

OVERSTRAND MUNICIPALITY



BUDGET

BEGROTING

uHLAHLO LWABIWO MALI

2016/2017

MAYORAL SPEECH ON THE BUDGET/IDP AT THE COUNCIL MEETING ON 25 MAY 2016

Mr Speaker

Deputy Executive Mayor

Mayoral Committee Member for Finance

Councillors

The Municipal Manager

Officials

Ladies and gentlemen

I hereby present the 2016/17 IDP review and 2016/17 budget for the Overstrand Municipality to Council for consideration and approval.

However, before I discuss the budget process in more detail, I wish to briefly reflect on the **4th and final review of the 5-year Integrated Development Plan (IDP) for the period 2012/2017**, as adopted by council on 30 May 2012.

As many of you know, the IDP sets the strategic direction of Council and it informs the Budget.

In the 2016/17 IDP review our **Vision, Mission and 5 Strategic Goals remain unchanged**. Moreover, the Council's **strategic direction has also remained on course for the 5-year IDP period (2012/17)**.

This 4th and Final IDP review for 2016/17 is testament to Council's steadfast commitment to progressively over the past 4 years deliver on the Overstrand Vision **"To be a centre of excellence for the community"**.

Chapters 4, 11 and 14 of the 2016/17 IDP review articulates our delivery on the 5-year IDP targets (2012/2017).

Public participation and consultation formed an integral part of the 2016/17 IDP review and Budget preparation. The key public consultation platforms were the OMAF of 23 February 2016, the IDP delivery feedback road show held across the wards from November to December 2015 and the April 2016 IDP review/Budget road show.

In his 2016 Budget address of 3 May 2016, Minister of Cooperative Governance and Traditional Affairs, Des van Rooyen, congratulated Overstrand Municipality for good practices in the implementation of the ward participatory model to strengthen community participation at the local level.

The positive assessment by the Western Cape Provincial Government on our draft IDP review for 2016/17 Budget, including the two outer years, on 10 May 2016 is also worth noting. The said assessment notes the alignment of the budget with National, Provincial and IDP priorities, as well as the full compliance of the draft IDP review with section 26 of the Municipal Systems Act.

In proceeding to the 2016/2017 Budget, I will briefly reflect on the broader economic factors impacting on this budget -

To this end, the latest press statement of the Monetary Policy Committee, issued on 19 May 2016 by the Governor of the South African Reserve Bank, informs as follows:

Quote - "South Africa's inflation and growth dynamics continue to highlight the policy dilemma facing monetary policy. Although headline CPI inflation has moderated since February, the respite is expected to be temporary, as food and petrol price pressures continue to intensify.

The recovery in the rand exchange rate in April also proved to be short-lived, as both domestic and external factors weighed on the currency.

At the same time, domestic economic growth continues to disappoint. While there are signs that the economy may be reaching the low point

in the growth cycle, the recovery is expected to be slow with downside risks.

Global economic growth and financial market conditions have stabilised somewhat since the previous MPC meeting, but a high degree of risk and uncertainty persists.

The year-on-year inflation rate as measured by the consumer price index (CPI) for all urban areas has moderated after reaching a recent high of 7,0% in February. In March and April, CPI inflation measured 6,3% and 6,2%.” - unquote

A slow economic growth will also mean lower revenue. Moreover, it will impact on the allocation of national conditional grants to municipalities.

Overstrand, as the fastest growing municipality in the Overberg District, and the 3rd fastest in the Province for the period 2005 – 2013, presents further challenges in the provision of infrastructure and services to our residents which, according to 2015 statistics, has a population of 86 711.

In a climate that is marked by rising inflation, increasing interest rates, a weakening currency, along with declining consumer and business confidence as well as a high unemployment rate, these are some of the key challenges to consider.

A skilled workforce must be a priority, whilst a respect for the environment must be considered in all decisions, to be balanced with opportunities for our community, in order to achieve the goals in the IDP.

At the time of finalising our tariffs for core municipal services as well as for sundry tariffs, the focus was acutely on financial sustainability on the one hand. However, on the other, this was weighed against our responsibility of ensuring that our residents will not be burdened unduly with tariff increases in excess of inflation projections for 2016.

With that in mind, we have to ensure that the municipality will be in the position to maintain our substantial investment in infrastructure, and to render services to our rapidly growing community.

This had to be balanced with the financial realities of our residents, considering the large component of pensioners and people whose only form of income is the interest on their life savings, and who cannot afford sharp increases of municipal rates and tariffs.

An increase of 6% is proposed for 2016/2017 for consumer services, except for property rates, with an increase of 7.2%, and the first 6kl of water, with an increase of 11.5%.

This excludes electricity, where NERSA had given Eskom the right to increase their rates in excess of inflation. Our consumers will thus again this year be negatively affected by the electricity increase as approved for Eskom.

The basic charge for electricity increases by 17.5% BUT to offset this, the tariff for the first 350kwh consumed per month has only been increased by 1%. The increase in the basic charge plus the cost of 350kwh, thus increases only by 7,34%, which is slightly less than the 7.64% allowed to municipalities.

The alignment of the basic charge to the principle of covering the cost of providing the service, is addressed in the increases of 17.5% and 1% as mentioned. The electricity tariff for the next two steps, 351-600kwh and above 600kwh, will increase by 7,64%.

The increase for sundry fees, for example building plan approval, is limited to a 6%.

The Independent Financial Assessment of the Overstrand Municipality done in 2014, was updated recently.

The outcome of the assessment included, amongst others, the following comments:

- The Municipality has demonstrated the ability to generate revenue notwithstanding the constraints of slowing economic growth and high unemployment in the area.
- Capex has declined during the past 3 years, indicating some prudence in the light of the high gearing and liquidity crunch, but should increase again in future to avoid deterioration of infrastructure assets.
- Proportionally, the Municipality relies more on income from the sale of services than on rates income. Due to the regulated nature of the electricity price, the municipality is advised to proportionally increase its reliance on rates - which is under its control.
- The current high Collection Rate may pose a risk if not maintained into the future.
- The 3-year capital budget is feasible and within the range of affordable capital investment determined by IPM's model.

The Municipality is committed to:

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

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 compiling of the budget.

On the positive side, I can confirm that –

- The Hermanus Additional Municipal Court is now fully operational. It has proved to be a huge success in not only offering an efficient and user friendly service, but it is also a source of significant revenue for the area.
- During last year, we reduced the parking tariffs in the Hermanus CBD and these tariffs remain unchanged for the 2016/2017 financial year.

- The tariffs for Building Line Departures have again not been increased.
- The cost of photo copies on A4 paper has been reduced to make it affordable for learners to make copies of documents.
- A daily tariff has also been introduced for the use of the Auditorium and Banqueting Hall to make it more affordable for functions and festivals.
- The analysis of the Municipality's operational budget and capital budget by the Western Cape Government revealed that the Municipality's water, electricity, wastewater and waste management budget is responsive to both the current and future basic service needs.
- The analysis report also confirms that reported Cash Flow information indicates that the Municipality is able to meet its short term obligations and the sustainability ratio is above the National Treasury norm of 100%.

The publishing of the regulation on the Standard Chart of Accounts (SCOA) on 22nd 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 was first implemented for the 2015/2016 financial year and has continued with the 2016/17 MTREF also being compiled according to the SCOA classification framework.

Total operating revenue has grown by 8,8% for the 2016/17 financial year when compared to the 2015/2016 Adjustments Budget. For the two outer years, operational revenue will increase by 2,4 and 6,5% respectively. The higher increase for 2016/17 is informed by increased grant funding, which includes an additional equitable share of R8,4m and housing top structures amounting to R14,4m. This attributes to the perceived lower increase in revenue for 2017/18.

Total operating expenditure for the 2016/17 financial year has been appropriated at R1,073bn and translates into a budgeted deficit of R79,8m. When compared to the 2015/2016 Adjustments Budget, operating expenditure has grown by 8,4% in the 2016/17 budget and by 1,1 and 5,9% for each of the respective outer years of the MTREF. The increase of 8,4% for 2016/17 is also attributable to the additional allocation for housing top structures amounting to R14,4m, which in turn attributes to the perceived lower increase in expenditure for 2017/18.

It should be noted that although the 2016/2017 operational budget and indicative years show budgeted deficits, this does not reflect the actual cash position.

The negative difference between income and expenses of R79.8 million is represented by non-cash items, one of the biggest items being depreciation. After other cash outflows such as the redemption of external loans, a cash surplus will be realized.

The capital budget of R88,4m for 2016/17 is 14,5% less when compared to the 2015/2016 Adjustments Budget. The reduction is due to the available resources to fund the capital budget.

The capital programme increases to R94,2m and R107,3m in the outer years, notwithstanding that an estimated R100m is required annually to sustain capital infrastructure. The reduction in own funding (borrowing) is largely due to cost containment measures as a smaller portion of the capital budget (36%) will be funded from borrowing over the MTREF with anticipated borrowings of R100m. The balance will be funded from internally generated funds (3%) and capital grants (61%).

So what are we achieving with this budget?

- With inflation now expected to average 6,7% in 2016, we have managed to limit the overall impact of the tariff increases on household bills for municipal services, excluding electricity, to an increase below the forecasted inflation. In all instances, the overall impact of the tariff increases on household bills, excluding electricity increases, should not exceed 6,43% - with the increase for indigent households at 2,66%. The electricity tariff increase as announced by Eskom raises this level to 6,93% & 1,34% respectively.
- The budget provides for 7 100 households to be registered as indigent in 2016/17, all of which are therefore entitled to receiving Free Basic Services.
- We will continue to implement the infrastructure maintenance strategy and the repairs and maintenance plan.
- We will continue to focus on increased efficiency and productivity.
- We will continue to lobby National and Provincial Government to increase our equitable share and to address unfunded mandates.
- We will also continue to lobby the Department of Human Settlements to increase funding for affordable housing to ensure that this does not put an additional financial burden on the Municipality.

In conclusion:

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

Added to that, Overstrand scored 7th place and was recognised as one of the top ten municipalities in the country in the recently released Government Performance Index municipal survey. This achievement reflects the efforts of our employees and management toward the optimal delivery and maintenance of municipal services and programmes.

To that end, I have to extend my immense gratitude to the community, and all concerned parties, for the support and participation in the IDP review and Budget processes, which ultimately has ensured accountability and good governance for all the people of Overstrand.

Mr Speaker, I have pleasure in proposing the adoption of the 2016/17 IDP review and 2016/17 Budget.

**CLLR NICOLETTE BOTHA-GUTHRIE
EXECUTIVE MAYOR: OVERSTRAND
25 May 2016**



ORDINARY MEETING OF THE COUNCIL

GEWONE VERGADERING VAN DIE RAAD

INTLANGANISO YESIQHELO YEBHUNGA

MINUTES / NOTULE /

IMIZUZU

DATE / DATUM / UMHLA : 25 MAY / MEI / MEYI 2016

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

TIME / TYD / IXESHA: 11:00

5.9

WATER SERVICES DEVELOPMENT PLAN FOR 2016/2017

(ITEM 7, PAGE 12 : MAYORAL COMMITTEE MEETING : 25 MAY 2016)

RESOLVED (UNANIMOUSLY):

that the Water Services Development Plan for 2016/2017 **be approved.**

RESPONSIBLE OFFICIAL :

H BLIGNAUT

TARGET DATE FOR IMPLEMENTATION :

1 JULY 2016

5.10**REVISION OF ALL BUDGET RELATED POLICIES OF THE OVERSTRAND MUNICIPALITY****(ITEM 8, PAGE 14 : MAYORAL COMMITTEE MEETING : 25 MAY 2016)****THE ANC REQUESTED THE MEETING TO ADJOURN FOR A CAUCUS AT 11:25****THE MEETING RESUMED AT 11:35****RESOLVED (UNANIMOUSLY):**that the revised policies **be approved** and implemented with effect from 1 July 2016.**RESPONSIBLE OFFICIAL :****S REYNEKE-NAUDE****TARGET DATE FOR IMPLEMENTATION :****1 JULY 2016**

5.11

FINAL BUDGET FOR OVERSTRAND MUNICIPALITY : 2016/2017

(ITEM 9, PAGE 285 : MAYORAL COMMITTEE MEETING : 25 MAY 2016)

THE SPEAKER, ALD A COETSEE, REQUESTED THAT IT BE MINUTED THAT HE AFFORDED THE EXECUTIVE MAYOR, ALD N BOTHA-GUTHRIE, TIME TO DELIVER HER BUDGET SPEECH.

THE EXECUTIVE MAYOR, ALD N BOTHA-GUTHRIE, DELIVERED HER BUDGET SPEECH, A COPY OF WHICH IS ATTACHED AS ANNEXURE A TO THE MINUTES.

THE ANC REQUESTED THE MEETING TO ADJOURN FOR A CAUCUS AT 12:20

THE MEETING RESUMED AT 12:30

MEMBERS OF THE ANC INDICATED THAT THEY ARE AGAINST THE RECOMMENDATION AND CLLR V MACOTHA MADE A COUNTER PROPOSAL TO THE EFFECT THAT THE FINAL BUDGET FOR 2016/2017 NOT BE APPROVED.

WHEN PUT TO VOTE, 10 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.

RESOLVED:

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 2016/17 to 2018/2019 MTREF (Medium Term Revenue and Expenditure Framework) period **be approved** 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 the property rates reflected in **Annexure A** to the item, **be imposed** for the budget year 2016/17;
3. that tariffs and charges reflected in **Annexure A** to the item, **be approved** for the budget year 2016/17;
4. that the Municipal Manager be authorised to sign all the necessary agreements and documents to give effect to the second draw down of 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 J and K respectively of the budget report; and
7. that **cognisance be taken** of the 2016/2017 Budget Report.

RESPONSIBLE OFFICIAL :

BA KING

TARGET DATE FOR IMPLEMENTATION :

1 JULY 2016

FINAL BUDGET FOR OVERSTRAND MUNICIPALITY : 2016/2017**5/1/18-2016/2017****BA King****(028) 313 8154****Head Office Administration****12 May 2016**

1. Executive Summary

This report presents the proposed budget of Overstrand Municipality for the 2016/2017 to 2018/2019 MTREF (Medium Term Revenue and Expenditure Framework) period.

The comprehensive budget report is presented as Annexure C to this report.

2. Service Delivery and Budget Implementation Plan - IGNITE

Directorate: Finance
Department: Financial Services

3. Compliance with Strategic Priorities

Provision of democratic, accountable and ethical governance
Provision and maintenance of municipal services
Creation and maintenance of a safe and healthy environment
The encouragement of structured community participation in the matters of the municipality
Promotion of tourism, economic and social development

4. Delegated Authority

None

5. Legal Requirements

Local Government: Municipal Financial Management Act, 2003 (Act 56 of 2003) (MFMA)
Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)

6. Background/Discussion/Evaluation/Conclusion

Council noted the draft budget for 2016/17 as tabled on 30 March 2016. The budget was then presented to the community and other spheres of government for comments, as required by legislation.

Comments received from the community arising from the statutory IDP/Budget public consultation process have been taken into consideration for purposes of preparing this report. The comments received and the

municipality's responses are listed in Annexure B to this report. Letters of comment are included in Annexure J of the budget report.

The LG MTEC 3 engagement with the Provincial Treasury and Provincial Department of Local Government was held on 10 May 2016. The assessment report is included as Annexure K of the budget report.

Proposed amendments to the 2016/17 draft budget are summarised in paragraph 6.3 of this report and details of amendments are included in Annexure A of the budget report.

6.1 2016/17 Budget

1. Overview

National Treasury issued the following circulars regarding the budget for 2016/17, budget formats and budget content:

- MFMA Circulars No. 78 & 79: 2015/16 MTREF dated 7 December 2015 and 7 March 2016 respectively.
- MFMA Circular No. 82: Cost Containment Measures
- MFMA Circular No. 71: Uniform Financial Ratios and Norms dated 17 January 2014.
- MFMA Budget Guide – Version 1: March 2011

The guidelines, as set out in these budget circulars, were taken into consideration during the compilation process of the budget.

Schedules 1 – 8, attached to this report, are submitted for budget approval and schedules 9 & 10 are submitted for noting by Council. Other tables, charts and supporting schedules are included in the budget report.

The Service Delivery and Budget Implementation Plan (SDBIP) will be submitted to the Executive Mayor for approval no later than 28 days after the approval of the budget.

Accounting Standards

New and revised accounting standards were incorporated in the preparation of the budget.

mSCOA Implementation

This budget represents the 2nd year of pilot site implementation and has been based on version 5.3 of the SCOA tables. Further details regarding SCOA implementation are included in Annexure I of the budget report.

Web Based Central Supplier Database (CSD)

MFMA Circular No. 81 was also issued by National Treasury regarding the implementation of a web based CSD. The implementation date is indicated as 1 July 2016. However, a MFMA circular provides only direction and guidance. The regulation of the implementation of the Web Based Central Supplier Database (CSD), in terms of the MFMA is awaited. This circular is also included in Annexure H of the budget report.

6.2 Executive Summary of the 2016/17 Budget Proposals

1. 2016/17 Revenue Budget: The proposed revenue budget for 2016/17 is R1 032 796 753. This includes amounts of R43 462 298 for capital grants and R1 000 000 for Public Contributions. The budgeted financial performance by vote (directorates) is reflected in Schedule 1 and the budgeted financial performance in terms of revenue by source is reflected in Schedule 2.
2. 2016/17 Operating Expenditure Budget: The proposed operating expenditure budget for 2016/17 is R1 072 995 227. This includes depreciation, provision for post-retirement benefits and debt impairment for traffic fines amounting to R139 299 200 (non-cash items), of which the major portion for depreciation relates to unbundled assets with the implementation of GRAP, resulting in the expenditure exceeding revenue. The budgeted financial performance by vote (directorates) is reflected in Schedule 1 and the budgeted financial performance relating to expenditure by type is reflected in Schedule 2.
3. 2016/17 Capital Budget: The total proposed final capital budget for 2016/17 is R88 356 069. This now includes an amount of R8 655 771, which was identified as roll over projects from 2015/16 and a reduction in the Housing allocation that was brought forward to the 2015/16 financial year. Capital budget votes and the funding thereof are reflected in Schedule 3 of this report and a list of capital projects, ward specific projects and housing projects (opex and capex) is included in Annexure E of the budget report.
4. Proposed increases to property rates, tariff and user charges:

The proposed property rates, tariffs and user charges for 2016/17 are included as Annexure A of this report. Examples of increases in the tariff baskets relating to a variety of consumers are included in Annexure D of the budget report.

The proposed increases for an average medium sized household for the coming financial year (2016/17) are as follows:

Table 1 : Average tariff increases

	2016/17	2015/16
Property rates: Residential	7,20%	6,85%
Electricity	7,50%	11,07%
Water	6,34%	6,35%
Sewerage tariffs	6%	6%
Refuse tariffs	6%	6%

The property rates for business and undeveloped erven are set to increase by 7,20%, and Farm/Agriculture (Bona-fide) by 6,717%

Further details of the 2016/17 budget proposals can be found in the Budget Report.

6.3. Proposed amendments to the 2016/17 draft budget

1. 2016/17 Revenue & Expenditure Budget: The following changes are proposed:

Table 2 : Revenue

<u>REVENUE AMENDMENTS AFFECTING THE BOTTOM LINE FOR 2016/2019</u>			
<u>Item</u>	<u>2016/2017</u>	<u>2017/2018</u>	<u>2018/2019</u>
DRAFT BUDGET	1 035 216 892	1 081 059 667	1 150 989 268
ACIP (Accelerated Comm. Infrastructure Programme)	3 500 000		
CapMonetar:WC-Housing	(141 054)	625 925	
OperMonetr:WC-Housing	(1 938 807)	(625 925)	
Capital: Nat. lotteries Board	1 000 000		
FINAL BUDGET	1 032 796 753	1 081 059 667	1 150 989 268

Table 3 : Expenditure

<u>OPERATIONAL EXPENDITURE AMENDMENTS AFFECTING THE BOTTOM LINE FOR 2016/2019</u>			
<u>Item</u>	<u>2016/2017</u>	<u>2017/2018</u>	<u>2018/2019</u>
DRAFT BUDGET	1 074 984 034	1 085 175 810	1 148 851 136
Inventory:Finished Goods			
(Housing Top Structures)-	(1 938 807)	(625 925)	
Contr Serv: Maintenance of Buildings & Facilities			
(Gansbaai WSP)	(300 000)		
FINAL BUDGET	1 072 995 227	1 084 549 885	1 148 851 136

2. 2015/16 Capital Budget: The following changes are proposed:

Table 4 : Capital Expenditure

<u>CAPITAL BUDGET AMENDMENTS 2016/19</u>			
	<u>2016/2017</u>	<u>2017/2018</u>	<u>2018/2019</u>
DRAFT BUDGET	75 993 352	93 604 281	107 271 119
WWTW Upgrade Stanford (ACIP)	3 500 000		
Baboon fencing project	50 000		
Hawston Project -IRDP	(141 054)	200 000	
Blompark Project		425 925	(425 925)
Tsepe -Tsepe Project			425 925
Electricity - Vehicles	298 000		
ROLL OVER PROJECTS:			
Vehicles-Fire Fleet refurbishment	570 080		
Replacement of Overstrand Water Pipes	283 237		
Pearly Beach WTW Pre -Treatment	900 000		
Refurbish Buffels River Dam bridge and tower & Palmiet river weir	709 078		
Stanford: MV Upgrade	1 686 100		
Electricity transformers(capital replacement contingency)	246 000		
Electrification in informal areas	461 517		
Electrification of housing projects	2 049 759		
Floodlights -HW sport grounds	650 000		
Floodlights -ZW sport grounds	1 100 000		
FINAL BUDGET	88 356 069	94 230 206	107 271 119

Further details and comments relating to the proposed changes can be found in Annexure A of the budget report.

3. Tariffs

The following amendment is proposed as the actual tariff value was omitted on the draft tariff list:

1.	Tariff Code: S40E11	Use of Kitchen - Non Fundraising • R225.44 + VAT = R257.00

7. **Financial Implications**

This report addresses the final proposals for the 2016/17 MTREF for the operational and capital budgets, financial position and cash flows. The key financial implications and challenges of adopting these proposals are the ability to generate revenue in the current economic climate and the continued delivery of sustainable services.

8. Staff Implications

No amendments were made to the draft salary budget.

9. Comments from other Departments, Divisions and Administrations

The Budget Report is included as Annexure C. The report serves as a comprehensive overview of the final budget. The compilation of the budget for 2016/17 adheres to the focus areas and strategic objectives of Council, as set out in the revised IDP. The draft budget was the result of several Budget Steering Committee, Senior Management, Ward Committee and OMAF meetings. The draft budget was presented to the community and organs of state for comment. Public participation meetings were held for all wards within the municipal area. Comments received were taken into consideration for the final budget (Schedule of comments and the municipality's responses are included as Annexure B and letters of comment are included in Annexure J of the budget report).

10. Annexures

- Schedule 1: Budgeted financial performance (revenue and 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 accumulated surplus reconciliation
- Schedule 7: Asset management
- Schedule 8: Basic service delivery measurement
- Schedule 9: Budgeted financial performance (revenue & expenditure by standard classification)
- Schedule 10: Budgeted capital appropriations by municipal vote

- Annexure A: List of Rates, Tariffs, Tariff Structures and Charges

- Annexure B: Schedule of comments and responses

- Annexure C: Budget Report 2016/2017 (Document to be distributed under separate cover)

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 Municipality for the 2016/17 to 2018/2019 MTREF (Medium Term Revenue and Expenditure Framework) period **be approved** as set out in the following schedules:

Schedule 1:	Budgeted financial performance (revenue & expenditure by municipal vote)
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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 the property rates reflected in **Annexure A, be imposed** for the budget year 2016/17;
3. that tariffs and charges reflected in **Annexure A, be approved** for the budget year 2016/17;
4. that the Municipal Manager be authorised to sign all the necessary agreements and documents to give effect to the second draw down of 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 J and K respectively of the budget report; and
7. that **cognisance be taken** of the 2016/2017 Budget Report.

