement in terms of human development (education, health, nutrition, gender, etc.). In terms of the Gini coefficient, Overstrand measures high levels of inequality (0.58). The municipality has indicated that they will work with the private sector and other spheres of government to improve income levels through quality jobs, education and entrepreneurship.

## Basic Services

All South Africans have a right to access basic services such as housing, water, electricity, sanitation, and waste removal in line with the Bill of Rights.

**Table 2 Access to minimum basic services in Overberg District**

Regional area	Water		Sanitation		Housing		Energy		Refuse removal	
	2011	2013	2011	2013	2011	2013	2011	2013	2011	2013
Overberg	97.4%	97.4%	89.5%	89.4%	91.2%	91.1%	79.7%	79.7%	83.2%	82.9%
Theewaterskloof	96.9%	96.8%	86.6%	86.4%	89.0%	88.8%	79.7%	79.7%	82.0%	81.7%
Overstrand	98.5%	98.5%	93.6%	93.5%	90.4%	90.3%	91.4%	91.4%	81.3%	81.0%
Cape Agulhas	97.5%	97.4%	90.2%	90.1%	97.1%	97.0%	80.0%	80.1%	86.2%	85.9%
Swellendam	96.0%	95.9%	85.7%	85.5%	93.9%	93.9%	73.9%	74.0%	88.9%	88.7%

Water: Piped water on community stand less than 200 m from dwelling

Sanitation: Flush toilet with septic tank

Energy: Electricity

Refuse removal: Removed by local authority at least once a week

Housing: Formal dwelling

Source: Quantec, 2014

Table 2 shows the type of basic service that is accessed the most by households in Overstrand is; water (98.5 per cent), followed by sanitation (93.5 per cent), refuse removal (91.4 per cent), energy (90.3 per cent) and housing (81.0 per cent). All services except housing compare favourably across the Overberg District.

## Current Economic Reality

Real economic growth for the Western Cape is expected to be 3.1 per cent in 2015 and 3.0 per cent in 2016. Although this is higher than the average 2.9 per cent maintained during the expansion phase (2010 – 2013) it is still considerably lower than the average growth trend (2000 – 2013) of 3.9 per cent.

The Overstrand Municipality maintained an impressive average year-on-year growth rate of 6.3 per cent for the period 2000 – 2013, which is a whole percentage point higher than the Overberg district rate of 5.2 per cent.

From a total value added perspective, the Overstrand Municipality, with 34.6 per cent, contributed the second highest percentage to the total 2013 Overberg GDP. Theewaterskloof Municipality made a slightly higher contribution of 35.0 per cent.

The largest sector contributions to the Overstrand GDP in 2013 were finance, insurance, real estate and business services (28.6 per cent), wholesale and retail trade, catering and accommodation (20.8 per cent) and manufacturing (12.8 per cent).

The municipal area is an attractive tourist destination and a wide array of offerings such as wine routes and pristine beaches annual attracts local and foreign visitors which stimulates the retail and accommodation industries. Its close proximity to Cape Town makes it an ideal weekend break-away destination which boosts local property developments.

**Table 3 Social indicators: education, health and crime**

Municipality	Education*			Health**			Crime***		
	Literacy (2011)	Matric pass rate (2014)	Average drop out rate (2012)	Full immunisation rate (2014)	Delivery rate to women under 18 years (2014)	ART patient load (2014)	Burglaries at residential properties (2013/14)	Drug related crime (2013/14)	Murder (2013/14)
Western Cape	87.2%	82.2%	38.9%	80.3%	6.3	159581	846	1430	49
Overberg District	81.1%	88.1%		81.6%	8.2	6182	1104	1403	36
Theewaterskloof	78.4%	88.8%	40.8%	79.9%	9.5	2757	849	1595	51
Overstrand	87.5%	86.8%	49.5%	80.3%	6.1	2506	1715	1269	28
Cape Agulhas	81.1%	87.8%	37.9%	85.3%	9.1	372	759	810	18
Swellendam	74.2%	88.7%	34.7%	78.2%	9.4	547	806	1672	30

Source: \*WCED, \*\*Department of Health, \*\*\* Stats SA

Education and training improves access to employment opportunities and helps to sustain and accelerate overall development. Overstrand residents' literacy rate is the highest among the municipalities in the Overberg District. The largest problem however among the indicators discussed is the dropout rate. Health indicators show Overstrand doing quite well compared to its fellow municipalities. Overstrand's full immunisation rate is at (80.3 per cent). The delivery rate to women under 18 years is below the Provincial average and also the lowest in the District.

Personal impressions, as well as official statistics on safety and crime issues mould perceptions of areas as living spaces as well as places in which to establish

businesses. In this way, crime can also have a significant impact on the economy. Burglaries at residential premises appear to be a particular challenge within the Overstrand municipal area being higher than the Province and the District. Drug-related crimes are also of concern. The relatively high levels indicate that substance abuse may be prevalent in the area. The Overstrand's murder rate is relatively low when compared to that of the District and Province.

### 5.1.3 Key priorities in terms of IDP Strategic Objectives

Alignment of the Overstrand municipal Strategic priorities to the national priorities, provincial and local priorities is addressed on pages 113 - 117 of the reviewed IDP. Reference is made to National Outcomes (2010), National Development Plan (2013), One Cape (2040) and the Western Cape Strategic Plan (2014 - 2019). Furthermore, the budget and The IDP correspond to the National Key Performance Areas. Back to Basics is also addressed in page 118 - 119 of the Municipality's IDP.

### IDP/Budget Assessment

**Table 4 Medium Term Revenue and Expenditure Framework: Capital Budget**

		Medium Term Revenue and Expenditure Framework			Percentage share of Capital Budget		
		Budget Year	Budget Year	Budget Year			
		2015/16	2016/17	2017/18			
		Budget R'000	Budget R'000	Budget R'000	2015/16	2016/17	2017/18
IDP Alignment	<b>Function</b>						
	Provision of Democratic and Accountable Governance	2648	3730	0	3%	4%	0%
	Provision and Maintenance of Municipal Services	45355	41326	44387	53%	44%	43%
	The encouragement of structured community	25 315	45 550	55 174	30%	48%	53%
	The creation and maintainance of a safe and healthy	100	0	0	0%	0%	0%
	Promotion of Tourism, Economic and social	12 098	4 000	4 000	14%	4%	4%
<b>TOTAL CAPITAL EXPENDITURE</b>		<b>85 515</b>	<b>94 606</b>	<b>103 561</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: Overstrand Municipality 2015/16 Draft Budget

It is noted that the municipality completed the required Budget A-Schedules (SA6) which agrees to the main budget schedules (A5).

Table 4 depicts the priority that in 2015/16 the provision and maintenance of municipal services (53 per cent) and the encouragement of structured community (30 per cent) have the biggest percentage share of the budget over the MTREF period. In year 2 and 3 of the MTREF the capital budget shifts in favour of encouragement of structured community.

The capital expenditure budget respond to the following challenges which have been highlighted in the IDP regarding municipal services; ageing infrastructure, ever aging water, roads, sewage and electricity infrastructure, backlog in infrastructure; housing backlog and densely populated informal settlements

**Table 5 Medium Term Revenue and Expenditure Framework: Operating Budget**

OPERATING BUDGET		Medium Term Revenue and Expenditure Framework			Percentage share of Operating Budget		
		Budget Year 2015/16	Budget Year 2016/17	Budget Year 2017/18			
		Budget R'000	Budget R'000	Budget R'000	2015/16	2016/17	2017/18
Alignment to IDP	<b>Municipal Functions</b>						
	Provision of Democratic and Accountable Governance	237218	248313	267049	24%	24%	24%
	Provision and Maintenance Services	448031	492997	539058	46%	48%	49%
	The encouragement of structured community participation in the matters of the municipality	90760	85957	70997	9%	8%	6%
	The creation and maintainance of a safe and healthy enviroProvision of Democratic and Accountable Governance	76405	79497	82921	8%	8%	8%
	Promotion of Tourism, Economic and social Development	125094	130729	138267	13%	13%	13%
<b>TOTAL</b>		<b>977508</b>	<b>1037493</b>	<b>1098292</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: Overstrand Municipality 2016/17Draft Budget

It is noted that the municipality completed the required Budget A-Schedules (SA5) which agrees to the main budget schedules (A2).

The operating budget prioritises the Provision and Maintenance of municipal services which amounts to 46 per cent of the operating expenditure budget in the 2015/16 financial year. The allocation for Democratic and Accountable Governance accounts to 24.0 per cent of the operating budget over the MTEF period. The Promotion of Tourism Economic and social Development amount to 13 per cent of the operating budget of the MTREF period. The Creation and Maintenance of a safe and healthy environment amounts to 8 per cent of the operation budget for 2015/16.

## 5.1.4 Key priorities in terms of Allocation

**Table 6 Municipal Priorities as per Vote**

Vote Description R thousand	Capital Expenditure - Standard			Operating Expenditure - Standard			Total Expenditure - Standard			Total Budget			Total Budget
	2015/16	2016/17	2017/18	2015/16	2016/17	2017/18	2015/16	2016/17	2017/18	Composition			Change
<b>Governance and administration</b>	<b>2 648</b>	<b>3 730</b>	<b>-</b>	<b>237 218</b>	<b>248 313</b>	<b>267 049</b>	<b>239 866</b>	<b>252 043</b>	<b>267 049</b>	<b>22.6%</b>	<b>22.3%</b>	<b>22.2%</b>	<b>5.5%</b>
Executive and council				92 505	98 337	108 547	188 464	98 337	108 547	17.7%	8.7%	9.0%	-24.1%
Budget and treasury office				69 750	71 154	75 197	5 328	71 154	75 197	0.5%	6.3%	6.3%	275.7%
Corporate services	2 648	3 730		74 963	78 822	83 305	77 611	82 552	83 305	7.3%	7.3%	6.93%	3.6%
<b>Community and public safety</b>	<b>25 415</b>	<b>45 550</b>	<b>55 174</b>	<b>154 971</b>	<b>158 237</b>	<b>146 267</b>	<b>180 386</b>	<b>203 787</b>	<b>201 441</b>	<b>17.0%</b>	<b>18.0%</b>	<b>16.8%</b>	<b>5.7%</b>
Community and social services	3 901	4 000	4 000	31 322	33 034	35 198	35 223	37 034	39 198	3.3%	3.3%	3.3%	5.5%
Sport and recreation	4 526	6 800	6 800	18 220	19 390	20 550	22 746	26 190	27 350	2.1%	2.3%	2.3%	9.7%
Public safety	100			69 453	72 280	75 270	69 553	72 280	75 270	6.5%	6.4%	6.3%	4.0%
Housing	16 888	34 750	44 374	35 976	33 533	15 249	52 864	68 283	59 624	5.0%	6.0%	4.96%	6.2%
Health				-	-	-	-	-	-	0.0%	0.0%	0.0%	#DIV/0!
<b>Economic and environmental services</b>	<b>12 098</b>	<b>4 000</b>	<b>4 000</b>	<b>132 046</b>	<b>137 946</b>	<b>145 918</b>	<b>144 143</b>	<b>141 946</b>	<b>149 918</b>	<b>13.6%</b>	<b>12.5%</b>	<b>12.5%</b>	<b>2.0%</b>
Planning and development	25			40 308	40 867	43 282	40 333	40 867	43 282	3.8%	3.6%	3.6%	3.6%
Road transport	12 073	4 000	4 000	84 786	89 863	94 966	96 859	93 863	98 986	9.1%	8.3%	8.2%	1.1%
Environmental protection				6 952	7 217	7 651	6 952	7 217	7 651	0.7%	0.6%	0.6%	4.9%
<b>Trading services</b>	<b>45 355</b>	<b>41 326</b>	<b>44 387</b>	<b>453 273</b>	<b>492 997</b>	<b>539 058</b>	<b>498 628</b>	<b>534 323</b>	<b>583 445</b>	<b>46.9%</b>	<b>47.2%</b>	<b>48.5%</b>	<b>8.2%</b>
Electricity	17 775	14 000	16 000	257 278	287 386	322 086	275 053	301 386	338 086	25.9%	26.6%	28.1%	10.9%
Water	16 326	14 726	15 787	78 375	81 294	85 130	94 701	96 020	100 917	8.9%	8.5%	8.4%	3.2%
Waste water management	11 244	12 600	12 600	63 357	67 214	71 597	74 600	79 814	84 197	7.0%	7.1%	7.0%	6.2%
Waste management	10			54 264	57 103	60 245	54 274	57 103	60 245	5.1%	5.0%	5.0%	5.4%
<b>Other</b>				-	-	-	-	-	-	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>#DIV/0!</b>
<b>Total Capital Expenditure - Standard</b>	<b>85 515</b>	<b>94 606</b>	<b>103 561</b>	<b>977 508</b>	<b>1 037 493</b>	<b>1 098 292</b>	<b>1 063 023</b>	<b>1 132 099</b>	<b>1 201 853</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>#DIV/0!</b>

Source: 2015/16 Overstrand budget

The total budget is biased towards trading services which account for 46.9 per cent of the total expenditure in 2015/16 increasing to 48 per in 2017/18 MTREF.

Governance and administration is allocated 22.6 per cent of the total budget in 2015/16 and remaining within that range over the MTREF.

Community and Public Safety is allocated 17.0 per cent of the total budget in 2015/16 decreasing to 16.8 per cent in 2017/18.

Economic and Environmental services are allocated 13.6 per cent of the total budget in 2015/16 decreasing to 12.5 per cent in 2017/18.

## **Municipal Services**

Electricity services alone accounts for 25.9 per cent of the total budget in 2015/16. For the infrastructure the municipality budgeted for the Electrification of low cost housing areas (INEP), Franskraal, Kleinbaai & Birkenhead, and Gansbaai MV/LV upgrade, and Electricity transformers (cap) etc.

Water services receive 8.9 per cent of the total expenditure. For the infrastructure the municipality budgeted for budget; mainly to replace the aging infrastructure from the capital expenditure budget and to maintain the water distribution network from the operating expenditure budget.

Waste water management is allocated 7 per cent of the total expenditure budget.

Waste Management is allocated 5.1 per cent of the total expenditure budget. Problems with waste include the deteriorating airspace and the reality that location of the regional landfill sites

Roads infrastructure accounts for 9.1 per cent of the expenditure budget in 2015/16. Capital projects include the rehabilitation of existing pave roads, rehabilitate of roads and upgrade storm water etc.

Housing is allocated 5 per cent of the total expenditure in 2015/16.

Economic infrastructure (roads and electricity) programme receives priority to promote infrastructure-led growth in 2015/16 budget year.

## 5.1.5 Socio-economic impact of Main Priorities

**Table 7 Basic service delivery measurement**

WC032 Overstrand - Table A10 Basic service delivery measurement

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		27 203	27 295	32 032	28 100	28 100	28 100	29 366	30 350	31 300
Piped water inside yard (but not in dwelling)		—	—	—	—	—	—	—	—	—
Using public tap (at least min.service level)	2	3 449	3 436	3 334	3 350	3 350	3 350	3 320	3 270	3 200
Other water supply (at least min.service level)	4	199	199	155	—	—	—	—	—	—
Minimum Service Level and Above sub-total		30 851	30 930	35 521	31 450	31 450	31 450	32 686	33 620	34 500
Using public tap (< min.service level)	3	—	—	—	—	—	—	—	—	—
Other water supply (< min.service level)	4	—	—	—	—	—	—	—	—	—
No water supply		—	—	—	—	—	—	—	—	—
Below Minimum Service Level sub-total		—	—	—	—	—	—	—	—	—
<b>Total number of households</b>	5	30 851	30 930	35 521	31 450	31 450	31 450	32 686	33 620	34 500
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		21 205	21 284	21 632	20 030	20 030	20 030	20 818	21 413	21 973
Flush toilet (with septic tank)		9 646	9 646	9 799	11 420	11 420	11 420	11 868	12 207	12 527
Chemical toilet		—	—	—	—	—	—	—	—	—
Pit toilet (ventilated)		—	—	—	—	—	—	—	—	—
Other toilet provisions (> min.service level)		—	—	—	—	—	—	—	—	—
Minimum Service Level and Above sub-total		30 851	30 930	31 431	31 450	31 450	31 450	32 686	33 620	34 500
Bucket toilet		—	—	—	—	—	—	—	—	—
Other toilet provisions (< min.service level)		—	—	—	—	—	—	—	—	—
No toilet provisions		—	—	—	—	—	—	—	—	—
Below Minimum Service Level sub-total		—	—	—	—	—	—	—	—	—
<b>Total number of households</b>	5	30 851	30 930	31 431	31 450	31 450	31 450	32 686	33 620	34 500
<b>Energy:</b>										
Electricity (at least min.service level)		8 420	7 918	7 136	8 700	6 625	6 625	6 114	5 603	5 092
Electricity - prepaid (min.service level)		13 478	14 080	16 458	17 700	18 379	18 379	19 240	20 132	21 024
Minimum Service Level and Above sub-total		21 898	21 998	23 594	26 400	25 004	25 004	25 354	25 735	26 116
Electricity (< min.service level)		—	—	—	—	—	—	—	—	—
Electricity - prepaid (< min. service level)		—	—	—	1 000	1 000	1 000	—	—	—
Other energy sources		—	—	—	—	—	—	—	—	—
Below Minimum Service Level sub-total		—	—	—	1 000	1 000	1 000	—	—	—
<b>Total number of households</b>	5	21 898	21 998	23 594	27 400	26 004	26 004	25 354	25 735	26 116
<b>Refuse:</b>										
Removed at least once a week		31 373	31 739	31 829	32 691	32 691	32 691	33 023	34 014	35 034
Minimum Service Level and Above sub-total		31 373	31 739	31 829	32 691	32 691	32 691	33 023	34 014	35 034
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>	5	31 373	31 739	31 829	32 691	32 691	32 691	33 023	34 014	35 034
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		25 310	25 406	6 543	6 700	6 700	6 700	6 900	7 000	7 100
Sanitation (free minimum level service)		5 852	6 423	6 543	6 700	6 700	6 700	6 900	7 000	7 100
Electricity/other energy (50kwh per household per month)		5 852	6 423	6 543	4 785	4 785	4 785	6 900	7 000	7 100
Refuse (removed at least once a week)		5 852	6 423	6 543	6 700	6 700	6 700	6 900	7 000	7 100
<b>Cost of Free Basic Services provided (R'000)</b>	8									
Water (6 kilolitres per household per month)		5 470	6 020	6 502	7 723	7 723	7 723	9 231	9 926	10 672
Sanitation (free sanitation service)		5 046	5 349	5 670	6 010	6 010	6 010	6 370	6 753	7 158
Electricity/other energy (50kwh per household per month)		11 665	13 482	14 562	18 809	18 809	18 809	21 104	23 214	25 536
Refuse (removed once a week)		5 903	7 198	7 775	9 174	9 174	9 174	11 591	12 465	13 401
<b>Total cost of FBS provided (minimum social package)</b>		28 084	32 049	34 509	41 716	41 716	41 716	48 296	52 358	56 767

It is noted that the municipality has a service standard charter for municipal services with the communities; this is documented in the IDP review.

Table A10 only report on access levels to areas where the municipality is actually providing a service.

## **Water**

Table 2 which deals with access to basic services indicates that 98.5 per cent of the households have access to water. Table A10, highlights that the Municipality does not have any households below the minimum service level for water. The Municipality is forecasted to provide water to 32 686 households in 2015/16, which is expected to rise to 34 500 households in 2017/18.

There are differences between the number of households in Table A10 for all services and Table SA7 and SDBIP. However, SA7 and the SDBIP are aligned. The total number of households to be serviced are reflected as 31 483.

For example, the municipality report on 31 483 households (both formal 28 077 and informal households 3 406) in the SDBIP and supporting Table SA7 for water, compared to 32 686 in Table A10.