RESPONSIBLE OFFICIAL :**BA KING****TARGET DATE FOR IMPLEMENTATION : 1 JULY 2016**

SCHEDULE 1

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

Vote Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
Revenue by Vote									
Vote 1 - Council	38 353	42 274	52 212	64 808	64 808	64 808	73 182	83 276	91 694
Vote 2 - Municipal Manager	–	–	–	–	–	–	–	–	–
Vote 3 - Management Services	1 476	1 286	1 692	991	2 349	2 349	1	1	1
Vote 4 - Finance	137 728	150 786	172 800	180 339	183 766	183 766	200 953	213 109	225 908
Vote 5 - Community Services	253 932	276 626	270 483	272 957	276 775	276 775	291 065	306 364	324 475
Vote 6 - Local Economic Development	3 750	6 431	3 389	3 091	3 091	3 091	3 352	1 516	1 607
Vote 7 - Infrastructure & Planning	307 588	281 304	329 646	399 527	406 369	406 369	431 096	438 374	468 427
Vote 8 - Protection Services	20 142	28 300	31 198	37 676	37 676	37 676	37 988	38 420	38 877
Total Revenue by Vote	762 969	787 007	861 419	959 389	974 834	974 834	1 037 637	1 081 060	1 150 989
Expenditure by Vote to be appropriated									
Vote 1 - Council	64 385	68 239	73 581	71 496	84 733	84 733	91 748	96 140	102 598
Vote 2 - Municipal Manager	3 243	1 295	3 903	4 489	4 489	4 489	4 722	4 978	5 247
Vote 3 - Management Services	30 890	5 492	36 148	43 327	41 916	41 916	46 490	48 974	51 802
Vote 4 - Finance	51 399	23 830	59 094	69 750	70 482	70 482	69 180	73 115	77 153
Vote 5 - Community Services	296 939	394 516	330 928	341 492	332 291	332 291	346 998	358 613	375 553
Vote 6 - Local Economic Development	7 722	9 945	10 226	8 731	9 531	9 531	10 795	7 433	7 672
Vote 7 - Infrastructure & Planning	254 841	271 782	344 447	355 793	374 997	374 997	428 407	418 346	448 962
Vote 8 - Protection Services	42 651	56 923	52 938	69 453	71 285	71 285	74 657	76 951	79 864
Total Expenditure by Vote	752 070	832 022	911 264	964 529	989 724	989 724	1 072 995	1 084 550	1 148 851
Surplus/(Deficit) for the year	10 899	(45 015)	(49 845)	(5 140)	(14 890)	(14 890)	(35 358)	(3 490)	2 138

SCHEDULE 2

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

R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue By Source									
Property rates	120 799	134 813	152 870	162 730	162 730	162 730	180 591	191 427	202 913
Property rates - penalties & collection charges	772	821	747	891	891	891	848	899	953
Service charges - electricity revenue	247 663	268 362	286 571	338 877	336 327	336 327	356 959	379 108	401 855
Service charges - water revenue	85 243	95 136	108 391	102 045	104 429	104 429	111 544	117 505	124 556
Service charges - sanitation revenue	56 895	62 798	68 661	66 375	67 375	67 375	72 318	76 657	81 257
Service charges - refuse revenue	46 637	52 957	56 770	59 488	59 488	59 488	65 510	69 441	73 607
Service charges - other					1 166	1 166	722	765	811
Rental of facilities and equipment	7 212	7 591	9 155	11 859	5 360	5 360	4 728	3 335	3 535
Interest earned - external investments	7 555	6 352	8 144	6 348	8 973	8 973	10 489	12 795	13 563
Interest earned - outstanding debtors	2 199	2 118	2 279	2 437	2 437	2 437	2 756	2 921	3 097
Dividends received									
Fines	14 244	22 739	25 389	31 859	31 859	31 859	31 143	31 164	31 187
Licences and permits	1 968	1 956	1 972	2 190	2 190	2 190	2 330	2 470	2 618
Agency services	2 025	2 395	2 766	2 970	2 970	2 970	3 220	3 413	3 618
Transfers recognised - operational	41 680	67 835	60 473	90 324	103 555	103 555	126 313	100 430	113 519
Other revenue	68 978	10 504	20 463	16 643	23 324	23 324	23 702	25 124	26 631
Gains on disposal of PPE									
Total Revenue (excluding capital transfers and contributions)	703 871	736 376	804 650	895 035	913 073	913 073	993 175	1 017 455	1 083 718
Expenditure By Type									
Employee related costs	231 642	260 645	267 019	291 593	292 827	292 827	314 204	322 023	339 129
Remuneration of councillors	7 084	7 933	8 104	8 674	8 674	8 674	9 110	9 620	10 161
Debt impairment	6 688	12 526	10 846	22 792	22 792	22 792	23 888	23 974	24 048
Depreciation & asset impairment	104 408	99 361	106 445	111 362	111 362	111 362	117 690	124 752	132 237
Finance charges	37 331	39 927	43 447	46 895	46 895	46 895	46 421	46 952	45 449
Bulk purchases	145 022	157 055	167 660	193 573	191 573	191 573	210 763	227 329	245 197
Other materials	12 441	13 595	16 659	57 801	61 507	61 507	75 048	40 659	46 605
Contracted services	67 697	72 754	85 327	125 322	147 093	147 093	158 368	164 936	174 154
Transfers and grants	35 856	38 749	48 659	48 497	49 448	49 448	57 479	60 808	64 336
Other expenditure	102 146	117 460	157 098	58 021	57 553	57 553	60 024	63 497	67 536
Loss on disposal of PPE	1 756	12 017							
Total Expenditure	752 070	832 022	911 264	964 529	989 724	989 724	1 072 995	1 084 550	1 148 851
Surplus/(Deficit)	(48 199)	(95 646)	(106 615)	(69 494)	(76 651)	(76 651)	(79 820)	(67 094)	(65 133)
Transfers recognised - capital	53 809	38 090	55 498	63 354	60 761	60 761	39 962	63 604	67 271
Contributions recognised - capital	5 289	7 871	1 272	1 000	1 000	1 000	4 500	-	-
Contributed assets		4 671							
Surplus/(Deficit) after capital transfers & contributions	10 899	(45 015)	(49 845)	(5 140)	(14 890)	(14 890)	(35 358)	(3 490)	2 138
Taxation									
Surplus/(Deficit) after taxation	10 899	(45 015)	(49 845)	(5 140)	(14 890)	(14 890)	(35 358)	(3 490)	2 138
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	10 899	(45 015)	(49 845)	(5 140)	(14 890)	(14 890)	(35 358)	(3 490)	2 138
Share of surplus/ (deficit) of associate									
Surplus/(Deficit) for the year	10 899	(45 015)	(49 845)	(5 140)	(14 890)	(14 890)	(35 358)	(3 490)	2 138

SCHEDULE 3

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

Vote Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Capital Expenditure - Standard									
<i>Governance and administration</i>	7 154	21 308	10 561	2 648	4 713	4 713	855	–	–
Executive and council							46		
Budget and treasury office									
Corporate services	7 154	21 308	10 561	2 648	4 713	4 713	809		
<i>Community and public safety</i>	7 268	19 582	39 184	39 768	34 660	34 660	19 502	47 715	42 340
Community and social services	4 666	3 482	5 258	3 520	3 220	3 220	2 995	4 500	1 500
Sport and recreation	2 601	5 696	1 565	5 981	5 066	5 066	2 545	5 435	3 100
Public safety	–			295	295	295	1 080		
Housing	–	10 404	32 361	29 973	26 080	26 080	12 882	37 780	37 740
Health									
<i>Economic and environmental services</i>	25 552	16 051	6 300	12 128	13 229	13 229	12 933	6 859	13 605
Planning and development	945			25	25	25	183		
Road transport	24 607	16 051	6 300	12 103	13 204	13 204	12 750	6 859	13 605
Environmental protection									
<i>Trading services</i>	103 790	73 989	52 444	49 370	50 784	50 784	55 066	39 656	51 326
Electricity	26 768	37 115	13 682	21 726	22 891	22 891	21 799	14 000	20 500
Water	50 766	23 631	16 275	16 390	16 390	16 390	15 021	12 800	16 826
Waste water management	20 728	10 202	13 221	11 244	11 487	11 487	18 231	12 856	14 000
Waste management	5 528	3 041	9 267	10	15	15	15		
<i>Other</i>									
Total Capital Expenditure - Standard	143 764	130 930	108 490	103 914	103 386	103 386	88 356	94 230	107 271
Funded by:									
National Government	36 911	6 339	22 884	30 347	30 347	30 347	26 030	26 450	29 531
Provincial Government	16 898	31 751	31 850	33 007	30 414	30 414	13 932	37 780	37 740
District Municipality									
Other transfers and grants			1 000	1 000	1 000	1 000	3 500		
Transfers recognised - capital	53 809	38 090	55 734	64 354	61 761	61 761	43 462	64 230	67 271
Public contributions & donations	5 067	7 985	607	462	462	462	1 462		
Borrowing	67 544	70 634	39 012	32 346	33 419	33 419	33 824	30 000	40 000
Internally generated funds	17 345	14 222	13 138	6 753	7 745	7 745	9 608		
Total Capital Funding	143 764	130 930	108 490	103 914	103 386	103 386	88 356	94 230	107 271

SCHEDULE 4

WC032 Overstrand - Schedule 4 - Budgeted Financial Position

	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
ASSETS									
Current assets									
Cash	29 106	13 119	78 935	97 547	100 467	100 467	114 127	130 516	162 093
Call investment deposits	55 042	50 039	26 051	–	–	–	–	–	–
Consumer debtors	49 025	47 451	52 850	51 774	51 774	51 774	66 944	70 804	74 893
Other debtors	52 222	51 704	56 167	44 112	40 197	40 197	44 217	53 060	58 366
Current portion of long-term receivables	17	15	15	13	13	13	11	10	10
Inventory	20 257	13 137	10 426	14 483	14 483	14 483	13 663	14 483	15 352
Total current assets	205 668	175 465	224 444	207 929	206 935	206 935	238 962	268 874	310 714
Non current assets									
Long-term receivables	84	68	53	41	41	41	30	20	10
Investments	11 597	16 965	23 149	28 455	28 455	28 455	35 328	41 727	48 267
Investment property	175 866	164 501	159 761	164 501	164 501	164 501	159 761	159 761	159 761
Investment in Associate					–	–			
Property, plant and equipment	3 097 120	3 111 056	3 117 725	3 122 147	3 120 054	3 120 054	3 084 987	3 055 727	3 032 098
Agricultural					–	–			
Biological					–	–			
Intangible	4 449	5 220	4 762	5 368	5 368	5 368	4 179	2 918	1 581
Other non-current assets	1 025	4 301			–	–			
Total non current assets	3 290 140	3 302 111	3 305 450	3 320 511	3 318 419	3 318 419	3 284 285	3 260 152	3 241 717
TOTAL ASSETS	3 495 808	3 477 576	3 529 894	3 528 441	3 525 353	3 525 353	3 523 246	3 529 026	3 552 432
LIABILITIES									
Current liabilities									
Bank overdraft									
Borrowing	18 241	20 443	23 620	28 113	28 113	28 113	29 378	32 831	36 912
Consumer deposits	34 932	37 751	41 743	43 801	43 801	43 801	46 429	48 750	51 188
Trade and other payables	79 489	64 943	65 836	74 229	74 229	74 229	81 244	77 375	73 691
Provisions	27 670	25 663	23 939	28 317	25 422	25 422	26 930	28 529	30 224
Total current liabilities	160 331	148 801	155 138	174 459	171 564	171 564	183 981	187 486	192 014
Non current liabilities									
Borrowing	364 632	392 444	408 964	415 999	415 999	415 999	412 288	409 060	411 596
Provisions	119 319	128 527	193 227	201 669	211 226	211 226	223 827	237 184	251 343
Total non current liabilities	483 951	520 970	602 191	617 668	627 225	627 225	636 115	646 245	662 939
TOTAL LIABILITIES	644 282	669 772	757 329	792 127	798 789	798 789	820 097	833 731	854 954
NET ASSETS	2 851 526	2 807 805	2 772 565	2 736 314	2 726 564	2 726 564	2 703 150	2 695 295	2 697 478
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	2 849 634	2 805 240	2 769 994	2 733 677	2 723 927	2 723 927	2 700 931	2 693 032	2 695 170
Reserves	1 891	2 565	2 571	2 637	2 637	2 637	2 218	2 263	2 308
Minorities' interests									
TOTAL COMMUNITY WEALTH/EQUITY	2 851 526	2 807 805	2 772 565	2 736 314	2 726 564	2 726 564	2 703 150	2 695 295	2 697 478

SCHEDULE 5

WC032 Overstrand - Schedule 5 - Budgeted Cash Flows

R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates, penalties & collection charges	120 273	135 875	152 186	163 800	163 800	163 800	177 978	191 444	202 932
Service charges	437 061	483 167	517 192	567 409	569 410	569 410	595 436	640 514	678 947
Other revenue	41 689	63 976	59 478	76 884	80 982	80 982	60 595	56 692	62 312
Government - operating	44 140	63 477	59 124	90 324	101 234	101 234	126 313	100 430	113 519
Government - capital	54 577	38 090	55 498	64 354	61 502	61 502	44 462	63 604	67 271
Interest	9 754	8 470	10 423	8 784	11 409	11 409	13 245	15 716	16 659
Dividends							-	-	-
Payments									
Suppliers and employees	(558 519)	(637 833)	(642 330)	(765 303)	(794 565)	(794 565)	(811 039)	(846 180)	(895 529)
Finance charges	(37 199)	(39 858)	(43 433)	(46 895)	(46 895)	(46 895)	(46 421)	(46 952)	(45 449)
Transfers and Grants	(35 856)	(38 749)	(48 659)	(48 497)	(49 448)	(49 448)	(57 479)	(60 808)	(64 336)
NET CASH FROM/(USED) OPERATING ACTIVITIES	75 920	76 616	119 478	110 861	97 429	97 429	103 090	114 461	136 325
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	1 725	5 073	14 548	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	45	18	15	18	18	18	13	11	10
Decrease (increase) in non-current investments	(4 960)	(4 529)	(4 980)	(6 248)	(6 248)	(6 248)	(6 873)	(6 399)	(6 541)
Payments									
Capital assets	(143 764)	(130 930)	(110 898)	(103 914)	(103 127)	(103 127)	(88 356)	(94 230)	(107 271)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(146 955)	(130 368)	(101 315)	(110 144)	(109 357)	(109 357)	(95 217)	(100 619)	(113 802)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	(389)	(730)	64	(1 135)	(1 135)	(1 135)	-	-	-
Borrowing long term/refinancing	38 700	51 300	40 000	30 000	30 000	30 000	30 000	30 000	40 000
Increase (decrease) in consumer deposits	3 726	2 819	3 983	2 479	2 479	2 479	2 628	2 321	2 438
Payments									
Repayment of borrowing	(13 554)	(20 626)	(20 381)	(23 936)	(23 936)	(23 936)	(26 841)	(29 775)	(33 384)
NET CASH FROM/(USED) FINANCING ACTIVITIES	28 482	32 764	23 666	7 409	7 409	7 409	5 787	2 547	9 054
NET INCREASE/ (DECREASE) IN CASH HELD	(42 552)	(20 989)	41 828	8 126	(4 520)	(4 520)	13 660	16 389	31 577
Cash/cash equivalents at the year begin:	126 699	84 147	63 158	89 421	104 987	104 987	100 467	114 127	130 516
Cash/cash equivalents at the year end:	84 147	63 158	104 987	97 547	100 467	100 467	114 127	130 516	162 093

SCHEDULE 6

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

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
<u>Cash and investments available</u>									
Cash/cash equivalents at the year end	84 147	63 158	104 987	97 547	100 467	100 467	114 127	130 516	162 093
Other current investments > 90 days	–	0	–	0	0	0	–	–	–
Non current assets - Investments	11 597	16 965	23 149	28 455	28 455	28 455	35 328	41 727	48 267
Cash and investments available:	95 744	80 123	128 136	126 001	128 922	128 922	149 455	172 243	210 361
<u>Application of cash and investments</u>									
Unspent conditional transfers	7 783	3 425	2 076	–	–	–	–	–	–
Unspent borrowing	6 133	1 847	2 800	–	–	–	–	–	–
Statutory requirements									
Other working capital requirements	(21 016)	(40 826)	(44 247)	(22 868)	(19 352)	(19 352)	(27 043)	(44 375)	(57 844)
Other provisions									
Long term investments committed	11 597	16 965	23 149	28 455	28 455	28 455	35 328	41 727	48 267
Reserves to be backed by cash/investments	1 891	2 565	2 571	2 637	2 637	2 637	2 218	2 263	2 308
Total Application of cash and investments:	6 388	(16 024)	(13 650)	8 224	11 740	11 740	10 503	(385)	(7 269)
Surplus(shortfall)	89 356	96 147	141 786	117 777	117 182	117 182	138 952	172 628	217 630

SCHEDULE 7

WC032 Overstrand - Schedule 7 - Asset Management

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
CAPITAL EXPENDITURE									
<u>Total New Assets</u>	139 617	83 899	75 763	83 156	83 894	83 894	48 823	65 831	67 946
Infrastructure - Road transport	15 578	9 203	1 320	14 979	16 331	16 331	1 840	-	-
Infrastructure - Electricity	22 203	24 160	13 041	21 726	22 891	22 891	21 599	14 000	20 500
Infrastructure - Water	48 634	7 300	470	4 737	4 737	4 737	4 529	6 000	4 300
Infrastructure - Sanitation	16 478	8 449	8 892	3 420	3 413	3 413	8 301	10 160	8 500
Infrastructure - Other	5 359	1 400	9 198	10	15	15	15	-	-
Infrastructure	108 252	50 511	32 922	44 873	47 388	47 388	36 284	30 160	33 300
Community	20 997	13 896	32 280	35 611	31 768	31 768	10 366	35 671	34 646
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	795	-	-	-	-	-	-	-
Other assets	9 038	18 697	10 561	2 673	4 738	4 738	2 173	-	-
Intangibles	1 330	-	-	-	-	-	-	-	-
<u>Total Renewal of Existing Assets</u>	4 147	47 032	32 727	20 758	19 493	19 493	39 533	28 399	39 325
Infrastructure - Road transport	131	6 892	6 300	-	-	-	11 855	8 274	14 605
Infrastructure - Electricity	-	12 955	3 100	-	-	-	-	-	-
Infrastructure - Water	-	16 331	15 805	11 653	11 653	11 653	10 492	6 800	12 526
Infrastructure - Sanitation	-	1 711	3 179	4 947	4 947	4 947	8 200	1 281	4 500
Infrastructure - Other	-	1 641	-	-	-	-	-	-	-
Infrastructure	131	39 529	28 384	16 600	16 600	16 600	30 547	16 355	31 631
Community	756	5 686	4 343	4 158	2 893	2 893	8 986	12 044	7 694
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	3 260	1 817	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
<u>Total Capital Expenditure</u>									
Infrastructure - Road transport	15 709	16 094	7 621	14 979	16 331	16 331	13 695	8 274	14 605
Infrastructure - Electricity	22 203	37 115	16 142	21 726	22 891	22 891	21 599	14 000	20 500
Infrastructure - Water	48 634	23 631	16 275	16 390	16 390	16 390	15 021	12 800	16 826
Infrastructure - Sanitation	16 478	10 159	12 071	8 367	8 361	8 361	16 501	11 441	13 000
Infrastructure - Other	5 359	3 041	9 198	10	15	15	15	-	-
Infrastructure	108 383	90 040	61 306	61 473	63 988	63 988	66 837	46 515	64 931
Community	21 753	19 582	36 623	39 768	34 660	34 660	19 352	47 715	42 340
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	795	-	-	-	-	-	-	-
Other assets	12 298	20 513	10 561	2 673	4 738	4 738	2 173	-	-
Intangibles	1 330	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	143 764	130 930	108 489	103 914	103 386	103 386	88 356	94 230	107 271
ASSET REGISTER SUMMARY - PPE (WDV)									
Infrastructure - Road transport	947 141	942 269	935 286	925 642	925 642	926 994	906 622	878 784	855 112
Infrastructure - Electricity	609 815	619 999	616 523	620 094	620 094	619 694	619 990	611 408	607 970
Infrastructure - Water	458 648	459 954	461 764	453 842	453 842	453 842	447 747	438 164	431 264
Infrastructure - Sanitation	381 194	377 248	382 354	382 220	382 213	380 711	380 711	373 070	365 842
Infrastructure - Other	39 059	39 501	57 365	59 232	59 232	59 237	54 237	48 920	43 285
Infrastructure	2 435 858	2 438 970	2 453 291	2 441 031	2 441 031	2 441 981	2 409 306	2 350 346	2 303 474
Community	58 783	62 814	64 769	63 654	59 761	58 546	74 093	117 774	155 839
Heritage assets	99 573	99 572	97 573	99 572	99 572	99 572	99 572	99 572	99 572
Investment properties	175 866	164 501	159 761	164 501	164 501	164 501	159 761	159 761	159 761
Other assets	502 906	509 700	502 092	517 890	519 190	519 955	502 016	488 034	473 214
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	4 449	5 220	4 762	5 368	5 368	5 368	4 179	2 918	1 581
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	3 277 435	3 280 777	3 282 248	3 292 016	3 289 423	3 289 923	3 248 926	3 218 405	3 193 440
EXPENDITURE OTHER ITEMS									
<u>Depreciation & asset impairment</u>	104 408	99 361	106 445	111 362	111 362	111 362	117 690	124 752	132 237
<u>Repairs and Maintenance by Asset Class</u>	114 414	150 358	158 026	121 077	121 077	121 077	120 795	123 857	129 068
Infrastructure - Road transport	42 236	63 749	65 726	57 090	57 090	57 090	61 852	63 763	66 471
Infrastructure - Electricity	14 105	20 488	26 276	16 835	16 835	16 835	17 747	18 486	18 826
Infrastructure - Water	21 502	27 931	25 811	22 874	22 874	22 874	16 555	17 280	18 168
Infrastructure - Sanitation	7 708	15 486	16 060	12 159	12 159	12 159	11 672	11 949	12 587
Infrastructure - Other	1 499	1 491	2 136	2 492	2 492	2 492	2 546	2 639	2 735
Infrastructure	87 048	129 145	136 009	111 449	111 449	111 449	110 372	114 116	118 787
Community	5 408	7 349	8 469	4 546	4 546	4 546	4 878	4 918	5 208
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	21 958	13 864	13 548	5 081	5 081	5 081	5 545	4 822	5 072
TOTAL EXPENDITURE OTHER ITEMS	218 821	249 719	264 471	232 439	232 439	232 439	238 486	248 609	261 304
Renewal of Existing Assets as % of total capex	2.9%	35.9%	30.2%	20.0%	18.9%	18.9%	44.7%	30.1%	36.7%
Renewal of Existing Assets as % of deprecn"	4.0%	47.3%	30.7%	18.6%	17.5%	17.5%	33.6%	22.8%	29.7%
R&M as a % of PPE	3.7%	4.8%	5.1%	3.9%	3.9%	3.9%	3.9%	4.1%	4.3%
Renewal and R&M as a % of PPE	4.0%	6.0%	6.0%	4.0%	4.0%	4.0%	5.0%	5.0%	5.0%

SCHEDULE 8

WC032 Overstrand - Schedule 8 - Basic service delivery measurement

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Household service targets									
Water:									
Piped water inside dwelling	27 295	32 032	28 100	29 295	29 295	29 295	32 483	33 457	34 461
Piped water inside yard (but not in dwelling)	—	—	—	—	—	—	—	—	—
Using public tap (at least min.service level)	3 436	3 334	3 350	3 188	3 188	3 188	3 144	3 068	3 010
Other water supply (at least min.service level)	199	155	—	—	—	—	—	—	—
Minimum Service Level and Above sub-total	30 930	35 521	31 450	32 483	32 483	32 483	35 627	36 525	37 471
Using public tap (< min.service level)	—	—	—	—	—	—	—	—	—
Other water supply (< min.service level)	—	—	—	—	—	—	—	—	—
No water supply	—	—	—	—	—	—	—	—	—
Below Minimum Service Level sub-total	—	—	—	—	—	—	—	—	—
Total number of households	30 930	35 521	31 450	32 483	32 483	32 483	35 627	36 525	37 471
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	21 284	21 632	20 030	20 818	20 818	20 818	26 910	27 717	28 548
Flush toilet (with septic tank)	9 646	9 799	11 420	11 665	11 665	11 665	8 717	8 500	8 300
Chemical toilet	—	—	—	—	—	—	—	—	—
Pit toilet (ventilated)	—	—	—	—	—	—	—	—	—
Other toilet provisions (> min.service level)	—	—	—	—	—	—	—	—	—
Minimum Service Level and Above sub-total	30 930	31 431	31 450	32 483	32 483	32 483	35 627	36 217	36 848
Bucket toilet	—	—	—	—	—	—	—	—	—
Other toilet provisions (< min.service level)	—	—	—	—	—	—	—	—	—
No toilet provisions	—	—	—	—	—	—	—	—	—
Below Minimum Service Level sub-total	—	—	—	—	—	—	—	—	—
Total number of households	30 930	31 431	31 450	32 483	32 483	32 483	35 627	36 217	36 848
Energy:									
Electricity (at least min.service level)	7 918	7 136	6 625	6 114	6 114	6 114	5 950	5 800	5 650
Electricity - prepaid (min.service level)	14 080	16 458	18 379	19 240	19 240	19 240	19 750	20 450	20 950
Minimum Service Level and Above sub-total	21 998	23 594	25 004	25 354	25 354	25 354	25 700	26 250	26 600
Electricity (< min.service level)	—	—	—	—	—	—	—	—	—
Electricity - prepaid (< min. service level)	—	—	1 000	—	—	—	—	—	—
Other energy sources	—	—	—	—	—	—	—	—	—
Below Minimum Service Level sub-total	—	—	1 000	—	—	—	—	—	—
Total number of households	21 998	23 594	26 004	25 354	25 354	25 354	25 700	26 250	26 600
Refuse:									
Removed at least once a week	31 739	31 829	32 691	33 094	33 094	33 094	36 238	37 325	38 449
Minimum Service Level and Above sub-total	31 739	31 829	32 691	33 094	33 094	33 094	36 238	37 325	38 449
Removed less frequently than once a week	—	—	—	—	—	—	—	—	—
Using communal refuse dump	—	—	—	—	—	—	—	—	—
Using own refuse dump	—	—	—	—	—	—	—	—	—
Other rubbish disposal	—	—	—	—	—	—	—	—	—
No rubbish disposal	—	—	—	—	—	—	—	—	—
Below Minimum Service Level sub-total	—	—	—	—	—	—	—	—	—
Total number of households	31 739	31 829	32 691	33 094	33 094	33 094	36 238	37 325	38 449
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	25 406	6 543	6 923	7 297	7 297	7 297	7 100	7 500	8 000
Sanitation (free minimum level service)	6 423	6 543	6 923	7 297	7 297	7 297	7 100	7 500	8 000
Electricity/other energy (50kwh per household per month)	6 423	6 543	6 923	7 297	7 297	7 297	7 100	7 500	8 000
Refuse (removed at least once a week)	6 423	6 543	6 923	7 297	7 297	7 297	7 100	7 500	8 000
Cost of Free Basic Services provided - Formal Settlements (R'000)									
Water (6 kilolitres per indigent household per month)	—	—	1 240	1 320	1 320	1 320	1 637	1 735	1 840
Sanitation (free sanitation service to indigent households)	—	—	—	—	—	—	—	—	—
Electricity/other energy (50kwh per indigent household per month)	—	—	2 822	2 215	2 215	2 215	2 544	2 697	2 858
Refuse (removed once a week for indigent households)	—	—	—	—	—	—	—	—	—
Cost of Free Basic Services provided - Informal Formal Settlements	—	—	—	—	—	—	—	—	—
Total cost of FBS provided	—	—	4 062	3 535	3 535	3 535	4 181	4 432	4 698
Highest level of free service provided per household									
Property rates (R value threshold)	100 000	100 000	100 000	220 000	220 000	220 000	220 000	220 000	220 000
Water (kilolitres per household per month)	6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)	4	4	4	4	4	4	4	4	4
Sanitation (Rand per household per month)	54	58	61	65	65	65	69	73	77
Electricity (kwh per household per month)	50	50	50	50	50	50	50	50	50
Refuse (average litres per week)	210	210	210	210	210	210	210	210	210
Revenue cost of subsidised services provided (R'000)									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	1 824	1 537	1 786	1 863	1 863	1 863	2 047	2 159	2 278
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)	32 278	31 127	36 411	38 126	38 126	38 126	43 167	45 757	48 502
Water (in excess of 6 kilolitres per indigent household per month)	—	—	—	—	—	—	—	—	—
Sanitation (in excess of free sanitation service to indigent households)	—	—	—	—	—	—	—	—	—
Electricity/other energy (in excess of 50 kwh per indigent household)	—	—	—	—	—	—	—	—	—
Refuse (in excess of one removal a week for indigent households)	—	—	—	—	—	—	—	—	—
Municipal Housing - rental rebates	—	—	—	—	—	—	—	—	—
Housing - top structure subsidies	—	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—	—
Total revenue cost of subsidised services provided	34 102	32 664	38 196	39 989	39 989	39 989	45 214	47 916	50 781