## **Sanitation**

Table A10 highlights that the Municipality does not have any households below the minimum service level.

The SDBIP reflects a target of 32 697 formal households and 3 406 for informal households. This number is also not aligned to the number reported in Table A10.

## **Electricity**

Table A10, highlights that the Municipality does not have any households below the minimum service level.

Table A10 reflects that the municipality target to supply energy to 25 345 households in 2015/16, this number excludes the household supplied by Eskom.

The 2015/16 draft SDBIP and supporting Table SA7 reflect the target of 21 998 households for provision of electricity to formal households. This number differs from the targets reported in Table A10; in addition the baseline information in the SDBIP is reflected as 25 751 which is above the targets for 2015/16. The annual report of 2013/14 reports on 23 594 households.



Also noted is the different number of households to receive free basic electricity as in reported in Table A10, SA7 and the SDBIP. In Table A10 its 6 900 households (50 kWh) in Table A10 compared to 6 800 in Table SA7 and the SDBIP for 2015/16.

## Refuse/Waste Management

Table A10, highlights that the Municipality does not have any households below the minimum service level.

The Municipality is forecasted to provide refuse to 33 023 households in 2015/16, which is expected to rise to 35 034 households in 2017/18.

This number is also different from the targets in SA7 and the SDBIP (36 103). This could affect the audit of PDOs regarding the usefulness of the PDOs.

### 5.1.6 Areas of interface (MFMA and PFMA)

The National Development Plan (NDP) aims to eliminate poverty and reduce inequality over the medium to long term. Each sphere of government and has a role to play in supporting these objectives. The Western Cape Province and municipalities have embarked on a Joint Planning Initiative to improve coordination and integration of strategic planning, budgeting and implementation to join efforts to achieve the long term objectives of the NDP. The table below aims to illustrate the efforts of the Western Cape Province and the municipalities to address these objectives.

**Table 8 Provincial-Municipal Interface**

Indicator	NDP Goals	Provincial Status Quo	Municipal Status Quo	PSG Note	Municipal KPA/KFA/SO	Provincial Interventions	Municipal Interventions
<b>Poverty</b>	For zero households to be below the R418 monthly income poverty line		525 households have no income	1, 2, 3	The promotion of tourism, economic and social development	Provincial interventions come through the Departments of Social Development, agriculture, economic development, transport and public works.	Implement municipal capital projects through EPWP principles and facilitate an environment that will attract sectors with high value and support industries that yield employment opportunities and are prevalent in the area.

Indicator	NDP Goals	Provincial Status Quo	Municipal Status Quo	PSG Note	Municipal KPA/KFA/SO	Provincial Interventions	Municipal Interventions
<b>Per Capita Income</b>	Per capita income of R110 000	R9 601 – R153 600 per annum (PERO 2014)	Per capita income R32 052 in 2011 to R33 082 in 2013.	1, 2, 3	The promotion of tourism, economic and social development	Creating an enabling environment to attract investment, grow the economy and create jobs by supporting high growth economic sectors.	Implement municipal capital projects through EPWP principles and facilitate an environment that will attract sectors with high value and support industries that yield employment opportunities and are prevalent in the area.
<b>Inequality</b>	Gini-coefficient of 0.6	0.58 in 2011 (PERO 2014)	Gini-coefficient of 0.58 (2012)	1, 2, 3	The promotion of tourism, economic and social development	Creating an enabling environment to attract investment, grow the economy and create jobs by supporting high growth economic sectors.	Work with the private sector and other spheres of government to improve income levels through quality jobs, education and entrepreneurship.
<b>Economic Growth</b>	5.4 per cent per annum	2.4 per cent in 2013 (OPRE, 2015)	6.3 per cent on average per annum from 2000 to 2013	1	The Promotion of Tourism Economic and social Development	Creating an enabling environment to attract investment, grow the economy and create jobs by supporting high growth economic sectors.	Support economic sectors with potential to grow and create employment opportunities. Promote tourism growth that does not compromise the environment.
<b>Education</b>	All children to have at least 2 years of pre-school education; 80 per cent of learners to get 50 per cent for grades 3, 6 and 9 literacy, mathematics and science. A learner retention ratio of 90 per cent	Learner retention rate of 64 per cent in 2014 for Gr 10-12 (PERO 2014)	Average dropout rate of 49.5(2012)	2		Intergovernmental support	New crèches to be established and functioning ECD centres established.

Indicator	NDP Goals	Provincial Status Quo	Municipal Status Quo	PSG Note	Municipal KPA/KFA/SO	Provincial Interventions	Municipal Interventions
<b>Health</b>	Maternal mortality to fall from 500 to 100 per 100 000 live births	78.64 per 100 000 live births for 2011-2012 (DoH 2015 Strategic Plan)		3		Intergovernmental support	
<b>Unemployment</b>	6 per cent	22.8 per cent (Narrow, OPRE 2015)	Unemployment rate in 2011 (23.3 per cent).	1,2,3		Creating an enabling environment to attract investment, grow the economy and create jobs by supporting high growth economic sectors.	Provide opportunities for new entrants to the labour market to gain work experience; Support economic sectors with potential to grow and create employment opportunities;
<b>Access to Basic Services</b>	Access to Electricity at 95 per cent. Expansion of the renewable energy sources including a national target of 5 million solar water heaters by 2030.	Access to energy – 93.3 per cent in 2013 (Quantec, 2013)	energy (90.3 per cent)	1, 4, 5	Basic services	Intergovernmental support	Effective Development of Municipal Infrastructure

Source: PERO, MERO, Overstrand IDP review

Note: See Provincial Strategic Goals listed hereunder.

Provincial Strategic Plan 2014 - 2019	
Provincial Strategic Goal 1 Create opportunities for growth and jobs	Provincial Strategic Goal 2 Improve education outcomes and opportunities for youth development
<ul style="list-style-type: none"> <li>Building an appropriately skilled workforce</li> <li>Red Tape Reduction</li> <li>Strategic Catalytic Infrastructure and initiatives</li> <li>Green Economy</li> </ul>	<ul style="list-style-type: none"> <li>Improve the level of language and mathematics in all schools</li> <li>Increase the number and quality of passes in the National Senior Certificate and equivalent qualifications</li> <li>Increase the quality of education provision in poorer communities</li> <li>Provide more social and economic opportunities for our youth</li> <li>Improve family support to children and youth, and facilitate development</li> <li>Improve literacy levels from Grade R-3</li> </ul>
Provincial Strategic Goal 3 Increase wellness, safety and tackle social ills	Provincial Strategic Goal 4 Enable a resilient, quality and inclusive living environment
<ul style="list-style-type: none"> <li>Healthy, Inclusive and Safe Communities</li> <li>Healthy workforce</li> <li>Healthy families</li> <li>Healthy youth</li> <li>Healthy children</li> <li>Wellness cluster</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced management of the ecological and agricultural resource base</li> <li>The Western Cape Sustainable Water Management Plan</li> <li>Air quality and climate change</li> <li>Western Cape climate change implementation framework</li> </ul>
Provincial Strategic Goal 5 Embed good governance and integrated service delivery through partnerships and spatial alignment	
<ul style="list-style-type: none"> <li>Enhanced Governance</li> <li>Integrated Management</li> </ul>	<ul style="list-style-type: none"> <li>Inclusive Society</li> </ul>
Game changers	
<ul style="list-style-type: none"> <li>Growth and jobs through tourism, Agri-processing and Oil and Gas</li> <li>Energy Security</li> <li>e-Learning</li> <li>After School programmes for our youth</li> </ul>	<ul style="list-style-type: none"> <li>Reducing the impact of alcohol abuse on the population</li> <li>Water and Sanitation for all</li> <li>Integrated Better living model (Live-Work-Play)</li> <li>Broadband Infrastructure</li> </ul>

- It is promising to note that there are already a number of areas of work that overlap. Further work in reconciling information and as well as future joint planning can still be strengthened.
- Areas where improvement is required to meet the NDP goals, these include reducing the number of households with no income, increasing per capita levels and reduce unemployment levels in the municipal area.

### Provincial Payments and Estimates

In addition to direct grant transfers to the local municipalities, the Western Cape Government also Invest/spend in the municipal areas.

**Table 9 Summary of provincial payments to Overstrand Municipality for the period from 2014/15 to 2017/18**

Row Labels	Annual budget 2014/15	Adjusted budget 2014/15	Revised Estimate 2014/15	2015/16	2016/17	2017/18
<b>Overstrand</b>	<b>486 492</b>	<b>552 654</b>	<b>551 462</b>	<b>490 042</b>	<b>400 550</b>	<b>440 693</b>
01. Department of the Premier	-	-	-	-	-	-
02. Provincial Parliament	-	-	-	-	-	-
03. Provincial Treasury	-	-	-	-	-	-
04. Community Safety	60	57	56	58	62	65
05. Education	167 755	189 686	189 686	199 785	203 193	211 257
06. Health	93 792	124 164	122 973	105 197	109 020	114 460
07. Social Development	3 775	3 775	3 775	4 030	4 275	4 489
08. Human Settlements	10 529	24 373	24 373	47 114	62 230	53 250
09. Environmental Affairs and Development Planning	-	-	-	-	-	-
10. Transport and Public Works	205 097	205 097	205 097	125 404	16 004	50 996
11. Agriculture	-	-	-	-	-	-
12. Economic Development and	-	-	-	-	-	-
13. Cultural Affairs and Sport	5 432	5 432	5 432	8 322	5 557	5 890
14. Local Government	52	70	70	132	209	286

A total of R1.33 billion will be spent by the provincial government in Overstrand municipal area over the 2015/16 MTREF.

The bulk of the provincial spending flows from the Education Department followed by Health Department with a total investment of R614.2 million and R328.68 million respectively over the 2015/16 MTREF. Thereafter followed by the Department of Transport and Public Works, and the Department of Human settlement at R192.404 million and R162.594 million over the 2015/16 MTREF period respectively.

### 5.1.7 Conclusion

Overstrand Municipality's planning and strategies are aligned within the Municipal and broader Provincial context, National Development Plan.

The Municipality has successfully completed SA5 and SA6 and demonstrated that its budget is aligned to the strategic objectives as identified in the IDP review of 2015/16.

In terms of KPAs, the provision of infrastructure and municipal services receives priority in the draft IDP/Budget 2015/16 both in capital and operating spending.

Economic infrastructure (roads and electricity) is prioritised in the budget to promote infrastructure-led growth.

There are slight differences in household targets reported in Table A10 with the household targets reported in supporting Table SA7 and the SDBIP. This could affect the audit of PDOs regarding the usefulness of the PDOs.

The municipality is still faced with low per capita income compared to the NDP goal of R110 000 per Capita incomes. Overstrand Municipality's per capita income is growing marginally from R32 052 in 2011 to R33 082 in 2013. The municipality should continue to apply its LED strategy to promote economic growth and development. Unemployment is still relatively high in the municipality.

It is clear that the draft budget of the Municipality is responsive to enhancing economic growth and takes cognisance of the socio-economic reality of Overstrand.

#### **Municipal Response:**

- *These slight differences will be corrected in the final budget document.*

## SECTION 6: CREDIBILITY AND SUSTAINABILITY

### 6.1 REVIEW OF THE PREVIOUS YEAR'S BUDGET

#### PART 6.1(1): THE BUDGET PERFORMANCE AS PER THE AUDITED ANNUAL FINANCIAL STATEMENTS

##### Findings:

1. As per the Appropriation Statement of 30 June 2014, the municipality reported an operating deficit growth of 72.4 per cent from June 2013. At 30 June 2014 the Investment revenue was 8 per cent below the adjusted budget and 15 per cent below the original budget. Other variances related to the adjustment in revenue due to recognition of iGrap 1. Based on prior years, the trend indicates over performance in respect of Other own revenue and Property Rates (2.78 per cent).

##### Municipal Response:

- *Table A1 is aligned to the 2014 AFS relating to Financial Position, Financial Performance and Cash Flows.*
  - *The over performance of 2.78% on property rates is not considered significant. The variance in other revenue relates to conservative estimates as to not unnecessarily inflate the budget.*
2. The comparison of the current original budget with the adjusted budget of February 2015 reflected immaterial adjustments in operating revenue of 3.3 per cent and operating expenditure of 7.2 per cent.
  3. Final outcomes for 2014/15 could be similar to prior years, with possible variances expected between the adjusted budget and audited actual outcomes, in respect of Other own revenue and Investment revenue.

##### Municipal Response:

- *Noted. The reference to large variances of Borrowings is unfounded.*

## PART 6.1(2): THE FINANCIAL PERFORMANCE AS PER THE AUDITED ANNUAL FINANCIAL STATEMENTS

### 6.1.1 Financial Position

**Table 10 Financial Ratios**

Financial ratios and norms		2010 Audited	2011 Audited	2012 Audited	2013 Audited	2014 Audited	COMMENTS
<b>Debt Management</b>							
1.	Net debtors days: <b>≤ 30 days</b>	52 days	34 days	36 days	32 days	28 days	The debtors collection period averaged <b>36 days</b> over the period under review & is within the norm in the 2013/14 financial year.
<b>Distribution Losses</b>							
2.	Electricity Distribution Losses (Percentage): <b>7% - 10%</b>	9.30%	8.37%	7.12%	6.91%	0.95%	The ratio result is improving year-on-year
3.	Water Distribution Losses (Percentage): <b>15% - 30%</b>	27.43%	24.24%	20.01%	20.01%	21.47%	The ratio result is within the acceptable norm for the years under review.
<b>Grant Dependency</b>							
4.	Own Source Revenue to Total Operating Revenue(Including Agency Revenue): <b>None</b>	92..56	89.27	92.29	92.68	89.25	Municipal own source of revenue averaged at about 91 per cent over the period under review, indicating that the municipality not dependent on grants for its operations.
<b>Debt Management (Debt Impairment)</b>							
5.	Bad Debts Written-off as % of Provision for Bad Debt: <b>100%</b>	?	5.92%	9.85%	33.15%	0.00%	The municipality did not write off bad debt in the 2013/14 financial year.
<b>Expenditure Management</b>							
6.	Irregular, Fruitless and Wasteful and Unauthorised Expenditure / Total Operating Expenditure: <b>0%</b>	0.03%	0.05%	2.69%	4.61%	2.85%	The ratio result improved in 2013/14.
7.	Remuneration as % of Total Operating Expenditure: <b>25% - 40%</b>	29.58%	29.88%	29.20%	31.82%	32.75%	The ratio result is within the acceptable norm for the period under review.
8.	Contracted Services % of Total Operating Expenditure: <b>2% - 5%</b>	2.60%	3.15%	3.27%	9.02%	8.87%	The ratio result averaged <b>5.38%</b> over the period under review, which is not within the norm.
<b>Asset Management</b>							
9.	Capital Expenditure to Total Expenditure: <b>10% - 20%</b>	18.65%	18.95%	18.09%	15.87%	13.57%	The ratio result is within the acceptable norm for the period under review.
10.	Impairment of Property, Plant and Equipment, Investment Property and Intangible Assets (Carrying Value): <b>0%</b>	0.00%	0.11%	0.10%	0.30%	0.00%	The ratio result is acceptable .
11.	Repairs and Maintenance as a % of Property, Plant and Equipment, Investment Property (Carrying Value): <b>8%</b>	1.50%	1.87%	2.11%	0.00%	0.00%	The ratio result is below the norm. Repairs and maintenance are not disclosed as a separate line item in the AFS.
12.	Depreciation/(Total Operating Revenue - Capital Grant)	19.92%	18.24%	16.76%	15.41%	14.44%	The ratio result averaged <b>16.95%</b> over the period under review.



Financial ratios and norms		2010 Audited	2011 Audited	2012 Audited	2013 Audited	2014 Audited	COMMENTS
<b>Liquidity Management</b>							
13.	Cash/Cost Coverage Ratio (Excluding Unspent Conditional Grants): <b>1 - 3 months.</b>	0 month	1 month	1 month	1 month	2 months	The municipality has sufficient cash coverage.
14.	Current Ratio: <b>1.5 - 2 : 1</b>	1.12:1	1.63:1	1.67:1	1.28:1	1.18:1	The ratio result averaged <b>1.38:1</b> over the period under review, which is below the norm set by NT.
<b>Liquidity Management</b>							
15.	Capital Cost(Interest Paid and Redemption) as a % of Total Operating Expenditure: <b>6% - 8%</b>	6.94%	6.02%	9.37%	9.93%	9.73%	The municipality appears to be highly geared. The ratio result averaged <b>8.4%</b> over the period under review.
16.	Debt (Total Borrowings) / Revenue: <b>45%</b>	39.61%	48.85%	54.90%	57.01%	56.86%	The municipality appears to be highly geared.
<b>Budget Implementation</b>							
17.	Operating Revenue Budget: <b>95% - 100%</b>	98.81%	101.23%	103.01%	97.98%	101.01%	The ratio result is acceptable.
18.	Service Charges and Property Rates Revenue Budget: <b>95% - 100%</b>	99.99%	101.92%	99.43%	97.88%	98.25%	The ratio result is acceptable.
19.	Operating Expenditure Budget: <b>95% - 100%</b>	94.96%	102.23%	104.79%	98.18%	99.10%	The ratio result is acceptable.
20.	Capital Expenditure Budget: <b>95% - 100%</b>	94.33%	100.68%	87.63%	85.83%	92.50%	The actual capital expenditure falls 7% short of estimate. The ratio result is not within the acceptable norm.

#### a. Asset Management/Utilisation

**Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value):** Repairs and Maintenance is not disclosed in the AFS.

#### b. Debtors Management

**Bad Debts Written-off as % of Provision for Bad Debt:** The provision for bad debts at 30 June 2013 was R16.92 million, however, no bad debt was written off in the 2013/14 financial year. In the 2013/14 financial year, the debtors book decreased by 3.20 per cent (R2.13 million) from R65.94 million to R63.81 million, largely due to a decrease in electricity debtors.

#### c. Liquidity Management

**Current Ratio:** The ratio result averaged 1.38:1 over the period under review, which is below the norm set by NT. In the 2013/14 financial year Current Liabilities decreased by 10.0 per cent (R11.53 million) from R160.33 million to R148.80 million mainly as a result of a decrease in the following notable items:

Unspent conditional grants and receipt: (R4.36 million) from R7.79 million to R3.43 million.

Provisions: (R2.15 million) from R25.66 to R23.49 million.

In the 2013/14 financial year Current Assets decrease by 14.66 per cent from R205.69 million to R175.47 million mainly as a result of a decrease in the following notable items:

Cash and cash equivalents by 20.99 million from R84.15 million to R63.16 million.

Inventory by 7.12 per cent from R20.26 million to R13.14 million.

#### **d. Liability Management**

**Capital Cost (Interest Paid and Redemption) as a % of Total Operating Expenditure:** The 5-year trend indicates capital cost averages 8.4 per cent of total operating expenditure over the period under review. The Finance costs have increased by R2.60 million from R37.33 million to R39.93 million.

**Debt (Total Borrowings)/Total Operating Revenue:** The table indicates that the municipality is highly geared. In the 2013/14 financial year the ratio improved from 57.01 per cent to 56.86 per cent, however, remains outside the prescribed norm of maximum 45 per cent. In 2013/14 financial year the Total Debt increased by R26.02 million (6.80 per cent) from R382.87 million to R412.89 million. Appendix A of the 2013/14 AFS reflects that the municipality took up external loans of R41.3 million in 2013/14.