SCHEDULE 9

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

Standard Classification Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
Revenue - Standard									
<i>Governance and administration</i>	232 385	199 504	236 511	255 994	260 552	260 552	274 984	297 281	318 547
Executive and council	38 355	42 355	52 212	64 861	64 861	64 861	73 269	83 368	91 792
Budget and treasury office	137 728	150 786	172 800	180 339	183 766	183 766	200 953	213 109	225 908
Corporate services	56 303	6 363	11 499	10 795	11 924	11 924	762	803	847
<i>Community and public safety</i>	50 862	71 418	75 100	101 843	108 825	108 825	116 537	112 616	113 584
Community and social services	2 990	2 574	5 213	4 657	4 757	4 757	11 676	14 703	12 315
Sport and recreation	7 765	11 427	7 939	11 942	10 489	10 489	9 875	12 654	10 752
Public safety	20 142	28 300	31 198	37 676	37 676	37 676	37 988	38 420	38 877
Housing	19 965	29 116	30 750	47 567	55 903	55 903	56 997	46 839	51 640
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	18 567	30 962	17 928	20 033	21 639	21 639	25 639	17 168	24 533
Planning and development	7 907	12 853	9 861	9 043	9 549	9 549	14 810	9 951	10 548
Road transport	10 595	17 790	8 048	10 890	11 990	11 990	10 746	7 129	13 891
Environmental protection	65	319	19	101	101	101	83	88	93
<i>Trading services</i>	461 155	485 124	531 880	581 518	583 818	583 818	620 478	653 995	694 325
Electricity	249 645	270 880	288 745	346 361	344 361	344 361	362 878	383 351	408 112
Water	96 325	96 086	109 581	106 211	109 211	109 211	114 100	121 402	129 044
Waste water management	68 428	65 091	76 694	69 402	70 702	70 702	77 930	79 738	83 495
Waste management	46 758	53 066	56 860	59 544	59 544	59 544	65 570	69 504	73 675
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	762 969	787 007	861 419	959 389	974 834	974 834	1 037 637	1 081 060	1 150 989
Expenditure - Standard									
<i>Governance and administration</i>	205 348	119 512	231 348	237 278	249 929	249 929	262 295	273 948	290 221
Executive and council	67 621	71 355	92 928	92 565	106 242	106 242	114 535	118 197	125 860
Budget and treasury office	51 399	23 830	59 094	69 750	70 482	70 482	69 180	73 115	77 153
Corporate services	86 328	24 327	79 327	74 963	73 204	73 204	78 579	82 635	87 207
<i>Community and public safety</i>	87 288	134 133	116 395	141 933	155 493	155 493	179 163	148 176	159 408
Community and social services	26 093	30 255	35 196	31 368	31 215	31 215	34 465	35 334	37 197
Sport and recreation	14 271	18 637	16 677	18 220	18 269	18 269	20 239	20 843	22 140
Public safety	42 651	56 923	52 938	69 453	71 285	71 285	74 657	76 951	79 864
Housing	4 273	28 318	11 584	22 892	34 723	34 723	49 802	15 048	20 208
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	113 012	130 335	109 806	132 046	155 072	155 072	176 435	180 172	189 724
Planning and development	36 280	30 370	23 230	40 308	63 640	63 640	80 325	80 623	85 576
Road transport	71 108	92 659	80 914	84 786	84 933	84 933	90 397	93 565	97 944
Environmental protection	5 624	7 306	5 662	6 952	6 500	6 500	5 712	5 983	6 204
<i>Trading services</i>	346 423	448 042	453 715	453 273	429 231	429 231	455 103	482 255	509 499
Electricity	198 933	247 859	229 494	257 278	255 108	255 108	277 742	297 102	317 281
Water	61 422	99 439	71 697	78 253	62 213	62 213	59 028	61 272	63 072
Waste water management	45 965	64 659	57 717	63 478	57 745	57 745	59 828	62 976	66 197
Waste management	40 102	36 085	94 806	54 264	54 165	54 165	58 505	60 904	62 948
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	752 070	832 022	911 264	964 529	989 724	989 724	1 072 995	1 084 550	1 148 851
Surplus/(Deficit) for the year	10 899	(45 015)	(49 845)	(5 140)	(14 890)	(14 890)	(35 358)	(3 490)	2 138

SCHEDULE 10

WC032 Overstrand - Schedule 10 - Budgeted Capital Expenditure by directorate

Vote Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Capital expenditure - Vote									
Multi-year expenditure to be appropriated									
Vote 1 - Council									
Vote 2 - Municipal Manager									
Vote 3 - Management Services	–	–	2 658	–	–	–			
Vote 4 - Finance									
Vote 5 - Community Services	–	5 000	89 992	21 911	20 996	20 996	14 311	38 890	37 031
Vote 6 - Local Economic Development									
Vote 7 - Infrastructure & Planning	–	–	15 839	11 451	13 016	13 016	15 000	14 000	20 500
Vote 8 - Protection Services									
Total Capital Expenditure - Vote	–	5 000	108 489	33 362	34 012	34 012	29 311	52 890	57 531
Single-year expenditure to be appropriated									
Vote 1 - Council							5	–	–
Vote 2 - Municipal Manager							41	–	–
Vote 3 - Management Services	1 274	1 790	–	2 528	4 593	4 593	320		
Vote 4 - Finance							30		
Vote 5 - Community Services	110 111	74 622	–	56 809	53 966	53 966	51 033	41 340	49 740
Vote 6 - Local Economic Development	945	–	–				15	–	–
Vote 7 - Infrastructure & Planning	31 434	49 518	–	10 920	10 520	10 520	6 721		
Vote 8 - Protection Services				295	295	295	880		
Capital single-year expenditure sub-total	143 764	125 930	–	70 552	69 374	69 374	59 046	41 340	49 740
Total Capital Expenditure - Vote	143 764	130 930	108 489	103 914	103 386	103 386	88 356	94 230	107 271

OVERSTRAND MUNICIPALITY TARIFF LIST

RATES TARIFFS

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

OVERSTRAND MUNICIPALITY

(Attachments to the Rates Tariff Schedule)

TARIFF CODE	CLASS TAX	TYPE OF PROPERTY	REBATE OR EXEMPTIONS
BUS	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%
BUSO	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.
RES	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"
RESO	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"
FARMS	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.
FARMS	Conservation land	Privately owned properties whether designated or used for conservation purposes.	Not rateable in terms of section 17(1)(e) of the act.

PR100 PR050 PR040	Other Rebates	Single residential properties, Group Housing, Retirement Villages, Flats, Sectional Schemes	- Property must be occupied permanently; - The applicant must be the registered owner; - Only one residential unit allowed on the property - Applicant may not be the registered owner of more than one property • A rebate of 100% to approved applicants, in terms of the Property Rates Policy, who's gross monthly household income may not exceed the amount of two times (2X) of state funded social pensions per month; • A rebate of 50% to approved applicants, in terms of the Property Rates Policy, who are older than 60 with a gross monthly household income less than four times (4X) of state funded social pensions per month; • A rebate of 40% to approved applicants, in terms of the Property Rates, 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.

EXEMPTIONS FROM PROPERTY RATES (Rates Policy)

Religious Organizations	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.
Health and welfare institutions	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.
Private schools and Educational Institutions	Property used by registered private schools for educational purposes only
Charitable institutions	Properties belonging to not-for-gain institutions or organizations that perform charitable work.
Sporting bodies	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 at the sole discretion of council on an annual basis.
Agricultural societies	Property belonging to agricultural societies affiliated to the SA Agricultural Union used for the purposes of the society.
Cultural institutions	Properties declared in terms of the Cultural Institutions Act, Act 29 of 1969 or the Cultural Institutions Act, Act 66 of 1989.
<i>Museums, libraries, art galleries and botanical gardens</i>	Registered in the name of private persons, open to the public and not operated for gain.
Youth development organizations	Property owned and/or used by organizations such as the Boy Scouts, Girls Guides, Voortrekkers or organizations the Council deems to be similar.
Animal protection	Property owned or used by institutions/organizations whose exclusive aim is to protect birds, reptiles and animals on a not-for-gain basis.

OVERSTRAND MUNICIPALITY

SUNDRY TARIFF LIST

Tariff Code	Detail	2016/2017		2015/2016		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S1	BOAT LICENCE/PERMITS, LAUNCHING & ENTRANCE FEE					
S1J	<u>Kleinbaai Boat Launching:</u>					
S1J1	On site Parking pm	789.47	900.00	745.61	850.00	5.88%
S1J2A	Category B1: Shark-view operators/whale-watching (Incl on-site parking) pa	33 125.44	37 763.00	31 250.00	35 625.00	6.00%
S1J2B	Category B2: Shark-view operators/whale-watching (excl on-site parking) pm	2 534.21	2 889.00	2 390.35	2 725.00	6.02%
S1J2C	Category B2: Shark-view operators/whale-watching (excl on-site parking) pa	25 282.46	28 822.00	23 850.88	27 190.00	6.00%
S1J4A	Kelp Collectors pm	3 166.67	3 610.00	2 986.84	3 405.00	6.02%
S1J4B	Kelp Collectors pa	31 605.26	36 030.00	29 815.79	33 990.00	6.00%
S1J4C	Kelp Collectors per launch	204.39	233.00	192.98	220.00	5.91%
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	600.00	684.00	565.79	645.00	6.05%
S1J6C	Support Service per launch	78.95	90.00	74.56	85.00	5.89%
S1J7A1	Recreational Fishing (Overstrand Consumers) Vessels < 7m pa	511.40	583.00	482.46	550.00	6.00%
S1J7A2	Recreational Fishing Vessels < 7m per Launch	60.53	69.00	57.02	65.00	6.16%
S1J7A3	Recreational Fishing (Overstrand Consumers) Vessels > 7m pa	614.04	700.00	578.95	660.00	6.06%
S1J7A4	Recreational Fishing Vessels > 7m per Launch	78.95	90.00	74.56	85.00	5.89%
S1J7B1	Commercial Fishing (Overstrand Consumers) Vessels < 7m pa	557.90	636.00	526.32	600.00	6.00%
S1J7B2	Commercial Fishing Vessels > 7m pa	739.47	843.00	697.37	795.00	6.04%
S1J7B3	Commercial Fishing Vessels < 7m per launch	70.18	80.00	65.79	75.00	6.67%
S1J7B4	Commercial Fishing Vessels > 7m per launch	88.60	101.00	83.33	95.00	6.32%
S1J8A	Passenger Boats pm	1 264.91	1 442.00	1 192.98	1 360.00	6.03%
S1J8B	Passenger Boats per launch	121.05	138.00	114.04	130.00	6.15%
S1J9	Vehicles up to 1 Ton per vehicle load capacity - mixed builders rubble NO ADMISSION to Transfer	214.04	244.00	201.75	230.00	6.09%
S1J11	Formal Shop Rental / month	735.09	838.00	692.98	790.00	6.08%
S1J12	Informal Trader under cover rental / month	483.33	551.00	456.14	520.00	5.96%
S1M	<u>Kleinmond Slipway:</u>					
S1M1	Recreational Fishing (Overstrand Consumers) Vessels < 7m pa	511.40	583.00	482.46	550.00	6.00%
S1M2	Recreational Fishing Vessels < 7m per Launch	60.53	69.00	57.02	65.00	6.16%
S1M3	Recreational Fishing (Overstrand Consumers) Vessels > 7m pa	614.04	700.00	578.95	660.00	6.06%
S1M4	Recreational Fishing Vessels > 7m per Launch	78.95	90.00	74.56	85.00	5.89%
S1M5	Commercial Fishing (Overstrand Consumers) Vessels < 7m pa	557.90	636.00	526.32	600.00	6.00%
S1M6	Commercial Fishing Vessels > 7m pa	739.47	843.00	697.37	795.00	6.04%
S1M7	Commercial Fishing Vessels < 7m per launch	70.18	80.00	65.79	75.00	6.67%
S1M8	Commercial Fishing Vessels > 7m per launch	83.33	95.00	78.95	90.00	5.55%
S1M9	Passenger Boats pm	1 264.91	1 442.00	1 192.98	1 360.00	6.03%
S1M10	Passenger Boats per launch	121.05	138.00	114.04	130.00	6.15%
S1T	<u>Registered Launching Sites managed by the Overstrand Municipality (08:00-16:00) (Western Cape December School Holiday and when declared by Council)</u>					
S1T1	<u>Affiliated Members</u>					
S1T1A	Annually	185.97	212.00	175.44	200.00	6.00%
S1T1B	Monthly	111.40	127.00	105.26	120.00	5.83%
S1T1C	Weekly	56.14	64.00	52.63	60.00	6.67%

OVERSTRAND MUNICIPALITY

SUNDRY TARIFF LIST

Tariff Code	Detail	2016/2017		2015/2016		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S1T1D	Daily	18.42	21.00	17.54	20.00	5.02%
S1T2	Non- Affiliated Members					
S1T2A	Annually	371.93	424.00	350.88	400.00	6.00%
S1T2B	Monthly	167.54	191.00	157.89	179.99	6.11%
S1T2C	Weekly	92.98	106.00	87.72	100.00	6.00%
S1T2D	Daily	28.07	32.00	26.32	30.00	6.65%
S2	BUILDING CONTROL					
S2A1	Building Plan Fees up to 100 m ² (R/m ²)	25.44	29.00	23.68	27.00	7.43%
S2A2	Building Plan Fees from 101 m ² to 200 sq m (R/m ²)	29.83	34.00	28.07	32.00	6.25%
S2A3	Building Plan Fees from 201 m ² to 300 sq m (R/m ²)	35.09	40.00	32.46	37.00	8.10%
S2A4	Building Plan Fees greater than 300 m ² (R/m ²)	39.47	45.00	36.84	42.00	7.14%
S2A5	Building Plan fees - Building Sub Economic < 70 m ²	357.90	408.00	337.72	385.00	5.97%
S2B	Alterations and Additions smaller than 30 m ² (S2A1 X 30)	753.51	859.00	710.53	810.00	6.05%
S2C	Building Plan fees related to farm buildings (farm sheds, stables, etc) R/m ²	16.67	19.00	15.79	18.00	5.57%
S2D1	Building Plan fees related to Industrial buildings R/m ²	16.67	19.00	15.79	18.00	5.57%
S2D2	Building Plan Fees Related to Government Buildings (School etc) (R/m ²)	16.67	19.00	15.79	18.00	5.57%
S2F1	Plan Scrutiny Fees - < 200 m ²	436.84	498.00	412.28	470.00	5.96%
S2F2	> 200 m ² (R/m ²)	3.51	4.00	3.33	3.80	5.50%
S2G	Demolition application	436.84	498.00	412.28	470.00	5.96%
S2H	Inspection & Re-inspection fees and Inspections on complaints, rates clearance etc.	260.53	297.00	245.61	280.00	6.07%
S2J1	Building Deposit - < 50m ² or less or less than R150,000.00	775.00	no vat	730.00	no vat	6.16%
S2J2	Building Deposit - Recoverable 50m ² to 200m ² or more than R150,000.00	2 060.00	no vat	1 940.00	no vat	6.19%
S2J3	Building Deposit - Recoverable more than 200m ²	5 650.00	no vat	5 330.00	no vat	6.00%
S2J4	Building Deposit - Sub economic Areas only (Not applicable to Additions)	No Deposit	no vat	No Deposit	no vat	
S2K	Administration / Viewing Fee	50.88	58.00	48.25	55.00	5.46%
S2L	Minor Building Works	204.39	233.00	192.98	220.00	5.91%
S2L1	Heritage Investigation Minor Alterations (no additions)	408.77	466.00	385.97	440.00	5.91%
S2L2	Heritage Investigation add and alt smaller than 30m ² (2 X S2L1)	818.42	933.00	771.93	880.00	6.02%
S2L3	Heritage Investigation add and alt greater than 30m ² (2 X S2L2)	1 724.56	1 966.00	1 543.86	1 760.00	11.70%
S3	BUILDING CONTROL: PLAN PRINTING FEES					
S3A1	Per sheet - Size A0 (Private copy)	56.14	64.00	52.63	60.00	6.67%
S3A2	Size A1 (Private copy)	43.86	50.00	42.11	48.00	4.17%
S3A3	Size A2 (Private copy)	32.46	37.00	31.58	36.00	2.79%
S3A4	Per sheet - Size A0 (Official copy)	43.86	50.00	42.11	48.00	4.17%
S3A5	- Size A1 (Official copy)	32.46	37.00	31.58	36.00	2.79%
S3A6	- Size A2 (Official copy)	22.81	26.00	21.93	25.00	4.01%
S3B1	Per sheet - Size A0 (Private copy) Colour	292.98	334.00	276.32	315.00	6.03%
S3B2	Size A1 (Private copy) Colour	223.68	255.00	210.53	240.00	6.25%
S3B3	Size A2 (Private copy) Colour	149.12	170.00	140.35	160.00	6.25%
S3B4	Per sheet - Size A0 (Official copy) Colour	149.12	170.00	140.35	160.00	6.25%
S3B5	- Size A1 (Official copy) Colour	111.40	127.00	105.26	120.00	5.83%
S3B6	- Size A2 (Official copy) Colour	74.56	85.00	70.18	80.00	6.25%

OVERSTRAND MUNICIPALITY

SUNDRY TARIFF LIST

Tariff Code	Detail	2016/2017		2015/2016		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S5	BUSINESS LICENCE					
S5B1	Business Licence - Formal	649.12	740.00	615.62	701.80	5.44%
S5B2	Business Licence - Informal	232.46	265.00	221.93	253.00	4.74%
S5B3	Re-inspection Fee	127.19	145.00	122.06	139.15	4.20%
S5B4	Duplicate Licence Fee	127.19	145.00	122.06	139.15	4.20%
S15	CEMETERY					
	Residents (RES):					
S15A	Plot Cost (Fixed)					
	Grave Depths					
Note	- Infill grave (between two existing graves) must have a soil coverage of not less than 1 meter; - Other single graves (not infill) must have a soil coverage of not less than 1.5 meters; - Double graves (in depth) must have a soil coverage of not less than 1.5 meters with a 300mm soil between the coffins; - Child grave must have a soil coverage of not less than 1 meter.					
S15A1	All cemeteries - single grave	503.51	574.00	474.56	541.00	6.10%
S15A2	All cemeteries - Double graves - depth for two coffins	780.70	890.00	736.84	840.00	5.95%
S15A3	Double grave next to each other	1 006.14	1 147.00	949.12	1 082.00	6.01%
S15A4	Children under 12years	377.19	430.00	356.14	406.00	5.91%
S15A5	Garden of Remembrance Fees	184.21	210.00	173.68	198.00	6.06%
S15B	Indication of grave					
S15B1	New graves (include inspection before and after funeral)	499.12	569.00	499.12	569.00	0.00%
S15B2	Existing graves	159.65	182.00	159.65	182.00	0.00%
	Non Residents:					
S15C	Plot Cost					
S15C1	All Tariffs	Res Tariff X 5	Vat on Res Tariff X 5	Res Tariff X 5	Vat on Res Tariff X 5	
S15D	Indication of grave					
S15D1	All Tariffs	Res Tariff X 5	Vat on Res Tariff X 5	Res Tariff X 5	Vat on Res Tariff X 5	
S18	COMMERCIAL FILMING/PHOTOGRAPHING					
S18A1	Large per day or part thereof ≥ 50 people	11 929.83	13 600.00	11 254.39	12 830.00	6.00%
S18A2	Small per day or part thereof more than 10 but < 50 people	4 184.21	4 770.00	3 947.37	4 500.00	6.00%
S18A3	Small per day or part thereof ≤ 10 people	1 200.00	1 368.00	1 131.58	1 290.00	6.05%
	Addition to Shoot					
S18C	Animals (per animal per day or part of a day)	149.12	170.00	140.35	160.00	6.25%
S18D	Area required for production and catering (per m² per day or part of a day)	33.33	38.00	31.58	36.00	5.54%
S18E	Cancellation Fee (per application at full permit fee)	15% of Fee	15% of Fee	15% of Fee	15% of Fee	
S18G	Environmental Control Officer: Fees per hour or part thereof	349.12	398.00	328.95	375.00	6.13%
S18H	Vehicles off Public Roads per Parking Bay (per vehicle per day/part of a day)	125.44	143.00	118.42	135.00	5.93%
S20	CREDIT CONTROL AND DEBT COLLECTION					
S20A1	Admin fee on arrear accounts Notices	315.79	360.00	315.79	360.00	0.00%
S20A2	Admin fee on 24 hour Notices - Bulk users	315.79	360.00	315.79	360.00	0.00%
S20B	Admin fee on arrear accounts Disconnection and Reconnection Fee	530.71	605.00	530.71	605.00	0.00%
S20C	SMS admin fee on arrear accounts Notices	21.93	25.00	21.93	25.00	0.00%
S22	DOG TAX					