#### **6.1.2 Financial Performance**

##### **Expenditure Management**

- **Irregular, Fruitless and Wasteful and Unauthorised Expenditure/Total Operating Expenditure:** The ratio result improved in 2013/14 by 1.76 percentage point from 4.61 per cent to 2.85 per cent. The major factor in the improvement was Irregular expenditure which improved from R34.42 million to R5.15 million in the 2013/14 financial year.
- **Contracted Services as a % of Total Operating Expenditure:** The ratio result averaged 5.38 per cent over the period under review, which is marginally above the norm.

### **6.1.3 Budget Implementation**

Capital Expenditure Budget Implementation Indicator: Table 10 indicates a year-on-year fluctuations over the five years of assessment. In the 2013/14 financial year the municipality under spent its capital budget, mainly due to under-spending on:

Housing: Under spent by 38.10 per cent (R3.96 million).

Electricity/Electric Distribution: Under spent by 6.80 per cent (R2.49 million).

Waste Water: Under spent by R2.15 million (21.10 per cent).

### **Recommendations**

- The municipality should put measures in place to ensure that sufficient funds are set aside for internally generated funds to be utilised for the replacement of capital assets.
- The municipality should continue to ensure that the repairs and maintenance is performed as per programme, to minimise impairment of useful assets.
- The municipality should continue to maintain efforts and success in effective implementation of the credible credit collection policy for the successful collection of debtors.

## **6.2 REVIEW OF THE NEW (2015/16) MTREF**

### **PART 6.2(1): REVIEW OF THE BUDGET ASSUMPTIONS**

#### **Objective:**

The assessment is based on the budget assumptions as per page 48 of the budget document of the municipality. The budget assumptions are reviewed for completeness, credibility and reasonableness as they form the basis upon which the new MTREF is prepared.

## Findings:

**Table 11 Budget Assumptions**

No.	Description of the Budget Assumptions
1.	The forecasted CPIX is estimated at 4.8 per cent for 2015/16, 5.9 per cent for 2016/17 and 5.6 per cent for the 2017/18 financial years.
2	The 2015/16 budget was prepared on a projected revenue collection rate of 99.5 per cent annually.
3	<p>The following principles and tariff increases, based on the cost reflectiveness of the tariffs are proposed:</p> <ul style="list-style-type: none"><li>- Property Rates = 7%.</li><li>- Electricity = basic charge increases by 6% and consumption by 12.2%.(with a free 50 kWh per month to indigent households only, to be financed from the Equitable share).</li><li>- Water = Basic charge increase by 6% and consumption 15% (with 6 kilolitres plus the basic levy for water free of charge to indigent households).</li><li>- Refuse = 6%; Sewerage = 6%.</li></ul>
4.	Costs of free basic services are covered by the Equitable Share provided by National Government. Any costs over and above the allocation must be paid by the consumer.
5.	Cost containment measures were provided for in the budget.
6.	Employment related costs for the entire MTREF period were budgeted at an annual increase of 6.1% (inclusive of annual notch increases). The bargaining council is currently in negotiation on salary increases for 2015/2016.
7.	The municipality projected to achieve performance of 99% on the operational expenditure and 95% for capital expenditure.
8.	Bulk electricity purchases are projected to increase by 14.2% in 2015/16.
9.	Debtors' revenue is assumed to increase at a rate that is influenced by the consumer debtors' collection rate, tariff/rate pricing, real growth rate, household growth rate and the poor household change rate.

## Findings:

The overall budget assumptions are credible and reasonable. It is noted for the 2014/15 financial period that the adjusted collection rate is 99.6 per cent. The municipality is commended for its efficient revenue management strategies.

## PART 6.2(2): REVIEW OF TARIFFS FOR TRADING SERVICES AND FREE BASIC SERVICES

**Table 12 Revenue and Expenditure link – Trading and Economic Services**

Standard Classification	Operating Revenue			Operating Expenditure			Net Results (Surplus or Deficit)		
R thousand	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<i>Trading services</i>	581 518	625 966	677 315	453 273	492 997	539 058	128 245	132 969	138 257
Electricity	346 361	375 057	413 102	257 278	287 386	322 086	89 083	87 671	91 016
Water	106 211	113 026	120 078	78 375	81 294	85 130	27 836	31 732	34 948
Waste water management	69 402	74 765	77 229	63 357	67 214	71 597	6 046	7 551	5 632
Waste management	59 544	63 118	66 906	54 264	57 103	60 245	5 280	6 015	6 661
<b>Net Results</b>	<b>1 163 037</b>	<b>1 251 931</b>	<b>1 354 629</b>	<b>906 547</b>	<b>985 994</b>	<b>1 078 116</b>	<b>256 490</b>	<b>265 937</b>	<b>276 514</b>

Source: 2015/16 Budget Schedule A2

### Findings:

1. The comparisons of revenue and expenditure on Table A2 indicate that the four (4) trading services generate a surplus over the MTREF period which suggests that tariffs might be fully cost reflective.
2. Cognisance is taken of the fact that the municipality does not allocate all other overheads and indirect costs to these services which consequently distorts the results.
3. As per budget Table A10, the subsidisation of indigent households includes 6 kl water, 50 kWh electricity and weekly refuse removal in a monthly cycle. The anticipated costs of these Free Basic Services are projected a R48.30 million in 2015/16 which will be covered by the municipality's equitable share allocation.
4. As indicated in the municipality's budget assumptions, all costs over and above the Equitable Share allocation must be paid by the consumer.

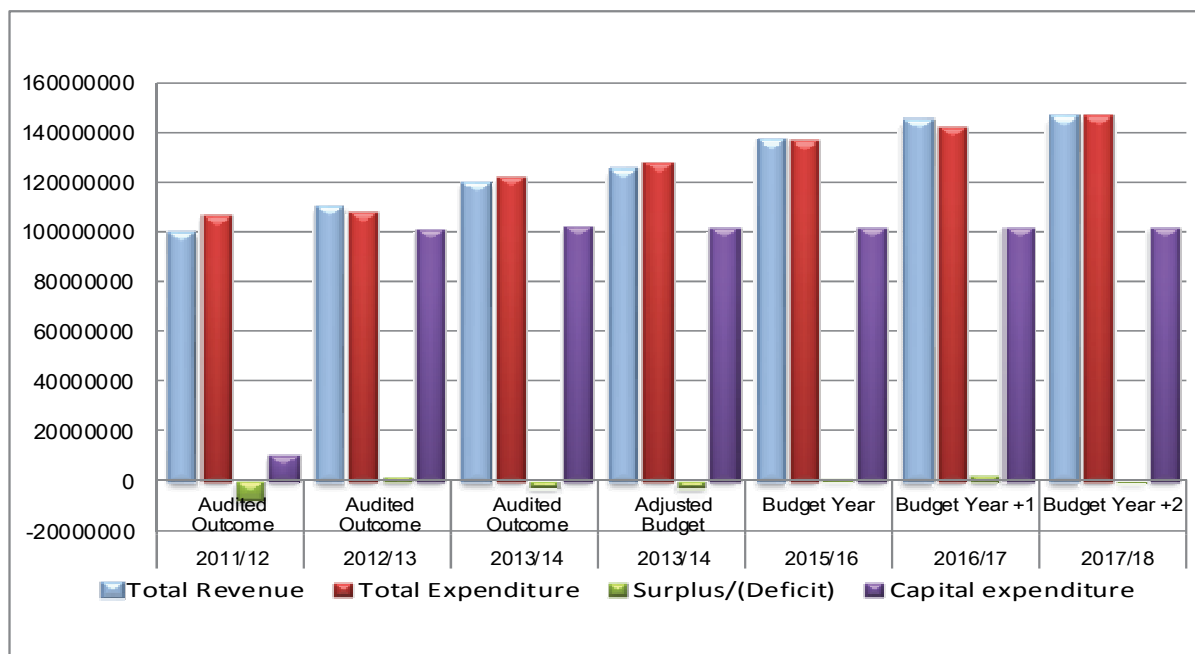
### Municipal Response:

*The Refuse Removal service does indicate a slight deficit as can be seen in Table 5 on page 8 of the budget report.*

## PART 6.2(3): THE CREDIBILITY AND SUSTAINABILITY OF THE BUDGET

### A. THE BUDGET OVERVIEW

Figure 1 Budget Summary



Source: PT generated based on A1 - Budget Schedules

#### Findings:

1. The Municipality has tabled deficit budgets for the MTREF period, caused primarily by the non-cash item depreciation.
2. These respective non-cash items amount to R111.63 million, R118.04 million and R125.13 million over the MTREF period and if discounted from the total budget deficit, result in a restated budget surplus of R88.96 million, R100.71 million and R102.68 million.
3. It should however be noted that depreciation is an expenditure which should be supported by cash surpluses to make provision for the replacement of assets in the future. The cash surplus projected in Table A8 reflects that there are adequate reserves budgeted to cash-back non-cash items over the MTREF.
4. The projected 2015/16 capital budget has decreased from 2014/15 by 27.3 per cent and the largest decrease is noted in Municipal Strategic Objective 1: The provision of Democratic, Accountable and Ethical Governance.

## Municipal Response:

- Depreciation is the main non-cash item. The amount for impairment is insignificant.
- Noted. This further supports the cash funded budget.

## Risks:

The operating deficit budget is not in accordance with MFMA Budget Circular 72, indicating that "all municipalities are required to adopt a surplus position on the statement of financial performance with the 2014/15 MTREF budget."

## Recommendation:

The municipality should strive to adopt a surplus position in accordance with the guideline as per the MFMA Budget Circular 72.

## B. REVIEW OF THE OPERATING REVENUE BUDGET

**Table 13 Operating Revenue**

Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			% Growth rates: MTREF Budget			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	YTD Actual (Feb 2015)	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	2014/15 - 2015/16 (YOY)	2015/16 - 2016/17 (YOY)	2016/17 - 2017/18 (YOY)	2014/15 - 2017/18 (AVE)
<b>Revenue By Source</b>													
Property rates	108 913	120 799	134 813	148 640	153 509	102 527	162 730	173 308	184 573	6%	6%	7%	-6%
Property rates - penalties & collection charges	925	772	821	1 050	1 050	514	891	980	1 078	-15%	10%	10%	-9%
Service charges - electricity revenue	224 950	247 663	268 362	310 085	310 085	195 931	338 877	371 635	407 747	9%	10%	10%	-9%
Service charges - water revenue	83 755	85 243	95 136	95 897	95 897	71 496	102 045	107 700	113 691	6%	6%	6%	-5%
Service charges - sanitation revenue	57 212	56 895	62 798	63 455	63 455	45 643	66 375	70 081	74 010	5%	6%	6%	-5%
Service charges - refuse revenue	39 498	46 637	52 957	56 130	56 130	37 740	59 488	63 061	66 849	6%	6%	6%	-6%
Service charges - other													
Rental of facilities and equipment	6 743	7 212	7 591	7 966	7 966	6 790	11 859	12 953	14 176	49%	9%	9%	-8%
Interest earned - external investments	6 881	7 555	6 352	6 166	6 166	4 641	6 348	6 348	6 348	3%	0%	0%	0%
Interest earned - outstanding debtors	2 331	2 199	2 118	2 288	2 288	1 474	2 437	2 680	2 948	6%	10%	10%	-9%
Dividends received													
Fines	5 278	14 244	22 739	7 965	30 875	5 846	31 859	32 766	33 763	3%	3%	3%	-3%
Licences and permits	1 786	1 968	1 956	2 229	2 229	1 319	2 190	2 408	2 649	-2%	10%	10%	-9%
Agency services	1 912	2 025	2 395	2 480	2 480	1 899	2 970	3 267	3 594	20%	10%	10%	-9%
Transfers recognised - operational	38 005	41 680	67 835	58 407	62 032	43 917	103 363	107 886	97 173	67%	4%	-10%	-4%
Other revenue	17 375	68 978	10 504	21 717	16 387	13 918	16 781	18 301	19 972	2%	9%	9%	-8%
Gains on disposal of PPE	1 920												
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>597 482</b>	<b>703 871</b>	<b>736 376</b>	<b>784 474</b>	<b>810 548</b>	<b>533 654</b>	<b>908 211</b>	<b>973 373</b>	<b>1 028 569</b>	<b>12%</b>	<b>7%</b>	<b>6%</b>	<b>-7%</b>

Source: 2015/16 Budget Schedules A4

## **Findings:**

### **Property Rates**

1. Total property rates revenue growth is conservatively set at 6.1 per cent which is in line with the upper boundary of the inflation target as provided by National Treasury. The projected collection rate of 99 per cent is in line with the budget assumptions and is realistic based on current and past performances.
2. The municipality has managed the debtors collection process well and as at 28 February 2015 reported a year-on-year increase in the outstanding property rates debt of R193 000 or 1.2 per cent.

### **Service Charges: Electricity**

1. The municipality has projected for a slower growth in the total electricity revenue of 9.3 per cent compared to the 16 per cent year-on-year growth for the previous year. This is based on the assumption that demand will shrink due to the 12.2 per cent tariff increase set by NERSA's tariff guide line for 2015/16.
2. The budget is silent on budgeting for contingency plans in respect of prolonged power outages. The Municipality is required to advise how it intends to deal with the impact of interruptions to electricity supply lasting for more than 2 hours.
3. The outstanding electricity debtors have increased by 2 per cent year- on-year indicating the municipality has implemented efficient revenue management.

### **Service Charges: Water**

1. Water sales are expected to increase by 6.4 per cent from 2014/15 which is based on inclining tariff increases in excess of the 6 per cent National Treasury guideline. The municipality has motivated for the higher tariff increase due to the recovery of the minimum cost for the production of water.
2. Of concern however is that consumer debtors related to water increased year-on-year by 16.6 per cent.
3. Water distribution losses (20.2 per cent) are within acceptable norms per MFMA Circular 71. The municipality is advised to continue exercising caution in this regard as Overstrand is declared a water scarce area.



### **Service Charges: Sewerage**

The tariff increase of 6.0 per cent is in line with the inflation target recommended by National Treasury and is considered realistic given the low increase in outstanding debtors of 3.6 per cent and past collection rates of 103 per cent.

### **Service charges: Refuse Removal**

1. The tariff increase of 6.0 per cent is considered conservative against the backdrop of the solid waste removal operating marginally below breakeven.
2. The municipality has not projected for any additional revenue and indicated this position will be reviewed during the 2015/16 mid-year assessment after the anticipated participation of Theewaterskloof municipality with the waste disposal site has been taken into account. This approach would provide more realistic performance information and inform a better review.

### **Fines**

The projected increase of 3 per cent in fines revenue over the 2015/16 MTREF is deemed reasonable and realistic based on prior year trends.

### **Transfers recognised – Operational**

1. The operational grants show significant growth of 66.6 per cent from the 2014/15 adjusted budget. The increase is informed by the phase in of the Equitable share increase of 53 per cent which is due to population growth in the Overstrand area.
2. The Supporting A-schedule (SA18) reconciles to the Provincial Gazette and the Division of Revenue Bill.

### **Risks:**

1. Loss of revenue due to lack of contingencies during prolonged power outages.
2. Growth in outstanding water debtors in relation to the current year trends.

### **Recommendations:**

1. Budget for contingency plans in respect of prolonged power outages such as the acquisition of generators and to support possible requests to National Treasury in this regard.

- The municipality to continuously review the payment collection strategies to ensure sufficient revenue is raised to meet the demands and challenges of ageing infrastructure.

## C. REVIEW OF THE OPERATING EXPENDITURE BUDGET

**Table 14 Operating Expenditure**

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			% Growth rates: MTREF Budget			
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	YTD Actual (Feb 2015)	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	2014/15-2015/16 (YOY)	2015/16-2016/17 (YOY)	2016/17-2017/18 (YOY)	2014/15 - 2017/18 (AVE)
<b>Expenditure By Type</b>													
Employee related costs	207 938	231 642	260 645	280 066	276 217	178 697	291 593	305 408	323 583	6%	5%	6%	5%
Remuneration of councillors	6 717	7 084	7 933	8 516	8 516	5 106	8 674	9 192	9 741	2%	6%	6%	5%
Debt impairment	28	6 688	12 526		22 792	-	22 792	22 792	22 792	0%	0%	0%	0%
Depreciation & asset impairment	104 041	104 408	99 361	109 265	105 461	70 307	111 362	118 043	125 126	6%	6%	6%	6%
Finance charges	31 727	37 331	39 927	45 162	44 480	17 250	46 895	46 780	47 279	5%	0%	1%	2%
Bulk purchases	126 669	145 022	157 055	169 444	169 444	103 100	193 573	221 138	252 628	14%	14%	14%	14%
Other materials	54 582	12 441	13 595	17 295	17 315	10 018	70 885	69 631	53 593	309%	-2%	-23%	95%
Contracted services	24 079	67 697	72 754	81 062	81 875	39 030	126 986	129 953	137 384	55%	2%	6%	21%
Transfers and grants	28 454	35 856	38 749	41 370	41 668	28 175	48 497	54 667	62 244	16%	13%	14%	14%
Other expenditure	158 290	102 146	117 460	117 407	164 357	94 754	56 251	59 890	63 924	-66%	6%	7%	-18%
Loss on disposal of PPE	-	1 756	12 017	-	-	-	-	-	-				
<b>Total Expenditure</b>	<b>742 525</b>	<b>752 070</b>	<b>832 022</b>	<b>869 588</b>	<b>932 125</b>	<b>546 438</b>	<b>977 508</b>	<b>1 037 493</b>	<b>1 098 292</b>	<b>5%</b>	<b>7%</b>	<b>3%</b>	<b>5%</b>

Source: 2015/16 Budget Schedules A4

### a) Employee Related Costs

- Total budgeted Employee related costs of R291.59 million constitute 29.8 per cent of the total 2015/16 operating expenditure budget and are within the National Treasury's norm of 25 – 40 per cent per MFMA Circular No. 71.
- The budgeted Employee related costs will increase by 6.1 per cent when compared to the adjusted budget of 2015/16. The increase takes into account that salary negotiations have yet to be concluded. The year-on-year increase is above the 4.4 per cent cost-of-living increase as specified in MFMA Budget Circular 75. It is envisaged that the anticipated Employee related costs will add pressure on the limited revenue sources of the municipality. In this regard careful consideration needs to be given to the efficiency of the staff establishment and all associated costs.

### b) Remuneration of Councillors

Remuneration of councillors increased on average by 5 per cent across the 2015/16 MTREF which is in accordance with the determination of upper limits, salaries and benefits published in Government Gazette No. 37281.

### **c) Depreciation and Asset Impairment**

Depreciation and asset impairment is projected to increase by 5.5 per cent from 2014/15 adjusted budget.

### **d) Contracted Services**

1. It is noted that the municipality identified Contracted services as a cost saving area and implemented operational efficiencies.
2. The projected increase of 55.1 per cent in 2015/16 is as a result of mSCOA reclassification causing a shift in the expenditure which was previously classified under general expenses. Allocations made towards the basket of contract services are clearly disclosed in Table SA1.
3. The total budget of Contracted services is 13 per cent of the total expenditure budget which is above the 5 per cent threshold advised by National Treasury.

### **e) Other Expenditure**

1. Other expenditure constitutes 5.8 per cent of the total operating expenditure budget. The municipality is commended for the low proportion allocated towards General expenses as this is in line with National Treasury guidelines.
2. However, cognisance should be taken of certain expenditure items such as Insurance and Prepaid Electricity where the projected decreases are not consistent with the past trends.
3. The municipality is cautioned on the continual decrease in training expenditure and is to ensure adequate provision is made for improving skills and for legal compliance of municipal finance officials relating to the requirements of the minimum competency regulations.

### **f) Repairs and Maintenance**

1. The budgeted Repairs and maintenance constitutes an average 4.3 per cent of PPE which is below the National Treasury guideline, which could indicate that insufficient monies are being spent on repairs and maintenance.
2. The municipality is cautioned on the low allocation toward repairs and maintenance, and is hereby reminded of section 2.2 of MFMA Budget Circular 75, relating to the MIG transfers available for renewal and maintenance of assets which will be allocated to those municipalities demonstrating adequate maintenance of assets.