OVERSTRAND MUNICIPALITY

SUNDRY TARIFF LIST

Tariff Code	Detail	2016/2017		2015/2016		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S22A	Licence per dog	66.67	76.00	63.16	72.00	5.56%
S22B	Social pensioner and registered indigent clients on application	FREE	no vat applicable	FREE	no vat applicable	
S23	FIRE SERVICES & DISASTER MANAGEMENT					
S23A	Plot Clearing	Actual Cost + R964.92 admin. Fee	(Actual Cost + Vat) + R1 100,00	Actual Cost + R964.92 admin. Fee	(Actual Cost + Vat) + R1 100,00	0.00%
S23B	Re-inspection Fee under By-law	135.09	154.00	127.19	145.00	6.21%
S23C	Extinguishing of Fires					
S23C1	Extinguishing of structural fires per hour or part thereof per incident	1 534.21	1 749.00	1 447.37	1 650.00	6.00%
S23C2	Extinguishing of structural fires - indigent households	FREE	no vat applicable	FREE	no vat applicable	
S23C3	Extinguishing of veld - and other fires per hour or part thereof	511.41	583.00	482.46	550.00	6.00%
S23C4	Assistance at motor vehicle accidents and rescues	FREE	no vat applicable	FREE	no vat applicable	
S23D	Standby at fire scene					
S23D1	Per hour or part thereof for vehicle and fire fighters	511.41	583.00	482.46	550.00	6.00%
S23E	Fire Prevention Inspections					
S23E1	Tank installation - per tank	289.48	330.00	289.48	330.00	0.00%
S23E2	LP Gas - per installation 48Kg and more incl bulk tanks	289.48	330.00	289.48	330.00	0.00%
S23F	Fire Safety					
S23F1	1st and 2nd compliance inspection	FREE	no vat applicable	FREE	no vat applicable	
S23F2	3rd and continuing compliance inspection	289.48	330.00	289.48	330.00	0.00%
S23G	Events					
S23G1	Inspection of location and issuing of Population Certificate	192.98	220.00	192.98	220.00	0.00%
S23G2	Standby at event per event per day or part thereof for vehicle and fire fighters	964.91	1 100.00	964.91	1 100.00	0.00%
S23H	Burn Permits					
S23H1	Burn Permit Inspection	241.23	275.00	241.23	275.00	0.00%
S23G	Special Services					
S23G1	Ad hoc services	526.32	600.00	NEW	NEW	
S23G2	Water Supply per hour, excluding water tariff as set out in structure	526.32	600.00	NEW	NEW	
S25	LAW ENFORCEMENT					
S25C	Impoundment of Hawkers Goods					
S25C1	Per Impoundment	576.32	657.00	543.86	620.00	5.97%
S25C2	Removal of illegal structure per structure	2 361.40	2 692.00	2 228.07	2 540.00	5.98%
S25C3	Storage Fee per day	153.51	175.00	144.74	165.00	6.06%
S25D	Pound fee: Dogs and Cats					
S25D1	Impoundment of Dogs and Cats	62.28	71.00	58.77	67.00	5.97%
S25D2	Pound fee: from day 2 per day	40.35	46.00	37.72	43.00	6.97%
S25E	Pound fee: Other Animals					
S25E1	Impoundment fee per week per animal	619.30	706.00	584.21	666.00	6.01%
S25F	Bylaw on Outdoor Advertising					
S25F1	Impoundment of illegal Advertising/Agent boards (per board) - small <2400cm ²	62.28	71.00	58.77	67.00	5.97%
S25F2	Impoundment of illegal Advertising/Agent boards (per board) - large >2400cm ²	619.30	706.00	584.21	666.00	6.01%
S28	LIBRARY					

OVERSTRAND MUNICIPALITY

SUNDRY TARIFF LIST

Tariff Code	Detail	2016/2017		2015/2016		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S28A1	Copies: A3 / Page	3.51	4.00	3.33	3.80	5.50%
S28A3	Copies: A3 page Colour	7.02	8.00	7.28	8.30	-3.57%
S28A5	Copies: A4/Page	1.75	2.00	2.90	3.30	-39.55%
S28A7	Copies: A4 page Colour	4.39	5.00	5.26	6.00	-16.54%
S28B1	Deposit to person/s non-residents Fiction & Non-Fiction	350.00	no vat	330.00	no vat	6.06%
S28C1	Fax per page - excluding 0865/6 numbers	3.95	4.50	3.77	4.30	4.77%
S28C2	Fax per page - 0865/6 numbers	6.75	7.70	6.40	7.30	5.50%
S28D1	Lost Cards: Laminated (R/card) first time	21.93	25.00	19.30	22.00	13.66%
S28D1a	Lost Cards: Laminated (R/card)(subsequent lost card)	43.86	50.00	new	new	
S28D2	Laminated Cost A3	5.09	5.80	4.83	5.50	5.50%
S28D3	Laminated Cost A4	2.54	2.90	2.41	2.75	5.50%
S28E1	Penalty per book per week	2.00	no vat	1.00	no vat	100.00%
S28E2	Penalty per record/CD per week	4.00	no vat	1.00	no vat	300.00%
S28E3	Penalty per video per day	2.00	no vat	2.00	no vat	0.00%
S28F1	Scanning of Document - Black & White	17.54	20.00	16.67	19.00	5.22%
S28F2	Scanning of Document - Colour	19.30	22.00	18.42	21.00	4.78%
S28G1	Special Requests - Hold per Book	4.39	5.00	2.63	3.00	66.92%
S28G2	Special Requests - ILL per Book	8.77	10.00	4.39	5.00	99.77%
S28H1	Subscriptions/ reader - Adults (Non residents)	131.58	150.00	127.19	145.00	3.45%
S28H2	Subscriptions/ reader - Children (Non residents)	83.33	95.00	78.95	90.00	5.55%
S28H3	Subscriptions/ reader - Family max 5 (Non residents)	324.56	370.00	307.02	350.00	5.71%
S28K	Visitor's fee - Handling charge / item	11.14	12.70	10.53	12.00	5.79%
S28L1	Hire of Library Hall per Hour - Fundraising event	127.19	145.00	121.05	138.00	5.07%
S28L2	Hire of Library Hall per Hour - NON- Fundraising event	22.81	26.00	21.93	25.00	4.01%
S28M1	Minor Damage to book (per book)	22.81	26.00	new	new	
S28M2	Damage or lost library material	As per System Price Rounded	applicable vat	new	new	
S30	STONY POINT					
S30A1	Visitors fee Stony Point Nature Reserve per day (persons 12 years and older)	17.54	20.00	13.16	15.00	33.28%
S30A2	Visitors fee Stony Point Nature Reserve per day (children under 12 years)	8.77	10.00	NEW	NEW	
S32	PARKING FEE					
	Metered parking (excluding public holidays)					
S32P	Parking Monthly Permit per vehicle	263.16	300.00	263.16	300.00	0.00%
S32Q	Per Quarter Hour or part of it - Monday to Friday 08:30 - 16:00	0.88	1.00	0.88	1.00	0.00%
S32R	Per Half Hour or part of it - Monday to Friday 08:30 - 16:00	1.75	2.00	1.75	2.00	0.00%
S32S	Per Hour Normal (Monday to Friday : 08:30 - 16:00)	3.51	4.00	3.51	4.00	0.00%
S32T	Per Hour Saturday (08:30 - 13:00)	3.51	4.00	3.51	4.00	0.00%
S33	OPERATIONAL COST					

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SUNDRY TARIFF LIST

Tariff Code	Detail	2016/2017		2015/2016	
		Exclude VAT	Include VAT	Exclude VAT	Include VAT
S33A	Application fee for Installation of Street Signage (brown direction boards)	cost + 15%	applicable vat	cost + 15%	applicable vat
S34	PROPERTY ADMINISTRATION				
S34A	Application for Encroachment (Administration of Immovable Property Policy (Par. 64.2; 64.3; 64.4)	2 250.00	2 565.00	2 122.81	2 420.00
S34B1	Application for lease or purchase of Municipal Property (<i>excluding Sport Facilities/Stalls and organs of state</i>)	2 250.00	2 565.00	2 122.81	2 420.00
S34B2	Application for lease of Municipal Property - registered Social Care Institutions / Organisations	511.40	583.00	482.46	550.00
	Encroachment Fee:				
S34C	Veranda, Balcony, Sign, Signboards or similar structure (per annum) (Par. 64.2)	388.60	443.00	366.67	418.00
S34D	Encroachments onto Commonage, Public Open Spaces, or Conservation areas (per annum) (Par. 64.3)	388.60	443.00	366.67	418.00
S34F	Enclosure or exclusive use or portions of the Commonage, Public Open Spaces, Road Reserves or Public Thoroughfares for gardening purposes (per m² per month) (Par 64.4)	11.14	12.70	10.53	12.00
	Leases				
S34G	Temporary use (<12months) of Municipal land for general purposes (per m² per month) (Par 64.5)	4.39	5.00	24.56	28.00
S34H	Radio Mast				
S34H1	Equipment on Mast - per month per mast	1 710.53	1 950.00	1 614.04	1 840.00
S34H2	Space in building per m² - per month	450.00	513.00	424.56	484.00
S34H3	Space outside the building per m² - per month	225.44	257.00	212.28	242.00
S34H4	Land for installation of a new mast per m² - per month	57.02	65.00	53.51	61.00
	Memorial Benches				
S34J	Memorial Benches (Installation and application)	2 813.16	3 207.00	2 653.51	3 025.00
S34K	Memorial Benches (per Annum)	225.44	257.00	212.28	242.00
S36	PROPERTY INFORMATION				
S36A1	Clearance Certificate (R/certificate) - ELECTRONIC	85.97	98.00	80.70	92.00
S36A2	Clearance Certificate (R/certificate) - MANUAL	260.53	297.00	245.61	280.00
S36B1	Deeds office registrations with sales information (R/100 erven or part)	112.28	128.00	106.14	121.00
S36B2	Deeds office registrations with sales information (R/erf)	28.95	33.00	27.19	31.00
S36C	Extract from the Valuation Roll (R/page)	9.65	11.00	8.77	10.00
S36F	Revaluation fee	1 608.77	1 834.00	1 517.54	1 730.00
S36G1	Valuation Certificate (R/certificate) - ELECTRONIC	40.35	46.00	37.72	43.00
S36G2	Valuation Certificate (R/certificate) - MANUAL	135.09	154.00	127.19	145.00
S36H	Access of valuation roll Information on CD	307.02	350.00	289.47	330.00
S40	RENTAL: COMMUNITY HALLS				
S40.1	All events hosted where the municipal council or administration is the official host	free of charge	free of charge	free of charge	free of charge
S40.3	Elections by the Electoral Commission	as per IEC policy	applicable vat	as per IEC policy	applicable vat
S40.4	Events of Government Departments directly in interest of community	free of charge	free of charge	new	new
S40A	Auditorium & Banqueting Hall				

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Tariff Code	Detail	2016/2017		2015/2016		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S40A1	Deposit for all functions (refundable) - excluding meetings	1 700.00	no vat	1 700.00	no vat	0.00%
S40A2	Hire of Auditorium and Banqueting Hall per Hour or part of a hour	540.35	616.00	509.65	581.00	6.02%
S40A3	Hire of Auditorium per Hour or part of a hour	271.05	309.00	255.26	291.00	6.19%
S40A4	Hire of Banqueting Hall per Hour or part of a hour	405.26	462.00	382.46	436.00	5.96%
Note	<i>Hiring of Kitchen (Banqueting Hall & Auditorium) used for the serving of food only is included in the hiring fee mentioned above as this facility forms an integral part of the building and cannot be separated there from.</i>					
S40A5	Non-fundraising events for Schools, other training institutions and sport & recreation per day	408.77	466.00	385.97	440.00	5.91%
S40A6	Piano per event	Actual Tuning Cost + R321.05 admin. Fee	Actual Tuning Cost + R366.00	Actual Tuning Cost + R302.98 admin. Fee	Actual Tuning Cost + R345.40	5.64%
S40A7	Sound OR Ligthning Equipment per event (each item) per hour	85.97	98.00	80.70	92.00	6.52%
S40A8	Use of Kitchen per day	562.28	641.00	530.71	605.00	5.95%
S40A10	Local NGO's and CBO's per hour per venue - all events	175.44	200.00	234.21	267.00	-25.09%
S40A12	Preparation for event - per hour / per event dependent on hourly or per event tariff applied	112.28	128.00	106.14	121.00	5.78%
S40A13	Meetings: Government departments (private meetings), NGO's and CBO's from outside the municipal area, per hour (Banquet hall)	248.25	283.00	234.21	267.00	5.99%
S40A14	Meetings: Local CBO's & NGO's per hour (Banquet hall only)	23.68	27.00	21.93	25.00	7.98%
S40A15	Daily Tariff	3 508.77	4 000.00	new	new	
S40A16	Package deal for Festivals, Exhibitions, Weddings, Birthdays, Eistedfods, Special Events - per day	1 754.39	2 000.00	new	new	
S40C	<u>Barracks - Kleinmond</u>					
S40C1	Hire per room per month	37.72	43.00	35.09	40.00	7.50%
S40E	<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>					
S40E4	Fundraising: (Karaoke) Per daytime or evening	248.25	283.00	234.21	267.00	5.99%
S40E5	Funeral Tea (three hours)	101.75	116.00	95.61	109.00	6.42%
S40E7	Non-fundraising events for Schools, other training institutions and sport & recreation	204.39	233.00	192.98	220.00	5.91%
S40E8	Meetings: Local CBO's and NGO's per hour	23.68	27.00	21.93	25.00	7.98%
S40E9	Non-fundraising (parties) Per daytime or evening	124.56	142.00	117.54	134.00	5.97%
S40E10	Use of Kitchen - Fundraising events per event	225.44	257.00	212.28	242.00	6.20%
S40E11	Use of Kitchen - Non Fundraising	225.44	257.00	No charge	no vat	
Note	<i>Daytime = 07:00 - 17:00 // Evening = 18:00 - 24:00 (Charge seperately)</i>					
S40J	<u>Kleinmond Hall, & Hawston Thusong Centre</u>					
S40J1	Deposit: (refundable) Funeral Teas, Church Services, Government Imbizos & Meetings.	466.00	no vat	440.00	no vat	5.91%
S40J2	Deposit: Hawston Thusong Centre	1 160.00	no vat	1 100.00	no vat	5.45%
S40J3	Fundraising: Karaoke, Disco, competitions, etc. per daytime or evening	562.28	641.00	530.71	605.00	5.95%
S40J4	Funeral Tea (three hours)	101.75	116.00	95.61	109.00	6.42%
S40J5	Government Imbizos (per day)	1 733.33	1 976.00	1 635.09	1 864.00	6.01%
S40J6	Non-fundraising events for Schools, other training institutions and sport & recreation	204.39	233.00	192.98	220.00	5.91%

OVERSTRAND MUNICIPALITY

SUNDRY TARIFF LIST

Tariff Code	Detail	2016/2017		2015/2016		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S40J7	Meetings: Government Departments (private meetings) & CBO's outside Municipal area per hour	248.25	283.00	234.21	267.00	5.99%
S40J8	Meetings: Local CBO's, NGO's per hour (only large groups > 30)	23.68	27.00	21.93	25.00	7.98%
S40J9	Non-fundraising: Parties, weddings, indoor sports, etc. per hour	112.28	128.00	106.14	121.00	5.78%
S40J10	Sound OR Ligthing Equipment per event (each item) per hour	85.97	98.00	80.70	92.00	6.52%
S40J11	Use of kitchen (per event per day)	270.18	308.00	255.26	291.00	5.84%
S40J12	Use of kitchen (per event per day) - Welfare, churches, non-profit organizations	270.18	308.00	255.26	291.00	5.84%
S43	RENTAL: HAWKERS' STALLS, OPEN SPACES & BEACHES					
S43A	<u>CBD</u>					
S43A1	All open stalls per day (demarcated area)(excluding Western Cape December Holiday plus Easter Weekend)	23.68	27.00	21.93	25.00	7.98%
S43A2	Open Stalls per day (Western Cape December Holiday plus Easter Weekend)	34.21	39.00	32.46	37.00	5.39%
S43B	<u>Outside the CBD</u>					
S43B1	Open Stalls Rental - Western Cape December Holiday plus Easter Weekend / pm	77.19	88.00	72.81	83.00	6.02%
S43B2	Open Stalls Rental - excluding Western Cape December Holiday plus Easter Weekend / pm	33.33	38.00	31.58	36.00	5.54%
S43D	<u>Public Open Space</u>					
S43D1	Car Park - Private Car Sales per day (demarcated areas)	30.70	35.00	28.95	33.00	6.04%
S43D2	Funfair, Circus etc per day	731.58	834.00	690.35	787.00	5.97%
S43D3	Welfare, churches, non-profit organizations	no charge	no vat	no charge	no vat	
S43D4	Sport Events per day	3 319.30	3 784.00	3 131.58	3 570.00	5.99%
S43F	<u>Beaches</u>					
S43F1	Beach Rentals - per day (Private functions)	1 069.30	1 219.00	1 008.77	1 150.00	6.00%
S46	RENTAL: OFFICE					
S46A	Rental per m ² / pm	101.75	116.00	95.61	109.00	6.42%
S46A1	Rental per m ² / pm (except the Hermanus area)	50.88	58.00	48.25	55.00	5.46%
S46A2	NGO's/NPO's per m ² / pm	30.70	35.00	28.95	33.00	6.04%
S46B	Local Council Functions	no charge	no vat	no charge	no vat	
S48	RENTAL: SPORT FACILITIES					
S48A	<u>Spaces for Sport - Gansbaai</u>					
S48A1	Club House - per hour (private events)	141.23	161.00	133.33	152.00	5.93%
S48A2	Club House - Sport events (Overstrand Teams)	no charge	no vat	no charge	no vat	
S48A3	Club House - Sport Event - per hour	71.05	81.00	66.67	76.00	6.57%
S48A4	Sport grounds - Non Overstrand per event	1 391.23	1 586.00	1 312.28	1 496.00	6.02%
S48A6	Sport grounds - Functions/Events (excluding departmental events)	767.54	875.00	723.68	825.00	6.06%
S48A7	Gym fees per month	71.93	82.00	67.54	77.00	6.50%
S48B	<u>Overhills</u>					
S48B1	Sport grounds - Non Overstrand per event	1 391.23	1 586.00	1 312.28	1 496.00	6.02%
S48B2	Sport grounds - Functions/Events (excluding departmental events)	767.54	875.00	723.68	825.00	6.06%
S49	RENTAL: UNDEVELOPED SERVICED ERVEN					
S49A	Wetcore Stands (Social Housing) - rent per month	28.07	32.00	26.32	30.00	6.65%
S50	SCHUSS HOUSES KLEINMOND (Meerenvlei)					
S50A	Rent per month	833.33	950.00	785.97	896.00	6.03%

OVERSTRAND MUNICIPALITY

SUNDRY TARIFF LIST

Tariff Code	Detail	2016/2017		2015/2016	
		Exclude VAT	Include VAT	Exclude VAT	Include VAT
S55	SUNDRY				
S55A	Access to Information as per Act (2 of 2000) - Tariffs	As Stipulated in the Act	As Stipulated in the Act	As Stipulated in the Act	As Stipulated in the Act
S55B1	Administration Cost - RD ACB	59.65	68.00	56.14	64.00
S55B2	Administration Cost - RD cheques ,Post Dated Cheques	actual cost + R40.35	actual cost + R46.00	actual cost + R37.72	actual cost + R43.00
S55B3	Administration Cost - Trace of Direct Deposit	81.58	93.00	77.19	88.00
S55C	Copies of Council Agendas and Minutes per annum	1 162.28	1 325.00	1 096.49	1 250.00
S55D1	Copies: A3 page	3.51	4.00	3.33	3.80
S55D2	Copies: A3 page Colour	7.02	8.00	7.02	8.00
S55D3	Copies: A4 page	1.75	2.00	2.63	3.00
S55D4	Copies: A4 page Colour	4.39	5.00	5.26	6.00
S55E	Foreign Bank Cost	actual cost	actual vat	actual cost	actual vat
S55F1	Fax per page - excluding 0865/6 numbers	3.95	4.50	3.68	4.20
S55F2	Fax per page - 0865/6 numbers	6.75	7.70	6.40	7.30
S55G1	Interest on accounts in arrear	prime + 4%	no vat	prime + 4%	no vat
S55G2	Placard / Poster Deposit for Elections	3 850.00	no vat	3 630.00	no vat
S55G4	Placard / Poster Deposit for Political Parties	3 850.00	no vat	3 630.00	no vat
S55H	Placard / Poster each	13.51	15.40	12.72	14.50
S55I	Duplicate Account	6.75	7.70	6.32	7.20
S55J	Section 62 of local Government: Systems Act: appeal deposit (refundable if appeal is upheld)	2 710.00	no vat	2 560.00	no vat
S55K1A	Tender objection deposit (refundable if appeal is upheld)	2 710.00	no vat	2 560.00	no vat
S55k1B	Tender objection deposit (partially upheld - refundable)	1 350.00	no vat	1 280.00	no vat
S55K2	Tender documentation Administration Fee: (less than 20 pages)	27.19	31.00	25.44	29.00
S55K3	Tender documentation Administration Fee: (more than 21 pages less than 50 pages)	146.49	167.00	138.60	158.00
S55K4	Tender documentation Administration Fee: (more than 50 pages)	585.97	668.00	552.63	630.00
S55L	Advertising Signs Auctioneers per 14days	416.67	475.00	392.98	448.00
S55K1	Laminated Cost A3	5.26	6.00	4.83	5.50
S55K2	Laminated Cost A4	2.63	3.00	2.46	2.80
S60	SWIMMING POOL				
S60A	Daily Tariffs				
S60A1	Adults - per person per DAY or part of a day	8.77	10.00	7.90	9.00
S60A2	Children (< 16years) per child per day or part of a day	No Charge	no vat	No Charge	no vat
S60A4	Galas	85.96	97.99	80.70	92.00
S60A5	Training sessions (Schools & Clubs) per season	135.09	154.00	127.19	145.00
S60B	Peak time Tariffs (Hourly tariffs) (Western Cape December Holiday plus Easter Weekend)				
S60B1	Adults - per person per hour or part of a hour	0.88	1.00	0.97	1.10
S60B2	Children (< 16years) per child per day or part of a day	No Charge	no vat	No Charge	no vat
S65	TOP MANAGEMENT CONSULTATIONS				
S65A1	Consultation Fee (Top Management) per hour	787.72	898.00	742.98	847.00
S72	TOWN PLANNING: APPLICATION FEES				
S72A	Amendment of application and conditions and plans of submission	1 912.28	2 180.00	1 804.39	2 057.00
S72B	Application for amendment of SDF	2 250.00	2 565.00	2 122.81	2 420.00

OVERSTRAND MUNICIPALITY

SUNDRY TARIFF LIST

Tariff Code	Detail	2016/2017		2015/2016		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S72F	<u>Removal of Title Deed Restrictions</u>					
S72F1	Erven 300 m ² and smaller	418.42	477.00	394.74	450.00	6.00%
S72F2	Erven larger than 300 m ²	3 185.97	3 632.00	3 006.14	3 427.00	5.98%
S72G	<u>Consolidations</u>					
S72G1	Erven 300 m ² and smaller	394.74	450.00	371.93	424.00	6.13%
S72G2	Erven larger than 300 m ²	2 250.00	2 565.00	2 122.81	2 420.00	5.99%
S72H	<u>Subdivision (cumulative)</u>					
S72H1	up to 5 erven	4 387.72	5 002.00	4 139.48	4 719.00	6.00%
S72H2	6 to 10 erven	5 175.44	5 900.00	4 882.46	5 566.00	6.00%
S72H3	More than 10	7 313.16	8 337.00	6 899.12	7 865.00	6.00%
S72I1	Application for Consent Uses/Special Use/Occupational Use/Additional Consent	2 250.00	2 565.00	2 122.81	2 420.00	5.99%
S72I1	Application for Consent Uses/Special Consent (Erven 300m ² and smaller)	473.68	540.00	446.49	509.00	6.09%
S72J	<u>Application for Rezoning</u>					
S72J1	Erven 300 m ² and smaller	473.68	540.00	446.49	509.00	6.09%
S72J2	Erven between 301m ² and 5000 m ²	3 713.16	4 233.00	3 502.63	3 993.00	6.01%
S72J3	Erven larger than 5000 m ²	5 175.44	5 900.00	4 882.46	5 566.00	6.00%
S72K	<u>Departure</u>					
S72K1A	Application for Departure	2 250.00	2 565.00	2 122.81	2 420.00	5.99%
S72K1B	Application for Departure (Erven 300m ² and smaller)	371.93	424.00	371.93	424.00	0.00%
S72K2	<u>Application for Departure (Building Lines)</u>					
S72K2A	Erven 300 m ² and smaller	429.83	490.00	405.26	462.00	6.06%
S72L	<u>Appeal deposit in terms of Section 78(2) of the Bylaw on Municipal Land Use Planning (refundable if appeal is upheld)</u>					
S72L1	Erven 300 m ² and smaller	500.00	no VAT	new	new	
S72L2	Erven larger than 300m ²	2 700.00	no VAT			
S72M	Amendment of site development plan, Constitution/Architectural Guidelines	1 635.96	1 864.99	1 543.86	1 760.00	5.97%
S72N	<u>Determination of Zoning</u>					
S72N1	Erven 300m ² and smaller	473.68	540.00	446.49	509.00	6.09%
S72N2	Erven 301m ² - 5000m ²	3 713.16	4 233.00	3 502.63	3 993.00	6.01%
S72N3	Erven larger than 5000m ²	5 175.44	5 900.00	4 882.46	5 566.00	6.00%
S72N4	Disestablishment of HOA	2 250.00	2 565.00	2 122.81	2 420.00	5.99%
S72P	<u>Relaxation of Title Deed</u>					
S72P1	Erven 300m ² and smaller	393.86	449.00	371.93	424.00	5.90%
S72P2	Erven larger than 300m ²	2 239.47	2 553.00	2 122.81	2 420.00	5.50%
S72Q	<u>Permission in terms of Zoning Scheme</u>					
S72Q1	Erven 300m ² and smaller	392.98	448.00	371.93	424.00	5.66%
S72Q2	Erven between 300m ²	2 250.00	2 565.00	2 122.81	2 420.00	5.99%