## Risks:

1. Contracted services are budgeted above the National Treasury norm.
2. Insurance and Prepaid electricity could be under budgeted.

## Recommendations:

1. The municipality to reflect on strategic business decisions relating to the use of contracted services.
2. Review past trends of actual expenditure for insurance and prepaid electricity to support assumptions.

## D. THE CAPITAL EXPENDITURE BUDGET

**Table 15 Capital Expenditure**

Vote Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			% Growth rates: MTREF Budget			
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	YTD Actual (Feb 2015)	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	2014/15- 2015/16 (YOY)	2015/16- 2016/17 (YOY)	2016/17- 2017/18 (YOY)	2014/15 - 2017/18 (AVE)
<b>Capital Expenditure - Standard</b>													
<b>Governance and administration</b>	24 047	7 154	21 308	16 815	17 776	1 924	2 648	3 730	-	-85%	41%	-100%	-48%
Executive and council					-					-	-	-	0%
Budget and treasury office					-					-	-	-	0%
Corporate services	24 047	7 154	21 308	16 815	17 776	1 924	2 648	3 730		-85%	41%	-100%	-48%
<b>Community and public safety</b>	3 319	7 268	19 582	21 205	37 425	16 260	25 415	45 550	55 174	-32%	79%	21%	23%
Community and social services	327	4 666	3 482	5 635	5 595	1 439	3 901	4 000	4 000	-30%	3%	0%	-9%
Sport and recreation	1 531	2 601	5 696	3 090	2 616	639	4 526	6 800	6 800	73%	50%	0%	41%
Public safety	645	-			-		100			-	-100%	-	-33%
Housing	817	-	10 404	12 480	29 213	14 182	16 888	34 750	44 374	-42%	106%	28%	30%
Health					-					-	-	-	0%
<b>Economic and environmental services</b>	8 340	25 552	16 051	5 400	6 300	3 841	12 098	4 000	4 000	92%	-67%	0%	8%
Planning and development	2 863	945			-		25			-	-100%	-	-33%
Road transport	5 477	24 607	16 051	5 400	6 300	3 841	12 073	4 000	4 000	92%	-67%	0%	8%
Environmental protection					-					-	-	-	0%
<b>Trading services</b>	127 569	103 790	73 989	54 300	56 087	25 279	45 355	41 326	44 387	-19%	-9%	7%	-7%
Electricity	30 061	26 768	37 115	17 000	17 000	3 009	17 775	14 000	16 000	5%	-21%	14%	-1%
Water	57 384	50 766	23 631	12 800	16 384	11 593	16 326	14 726	15 787	0%	-10%	7%	-1%
Waste water management	39 927	20 728	10 202	14 300	13 403	5 370	11 244	12 600	12 600	-16%	12%	0%	-1%
Waste management	196	5 528	3 041	10 200	9 300	5 307	10			-100%	-100%	-	-67%
<b>Other</b>					-					-	-	-	0%
<b>Total Capital Expenditure - Standard</b>	163 275	143 764	130 930	97 721	117 588	47 303	85 515	94 606	103 561	-27%	100%	21%	-100%

Source: 2015/16 Budget Schedules A5

## Findings:

1. The projected capital budget for 2015/16 has declined by 27 per cent from the 2014/15 adjusted budget. The municipality opted to exclude projects that are dependent on the sale of land until those proceeds are realised.

2. The capital budget placed emphasis on single-year projects at 67.3 per cent. This is not recommended as the more prudent approach is for projects to be implemented over multi-year periods. The municipality is encouraged to implement the practice prescribed by National Treasury.
3. Furthermore, the municipality intends to use R64.76 million (75.7 per cent) in 2015/16 for new infrastructure needs of the town and the balance towards the renewal of existing properties. This ratio is not in accordance with National Treasury guidelines.
4. The major part (96.9 per cent) of the capital budget is appropriated towards infrastructure, basic needs of the community and addressing backlogs which is in line with the Back to Basics approach.

#### Risks:

The municipality placed emphasis on the single-year projects.

#### Recommendations

The municipality is encouraged implement the practice prescribed by National to place emphasis on multi-year projects.

### E. THE CAPITAL FUNDING BUDGET

**Table 16 Capital Funding**

Vote Description  R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			% Growth rates: MTREF Budget			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	YTD Actual (Feb 2015)	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	2014/15- 2015/16 (YOY)	2015/16- 2016/17 (YOY)	2016/17- 2017/18 (YOY)	2014/15 - 2017/18 (AVE)
<b>Funded by:</b>													
National Government	40 212	36 911	6 339	24 174	23 608	10 072	30 347	26 126	29 187	29%	-14%	12%	9%
Provincial Government	14 621	16 898	31 751	10 060	26 693	14 050	19 968	34 750	44 374	-25%	74%	28%	26%
District Municipality					-								
Other transfers and grants				2 134	2 051	1 000				-100%			-100%
Transfers recognised - capital	54 833	53 809	38 090	36 368	52 352	25 122	50 315	60 876	73 561	-4%	21%	21%	13%
Public contributions & donations	14 300	5 067	7 985	-	885	55				-100%			
Borrowing	73 964	67 544	70 634	46 923	48 770	18 664	30 000	30 000	30 000	-38%	0%	0%	-13%
Internally generated funds	20 178	17 345	14 222	14 430	15 582	3 463	5 200	3 730		-67%	-28%	-100%	-65%
<b>Total Capital Funding</b>	<b>163 275</b>	<b>143 764</b>	<b>130 930</b>	<b>97 721</b>	<b>117 588</b>	<b>47 303</b>	<b>85 515</b>	<b>94 606</b>	<b>103 561</b>	<b>-27%</b>	<b>11%</b>	<b>9%</b>	<b>-2%</b>

Source: 2015/16 Budget Schedules A5

## **Findings:**

### ***External Funding: Capital Grants***

1. The municipality has budgeted for 58.8 per cent funding from grants showing a higher reliance on capital grants for 2015/16. The trend increases across the MTREF.
2. The municipality maintained a good spending pattern on conditional grants and as such spent 100 per cent of the capital allocations for 2013/14.
3. The unspent projections for 2015/16 align to the past trends and unspent grants reported in budget Table A8 aligns to supporting tables SA3 and SA20.

### ***External Funding: Borrowings***

The municipality intends to acquire external borrowing of R30 million per year over the MTREF as a strategy for funding of infrastructure as the necessary infrastructure upgrades can not only be funded through increases in the tariffs.

### ***Internal Funding: Own Contributions from Cash Reserves***

1. Internally generated funds for funding capital expenditure constitute R5.20 million or 6.1 per cent of the total capital budget and decreased by 66.7 per cent from the 2014/15 adjustment budget.
2. Although substantial increases in cash and cash equivalents are reported over the MTREF. The municipality should ensure that future capital replacements are adequate and secured.

## **Risks:**

The high reliance on capital grants poses a risk especially against the backdrop that municipalities are required to be reliant on own revenue due to their revenue raising capabilities.

## **Recommendations:**

The municipality needs to focus on efforts and initiatives to improve the generation of own revenues that can contribute towards cash surpluses to be utilised for future capital expenditure and better secure the long term financial health and sustainability of the municipality.

## **PART 6.2(4): THE FINANCIAL SUSTAINABILITY ASSESSMENT**

### **A. OVERVIEW OF THE CURRENT CASH POSITION OF THE MUNICIPALITY – as at 28 February 2015**

#### **Findings:**

1. The cash coverage as at 28 February 2015 reports is 1.88 times and year-to-date at 1.21 times respectively, indicating that the available cash for the period is sufficient to meet more than 1 month's obligations.
2. Investments as at 28 February 2015 are R120.81 million and interest for the year to date amounts to R2.16 million or 35.1 per cent of the budgeted R6.16 million.
3. The closing balance for loans as at 28 February 2015 is R401.86 million.

### **B. REVIEW OF THE BORROWINGS**

#### **Findings:**

The municipality forecast that the loans balances will be in the amounts of R415.99 million, R415.26 million, R410.50 million during the 2015/16, 2016/17 and 2017/18 years. During the 2014/15 the budgeted loan balance will be R412.83 million. Loans to the amount of R30 million per year were budgeted to fund Capital expenditure during the MTREF period.

### **C. REVIEW OF INVESTMENTS**

#### **Findings:**

1. Investments over the medium term consist of Guaranteed Endowment Policies (sinking)/investments which increase over the MTREF period in the quest to strengthen and sustain good municipal financial management.
2. Furthermore, the above projections are cashed back as the amounts are allocated against the available cash for the 2014/15 year and the MTREF 2015/16 to 2017/18 years as per Table A8.

## D. CASH FLOWS AGAINST BUDGETED REVENUES AND EXPENDITURE

### Findings:

1. Over the 2015/16 MTREF the municipality is projecting average cash and cash equivalents of R133.85 million compared to the average audit outcomes of R91.33 million during 2011/12 to 2013/14.
2. The tabled budget for 2014/15 indicates that Overstrand Municipality will be generating sufficient cash inflow from the operating activities to finance cash outflow from operations. This trend is followed through the 2015/16 to 2017/18 financial years.
3. The cash flow from investing activities is negative over the medium term which is mainly as a result of the spending on capital assets. The cash outflow from capital assets reduces the net cash available from operating activities.
4. The municipality is budgeting R30 million per year in external financing on their cash flow budget over the MTREF. The net cash available after taking the financing activities into account gives rise to increases in cash held, which in turn leads to surplus closing balances at the end of the year for Cash and Cash Equivalents.