OVERSTRAND MUNICIPALITY

SUNDRY TARIFF LIST

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

OVERSTRAND MUNICIPALITY

REFUSE (SOLID WASTE) TARIFFS

Tariff Code	Detail	2016/2017		2015/2016	
		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
	<u>DOMESTIC WASTE</u>				
SAN1A	Residential (All registered erven/unit with approved building plan) 1 x removal per week (R/Month)	146.26	166.74	137.99	157.30
SA1A2	Residential Indigent (All registered erven/unit with approved building plan) 1 x removal per week (R/Month)	146.26	166.74	137.99	157.30
	<u>BUSINESS WASTE</u>				
SAN1C	Commercial/Businesses (Hostels, Old Age Homes, Caravan Sites, Semi-permanent Resorts etc) (R/Month)	146.26	166.74	137.99	157.30
SA1N1	Bulk Container 240L (Wheeley bin) (R/Month) 1 X per week (if available)	146.26	166.74	137.99	157.30
SAN1N	Bulk Container 240L (Wheeley bin) (R/Month) 2 X per week (if available)	292.52	333.47	275.97	314.60
SA1N3	Bulk Container 240L (Wheeley bin) (R/Month) 3 X per week CBD (if available)	438.78	500.21	413.95	471.90
SA1N4	Bulk Container 240L (Wheeley bin) (R/Month) 4 X per week CBD (if available)	585.04	666.95	551.93	629.20
SA1N2	Bulk Container 240L (Wheeley bin) (R/Month) 5 X per week CBD (if available)	731.30	833.68	689.91	786.50
SAN1O	Camphill Route (R/Month) (If available)	1 149.26	1 310.16	1 084.21	1 236.00
SAN1P	Additional Removals per week on Saturday per Bin (R/Month) per removal	219.39	250.10	206.98	235.95
SA1P1	Additional Removals on request Central Town (CBD) per bin (R/Month) (Sunday or Public Holidays) per removal	292.52	333.47	275.97	314.60
SA1Q1	Caravan Sites, Chalets, Semi-permanent & Resorts (R/Month) (Uilenskraalmond Vakansieoord; Franskraal Vakansieoord; Pearly Beach Camp, Micheal Fuchs Guesthouse) NO REMOVAL (per unit/site)	47.01	53.59	44.35	50.56
SAN1R	Departmental Consumption (Municipal Consumption per removal site per month)	125.37	142.92	118.27	134.83
SAN1U	Schools (R/Month)	146.26	166.74	137.99	157.30
SAN1T	Removal outside service area (per removal per hour) (If available)	1 096.99	1 250.57	1 034.90	1 179.78
SAN1V	Single Quarters & Transit Camps per unit	47.01	53.59	44.35	50.56
SAN1W	Guesthouses, Bed & Breakfast (R/Month)	146.26	166.74	137.99	157.30
SAN1X	Removal of food waste for safe disposal (R/per Collection)	291.23	332.00	new tariff	new tariff
SAN2	<u>SELF DUMPING TRANSFER STATIONS & DUMPING SITES:</u>				
SA2A1	Vehicles up to 1 Ton per vehicle load capacity clean builders rubble admission to transfer station	no Charge	no Charge	no Charge	no Charge

OVERSTRAND MUNICIPALITY

REFUSE (SOLID WASTE) TARIFFS

Tariff Code	Detail	2016/2017		2015/2016		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
SA2A2	Vehicles up to 1 Ton per vehicle load capacity - mixed builders rubble NO ADMISSION to Transfer Station. Only to landfill as per tariff SA2B - SA2B11	applicable tariff	applicable VAT	applicable tariff	applicable VAT	
SA2B	Vehicles up to 1 Ton per vehicle load capacity	no Charge	no Charge	no Charge	no Charge	
SA2B1	Vehicles >1 & up to 2 Ton per vehicle load capacity	212.28	242.00	200.00	228.00	6.14%
SA2B2	Vehicles >2 & up to 3 Ton per vehicle load capacity	318.42	363.00	300.00	342.00	6.14%
SA2B3	Vehicles >3 & up to 4 Ton per vehicle load capacity	424.56	484.00	400.00	456.00	6.14%
SA2B4	Vehicles >4 & up to 5 Ton per vehicle load capacity	530.70	605.00	500.00	570.00	6.14%
SA2B5	Vehicles >5 & up to 6 Ton per vehicle load capacity (no admission to transfer station, only to dumping sites)	636.84	726.00	600.00	684.00	6.14%
SA2B6	Vehicles >6 & up to 7 Ton per vehicle load capacity (no admission to transfer station, only to dumping sites)	742.98	847.00	700.00	798.00	6.14%
SA2B7	Vehicles >7 & up to 8 Ton per vehicle load capacity (no admission to transfer station, only to dumping sites)	849.12	968.00	800.00	912.00	6.14%
SA2B8	Vehicles >8 & up to 9 Ton per vehicle load capacity (no admission to transfer station, only to dumping sites)	955.26	1 089.00	900.00	1 026.00	6.14%
SA2B9	Vehicles >9 & up to 10 Ton per vehicle load capacity (no admission to transfer station, only to dumping sites)	1 061.40	1 210.00	1 000.00	1 140.00	6.14%
SA2B11	Vehicles >10 Ton per vehicle load capacity (no admission to transfer station, only to dumping sites)	1 273.68	1 452.00	1 200.00	1 368.00	6.14%
SA2C	Dumping at Karwyderskraal Landfill Site by other municipalities and external parties, per Ton	128.95	147.00	122.00	139.08	5.70%
SAN3	<u>WEIGHT BRIDGE</u>					
SAN3A	As per tariff SA2B - SA2B11 per weighed load	applicable tariff	applicable VAT	new tariff	new tariff	
SAN4	<u>BASIC FEE REFUSE SERVICE (Erven without approved building plans)</u>					
SAN4A	All registered erven without approved building plans (R/Month)	73.12	83.36	68.98	78.64	6.00%
SAN5	<u>SUNDRIES</u>					
SAN5A	Rental of Bulk Container per day (including disposal)	77.37	88.20	72.99	83.21	6.00%
SAN5B	Deposit - rental of bulk containers per 4 bins or less	593.00	no vat	560.00	no vat	5.89%
SAN5C	Asbestos Sheet - per unit	55.39	63.14	52.26	59.57	6.00%
SAN5D	Baboon Resistant 240L Wheeley bin with lock delivered to homes - projects	789.47	900.00	818.06	932.58	-3.49%
THE REFUSE REMOVAL TARIFF IS MADE UP AS FOLLOWS: REMOVAL 40%, DISPOSAL 10% AND A BASIC FEE OF 50%						

OVERSTRAND MUNICIPALITY

SEWER TARIFFS

Tariff Code	Detail	2016/2017		2015/2016	
		Exclude VAT	Include VAT	Exclude VAT	Include VAT
SE7A	SEWERAGE - SINGLE AND INTERMEDIATE RESIDENTIAL Conventional Sewers, small bore sewers and conservancy tanks)	(Dwelling house and Duplex flats,			
SE7A1	0 - 35kl per kl (based on 70% of 50kl water usage) - per unit per month , Conservancy tank service only during office hours per month. For after hours service, refer to tariff SE9B.	11.53	13.14	10.88	12.40
	SEWERAGE - REGISTERED INDIGENT HOUSEHOLDS				
SE7A4	0 - 4.2 kl - subsidised	11.53	13.14	10.88	12.40
SE7A5	4.3 - 35kl per kl (based on 70% of 50kl water usage) - per unit per month , Conservancy tank service only during office hours per month. For after hours service, refer to tariff SE9B.	11.53	13.14	10.88	12.40
SE7B	SEWERAGE - GENERAL RESIDENTIAL (Blocks of flats and Residential Buildings)				
SE7B1	0 - 45kl per kl (based on 90% of 50kl water usage) per unit per month	11.53	13.14	10.88	12.40
SE7C	SEWERAGE - GUEST HOUSE; BED & BREAKFAST ESTABLISHMENTS				
SE7C1	per kl (based on 70% of water usage) per unit per month	11.53	13.14	10.88	12.40
SE7D	CONSUMPTION - ALL OTHER (Including Commercial, Industrial, School, Sport, etc)				
SE7D1	per kl (based on 90% of water usage) per unit per month - this percentage may be adjusted according to the Tariff Policy after investigation	11.53	13.14	10.88	12.40
SE7E	CONSUMPTION - DEPARTMENTAL				
SE7E1	0 - 35 kl per kl (based on 70% of 50kl water usage) per unit per month	11.53	13.14	10.88	12.40
SE8	BASIC CHARGE				
SE8A	Basic Monthly Charge Developed sites per erf/unit per month	102.40	116.74	96.61	110.13
SE8B	Basic Monthly Charge Undeveloped sites - can not connect to the network per erf/unit per month	68.99	78.65	65.09	74.20
SE8C	Basic Monthly Charge Undeveloped sites - can connect to the network per erf/unit per month	123.20	140.45	116.23	132.50
SE8D	Basic Monthly Charge Developed sites - with a septic Tank per erf/unit per month	68.99	78.65	65.09	74.20
SE8E	Basic Monthly Charge - Low Cost Housing & Single Quarters per erf/unit per month	68.99	78.65	65.09	74.20
	Infrastructure				
SE8F	Fixed Infrastructure Basic Charge per erf/unit per month	9.60	10.94	9.60	10.94
SE9	OTHER SEWERAGE CHARGES				
SE9A	Vacuum Tanker Service for users not paying tariffs SE7 above - PROVIDED ON REQUEST				
SE9A1	Vacuum Tanker Service provided on request < 6kl (per 6kl or part thereof)	471.13	537.09	444.46	506.68
SE9A2	Vacuum Tanker Service provided on request < 5kl (per 5kl or part thereof)	471.13	537.09	444.46	506.68
SE9A4	Vacuum Tanker Service provided on request > 6kl (per 6kl or part thereof)	471.13	537.09	444.46	506.68

OVERSTRAND MUNICIPALITY

SEWER TARIFFS

Tariff Code	Detail	2016/2017		2015/2016		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
SE9A5	Call out fee for Tank Service request but no service due to another defect	471.13	537.09	444.46	506.68	6.00%
SE9A6	More than 3 pipes an additional fee per pipe for users not paying tariff SE7 above	68.99	78.65	65.09	74.20	6.00%
SE9BA	<u>After Hours Vacuum Tanker Service - PROVIDED ON REQUEST</u>					
SE9B1	After Hours - per request < 6kl (per 6kl or part thereof)	942.26	1 074.18	888.92	1 013.36	6.00%
SE9B2	After Hours - per request > 6kl (per 6kl or part thereof)	942.26	1 074.18	888.92	1 013.36	6.00%
SE9B3	After Hours - per request < 5kl (per 5kl or part thereof)	942.26	1 074.18	888.92	1 013.36	6.00%
SE9B2	After Hours Businesses with Public Toilets per removal	282.86	322.46	266.85	304.21	6.00%
SE9C	<u>Vacuum Tanker Service outside urban areas - PROVIDED ON REQUEST</u>					
SE9C1	Normal Applicable Tariff (SE9A1 or SE9A2 or SE9A4) PLUS additional per hour PLUS SE9C2	282.86	322.46	266.85	304.21	6.00%
SE9C2	Normal Applicable Tariff (SE9A2) plus additional per km	13.80	15.73	13.02	14.84	5.99%
	<u>After Hours for Vacuum Tanker Service outside urban areas - PROVIDED ON REQUEST</u>					
SE9C6	After Hours Applicable Tariff (SE9B1 or SE9B2 or SE9B3) PLUS additional per hour PLUS SE9C7	282.86	322.46	266.85	304.21	6.00%
SE9C7	After Hours Applicable Tariff (SE9B2) plus additional per km	13.81	15.74	13.02	14.84	6.03%
SE10	SUNDRY CHARGES					
SE9D	<u>Testing and Connection Fees</u>					
SE9D1	Testing of the septic and conservancy tanks per test	1 225.51	1 397.08	1 156.14	1 318.00	6.00%
SE9D2	Smallbore sewerage connection fee + tank test	5 625.44	6 413.00	5 307.02	6 050.00	6.00%
SE9D3	Sewer Connection	4 214.91	4 805.00	3 976.32	4 533.00	6.00%
SE9E	<u>Disposal</u>					
SE9E1	Charge per kl or part thereof	61.37	69.96	57.90	66.00	6.00%
SE11	ILLEGAL CONNECTION / TAMPERING FEE					
SE11A	1st Offence	5 780.00	no vat	new	new	
SE11B	2 nd Offence (SE11A X 2)	11 560.00	no vat	new	new	
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.						
DC3	BULK SERVICES DEVELOPMENT FEES					
	Development Contributions will be determined as set out in the Annexure in respect of Development Contribution Policy and Tariffs					

OVERSTRAND MUNICIPALITY

ELECTRICITY TARIFFS

Tariff Code	Detail		2016/2017		2015/2016		
			Exclude VAT	Include VAT	Exclude VAT	Include VAT	
ED	CONSUMER DEPOSITS						
ED1	Large Power User Group tariff E5 (excluding Kleinmond)	R	0.00	no vat	0.00	no vat	0.00%
ED2	Large Power User Group tariff E5 Kleinmond 2 weeks highest average consumption	R	calculated	no vat	calculated	no vat	
ED3	Domestic & Commercial Single Phase Credit Meter (Two Part Tariff) Electricity	R	2 000.00	no vat	4 674.25	no vat	-57.21%
ED4	Domestic Three Phase Credit Meter (Two Part Tariff)- Electricity	R	3 500.00	no vat	7 891.03	no vat	-55.65%
ED5	Commercial Three Phase Credit Meter (Two Part Tariff) - Electricity	R	8 000.00	no vat	9 227.33	no vat	-13.30%
ED6	Domestic & Commercial Single Phase Pre-paid (Two Part Tariff) - Electricity	R	460.00	no vat	449.44	no vat	2.35%
ED7	Domestic & Commercial Three Phase Pre-paid (Two Part Tariff) - Electricity	R	920.00	no vat	1 382.24	no vat	-33.44%
ED8	Deposit - Registered Indigent	R	150.00	no vat	146.28	no vat	2.54%
EDD	Deposit Defaulters						
EDD1	Large Power User Group tariff E5 : Two Times average consumption during the preceding 12 months	R	calculated	no vat	calculated	no vat	
EDD2	Domestic & Commercial Single Phase Credit Meter (Two Part Tariff) Electricity : Two Times average consumption during the preceding 12 months	R	calculated	no vat	calculated	no vat	
EDD3	Domestic Three Phase Credit Meter (Two Part Tariff)- Electricity : Two Times average consumption during the preceding 12 months	R	calculated	no vat	calculated	no vat	
EDD4	Commercial Three Phase Credit Meter (Two Part Tariff) - Electricity : Two Times average consumption during the preceding 12 months	R	calculated	no vat	calculated	no vat	
EF	FIXED CHARGES						
EF1	Infrastructure Charge per Meter per month	R	16.65	18.98	16.65	18.98	0.00%
E1	SINGLE PHASE : DOMESTIC						
E1A	Two-Part Tariff: Credit meters up to 60 Amp (13.8 kVA BDMD) (Including Resorts)						
E1A1	Basic Monthly charge per meter	R	254.78	290.45	216.83	247.19	17.50%
	kWH Unit cost						
E1A2	IBT BLOCK 1 0 - 350 kWh	c	108.74	123.97	107.67	122.74	1.00%
E1A3	IBT BLOCK 2 351 - 600 kWh	c	157.02	179.00	145.88	166.30	7.64%
E1A4	IBT BLOCK 3 > 600 kWh	c	189.25	215.74	175.82	200.43	7.64%
E1B	Two-Part Tariff: Pre-paid up to 60 Amp (13.8 kVA BDMD) (Including Resorts)						
E1B1	Basic Monthly charge per meter	R	254.78	290.45	216.83	247.19	17.50%
	kWH Unit cost						
E1B2	IBT BLOCK 1 0 - 350 kWh	c	100.45	114.51	99.45	113.38	1.00%
E1B3	IBT BLOCK 2 351 - 600 kWh	c	147.96	168.68	137.46	156.71	7.64%
E1B4	IBT BLOCK 3 > 600 kWh	c	181.91	207.37	169.00	192.66	7.64%
E1C	SINGLE PHASE : COMMERCIAL						
E1C1	Basic Monthly charge per meter	R	254.78	290.45	216.83	247.19	17.50%
E1C2	kWH Unit cost - Credit Meters	c	158.42	180.60	149.45	170.37	6.00%
E1C3	kWH Unit cost - Pre-paid meters	c	149.28	170.18	140.83	160.55	6.00%
E1D	Life Line One part tariff (Pre-paid meters only) ≤ 30 Amp with Maximum consumption of 350 KWH with average measured over twelve month period. Only available to Informal dwellings						
	kWH Unit cost						
E1D1	IBT BLOCK 1 0 - 350 kWh	c	99.61	113.56	98.62	112.43	1.00%

OVERSTRAND MUNICIPALITY

ELECTRICITY TARIFFS

Tariff Code	Detail		2016/2017		2015/2016			
			Exclude VAT	Include VAT	Exclude VAT	Include VAT		
E1E	One part tariff (Pre-paid meters only) Local Economic Development Projects							
	kWH Unit cost							
E1E1	IBT BLOCK 1 0 - 350 kWh	c	172.09	196.18	170.39	194.24	1.00%	
E3	THREE PHASE: COMMERCIAL & DOMESTIC							
E3E	Two-Part Tariff: Credit up to 100A (70 kVA BDMD) DOMESTIC							
E3E1	Basic Monthly charge per meter	R	509.56	580.90	433.67	494.38	17.50%	
	kWH Unit cost							
E3E2	IBT BLOCK 1 0 - 350 kWh	c	108.74	123.97	107.67	122.74	1.00%	
E3E3	IBT BLOCK 2 351 - 600 kWh	c	157.02	179.00	145.88	166.30	7.64%	
E3E4	IBT BLOCK 3 > 600 kWh	c	189.25	215.74	175.82	200.43	7.64%	
E3E	Two-Part Tariff: Pre-paid up to 100A (70 kVA BDMD) DOMESTIC							
E3E5	Basic Monthly charge per meter	R	509.56	580.90	433.67	494.38	17.50%	
	kWH Unit cost							
E3E6	IBT BLOCK 1 0 - 350 kWh	c	100.45	114.51	99.45	113.38	1.00%	
E3E7	IBT BLOCK 2 351 - 600 kWh	c	147.96	168.68	137.46	156.71	7.64%	
E3E8	IBT BLOCK 3 > 600 kWh	c	181.91	207.37	169.00	192.66	7.64%	
E3E	Two-Part Tariff: Credit up to 100A (70 kVA BDMD) COMMERCIAL							
E3E9	Basic Monthly charge per meter	R	509.56	580.90	433.67	494.38	17.50%	
E3E10	kWH Unit cost	c	150.09	171.10	141.59	161.41	6.00%	
E3E	Two-Part Tariff: Pre-paid up to 100A (70 kVA BDMD) COMMERCIAL							
E3E11	Basic Monthly charge per meter	R	509.56	580.90	433.67	494.38	17.50%	
E3E12	kWH Unit cost	c	149.28	170.18	140.83	160.55	6.00%	
E3G	One-Part Tariff: Pre-paid only; up to 100A (70 kVA BDMD)							
E3G1	kWH Unit cost	c	190.26	216.90	176.76	201.51	7.64%	
E5	TIME OF USE TARIFF							
	Service Charge (per month) for MV and LV consumers							
E5A1	Administrative and Service Charge per month	R	2 513.96	2 865.91	2 335.53	2 662.50	7.64%	
E5A2	Network Demand Charge kVA: Utilised capacity	R	23.68	27.00	22.00	25.08	7.64%	
E5A3	Network Capacity Charge kVA: Notified Maximum Demand (NMD)	R	18.84	21.48	17.50	19.95	7.66%	
	Medium Voltage Metering Points (11000V) > 500kVA							
E5A4	Off Peak kWh Unit Charge	c	43.06	49.08	40.00	45.60	7.64%	
E5A5	Standard kWh Unit Charge	c	77.50	88.35	72.00	82.08	7.64%	
E5A6	Peak kWh Unit Charge	c	251.88	287.14	234.00	266.76	7.64%	
	Low Voltage Metering Points (400V) >70kVA ≤ 500kVA							
E5A7	Off Peak kWh Unit Charge	c	46.29	52.77	43.00	49.02	7.64%	
E5A8	Standard kWh Unit Charge	c	80.73	92.03	75.00	85.50	7.64%	
E5A9	Peak kWh Unit Charge	c	255.11	290.82	237.00	270.18	7.64%	
	Sundry Charges							
E5A10	Exceed NOTIFIED MAXIMUM DEMAND (NMD) per kVA Per month	R	907.90	1 035.00	860.45	980.91	5.51%	
E6	SUBSIDIZED TARIFFS: Grant to be shown separately							
E7	PUBLIC LIGHTING							

OVERSTRAND MUNICIPALITY

ELECTRICITY TARIFFS

Tariff Code	Detail		2016/2017		2015/2016		
			Exclude VAT	Include VAT	Exclude VAT	Include VAT	
E7A1	Streetlights (metered) per kWh	c	68.20	77.75	64.34	73.35	1.0764
E7A2	Streetlights (consumption) (R per 100watt /per month)	R	23.92	27.27	22.57	25.73	1.1220
E7A5	Illuminated street sign boards per month	R	23.92	27.27	22.57	25.73	6.00%
E8	CASUAL SUPPLIES						6.00%
E8A1	Per connection includes disconnection excluding hire of kiosk	R	912.28	1 040.00	865.04	986.15	5.46%
E8A2	Consumption per day/CB Ampere size (per amp) if not metered	R	6.68	7.61	6.20	7.07	7.64%
E8A3	Hire of temporary distribution kiosk, per kiosk, per occasion	R	357.02	407.00	337.72	385.00	5.71%
E8A4	Deposit (Usage will be subtracted)	R	1 230.00	no vat	1 166.00	no vat	5.49%
E8A5	One part tariff : Prepaid or Credit Casual Supply	c	187.37	213.60	NEW	NEW	
E9	AVAILABILITY CHARGES						
E9A1	Availability charge per vacant plot per month	R	254.78	290.45	216.83	247.19	17.50%
E9A2	Infrastructure per vacant plot per month	R	16.65	18.98	16.65	18.98	0.00%
E10	SUNDRY CHARGES						
E10A1	Call-out Fee - office hours (Based on 2 hours for electr & assist + 30km)	R	583.56	665.26	541.32	617.10	7.80%
E10A2	Call-out Fee - after hours: Weekdays & Saturdays (Based on 2 hrs (time and a half) for electr & assist + 30km)	R	819.08	933.75	817.28	931.70	0.22%
E10A3	Call-out Fee - after hours: Sundays & Public Holidays (Based on 2 hrs (double time) for electr & assist + 30km)	R	1 054.62	1 202.27	1 082.63	1 234.20	-2.59%
E10A4	MV. Switching on Council's equipment office hours (Based on 3 hours for superintendent & electr + 60km)	R	1 699.65	1 937.60	1 613.33	1 839.20	5.35%
E10A5	MV. Switching on Council's equipment -after hours: Weekdays & Saturdays (Based on 3 hours (time and a half) for a superintendent and an electrician plus 60km)	R	2 436.98	2 778.16	2 420.00	2 758.80	0.70%
E10A6	MV. Switching on Council's equipment -after hours: Sundays & Public holidays (Based on 3 hours (double time) for a superintendent and an electrician plus 60km)	R	3 174.30	3 618.70	3 226.67	3 678.40	-1.62%
E10A7	Contractor Inspection 2nd	R	571.05	651.00	541.32	617.10	5.49%
E10A8	Contractor Inspection 3rd	R	862.28	983.00	817.28	931.70	5.51%
E10A9	Change of Circuit Breaker - S/Phase(1/annum) contact Electricity Department for approval (Based on Circuit Breaker cost + 1 hour for an electrician and assistant + 30km)	R	456.18	520.05	456.40	520.30	-0.05%
E10A10	Change of Circuit Breaker - 3 Phase(1/annum) contact Electricity Department for approval (Based on Circuit Breaker cost + 1 hour for an electrician and assistant + 30km)	R	1 164.03	1 326.99	902.19	1 028.49	29.02%
E10A11	Disconnection	R	279.83	319.00	265.35	302.50	5.45%
E10A12	Reconnection	R	279.83	319.00	265.35	302.50	5.45%
E10A13	Verification of a Meter Reading	R	279.83	319.00	265.35	302.50	5.45%
E10A14	Administration fee - recalculation due to no meter access	R	145.61	166.00	137.98	157.30	5.53%
E10A15	Test of Meter: 1 & 3 Phase (Conditionally Refundable)	R	515.79	588.00	488.25	556.60	5.64%
E10A16	Test of Meter: All other Meters (Conditionally Refundable)	R	1 064.04	1 213.00	1 008.33	1 149.50	5.52%
E10A17	Tariff change - change between one part and two-part	R	190.35	217.00	180.44	205.70	5.49%
E10A18	Damage elect meter (based on meter cost + call out X 2)	R	1 914.23	2 182.22	1 695.00	1 932.30	12.93%
E10A19	Damage elect meter 3 phase (based on meter cost + call out X 2)	R	2 923.45	3 332.73	1 836.22	2 093.30	59.21%
E10A20	Replacement of CIU (Meter keypad) (Based on keypad cost and call out fee)		963.61	1 098.52	847.37	966.00	13.72%
E10A21	Damage of Bulk meter (Based on 3 hours for a superintendent and electrician + 60km + bulk meter cost + modern cost)	R	6 707.63	7 646.70	9 393.42	10 708.50	-28.59%
E10A22	Change from Bulk to Time of Use (with existing bulk meter) + Deposit on request of user	R	571.05	651.00	541.32	617.10	5.49%

OVERSTRAND MUNICIPALITY

ELECTRICITY TARIFFS

Tariff Code	Detail		2016/2017		2015/2016		
			Exclude VAT	Include VAT	Exclude VAT	Include VAT	
E10A23	Change from Bulk to Time of Use (without existing bulk meter) + Deposit	R	9 910.53	11 298.00	9 393.42	10 708.50	1.0764
E10A24	Commission of Bulk meter, supplied by customer (call out fee x 3)	R	1 750.68	1 995.78	1 634.56	1 863.40	1.1220
E10A25	Damage of HV Cable	R	cost + R31 914.00	Applicable Vat	cost + R30,250.00	Applicable Vat	5.50%
E10A26	Damage of MV Cable	R	cost + R 8 343.00	Applicable Vat	cost + R7,907.46	Applicable Vat	7.10%
E10A27	Damage of LV Cable	R	cost + R3,360.00	Applicable Vat	cost + R3,184.21	Applicable Vat	5.50%
E10A28	Damage of Service Connection Cable	R	cost + R840.00	Applicable Vat	cost + R796.05	Applicable Vat	5.51%
E10A29	Working without Way leave	R	4 306.14	4 909.00	4 081.00	4 652.34	5.52%
E10A30	Refundable Wayleave deposit for HV cables	R	61 507.00	no vat	58 300.00	no vat	5.52%
E10A31	Refundable Way leave deposit for MV cables	R	15 377.00	no vat	14 575.00	no vat	5.50%
E10A32	Refundable Way leave deposit for LV cables	R	3 322.00	no vat	3 148.20	no vat	5.52%
E10A33	Cancellation Fee of requested service	R	15% of Service Value	no vat	15% of Service Value	no vat	
E10A34	Erection and removal of Banners, signs & lights (per hour) (Vehicle cost + labour)	R	696.49	794.00	660.00	752.40	5.53%
E12	CONVERSION OF METERS						
E12A1	Convert Credit Meter to Pre-paid: SP (no cable work) (based on meter cost + call out)	R	1 330.67	1 516.96	934.03	1 064.80	42.47%
E12A2	Convert Credit Meter to Pre-paid: 3P (no cable work) (based on meter cost + call out)	R	2 339.89	2 667.47	2 220.00	2 530.80	5.40%
E12A3	Convert Credit Three Phase to Singe Phase Pre-paid meter	R	1 201.75	1 370.00	1 138.60	1 298.00	5.55%
E12A4	Convert Credit Three Phase to Single Phase Credit (Commercial only)	R	907.02	1 034.00	859.74	980.10	5.50%
E12A5	Convert Pre-paid Single Phase to Three Phase Pre-paid (based on tariff E13A8) cost includes cable to boundary	R	R8,724 + ext fee	Applicable Vat	R8,724 + ext fee	Applicable Vat	10.00%
E12A6	Convert pre-paid Three phase to Single phase pre-paid (based on meter cost + call out + CB)	R	1 481.27	1 688.65	1 167.54	1 331.00	26.87%
E12A7	Removal of Meter (based on call out fee)		583.56	665.26	541.32	617.10	7.80%
E12A8	Repositioning of Meter (excl. cable) (based on call out fee)	R	583.56	665.26	541.32	617.10	7.80%
E12A9	Repositioning of Meter (incl. cable) (based on call out fee + 30m cable)	R	1 926.96	2 196.73	1 326.75	1 512.50	45.24%
E13	SERVICE CONNECTIONS						
E13A1	Builders connection (plus applicable service connection tariff)	R	739.47	843.00	700.53	798.60	5.56%
E13A4	Single Phase (Credit - 60A) option for Commercial users only (Based on 30m cable + meter cost + average labour cost + 15% admin fee)	R	5 248.69	5 983.51	4 723.25	5 384.50	11.12%
E13A6	Single Phase - (Pre-paid meters - 60A) applicable to Domestic users (Network Permitted) (Based on: 30m cable + meter cost + average labour cost + 15% admin fee)	R	5 248.69	5 983.51	4 723.25	5 384.50	11.12%
E13A7	Three Phase : (Credit - 60A) Plus Extension fee : Extension fee not applicable to Industrial erven up to 60 Amp (Based on 30m (25mm) cable + meter cost + average labour +circuit breaker + 15% admin fee)	R	R9692.66 + ext fee	Applicable Vat	R8,724.74 + ext fee	Applicable Vat	5.50%
E13A8	Three Phase : (Pre-paid - 60A) Plus Extension fee : Extension fee not applicable to Industrial erven up to 60 Amp (Based on 30m (25mm) cable + meter cost + average labour +circuit breaker + 15% admin fee)	R	R9692.66 + ext fee	Applicable Vat	R8,724.74 + ext fee	Applicable Vat	5.50%
E13A9	Non Standard : Pre-paid 30 Amp Single phase (Sub economic connections) (Based on 30m (10mm) cable + meter cost + average labour cost + 15% admin fee)	R	4 873.68	5 556.00	2 865.79	3 267.00	70.06%
E13A10	Single Phase (Credit 60A- Developer install cable to boundary) option for Commercial users only (Based on meter cost + call out fee + 15% admin fee)	R	1 530.27	1 744.51	1 326.75	1 512.50	15.34%

OVERSTRAND MUNICIPALITY

ELECTRICITY TARIFFS

Tariff Code	Detail		2016/2017		2015/2016		
			Exclude VAT	Include VAT	Exclude VAT	Include VAT	
E13A11	Single Phase (Pre-paid 60A-Developer install cable to boundary) applicable to Domestic users (Network permitted) (Based on meter cost + call out fee + 15% admin fee)	R	1 530.27	1 744.51	1 231.22	1 403.60	1.0764
E13A12	Three Phase (Credit 60A- Developer install cable to boundary) : Extension fee not applicable to Industrial erven up to 60 Amp (Based on meter cost + call out fee + 15% admin fee)	R	R2690.87 + ext fee	Applicable Vat	R2,706.57 + ext fee	Applicable Vat	1.1220
E13A13	Three Phase (Pre-paid 60A-Developer install cable to boundary) : Extension fee not applicable to Industrial erven up to 60 Amp (Based on meter cost + call out fee + 15% admin fee)	R	R2690.87 + ext fee	Applicable Vat	R2,706.57 + ext fee	Applicable Vat	24.29%
E13A14	Any other none standard connections		cost + 15% admin	Applicable vat	cost + 15% admin	Applicable vat	
E14	ILLEGAL CONNECTION / TAMPERING FEE (Including damage or bypass of the DSM Hot Water Cylinder Control Unit)						
E14A1	1 st Offence	R	3 409.00	no vat	3 230.70	no vat	5.52%
E14A2	2 nd Offence (E14A1 X 2)	R	6 818.00	no vat	6 461.40	no vat	5.52%
E14A3	3 rd Offence and re-occurrence (Disconnection of service and remedial action fee = double previous offence fee)		Previous offence amount X 2	Applicable Vat	Previous offence amount X 2	Applicable Vat	
E14A4	Unsafe / Illegal leads (per visit) (reconnection fee included)	R	1 527.19	1 741.00	1 447.37	1 650.00	5.51%
E15	UPGRADING EXTENSION FEES (Network permitted : to be approved by Electricity Department)						
E15A1	Primary Cost p/kVA -include all HV Equipment UP to HV Substation or identified point of supply	R	1 227.19	1 399.00	1 162.98	1 325.80	5.52%
E15A2	Primary Cost p/kVA -include all MV. Equipment UP to Main Substation or identified point of supply excluding Dist. TF	R	3 363.16	3 834.00	3 187.61	3 633.88	5.51%
E15A3	Secondary Cost p/kVA -include all MV. Equipment UP to Main Substation or identified point of supply including Dist. TF	R	4 284.21	4 884.00	4 060.19	4 628.62	5.52%
E15A4	Secondary Cost p/kVA -include all MV. Equipment UP to Main Substation or identified point of supply including Dist. TF and Kiosk	R	5 589.47	6 372.00	5 297.86	6 039.56	5.50%
E15A5	Buying/Refund of spare capacity cost/kVA	R	100% of approved installation cost	Applicable VAT	% of approved installation	Applicable VAT	
E15A6	Investigation Fee	R	3 415.79	3 894.00	3 237.28	3 690.50	5.51%
E15A7	FACTOR OF 0,36 APPLICABLE ON DOMESTIC USERS : TARIFF : applicable on E15A3 AND E15A4 (Commercial /Business no factor apply)	R	Factor 0.36	Applicable VAT	Factor 0.36	Applicable VAT	
DC2	DEVELOPMENT CONTRIBUTIONS (Bulk Service Levies - BICL)						
DC2A	Sub Division of existing erf						
DC2A1	Single Phase 60 AMP (5 kVA) Domestic X Tariff E15A4 = P/ERF PLUS STANDARD CONNECTION FEES	R	26 489.30	30 197.80	26 489.30	30 197.80	0.00%
DC2B	New Developments						
DC2B1	Standard fee per Singel Phase Domestic erf - infrastructure provide by developer (13.8 kVA xE15A2 x.36)	R	15 836.05	18 053.10	15 836.05	18 053.10	0.00%
DC2B2	Standard fee per Three Phase Domestic erf - infrastructure provide by developer (42kVA x E15A2x.36)	R	48 196.66	54 944.19	48 196.66	54 944.19	0.00%
DC2C	MV/LV Bulk Supply with metering point cost / kVA= Tariff E15A2	R	3 187.61	3 633.88	3 187.61	3 633.88	0.00%
DC2C1	LV Bulk Supply if capacity is available on existing TF cost / kVA = Tariff E15A3	R	4 060.19	4 628.62	4 060.19	4 628.62	0.00%
E17	WHEELING TARIFF						

OVERSTRAND MUNICIPALITY

ELECTRICITY TARIFFS

Tariff Code	Detail		2016/2017		2015/2016	
			Exclude VAT	Include VAT	Exclude VAT	Include VAT
E17A1	Firm network situation (network will not be interrupted under normal operations)	c	20.18	23.00	19.11	21.78
E17A2	Non-Firm network situation (Municipal networks may not always be available for transport of energy under normal operation per kWh)	c	12.28	14.00	11.67	13.30
E18	SMALL SCALE EMBEDDED GENERATION (SSEG)					
	This tariff is available only for approved SSEG connections, where the customers offset their small scale generation (kWh) against purchases from the Municipality, provided that their purchases exceed their generation (kWh). This tariff will only be implemented after NERSA's approved Guidelines have been received. The consumer will stay on his existing tariff and the following will also be applicable:					
E18A2	Feed-in Tariff	c	54.00	61.56	NEW	NEW

1.0764

1.1220

5.59%

5.22%

OVERSTRAND MUNICIPALITY

WATER TARIFFS

Tariff Code	Detail	2016/2017		2015/2016		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
WD	CONSUMER DEPOSITS					
WD1	Domestic - Water	500.00	no vat	955.00	no vat	-47.64%
WD2	Commercial - Water - Consumption < 40kl	2 000.00	no vat	2 191.00	no vat	-8.72%
WD3	Commercial - Water - Consumption 40 - 100kl	7 000.00	no vat	7 722.00	no vat	-9.35%
WD4	Commercial - Water - Consumption 100 kl +	12 000.00	no vat	12 865.00	no vat	-6.72%
WD5	Domestic - Water RUE's	Applicable Rue's X WD1A	no vat	Applicable Rue's X WD1A	no vat	
WD6	Indigent - registered	160.00	no vat	150.00	no vat	6.67%
WDD	Deposit Defaulters					
WDD1	Domestic - Water - Two Times average consumption during the preceding 12 months (Defaulters)	calculated	no vat	calculated	no vat	
WDD2	Commercial - Water - Consumption < 40kl Two Times average consumption during the preceding 12 months (Defaulters)	calculated	no vat	calculated	no vat	
WDD3	Commercial - Water - Consumption 40 - 100kl Two Times average consumption during the preceding 12 months (Defaulters)	calculated	no vat	calculated	no vat	
WDD4	Commercial - Water - Consumption 100 kl + Two Times average consumption during the preceding 12 months (Defaulters)	calculated	no vat	calculated	no vat	
WDD5	Domestic - Water RUE's Two Times average consumption during the preceding 12 months (Defaulters)	calculated	no vat	calculated	no vat	
W1	BASIC CHARGE					
W1A1	Basic Monthly Charge per erf/unit per month	114.93	131.02	108.42	123.60	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>					
W1B	CONSUMPTION - HOUSEHOLDS					
	Normal Tariff					
W1B1	0 - 6 kl per kl	4.04	4.60	3.62	4.13	11.46%
W1B2	7 - 18 kl per kl	9.66	11.01	9.12	10.39	5.98%
W1B3	19 - 30 kl per kl	15.67	17.86	14.79	16.85	5.99%
W1B4	31 - 45 kl per kl	24.13	27.50	22.76	25.95	6.00%
W1B5	46 - 60 kl per kl	31.34	35.73	29.57	33.71	5.99%
W1B6	>60kl per kl	41.79	47.64	39.43	44.94	6.00%
	Restriction Tariff (level 1 restrictions)					
W1B7	0 - 6 kl per kl	4.04	4.60	4.71	5.37	-14.33%
W1B8	7 - 18 kl per kl	12.56	14.32	11.85	13.51	5.99%
W1B9	19 - 30 kl per kl	20.37	23.22	19.22	21.91	5.98%
W1B10	31 - 45 kl per kl	31.37	35.76	29.59	33.73	6.00%
W1B11	46 - 60 kl per kl	40.75	46.45	38.44	43.82	6.00%
W1B12	>60kl per kl	54.33	61.94	51.25	58.43	6.00%
	Restriction Tariff (level 2 restrictions)					
W1B13	0 - 6 kl per kl	4.04	4.60	5.80	6.61	-30.37%
W1B14	7 - 18 kl per kl	15.47	17.63	14.59	16.63	6.00%
W1B15	19 - 30 kl per kl	25.08	28.59	23.66	26.97	6.00%
W1B16	31 - 45 kl per kl	38.61	44.01	36.42	41.52	6.00%

OVERSTRAND MUNICIPALITY

WATER TARIFFS

Tariff Code	Detail	2016/2017		2015/2016		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
W1B17	46 - 60 kl per kl	50.16	57.18	47.32	53.94	6.00%
W1B18	>60kl per kl	66.87	76.23	63.08	71.91	6.00%
	Restriction Tariff (level 3 restrictions)					
W1B19	0 - 6 kl per kl	4.04	4.60	7.25	8.27	-44.34%
W1B20	7 - 18 kl per kl	19.32	22.02	18.23	20.78	5.98%
W1B21	>18 kl per kl	83.58	95.28	78.85	89.89	6.00%
W1BI	CONSUMPTION - REGISTERED INDIGENT HOUSEHOLDS					
	Normal Tariff					
W1BI1	0 - 6 kl per kl - subsidised	4.04	4.60	3.62	4.13	11.46%
W1BI2	7 - 18 kl per kl	9.66	11.01	9.12	10.39	5.98%
W1BI3	19 - 30 kl per kl	15.67	17.86	14.79	16.85	5.99%
W1BI4	31 - 45 kl per kl	24.13	27.50	22.76	25.95	6.00%
W1BI5	46 - 60 kl per kl	31.34	35.73	29.57	33.71	5.99%
W1BI6	>60kl per kl	41.79	47.64	39.43	44.94	6.00%
	Restriction Tariff (level 1 restrictions)					
W1BI7	0 - 6 kl per kl - subsidised	4.04	4.60	4.71	5.37	-14.33%
W1BI8	7 - 18 kl per kl	12.56	14.32	11.85	13.51	5.99%
W1BI9	19 - 30 kl per kl	20.37	23.22	19.22	21.91	5.98%
W1BI10	31 - 45 kl per kl	31.37	35.76	29.59	33.73	6.00%
W1BI11	46 - 60 kl per kl	40.75	46.45	38.44	43.82	6.00%
W1BI12	>60kl per kl	54.33	61.94	51.25	58.43	6.00%
	Restriction Tariff (level 2 restrictions)					
W1BI13	0 - 6 kl per kl - subsidised	4.04	4.60	5.80	6.61	-30.37%
W1BI14	7 - 18 kl per kl	15.47	17.63	14.59	16.63	6.00%
W1BI15	19 - 30 kl per kl	25.08	28.59	23.66	26.97	6.00%
W1BI16	31 - 45 kl per kl	38.61	44.01	36.42	41.52	6.00%
W1BI17	46 - 60 kl per kl	50.16	57.18	47.32	53.94	6.00%
W1BI18	>60kl per kl	66.87	76.23	63.08	71.91	6.00%
	Restriction Tariff (level 3 restrictions)					
W1BI19	0 - 6 kl per kl - subsidised	4.04	4.60	7.25	8.27	-44.34%
W1BI20	7 - 18 kl per kl	19.32	22.02	18.23	20.78	5.98%
W1BI21	>18 kl per kl	83.58	95.28	78.85	89.89	6.00%
W1C	CONSUMPTION - ALL OTHER					
	Normal Tariff					
W1C1	0 - 18 kl per kl	10.69	12.19	9.59	10.93	11.47%
W1C2	19 - 30 kl per kl	15.67	17.86	14.79	16.85	5.99%
W1C3	31 - 45 kl per kl	24.13	27.50	22.76	25.95	6.00%
W1C4	46 - 60 kl per kl	31.34	35.73	29.57	33.71	5.99%
W1C5	>60 kl per kl	41.79	47.64	39.43	44.94	6.00%
	Restriction Tariff (level 1 restrictions)					
W1C6	0 - 18 kl per kl	13.90	15.84	12.47	14.21	11.47%
W1C7	19 - 30 kl per kl	20.37	23.22	19.22	21.91	5.98%

OVERSTRAND MUNICIPALITY

WATER TARIFFS

Tariff Code	Detail	2016/2017		2015/2016		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
W1C8	31 - 45 kl per kl	31.37	35.76	29.59	33.73	6.00%
W1C9	46 - 60 kl per kl	40.75	46.46	38.45	43.83	6.00%
W1C10	>60 kl per kl	54.33	61.93	51.25	58.43	6.00%
	Restriction Tariff (level 2 restrictions)					
W1C11	0 - 18 kl per kl	17.11	19.50	15.34	17.49	11.49%
W1C12	19 - 30 kl per kl	25.08	28.59	23.66	26.97	6.00%
W1C13	31 - 45 kl per kl	38.61	44.01	36.42	41.52	6.00%
W1C14	46 - 60 kl per kl	50.16	57.18	47.32	53.94	6.00%
W1C15	>60 kl per kl	66.87	76.23	63.08	71.91	6.00%
	Restriction Tariff (level 3 restrictions)					
W1C16	0 - 10 kl per kl	21.38	24.37	19.18	21.86	11.48%
W1C17	>10 kl per kl	83.58	95.28	78.85	89.89	6.00%
W1D	OTHER CONSUMERS					
W1D1	Departmental per Kl	18.42	21.00	13.95	15.90	32.04%
W1D2	Fire Hoses: Basic per Month	146.26	166.74	137.99	157.30	6.00%
W1D3	Bulk usage (Unconnected to networks) per Kl	11.83	13.49	11.16	12.72	6.00%
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	18.42	21.00	13.95	15.90	32.04%
W1E	WET COMMERCIAL, SPORT, PARKS etc (must apply for this tariff)					
	Normal Tariff					
W1E1	0 - 500kl per kl	15.55	17.73	13.95	15.90	11.47%
W1E2	501 - 1000kl per kl	23.51	26.80	22.18	25.28	6.00%
W1E3	>1000kl per kl	31.35	35.73	29.57	33.71	6.00%
	Restriction Tariff (level 1 restrictions)					
W1E4	0 - 300kl per kl	20.23	23.06	18.14	20.68	11.49%
W1E5	301 - 700kl per kl	30.56	34.83	28.83	32.86	6.00%
W1E6	>700kl per kl	40.75	46.46	38.45	43.83	6.00%
	Restriction Tariff (level 2 restrictions)					
W1E7	0 - 250kl per kl	24.89	28.37	22.32	25.44	11.49%
W1E8	251 - 500kl per kl	37.61	42.88	35.48	40.45	6.00%
W1E9	>500kl per kl	50.16	57.18	47.32	53.94	6.00%
	Restriction Tariff (level 3 restrictions)					
W1E10	0 - 100kl per kl	31.11	35.46	27.90	31.81	11.49%
W1E11	>100 kl per kl	62.70	71.47	59.15	67.43	6.00%
W1F	WET INDUSTRY (Marine etc. must apply for this tariff) (Average of 100kl per day over previous 365 days)					
	Normal Tariff					
W1F1	0 - 5800kl per kl	16.20	18.47	14.53	16.56	11.51%
W1F2	> 5800kl per kl	31.35	35.73	29.57	33.71	5.99%
	Restriction Tariff (level 1 restrictions)					
W1F3	0 - 5800kl per kl	21.06	24.01	18.89	21.53	11.51%

OVERSTRAND MUNICIPALITY

WATER TARIFFS

Tariff Code	Detail	2016/2017		2015/2016		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
W1F4	> 5800kl per kl	40.75	46.46	38.45	43.83	5.99%
	Restriction Tariff (level 2 restrictions)					
W1F5	0 - 5800kl per kl	25.92	29.55	23.25	26.50	11.51%
W1F6	> 5800kl per kl	50.16	57.18	47.32	53.94	5.99%
	Restriction Tariff (level 3 restrictions)					
W1F7	0 - 5 800kl per kl	32.40	36.94	29.06	33.12	11.51%
W1F8	>5 800 kl per kl	62.70	71.47	59.15	67.43	6.00%
W2A	AVAILABILITY CHARGES					
W2A1	Overstrand per month	114.93	131.02	108.42	123.60	6.00%
W2A2	Farms connected to water pipe line	114.93	131.02	108.42	123.60	6.00%
W2J	REBATES (This can be granted by the Municipal Manager after application) refer to Policy # 6.8.1					
W2J1	Kl above average - per kl	18.42	21.00	13.95	15.90	32.04%
W3A	IRRIGATION WATER ("LEI WATER") & RAW WATER					
W3A1	Use and pump water (80-90 min) per MONTH Stanford	35.09	40.00	225.72	257.32	-84.45%
W3A2	Pearly Beach Small Holdings: Basic	42.82	48.81	40.40	46.05	6.00%
W3A3	Pearly Beach Small Holdings: Consumption 0- 70 kl per kl	3.35	3.82	3.16	3.60	6.00%
W3A4	Pearly Beach Small Holdings: Consumption >70 kl per kl	7.83	8.93	7.39	8.42	5.98%
W3A5	Others	3.35	3.82	3.16	3.60	6.00%
W3A6	Farm 1/722 Stanford as per agreement 1.75% of raw water abstraction from municipal boreholes, maximum 8760 kl/a	0.00	0.00	0.00	0.00	0.00%
W3A7	Farm 586 Volmoed raw water from De Bos pipeline consumption 0 - 300 kl/month per kl	0.00	0.00	new tariff	new tariff	
W3A8	Farm 586 Volmoed raw water from De Bos pipeline consumption >300 kl/month per kl	3.33	3.80	new tariff	new tariff	
W3B	IRRIGATION WATER - (TREATED EFFLUENT)					
W3B2	Hermanus Golf Club per month	38 133.97	43 472.73	35 975.44	41 012.00	6.00%
W3B3	All other per kl	2.15	2.45	2.02	2.30	6.19%
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	2.15	2.45	2.02	2.30	6.19%
W4	SUNDRY CHARGES					
W4A1	Testing of a Meter (Call-out Fee incl)(Conditionally refundable)	767.54	875.00	723.68	825.00	6.06%
W4A2	Testing of a Meter (Ind/Bulk Meter)(Conditionally refundable) *Minimum charge of R500	Cost plus 15%	Applicable vat	new tariff	new tariff	
W4A3	Disconnection	348.25	397.00	328.07	374.00	6.15%
W4A4	Reconnection	348.25	397.00	328.07	374.00	6.15%
W4A5	Reconnection After Normal Working Hours	695.61	793.00	656.14	748.00	6.02%
W4A6	Administration fee - recalculation due to no meter access	135.97	155.00	128.07	146.00	6.16%
W4A7	Verification of a Meter Reading	190.35	217.00	179.83	205.00	5.85%
W4A8	Final and Special Readings	173.68	198.00	164.04	187.00	5.88%
W4A9	Call-out Fee - Normal Working Hours	347.37	396.00	328.07	374.00	5.88%
W4A10	Call-out Fee - After Hours	695.61	793.00	656.14	748.00	6.02%
W4A11	Registration of Borehole (Including inspection fee)	260.53	297.00	245.61	280.00	6.07%
W4A12	Repositioning of Meter (excl. pipe)	764.04	871.00	721.05	822.00	5.96%
W4A13	Convert to Water Flow Restrictor Meter	2 489.47	2 838.00	2 348.25	2 677.00	6.01%
W4A14	Temporary Connections - Deposit	6 551.00	no vat	6 180.00	no vat	6.00%