## E. THE APPLICATION OF CASH & INVESTMENTS

**Table 17 Cash backed reserves/accumulated surplus reconciliation**

Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework			% Growth rates: MTREF Budget			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Yr 2015/16	Budget Yr +1 2016/17	Budget Yr +2 2017/18	2014/15- 2015/16 (YOY)	2015/16- 2016/17 (YOY)	2016/17- 2017/18 (YOY)	2014/15 - 2017/18 (AVE)
<b>Cash and investments available</b>														
Cash/cash equivalents at the year end	126 699	84 147	63 158	88 050	90 815	90 815	-	99 079	128 754	173 717	9%	30%	35%	25%
Other current investments > 90 days	0	-	0	-	-	-	-	-	-	-	-	-	-	-
Non current assets - Investments	5 691	11 597	16 965	22 207	22 207	22 207	-	28 455	34 384	40 409	28%	21%	18%	-100%
<b>Cash and investments available:</b>	<b>132 391</b>	<b>95 744</b>	<b>80 123</b>	<b>110 257</b>	<b>113 022</b>	<b>113 022</b>	<b>-</b>	<b>127 533</b>	<b>163 138</b>	<b>214 126</b>	<b>13%</b>	<b>28%</b>	<b>31%</b>	<b>24%</b>
<b>Application of cash and investments</b>														
Unspent conditional transfers	4 555	7 783	3 425	-	-	-	-	-	-	-	-	-	-	-
Unspent borrowing	18 255	6 133	1 847	-	-	-	-	-	-	-	-	-	-	-
Statutory requirements														
Other working capital requirements	(28 049)	(21 016)	(40 826)	(40 803)	(61 683)	(61 683)	-	(22 868)	(23 728)	(13 036)	-63%	4%	-45%	-35%
Other provisions														
Long term investments committed	5 691	11 597	16 965	22 207	22 207	22 207	-	28 455	34 384	40 409	28%	21%	18%	-
Reserves to be backed by cash/investments	1 920	1 891	2 565	1 934	2 573	2 573	-	2 637	2 703	2 757	2%	2%	2%	2%
<b>Total Application of cash and investments:</b>	<b>2 373</b>	<b>6 388</b>	<b>(16 024)</b>	<b>(16 663)</b>	<b>(36 904)</b>	<b>(36 904)</b>	<b>-</b>	<b>8 224</b>	<b>13 360</b>	<b>30 131</b>	<b>-122%</b>	<b>62%</b>	<b>126%</b>	<b>22%</b>
<b>Surplus(shortfall)</b>	<b>130 018</b>	<b>89 356</b>	<b>96 147</b>	<b>126 920</b>	<b>149 926</b>	<b>149 926</b>	<b>-</b>	<b>119 309</b>	<b>149 778</b>	<b>183 996</b>	<b>-20%</b>	<b>26%</b>	<b>23%</b>	<b>9%</b>

Source: 2015/16 Budget Schedule



## Findings:

The municipality forecasts a positive balance over the MTREF after all budgeted commitments are taken into account. Investments over the medium term consist of Guaranteed Endowment Policies (sinking)/investments which increase over the MTREF period in the quest to strengthen and sustain good municipal financial management.

## Risks:

The reported Cash Flow information indicates no liquidity risk as the municipality is meeting its short term obligations.

## F. THE FUNDING COMPLIANCE ASSESSMENT

### Funding Compliance Measures

**Table 18 Funding Compliance**

Description	MFMA section	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework			Comments
		Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	
<b>Funding measures</b>						
Cash/cash equivalents at the year end - R'000	18(1)b	90 815	99 079	128 754	173 717	Positive, but is before the outstanding cash commitments.
Cash + investments at the yr end less applications - R'000	18(1)b	149 926	119 309	149 778	183 996	Reconciliation yields a positive result.
Cash year end/monthly employee/supplier payments	18(1)b	1.6	1.6	1.9	2.4	Although higher than 1, it seems low and risky
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	(69 225)	(18 981)	(3 244)	3 838	Requires discussion on policy strategy to fund depreciation.
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	(5.3%)	1.4%	1.7%	1.8%	Outcome lower than CPIX.
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	103.9%	101.2%	99.9%	99.3%	Acceptable and in-line with the current collection rate.
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	3.4%	3.1%	2.9%	2.7%	The ratio seems low, but given the municipality collection rate the risk is
Capital payments % of capital expenditure	18(1)c;19	100.0%	100.0%	100.0%	100.0%	Timing difference of payments are not factored in.
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	61.3%	85.2%	88.9%	100.0%	Significantly high reliance.
Grants % of Govt. legislated/gazetted allocations	18(1)a		0.0%	0.0%	0.0%	Measurement incomplete.
Current consumer debtors % change - incr(decr)	18(1)a	11.3%	(11.2%)	(1.4%)	4.3%	Low ratio due to provision of debt impairment.
Long term receivables % change - incr(decr)	18(1)a	0.0%	(28.3%)	(26.0%)	(33.9%)	Decline consistent with past trends.
R&M % of Property Plant & Equipment	20(1)(vi)	5.2%	3.9%	4.1%	4.9%	Very low but challenges noted with cost allocations
Asset renewal % of capital budget	20(1)(vi)	27.9%	24.3%	22.2%	6.3%	Below the NT guidelines

Source: 2015/16 Budget Schedules SA10

## Findings:

### 1. Cash at year end/monthly employee supplier payments

The rate for 2015/16 is slightly above the norm of 1 and needs to be monitored during budget implementation to ensure the municipality meets its current obligations.

## **2. Surplus/(deficit) excluding depreciation offsets**

The deficit projected in 2015/16 could be an indication that the revenue levels are insufficient against the economic benefits the community is consuming.

## **3. Service charge revenue% change-macro CPIX target exclusive.**

The measure indicated the real revenue growth is projected at 1.4 per cent for 2015/16 reflecting the conservative approach taken to keep tariffs affordable as far as possible.

## **4. Capital payments percentage of capital expenditure**

The municipality projected 100 per cent capital payment percentage and although on par with the National Treasury norm of 95 per cent, the municipality should take into consideration the timing of payments made.

## **5. Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)**

Borrowing constitutes 85.2, 88.9 and 100 per cent of own funded capital over the MTREF period. Given the declining trend on internally generated funding, the municipality is increasing reliant on borrowing to finance its own funded capital. This is a concern given that the municipality has reached its prudent limit for borrowings.

## **6. Grants% of Govt. legislated/gazette allocations**

The measure is not presented, due to the incomplete section on supporting Table SA10. The municipality should review the budget schedule and ensure the completion thereof.

## **7. Current consumer debtor's % change**

Current consumer debtors reflect an average decrease of 2.8 per cent over the 2015/16 MTREF and indicate the efficient revenue management strategies that the municipality is implementing based on past and current trend of decline in outstanding debtors.

## **8. Repairs and Maintenance (R&M) expenditure level**

The MTREF ratios are significantly lower than the 8 per cent norm, which could indicate that insufficient funds are spent on repairs and maintenance.

## **9. Asset renewal % of the capital budget**

Overstrand Municipality's asset renewal as a percentage of the capital budget is on average 17.6 per cent over the MTREF; however it is noted that it shows a declining trend over the MTREF period. The ratio indicates that the municipality places undue pressure on the revenue base as fewer resources are deployed for the renewal and maintenance of assets relative to the acquisition or construction of new assets.

## SECTION 7: MAIN POINTS & RISKS/RECOMMENDATIONS

Based on the LG MTEC 3 assessment, a set of recommendation are proposed. This will ensure that the Overstrand Municipality implements key observation and provides the necessary focus to these.

An observation made is that there are **slight differences in the reporting of household targets** in Table A10 and in supporting Table SA7 and the SDBIP. This could affect the audit of PDOs regarding its usefulness.

Overstrand Municipality's planning and **strategies are aligned** within the Municipal and broader Provincial context as well as with the National Development Plan. The municipality is still faced with **low per capita income compared to the NDP goal** of R110 000. The per capita income is growing marginally from R32 052 in 2011 to R33 082 in 2013. The municipality should **continue to apply its LED strategy** to promote economic growth and development; unemployment is still relatively high.

The municipality should put measures in place to ensure that sufficient funds are set aside for internally generated funds to be utilised for the replacement of capital assets. Consideration should be given to review the Funding and Reserves policy to address how future cash surpluses will be utilised to this end. Additionally, contracted services are budgeted above the National Treasury norm and the municipality to reflect on the strategic business decisions relating to the use of contracted services.

The Municipality has successfully completed SA5 and SA6 and demonstrated that its budget is aligned to the strategic objectives as identified in the IDP review of 2015/16. Notwithstanding the tabled deficit budget reported on the statement of financial performance, **the municipality is commended for its co-ordinated efforts to table a funded budget**. The municipality has demonstrated good technical proficiency in the compilation of the budget as required by the Municipal Budget Reporting Regulations and can easily progress to full compliance. Furthermore, Economic infrastructure (roads and electricity) is prioritised in the budget to promote infrastructure-led growth.

In terms of KPAs, the **provision for infrastructure and municipal services** receives priority in the draft IDP/Budget 2015/16 both in terms of capital and operating spending. Further, the **operating budget deficit is not in accordance with MFMA Budget Circular 72** which states that "all municipalities are required to adopt a surplus position on the statement of financial performance with the 2014/15 MTREF budget". The municipality did however table a surplus budget for cash and cash equivalents over the 2015 MTREF period.

The budget allocation towards New Assets, which is driven by infrastructure relating to Housing projects and the MIG allocation for infrastructure towards housing projects, places undue pressure on the revenue base as **fewer resources are being deployed for the renewal and maintenance** of assets. It is clear that the draft budget of the Municipality is responsive to enhancing economic growth and takes cognisance of the socio-economic reality of Overstrand. The detailed budget breakdown per human settlement/housing project, particularly in respect of the outer years, **has to be updated to accurately reflect and align with the final Business Plan for 2015/16.**

The municipality should continue to maintain efforts and success achieved in effective implementation of the credit collection policy for the successful collection of debtors. In terms of the repairs and maintenance, the municipality should perform this as per programme, to **minimise impairment of useful assets.**

In closing, it is recommended that the **environmental health issues linked to the Burden of Disease should be highlighted** along with the inter-sectoral plans. Also, it is recommended that the **Performance Management System be cascaded down** to all levels in the organisation.