OVERSTRAND MUNICIPALITY

WATER TARIFFS

Tariff Code	Detail	2016/2017		2015/2016		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
W4A15	Temporary Connection - Usage per kl	12.28	14.00	11.58	13.20	6.02%
W4A16	Damage of Water Meter	Actual cost plus 15%	Applicable vat	Actual cost plus 15%	Applicable vat	
W4A17	Damage of Watermain	Actual cost plus R2,633.00	Applicable vat	Actual cost plus R2,495.24	Applicable vat	5.52%
W4A18	Damage of Service Connection (including water meter)	Actual cost plus R658.00	Applicable vat	Actual cost plus R623.81	Applicable vat	5.48%
W5	ILLEGAL CONNECTION / TAMPERING FEE					
W5A1	1st Offence	5 810.00	no vat	5 480.00	no vat	6.02%
W5A2	2nd Offence	Restricted access		Restricted access		
W6	CONNECTION FEE					
W6A1	20 mm Connection Conventional Meter	4 256.14	4 852.00	4 014.91	4 577.00	6.01%
W6A2	20 mm Connection Water Flow Restrictor Meter	5 054.39	5 762.00	4 768.42	5 436.00	6.00%
W6A3	Other Connections	Actual cost plus 15%	Applicable vat	Actual cost plus 15%	Applicable vat	
W6A4	Connections (Erf Boundary - by Developer)	1 106.14	1 261.00	1 043.86	1 190.00	5.97%
W7	BULK SERVICES DEVELOPMENT FEES					
	Development Contributions will be determined as set out in the Annexure in respect of Development Contribution Policy					

OVERSTRAND MUNICIPALITY

DEVELOPMENT CONTRIBUTION TARIFFS

Tariff Code	Detail	2016/2017		2015/16	
		Exclude VAT	Include VAT	Exclude VAT	Include VAT
		R	R	R	R
DC1	WATER				
DC1A	Standard Fee per Equivalent Unit	18 859.65	21 500.00	21 799.12	24 851.00
DC2	ELECTRICITY				
DC2A	Sub Division of Existing Erf				
DC2A1	Single Phase 60 AMP (5 kVA) Domestic X Tariff E15A4 = P/ERF PLUS STANDARD CONNECTION FEES	26 489.30	30 197.80	26 489.30	30 197.80
DC2B	New Developments				
DC2B1	Standard fee per Singel Phase Domestic erf - infrastructure provide by developer (13.8 kVA x E15A2 x.36)	15 836.05	18 053.10	15 836.05	18 053.10
DC2B2	Standard fee per Three Phase Domestic erf - infrastructure provide by developer (42kVA x E15A2x.36)	48 196.66	54 944.19	48 196.66	54 944.19
DC2C	MV/LV Bulk Supply with metering point cost / kVA= Tariff E15A2	3 187.61	3 633.88	3 187.61	3 633.88
DC2C1	LV Bulk Supply if capacity is available on existing TF cost / kVA = Tariff E15A3	4 060.19	4 628.62	4 060.19	4 628.62
DC3	SEWERAGE				
DC3A	Standard Fee per Equivalent Unit	12 715.79	14 496.00	17 495.61	19 945.00
DC4	ROADS				
DC4A	Standard Fee per Equivalent Unit	5 701.75	6 500.00	5 701.75	6 500.00
DC5	STORMWATER				
DC5A	Standard Fee per Equivalent Unit	6 578.95	7 500.00	NEW	NEW
DC6	SOLID WASTE				
DC6A	Standard Fee per Equivalent Unit	1 140.35	1 300.00	NEW	NEW
DC7	OFF-GRID DEVELOPMENT/UNITS				
DC7A	As per signed agreement as recommended by the Director: Infrastructure and Planning and approval by the Municipal Manager	as per agreement	applicable VAT	as per agreement	applicable VAT
DC8	EVALUATION/INVESTIGATION LEVIES are payable OVER and ABOVE the Bulk Service Levies				
DC8A	Water				
	No. of Equivalent units				
DC8A1	1 - 4	No Charge	No Charge	No Charge	No Charge
DC8A2	5 - 10	6 250.00	7 125.00	6 250.00	7 125.00
DC8A3	11 - 25	10 468.42	11 934.00	10 468.42	11 934.00
DC8A4	26 - 50	14 685.97	16 742.00	14 685.97	16 742.00
DC8A5	51 - 100	16 716.67	19 057.00	16 716.67	19 057.00
DC8A6	101 - 250	18 735.09	21 358.00	18 735.09	21 358.00
DC8A7	251 - 500	21 944.74	25 017.00	21 944.74	25 017.00
DC8A8	501 - 2000	24 647.37	28 098.00	24 647.37	28 098.00
DC8A9	2000 – 5000	29 537.72	33 673.00	29 537.72	33 673.00
DC8A10	> 5001	33 756.14	38 482.00	33 756.14	38 482.00

OVERSTRAND MUNICIPALITY

DEVELOPMENT CONTRIBUTION TARIFFS

Tariff Code	Detail	2016/2017		2015/16		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
DC8E	Sanitation					
	No. of Equivalent units					
DC8E1	1 - 4	No Charge	No Charge	No Charge	No Charge	
DC8E2	5 - 10	6 624.56	7 552.00	6 624.56	7 552.00	0.00%
DC8E3	11 - 25	11 096.49	12 650.00	11 096.49	12 650.00	0.00%
DC8E4	26 - 50	15 568.42	17 748.00	15 568.42	17 748.00	0.00%
DC8E5	51 - 100	17 719.30	20 200.00	17 719.30	20 200.00	0.00%
DC8E6	101 - 250	19 859.65	22 640.00	19 859.65	22 640.00	0.00%
DC8E7	251 - 500	23 261.40	26 518.00	23 261.40	26 518.00	0.00%
DC8E8	501 - 2000	26 126.32	29 784.00	26 126.32	29 784.00	0.00%
DC8E9	2000 – 5000	31 310.53	35 694.00	31 310.53	35 694.00	0.00%
DC8E10	> 5001	35 781.58	40 791.00	35 781.58	40 791.00	0.00%

OVERSTRAND MUNICIPALITY

ANNEXURE TO WATER TARIFFS

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

Clinics – Out patients	□ 1 RUE
Flats	□ 1 RUE per unit
Guest houses and B & B's	□ 1 RUE
Household related consumers that do not fall in one of the above household consumer categories	□ Upon application the Engineering & Financial Departments will assess the validity within the tariff's structural framework.
Old Age Homes, Hostels & Boarding School	□ 1 RUE per 7 Beds
Retirement Villages, Hospital & Hospice	□ 1 RUE per 1 residential unit □ 1 RUE per 7 Beds
Single Residential erven	□ 1 RUE
Townhouse and group developments	□ 1 RUE per unit

RUE = Residential Unit Equivalent

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

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

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

NOTE:

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

PALMIET & KLEINMOND CARAVAN PARKS							
SEASON	PERIOD	A Stands	B Stands	C Stands	A Stands	B Stands	C Stands
		2016/17			2015/2016		
		Per Day	Per Day	Per Day	Per Day	Per Day	Per Day
High Season	1 December – 31 January & Easter Weekend	R380.00	R305.00	R270.00	R363.00	R279.00	R255.00
Low Season	1 February – 30 November (Excluding Easter Weekend)	R210.00	R180.00	R165.00	R200.00	R170.00	R158.00
- Plus: All stands with the availability of electricity = R38.00 per stand per day. - The above tariffs include for up to four (4) persons and one vehicle with one trailer or caravan or small boat per day. - Additional persons up to a maximum of two (2)* = R55.00 per person per day. - Additional vehicle or small trailer or small boat to maximum of 2 units = R30.00 per unit per day. - Day visitors for campers up to a maximum of four (4)* = R55.00 per person per day and R42.00 for a vehicle. (*) Special arrangements must be made with the Camp Manager to allow day visitors - Children under two (2) years are free and children under twelve (12) years at half price. - 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 R2,565.00 for a period of 30 days. - Gate Card / Key Deposit R140.00 per set (refundable). - Long Term rental R810.00 per month plus R185.00 per month for Electricity.							

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

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

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

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

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

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

GANSBAAI CARAVAN PARK									
SEASON	PERIOD	A+ Stands	A Stands	B Stands	C Stands	A+ Stands	A Stands	B Stands	C Stands
		2016/2017				2015/2016			
		Per Day	Per Day	Per Day	Per Day	Per Day	Per Day	Per Day	Per Day
High Season	1 December – 31 January & Easter Weekend	R300.00	R255.00	R210.00	R180.00	new	R242.00	R200.00	R170.00
Low Season	1 February – 30 November (Excluding Easter Weekend)	R230.00	R190.00	R180.00	R165.00	new	R182.00	R170.00	R158.00
- The above tariffs include for up to four (4) persons and one vehicle with one trailer or caravan or small boat. - Additional persons up to a maximum of two (2)* = R55.00 per person per day. - Additional vehicle or small trailer or small boat = R40.00 per unit per day. - Day visitors for campers up to a maximum of four (4) = R40.00 per person per day. - Children under two (2) years are free and children under twelve (12) years at half price. - Long Term Rental = R 7,530.00 pa. - Low Season: Pensioners, Caravan Clubs more than 10 caravans, Mobile Camper Vehicles & 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. - Gate Card / Key Deposit R140.00 per set (refundable).									

HAWSTON DAY CAMPING SITE				
ITEM	Low Season 01 February – 30 November (Excluding Easter Weekend)	High Season 01 December – 31 January & Easter Weekend	Low Season 01 February – 30 November (Excluding Easter Weekend)	High Season 01 December – 31 January & Easter Weekend
		2016/2017		2015/2016
		Per Day	Per Day	Per Day
Camping Sites		R98.00	R180.00	R92.00
Parking Fees : Per Vehicle (excluding buses > 20 seats)		R13.00	R13.00	R12.00
: Per Bus > 20 seats		R155.00	R155.00	R146.00
Entrance Fee: Adults (per person)		R13.00	R13.00	R12.00
: Children (per child < 12)		R4.00	R4.00	R3.50
- The above tariffs include for up to six 6 persons and 1 vehicle with one trailer or caravan or small boat. - Additional vehicle or small trailer or small boat = R40.00 per unit per day. - Events – partial or whole day camp site, per day or portion of the day = R512.00 per day. - Events – community based – partial or whole day camp site, per day or portion of the day = R128.00. - Low Season: Pensioners, Caravan Clubs more than 10 caravans Mobile Camper Vehicles & 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).				

COMMENTS ON DRAFT 2016/2017 BUDGET									
#	ORGANISATION	LODGED BY:	DATE	WATER & ELEC	SEWER	REFUSE	RATES	REMUNERATION	OTHER (SPECIFIED)
1	Fynbospark	Jurie Hamman	14-Apr-16			Objection against the current refuse policy			

Response w.r.t. Refuse Removal tariffs -

Comments relate to the same objection received on the 2015/2016 Draft Budget, response to this objection confirmed again as follows - 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.

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.

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.

COMMENTS ON DRAFT 2016/2017 BUDGET									
#	ORGANISATION	LODGED BY:	DATE	WATER & ELEC	SEWER	REFUSE	RATES	REMUNERATION	OTHER (SPECIFIED)
2	Individual	Tommy Snibbe Kleinmond	21-Apr-16	Free electricity meters			Various comments regarding the increase in property rates	Various comments regarding salaries w.r.t appointment of contractors, savings on salary budget, taking a stand against unions, surplus staff.	* Decrease in Capital Budget * Concern about the whole budget process

Response: Property Rates – Allegation of misleading the public -

The actual increase in Property Rates approved for residential properties, in comparison with the official CPI since 2006/2007, up to the current budget (2015/2016) respectively, is as follows:

Budget Year	Approved Property Rates increase	Official Inflation
2006/2007	4.50%	4.70%
2007/2008	6.00%	7.10%
2008/2009	3.30% effectively	11.50%
2009/2010	4.00%	7.10%
2010/2011	8.00%	4.30%
2011/2012	5.00%	5.00%
2012/2013	6.00%	5.60%
2013/2014	4.05%	5.70%
2014/2015	15.00%	6.10%
2015/2016	6.85%	4.60%

Before-mentioned historical information confirms that the following statement in the 2016/2017 Budget Report is indeed correct and in no way misleading the public:

"The increase in property rates has been set at 7,2% notwithstanding the lagging of property rates increases below inflation over previous years before 2014/15."

The reader of the Budget Report should also take into account the explicit reference on the same page of the Budget Report, of the intent to decrease the level of cross subsidisation of other services by the electricity service.

Response: Tariff Increases above 6.6% – Allegation that the Budget Steering Committee (BSC) did not adhere to the indication for tariff increases, referred to by the Mayor in her presentation to OMAF

Tariff increases (except for Electricity increases which do not fall under the control of municipalities) are on average in line with 6.6%, as per the Basket of Services which information can be confirmed in Annexure D of the budget documentation.

Furthermore, in terms of the following framework dictated by legislation, it is clear that the comment is based on a misperception of the functioning of the BSC as a structure established by the Mayor:

Section 53 of the Local Government: Municipal Financial Management Act, 2003 (Act 56 of 2003)(MFMA) requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Member of Mayoral Committee (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.

Response: Various comments regarding salaries w.r.t appointment of contractors, savings on salary budget, taking a stand against unions, surplus staff.

The following extracts from the Budget Report refer in response:

A new three year collective South African Local Government Bargaining Council (SALGBC) salary agreement came into effect on 1 July 2015. Salary increases, according to the agreement, have been determined at 6% for the 2016/17 financial year, based on the average inflation for the period February 2015 to January 2016, with a minimum inflation rate of 5% plus 1%. This salary determination and annual notch increases for qualifying personnel have been factored into the budget for the 2016/17 financial year as well as the two outer years of the MTREF.

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

Contracted services have been identified as an area for the municipality to implement efficiencies. As part of the compilation of the 2016/17 MTREF this group of expenditure was critically evaluated and operational efficiencies are being enforced. In the 2016/17 financial year, this group of expenditure totals R158,7m. The introduction and reclassification resulting from mSCOA has caused a shift in expenditure previously classified and budgeted under general expenses.

Response: Status of the Capital Budget, replacement of vehicles, equipment

The following extracts from the Budget Report refer, in response:

As previously noted, the Municipality had reached its prudential limits for borrowing in 2012 – hence the planned borrowing to finance the capital budget does not result in finance charges increasing as a percentage of operational expenditure – rather it decreases to 3,96 per cent over the MTREF. The reduction in own funding (borrowing) is largely due to cost containment.

The Municipality had reached its planned outer borrowing limit of 60% of operational revenue in 2012. This was a result of much needed investment in infrastructure during the period from 2009 to 2012, after which the municipality embarked on a strategy to manage this rate down by at least 10% over a ten year period. In January 2014 National Treasury published the first norms and standards circular in which it recommended an upper limit of 45% to revenue. At the current borrowing programme this rate will be managed down to 42% by 2018/19 in this MTREF.

As a result there is limited scope to increase these borrowing levels over the medium-term. The repayment of capital and interest (debt services costs) had increased over the previous four years as a result of the aggressive capital infrastructure programme implemented over those four years. The repayment of capital and interest (debt services costs) remains within the acceptable norms. Consequently, the capital budget remains relatively flat over the medium-term.

The municipality utilized any surpluses as they become available in the past number of years to replace vehicles, IT infrastructure and equipment as prioritised.

Response: Free electricity meters

The costs involved to replace conventional meters with pre-paid meters will be in the region of R17m. The collection rate of the municipality indicates effective debt collection, regardless the type of meter installed.

Response: Budget Process

The Overstrand Municipality complies in all aspects with legislation in this regard –

As previously informed, administrative meetings, e.g. Budget Steering Committee meetings are necessary to enable the administration to do their work and can thus not be regarded or earmarked as meetings for the public to attend and to provide inputs – the very important processes of public participation and submission of comments are specifically provided for, as referred to the next paragraph and Process Plan.

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.

Key dates applicable to the process, inclusive of public participation as prescribed are as follows:

- **September 2015** – Collate draft capital budget and wish lists with reference to the 2016/2017 MTREF and distribute to ward committees to consider priorities and draft ward specific projects;
- **1 & 21 October 2015** – Joint strategic planning session of the Mayoral Committee and Executive Management. Aim: to review past performance trends of the capital and operating budgets, the economic realities and to set the prioritisation criteria for the compilation of the 2016/17 MTREF;
- **October 2015** – Top management meeting to discuss budget proposals and affordability;
- **28 October 2015** – Mayoral directional IDP/Budget speech;
- **November 2015** – Submission of tariff proposals and tariff workshops;
- **November 2015** – Workshop on tariffs and tariff related policies;
- **November/December 2015** – Review of all budget related policies;
- **November/December 2015** – Extensive public participation IDP consultation sessions were held in each of the thirteen wards, which included members of the public, the ward committees and other broader stakeholders (service organisations, etc.), to provide feedback on IDP delivery for the past three financial years (2012/13 to 2014/15) and to gather information on the “community needs” per ward;
- **December 2015** – Mid-year review by the BSC of the 2015/2016 progress and review of 2016-2019 draft operational expenditure including financial forecasting and scenario considerations;
- **January 2016** – Tariff finalisation, consider budget related policies changes and overview of draft 2016/2017 Capex & Opex;
- **22 January 2016** - Council considered the 2016/2016 Mid-year Review;
- **28 January 2016** – Final tariffs and adjustments budget review;
- **1-12 February 2016** – Finalisation of adjustments budget;
- **9 February 2016** – BSC finalises draft Capex/Opex;
- **23 February 2016** – OMAF;
- **March 2016** – Budget office finalises budget report;
- **30 March 2016** - Tabling in Council of the draft 2016/17 IDP, SDBIP and 2016/17 MTREF for public consultation;
- **31 March - 29 April 2016** – Draft Budget available to the public and any other stakeholders for perusal and the submission of comments and representations;
- **April 2016** – Public consultation – Public meetings to be held in all thirteen wards in the municipal area to present the draft budget to the community;
- **29 April 2016** - Closing date for written comments;
- **3 to 13 May 2016** – finalisation of the 2016/17 IDP and 2016/17 MTREF, taking into consideration comments received from the public, comments from NT & PT and updated information from the most recent DoRA and financial framework;
- **3-13 May 2016** – Budget Office compiles final report and schedules;
- **10 May 2016** – LG MTEC3 engagement;
- **12 May 2016** – Re-advertise further budget proposals, if applicable;
- **16-18 May 2016** – Final review of budget report and schedules;
- **19-20 May 2016** – Final budget distribution; and
- **25 May 2016** - Tabling of the 2016/17 MTREF in Council for consideration and approval.

COMMENTS ON DRAFT 2016/2017 BUDGET									
#	ORGANISATION	LODGED BY:	DATE	WATER & ELEC	SEWER	REFUSE	RATES	REMUNERATION	OTHER (SPECIFIED)
3	Hermanus Ratepayers Association	Bob Stanway	28-Apr-16						Draft Special Rating Area Policy and By Law

Response w.r.t. comments related to Draft Special Rating Area Policy:

The following confirmations are provided –

- The Special Rating Area (SRA) by-law must give effect to the Municipality's policy and will commencing with the public participation process for adoption of the by-law thus follow.
- A term budget refers to the budget of the management body, which could be for a period of 5 years, or a lesser period, if so determined in terms of the policy.
- 5.2.1 It is important that the purpose and objective of special rating areas are only to supplement or top - up existing municipal services - the Municipal Systems Act clearly defines a municipal service as a service that the Municipality in terms of its powers and functions can provide for the benefit of the community, and where a fee, charge or tariff is levied for such a service.
- 6.5 & 6.6 The differentiation in percentages applied relates to the sensitivity levels of household budgets in comparison with business properties. Generally speaking, expenses are passed on to clients in the business environment.
- 9.2 & 9.2.1 The draft by – law will stipulate that a non - profit company with members must be established. This is specifically important to ensure that management meetings take place with designated clarity on the members of the special rating area.
- Reference to 8.2.6 and 8.2.5 corrected to read 9.2.6 and 9.2.5
- 9.2.5 A Councillor/Director will have observer/representative status, to attend and to participate at meetings of the management body, but will have no vote at these meetings.
- 10.1 The initiation phase will be included in the identification of services to be improved/upgraded.
- 10.1.9 Urban management survey refers to a perception survey amongst property owners of the proposed area in order to receive comments and concerns.
- 10.6.3.1 – Paragraph 10.6.3.2 also refers to an alternative to implement the original business plan, if 10.6.3.1. will not be realistic/viable.

COMMENTS ON DRAFT 2016/2017 BUDGET									
#	ORGANISATION	LODGED BY:	DATE	WATER & ELEC	SEWER	REFUSE	RATES	REMUNERATION	OTHER (SPECIFIED)
4	Individual	Morag Swanepoel	29-Apr-16						1. Objections to the IDP and Budget, 2. Unfair and Unjust Budget 3. Budget Process and Public Participation 4. Performance Management 5. Accountability for none delivery of previous plans and Municipal Assets not used 6. Basic Service Delivery to Townships is unacceptable 7. Land and Housing 8. Housing Budget Unacceptable 9. Capital Expenditure Employment at the Municipality 10.Appointment of Municipal Manager needs to be explained

Response w.r.t. IDP and Budget/Unfair and Unjust Budget/Budget Process and Public Participation:

The suggested addition of a sixth goal is noted. The strategic direction for the next 5 year IDP cycle (2017/18 – 2021/22) is the prerogative of the new incoming Council to be established after the August 2016 LG elections.

The concerns raised by Me Swanepoel at the Onrus meeting regarding the time scheduling of the April public meetings were addressed by the Executive Mayor.

The dates of the public meetings were advertised in the local media, and broadcasted on Whale Coast FM.

The Overstrand Municipality website is www.overstrand.gov.za The Overberg District Municipality website was incorrectly accessed to obtain information, according to the budget comment received.

Overstrand Municipality is active on social media since May 2016. As this is work in progress the Municipality intends using social media to reach a larger audience in our communication efforts.

The comment on the structure of the public meetings is noted for future planning of said engagements.

It is furthermore stated that the Overstrand Municipality complies in all aspects with legislation in this regard –

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.

Key dates applicable to the process, inclusive of public participation as prescribed are as follows:

- **September 2015** – Collate draft capital budget and wish lists with reference to the 2016/2017 MTREF and distribute to ward committees to consider priorities and draft ward specific projects;
- **1 & 21 October 2015** – Joint strategic planning session of the Mayoral Committee and Executive Management. Aim: to review past performance trends of the capital and operating budgets, the economic realities and to set the prioritisation criteria for the compilation of the 2016/17 MTREF;
- **October 2015** – Top management meeting to discuss budget proposals and affordability;
- **28 October 2015** – Mayoral directional IDP/Budget speech;
- **November 2015** – Submission of tariff proposals and tariff workshops;
- **November 2015** – Workshop on tariffs and tariff related policies;
- **November/December 2015** – Review of all budget related policies;
- **November/December 2015** – Extensive public participation IDP consultation sessions were held in each of the thirteen wards, which included members of the public, the ward

- committees and other broader stakeholders (service organisations, etc.), to provide feedback on IDP delivery for the past three financial years (2012/13 to 2014/15) and to gather information on the “community needs” per ward;
- **December 2015** – Mid-year review by the BSC of the 2015/2016 progress and review of 2016-2019 draft operational expenditure including financial forecasting and scenario considerations;
 - **January 2016** – Tariff finalisation, consider budget related policies changes and overview of draft 2016/2017 Capex & Opex;
 - **22 January 2016** - Council considered the 2016/2016 Mid-year Review;
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 - **31 March - 29 April 2016** – Draft Budget available to the public and any other stakeholders for perusal and the submission of comments and representations;
 - **April 2016** – Public consultation – Public meetings to be held in all thirteen wards in the municipal area to present the draft budget to the community;
 - **29 April 2016** - Closing date for written comments;
 - **3 to 13 May 2016** – finalisation of the 2016/17 IDP and 2016/17 MTREF, taking into consideration comments received from the public, comments from NT & PT and updated information from the most recent DoRA and financial framework;
 - **3-13 May 2016** – Budget Office compiles final report and schedules;
 - **10 May 2016** – LG MTEC3 engagement;
 - **12 May 2016** – Re-advertise further budget proposals, if applicable;
 - **16-18 May 2016** – Final review of budget report and schedules;
 - **19-20 May 2016** – Final budget distribution; and
 - **25 May 2016** - Tabling of the 2016/17 MTREF in Council for consideration and approval.

Response w.r.t. Performance Management / Accountability for Non Delivery of previous plans and Municipal Assets not used -

Regarding Me Swanepoel's allegations on page [5]* and [6]* regarding the non-availability of certain commercial buildings in Zwelihle and Swartdam Road, Councillors are reminded of discussions between Councillors and the Administration regarding the Municipality's dilemma whether stores and shops developed in a former disadvantaged area with funding received from the Neighbourhood Development Programme run by National Treasury can be leased or permits be given exclusively to persons who are residents of such a particular local area. It was the Municipality's intention, following the aforementioned programme, to put the stores out to tender with one of the conditions to state that only residents of Zwelihle could tender for the lease of the businesses and stores. The objective was the economic development and upliftment of these areas and to stimulate job creation as well as to ensure the local community's support. Some objections have been voiced by certain individuals to stores and businesses being rented exclusively to locals and it has been claimed that the approach was both discriminatory and unfair. What follows was a very difficult and time consuming process. Council had in particular to consider whether such an approach would be unfair, inequitable, anti-competitive and discriminatory. For purposes of the aforementioned any number of investigations into practices at other municipalities was conducted and a legal opinion was eventually obtained. The legal opinion had to take into consideration the provisions of the Constitution of the Republic of South Africa, 1996 regarding the objects of local government, the development duties of municipalities, the Constitutional rights of *inter alia* individuals and the provisions of *inter alia* the Promotion of

Equality and Prevention of Unfair Discrimination Act, No 4 of 2000. Concomitant with the aforementioned any number of case law had to be studied and considered. In view of the jurisprudence and the questions raised during the consultation/investigation processes, it was difficult to conclude with any degree of certainty how a court may decide a challenge to the Municipality's envisaged approach. The advocate advised that, depending on the facts, it was not inconceivable for a Court to find that the total exclusion of non-locals constituted unfair discrimination that cannot be justified. In view however of the difficulty of predicting with any degree of certainty what the outcome of a court case could be, the advocate recommended certain measures to be taken by the Municipality and the Municipality's relevant policies to be amended accordingly. This in fact we did. The commercial building in Zwelihle is thus now leased following a tender process whilst the buildings in Swartdam Road are being renovated following the finalisation of a time consuming Sasria insurance claim.

The aforementioned has been explained to Ms Swanepoel on more than one occasion.

Response w.r.t. Basic Service Delivery to the Townships is Unacceptable / Response w.r.t. Land and Housing and lack of planning- short supply especially to Townships / Housing budgeted for is unacceptable -

Chapter 4 of the draft IDP document addresses the concerns raised comprehensively. The following comment was also placed on the municipal website, to point stakeholders to the relevant information/documentation available in this regard:

"The 2016/17 draft budget and draft Integrated Development Plan (IDP review) for Over strand Municipality seeks to continue with a legacy of providing improved service delivery to better the lives of all communities in the Overstrand. The affordability of tariff increases are of great importance to the municipality and the level of services versus the associated cost is a constant consideration.

Therefore, the Overstrand Municipality is inviting everyone to get involved and give their input into the 2016/2017 Municipal Draft Budget and IDP review.

Residents can peruse copies of the draft budget and draft Integrated Development Plan (IDP review) at the offices of all area managers, libraries within the municipality, or download it from Overstrand Municipality's website at www.overstrand.gov.za. The closing date for written representations from the public is set for Friday, 29 April."

With regard to the allegation by Ms Morag Swanepoel regarding "missing funds from Zwe land sale (for Beach Club development) – sold in 1997" – it should be noted that the Overstrand Municipality was established in 2000. The accumulated surpluses (as a nett amount of any funds, inclusive of funds on the sale of assets, up to 2000) of the former municipalities within the Overstrand area were consolidated into one accumulated surplus, and was as such reflected in the Statement of Financial Performance.

The land sales as referred to by Ms Morag took place 20 years ago, in 1997.

It is furthermore important to note that the Annual Financial Statements had been audited annually and there were no findings by the Auditor-General.

Response w.r.t. Capital Expenditure -

Addressed in response to the comments received.

Response w.r.t. Employment at the Municipality –

The following extracts from the Budget Report refer in response:

A new three year collective South African Local Government Bargaining Council (SALGBC) salary agreement came into effect on 1 July 2015. Salary increases, according to the agreement, have been determined at 6% for the 2016/17 financial year, based on the average inflation for the period February 2015 to January 2016, with a minimum inflation rate of 5% plus 1%. This salary determination and annual notch increases for qualifying personnel have been factored into the budget for the 2016/17 financial year as well as the two outer years of the MTREF.

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

Response w.r.t. the appointment of the Municipal Manager -

With regard to Me Swanepoel's comments on pages [9]* and [12]* regarding the so-called housing court cases it is suffice to invite Councillors' attention to the legal opinion dated 22 January 2008 obtained from a senior advocate of the Cape Town Bar (see annexure "1")*. Said opinion was followed to the letter. The aforementioned lead to two court cases, to wit M5 Developments (Cape) (Pty) Ltd v Groenewald NO and Others (6277/08) [2009] ZAWCHC 3 (12 February 2009), (see annexure "2")* and CC Groenewald v M5 Developments (28309) [2010] ZASCA 47 (31 March 2010) (see annexure "3")*. The content of the aforementioned documents speaks for itself and Councillors are advised to judge the comments of Me Swanepoel and that of the article attached to her comments and which appeared in the Monitor, a local weekly newspaper which had a very short lifespan during 2012, with the aforementioned documents in mind. Lastly, Councillors' attention is invited to the fact that the costs regarding the case in the Supreme Court of Appeal of South Africa was born by the third appellant in the matter, to wit ASLA DEVCO (Pty) Ltd.

#	ORGANISATION	LODGED BY:	DATE	WATER & ELEC	SEWER	REFUSE	RATES	REMUNERATION	OTHER (SPECIFIED)
5	Business Chamber Hermanus	Bobby von Doring	29-Apr-16						Draft Special Rating Area Policy and By Law

Response w.r.t. comments related to the draft Special Rating Area Policy -

- The Special Rating Area (SRA) by-law must give effect to the Municipality's policy and will commencing with the public participation process for adoption of the by-law thus follow.
- The Special Rating Area Policy thus to be tabled on 25 May 2016, for the council's consideration and approval.
- Please also refer to additional notes related to this matter, listed under Hermanus Ratepayers Association.

OVERSTRAND MUNICIPALITY



BUDGET REPORT

2016/2017

2016/17 TO 2018/19
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**

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Annexure J	Budget Comments and Responses
Annexure K	Provincial Treasury – LG MTEC 3 Assessment

Abbreviations and Acronyms

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

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

1.2 Council Resolution

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

RECOMMENDATION TO THE COUNCIL:

1. that in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) the annual budget of the Overstrand Municipality for the 2016/17 to 2018/19 MTREF (Medium Term Revenue and Expenditure Framework) period **be approved** 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 single & multi-year capital appropriations by standard classification (vote) and associated funding by source
Schedule 4:	Budgeted financial position
Schedule 5:	Budgeted cash flow
Schedule 6:	Cash backed reserves and acc. surplus reconciliation
Schedule 7:	Asset management
Schedule 8:	Basic service delivery measurement

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

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

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

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

1.3 Executive Summary

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

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditure on non-core and 'nice to have' items.

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

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

The following are extracts from the preamble to the regulations:

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

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

The segments classification consists of the following:

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

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

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

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

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

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

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

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

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

MFMA Circulars No. 81 & 82 relating to direction and guidance regarding the Web Based Central Supplier Database and Cost Containment Measures were also issued. These circulars are included in Annexure H to this report, as well as the status relating to cost containment.

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

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

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

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

- The 2015/2016 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget informed the upper limits for the new baselines for the 2016/17 annual budget;

- Intermediate service level standards were used to inform the measurable objectives, targets and any backlog eradication goals;
- Tariffs and property rates increases should aim to be affordable. The rate of increases in property rates has lagged in the past years;
- Some price increases in the input costs of services are beyond the control of the municipality, for instance the cost of bulk electricity, fuel and chemicals. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure maintenance and backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;
- The following cost saving measures were applied:
 - Reduction from 2015/2016 MTREF borrowing programme;
 - Principle of 0% increase in non-core general expenses unless valid motivations dictate.
 - Cost containment measures referred to in Circular 70 of 4 December 2013 and Circular 82 of 30 March 2016 are responded to in Annexure H (Budget Circulars)

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

Table 1 Consolidated Overview of the 2016/17 MTREF

R thousand	Budget Year 2015/16	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19			
Revenue	913 073	993 175	1 017 455	1 083 718	8.8%	2.4%	6.5%
Expenditure	989 724	1 072 995	1 084 550	1 148 851	8.4%	1.1%	5.9%
Surplus / (Deficit)	(76 651)	(79 820)	(67 094)	(65 133)			
Capital	103 386	88 356	94 230	107 271	-14.5%	6.6%	13.8%

Total operating revenue has grown by 8,8 per cent for the 2016/17 financial year when compared to the 2015/2016 Adjustments Budget. For the two outer years, operational revenue will increase by 2,4 and 6,5 per cent respectively. The higher increase for 2016/17 is informed by increased grant funding, which includes additional equitable share of R8,4m and housing top structures amounting to R14,4m. This attributes to the perceived lower increase in revenue for 2017/18.

Total operating expenditure for the 2016/17 financial year has been appropriated at R1,073bn and translates into a budgeted deficit of R79,8m. When compared to the 2015/2016 Adjustments Budget, operating expenditure has grown by 8,4 per cent in the 2016/17 budget and by 1,1 and 5,9 per cent for each of the respective outer years of the MTREF. The increase of 8,4 per cent for 2016/17 is also attributable to the additional allocation for housing top structures amounting to R14,4m, which attributes to the perceived lower increase in expenditure for 2017/18.

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

The capital budget of R88,4m for 2016/17 is 14,5 per cent less when compared to the 2015/2016 Adjustments Budget. The reduction is due to the available resources to fund the capital budget.

The capital programme increases to R94,2m and R107,3m in the outer years, notwithstanding that an estimated R100m is required annually to sustain capital infrastructure. The reduction in own funding (borrowing) is largely due to cost containment measures as a smaller portion of the capital budget (36%) will be funded from borrowing over the MTREF with anticipated borrowings of R100m. The balance will be funded from internally generated funds (3%) and capital grants (61%).

The Municipality had reached its planned outer borrowing limit of 60% of operational revenue in 2012. This was a result of much needed investment in infrastructure during the period from 2009 to 2012, after which the municipality embarked on a strategy to manage this rate down by at least 10% over a ten year period. In January 2014 National Treasury published the first norms and standards circular in which it recommended an upper limit of 45% to revenue. At the current borrowing programme this rate will be managed down to 42% by 2018/19 in this MTREF. As a result there is limited scope to increase these borrowing levels over the medium-term. The repayment of capital and interest (debt services costs) had increased over the previous four years as a result of the aggressive capital infrastructure programme implemented over those four years. The repayment of capital and interest (debt services costs) remains within the NT acceptable norm band. 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 (7th highest growth nationally as per the 2011 census), development backlogs and increasing poverty levels. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

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

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

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

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise 79% of the total operating revenue mix. In the 2015/2016 financial year, revenue from rates and services charges totalled R730m. This increases to R787m, R834m and R885m in the respective financial years of the MTREF. This growth can also be attributed to the increased share that the sale of electricity contributes to the total revenue mix, which in turn is due to rapid increases in the Eskom tariffs for bulk electricity, above anticipated inflation growth and operational grants. The above table includes

revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality. Details in this regard are contained in Table 61 MBRR SA1 (see page 96).

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

Table 2 Summary of revenue classified by main revenue source

Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue By Source									
Property rates	120 799	134 813	152 870	162 730	162 730	162 730	180 591	191 427	202 913
Property rates - penalties & collection charges	772	821	747	891	891	891	848	899	953
Service charges - electricity revenue	247 663	268 362	286 571	338 877	336 327	336 327	356 959	379 108	401 855
Service charges - water revenue	85 243	95 136	108 391	102 045	104 429	104 429	111 544	117 505	124 556
Service charges - sanitation revenue	56 895	62 798	68 661	66 375	67 375	67 375	72 318	76 657	81 257
Service charges - refuse revenue	46 637	52 957	56 770	59 488	59 488	59 488	65 510	69 441	73 607
Service charges - other					1 166	1 166	722	765	811
Rental of facilities and equipment	7 212	7 591	9 155	11 859	5 360	5 360	4 728	3 335	3 535
Interest earned - external investments	7 555	6 352	8 144	6 348	8 973	8 973	10 489	12 795	13 563
Interest earned - outstanding debtors	2 199	2 118	2 279	2 437	2 437	2 437	2 756	2 921	3 097
Fines	14 244	22 739	25 389	31 859	31 859	31 859	31 143	31 164	31 187
Licences and permits	1 968	1 956	1 972	2 190	2 190	2 190	2 330	2 470	2 618
Agency services	2 025	2 395	2 766	2 970	2 970	2 970	3 220	3 413	3 618
Transfers recognised - operational	41 680	67 835	60 473	90 324	103 555	103 555	126 313	100 430	113 519
Other revenue	68 978	10 504	20 463	16 643	23 324	23 324	23 702	25 124	26 631
Gains on disposal of PPE									
Total Revenue (excluding capital transfers and contributions)	703 871	736 376	804 650	895 035	913 073	913 073	993 175	1 017 455	1 083 718

Table 3 Percentage growth in revenue by main revenue source

Description R thousand	Current Year 2015/16	2016/17 Medium Term Revenue & Expenditure Framework					
		Budget Year 2016/17		Budget Year +1 2017/18		Budget Year +2 2018/19	
Revenue By Source							
Property rates	162 730	180 591	10.98%	191 427	6.00%	202 913	6.00%
Property rates - penalties & collection charges	891	848	-4.83%	899	6.00%	953	6.00%
Service charges - electricity revenue	336 327	356 959	6.13%	379 108	6.20%	401 855	6.00%
Service charges - water revenue	104 429	111 544	6.81%	117 505	5.34%	124 556	6.00%
Service charges - sanitation revenue	67 375	72 318	7.34%	76 657	6.00%	81 257	6.00%
Service charges - refuse revenue	59 488	65 510	10.12%	69 441	6.00%	73 607	6.00%
Service charges - other	1 166	722	-38.08%	765	6.00%	811	6.00%
Rental of facilities and equipment	5 360	4 728	-11.79%	3 335	-29.46%	3 535	5.99%
Interest earned - external investments	8 973	10 489	16.90%	12 795	21.98%	13 563	6.00%
Interest earned - outstanding debtors	2 437	2 756	13.11%	2 921	6.00%	3 097	6.00%
Fines	31 859	31 143	-2.25%	31 164	0.07%	31 187	0.07%
Licences and permits	2 190	2 330	6.44%	2 470	6.00%	2 618	6.00%
Agency services	2 970	3 220	8.42%	3 413	6.00%	3 618	6.00%
Transfers recognised - operational	103 555	126 313	21.98%	100 430	-20.49%	113 519	13.03%
Other revenue	23 324	23 702	1.62%	25 124	6.00%	26 631	6.00%
Total Revenue (excluding capital transfers and contributions)	913 073	993 175	8.77%	1 017 455	2.44%	1 083 718	6.51%

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

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

Operating grants and transfers total R126,3 million in the 2016/17 financial year. This decreases to R100,4m in 2017/18 and increases to R113,5 in 2018/19 of the MTREF. This fluctuation is mainly due to housing grant allocations and the split thereof between operating and capital budgets. The housing allocation for the building of top structures for housing development amounts to R66,7m over the MTREF. Equitable share increases over the MTREF (42%) in terms of the equitable share formula after the release of the 2011 census figures, as a result of the population growth in the Overstrand area.

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

Table 4 Operating Transfers and Grant Receipts

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
RECEIPTS:									
Operating Transfers and Grants									
National Government:	38 956	45 033	56 511	67 709	67 709	67 709	76 347	84 580	92 983
Local Government Equitable Share	36 146	41 949	52 021	64 598	64 598	64 598	72 950	83 030	91 433
Finance Management	698	1 300	1 450	1 450	1 450	1 450	1 475	1 550	1 550
Municipal Systems Improvement	780	540							
EPWP Incentive	1 332	1 244	1 768	1 661	1 661	1 661	1 922		
Other transfers/grants [insert description]									
Provincial Government:	2 703	23 332	4 481	22 615	35 044	35 044	49 966	15 850	20 536
Housing	1 659	18 669	632	17 141	29 370	29 370	43 795	9 346	13 540
Emergency Housing Programme (EHP)	-	-							
Provincial Library Grant	691	795	3 182	5 288	5 288	5 288	5 839	6 189	6 561
Financial Management Support Grant	-	800							
Disaster recovery grant									
Community Development Worker Grant	70	49	70	72	72	72	75	75	75
Main Road Subsidy	65	2 651	83	114	114	114	137		
Sport & Recreation Grant	-	-							
Nelson Mandela commemoration Grant	-	100							
Greenest Municipality	-	50							
Financial Management Support Grant			515				120	240	360
Thusong Service centre grant	218	218			200	200			
Other grant providers:	652	586	165	-	-	-	-	-	-
ACIP									
Prov Govt. Nelson Mandela Commemoration									
Prov Govt. ICT Projects for Libraries	-	27							
Table Mountain Fund	-	240							
Public Contr. KCIH									
Samras Usergroup	22	-	3						
Friedrich Naumann Foundation	-	319	162						
Spaces 4 Sport	630	-							
Total Operating Transfers and Grants	42 311	68 951	61 158	90 324	102 753	102 753	126 313	100 430	113 519

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 targets. Inflation is however currently hovering above the inflation target. Excessive increases are likely to be counterproductive, resulting in possible higher levels of non-payment.

The increase in property rates has been set at 7,2% notwithstanding the lagging of property rates increases below inflation over previous years before 2014/15. In the eight years prior to 2014/2015, the property rates tariff had only on two occasions exceeded the annual inflation rate. Furthermore, increases in service charges, excluding electricity, have been kept below current inflation. The upper inclining blocks for the electricity consumption tariffs is equal to the recommended increases relating to the NERSA approval of Eskom tariffs. This contributes to the eroding of surpluses on services due to higher than inflation input costs. Notwithstanding that surpluses on services have traditionally subsidised community services, the decrease in these surpluses is in line with the intent to decrease the level of cross subsidisation of other services by the electricity service. See the table below.

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

The following table sets out the costing of services.

Table 5 Costing of services

COSTING OF SERVICES	Amended Bud 18/3 2015/2016	Original Budget 2016/2017	
Service : 1200 ELECTRICITY			
** Employee Related Cost	19 049 774	20 695 290	
** Debt Impairment		230 802	
** Operational Cost	377 100	425 860	
** Bulk Purchases	191 573 082	210 763 340	
** Contracted Services	2 388 903	2 471 103	
** Interest Paid	15 927 856	15 885 606	
** Bad Debts Written Off		172 482	
** Depreciation And Amortisation	22 144 494	23 402 951	
** Inventory	3 669 125	3 694 716	
COSTING: OVERHEADS (DEPT CHARGES)	43 951 492	46 149 067	
TOTAL EXPENDITURE	299 081 826	323 891 217	8.3%
** Ex Rev: Sales Goods Services	-100 000	-738 500	
** Ex Rev: Service Charges	-338 404 630	-359 503 381	
** Non-Ex Rev: Fine Penlt Forft	-71 500	-180 200	
** Contra: Cost Free Basic Serv	2 215 400	2 544 000	
TOTAL INCOME	-336 360 730	-357 878 081	6.4%
SURPLUS/DEFICIT	-37 278 904	-33 986 864	
	12.46%	10.49%	

COSTING OF SERVICES		Amended Bud 18/3 2015/2016	Original Budget 2016/2017	
Service : 1300 WATER				
** Employee Related Cost		11 298 314	9 791 132	
** Debt Impairment			221 209	
** Operational Cost		3 404 696	3 663 412	
** Contracted Services		22 346 668	28 920 947	
** Interest Paid		18 022 914	18 391 521	
** Bad Debts Written Off			165 313	
** Depreciation And Amortisation		18 968 693	20 046 672	
** Inventory		5 370 740	2 597 404	
COSTING: OVERHEADS (DEPT CHARGES)		16 564 152	17 392 360	
TOTAL EXPENDITURE		95 976 177	101 189 970	5.4%
** INCOME				
** PROFIT/FAIR VALUE ON ASSETS				
** Ex Rev: Sales Goods Services		-600 000	-265 000	
** Ex Rev: Service Charges		-106 317 773	-113 181 354	
** Non-Ex Rev: Fine Penlt Forft		-47 000	-79 500	
** Non-Ex Rev: Transfers Subsidy				
** Contra: Cost Free Basic Serv		1 320 000	1 637 170	
TOTAL INCOME		-105 644 773	-111 888 684	5.9%
SURPLUS/DEFICIT		-9 668 596	-10 698 714	
		10.07%	10.57%	
Service : 1400 WASTE WATER MANAGEMENT				
** Employee Related Cost		14 017 747	14 351 696	
** Debt Impairment			132 931	
** Operational Cost		893 263	984 823	
** Contracted Services		11 509 379	16 662 773	
** Interest Dividend Rent On Lan		7 783 445	7 943 531	
** Bad Debts Written Off			99 341	
** Depreciation And Amortisation		17 063 923	18 033 658	
** Inventory		3 707 946	3 729 694	
COSTING: OVERHEADS (DEPT CHARGES)		9 650 956	10 133 504	
TOTAL EXPENDITURE		64 626 659	72 071 951	11.5%
** Ex Rev: Sales Goods Services		-551 200	-212 100	
** Ex Rev: Service Charges		-67 374 740	-72 318 000	
TOTAL INCOME		-67 925 940	-72 530 100	6.8%
SURPLUS/DEFICIT		-3 299 281	-458 149	
		5.11%	0.64%	
Service : 1500 WASTE MANAGEMENT				
** Employee Related Cost		21 310 791	23 857 081	
** Debt Impairment			86 442	
** Operational Cost		6 558 480	7 540 891	
** Contracted Services		16 922 640	17 614 507	
** Interest Dividend Rent On Lan		1 751 952	1 143 905	
** Bad Debts Written Off			77 519	
** Depreciation And Amortisation		5 159 240	5 452 442	
** Inventory		2 497 072	2 732 404	
COSTING: OVERHEADS (DEPT CHARGES)		8 545 653	8 972 935	
TOTAL EXPENDITURE		62 745 828	67 478 126	7.5%
** Ex Rev: Sales Goods Services		-56 000	-60 000	
** Ex Rev: Service Charges		-59 488 160	-65 510 200	
TOTAL INCOME		-59 544 160	-65 570 200	10.1%
SURPLUS/DEFICIT		3 201 668	1 907 926	
		-5.10%	-2.83%	
Notes:				
1. Secondary costs (overheads) indicated in line with previous allocations + 5%				
1. The waste management deficit addressed in para. 1.4.5				

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

1.4.1 Property Rates

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

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

The following stipulations in the Property Rates Policy are highlighted:

TARIFF CODE	CLASS TAX	TYPE OF PROPERTY	REBATE OR EXEMPTIONS
BUS	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%
BUSO	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.
RES	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"
RESO	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"
FARMS	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.

FARMS	Conservation land	Privately owned properties whether designated or used for conservation purposes.	Not rateable in terms of section 17(1)(e) of the act.
PR100 PR050 PR040	Other Rebates	Single residential properties, Group Housing, Retirement Villages, Flats, Sectional Schemes	- Property must be occupied permanently; - The applicant must be the registered owner; - Only one residential unit allowed on the property - Applicant may not be the registered owner of more than one property • A rebate of 100% to approved applicants, in terms of the Property Rates Policy, who's gross monthly household income may not exceed the amount of two times (2X) of state funded social pensions per month; • A rebate of 50% to approved applicants, in terms of the Property Rates Policy, who are older than 60 with a gross monthly household income less than four times (4X) of state funded social pensions per month; • A rebate of 40% to approved applicants, in terms of the Property Rates, 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.

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

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

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

1.4.2 Sale of Water and Impact of Tariff Increases

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

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

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

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

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

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

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

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

1.4.3 Sale of Electricity and Impact of Tariff Increases

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

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

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

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

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

Therefore, any subsequent changes as might be announced, will be considered and determined, for inclusion in the final budget report for May 2016, subject to the finalisation of the tariff increases. To date NERSA has not finalised this matter.

Considering the increases based on the consultation paper, the overall tariffs will increase between 1% - 7,64%, for units consumption. Before mentioned will provide relief with regard to the first 350 units purchased each month, as this bracket will increase with 1%. The basic charge increases by 17,5% per cent. This higher basic charges increase for households is to mitigate the disparity between fixed and variable costs. Furthermore, it should be noted that the basic charge and first 350 units equates to an increase of only 6,34%.

Local Government has been urged in discussions at various forum meetings and workshops to address the disparity in recovery of costs in relation to basic charges versus unit cost charges with regard to fixed costs and variable costs respectively. The municipality will be revisiting cost allocation in terms of before-mentioned on an annual basis in order to ensure parity.

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

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

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

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

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

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

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

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

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

The full proposed tariffs are included in Annexure C.

1.4.4 Sanitation and Impact of Tariff Increases

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

The following factors inform the proposed tariffs:

- Sanitation charges are calculated according to the percentage water discharged as indicated in the table below;
- Tariff structure comparability research was undertaken by the Infrastructure & Planning directorate, where it was found that the current tariff structure compares very favourably towards the consumer, against tariff structures locally and international; and
- Free sanitation (4,2 kℓ of 6 kℓ water) will be applicable to registered indigents; and

The following table compares the current and proposed tariffs:

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

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

1.4.5 Waste Removal and Impact of Tariff Increases

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

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

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

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

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

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

All proposed refuse tariffs are listed in Annexure C.

1.4.6 Overall impact of tariff increases on households

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

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

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

Table 11 MBRR Table SA14 – Household bills

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17 % incr.	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		151.25	156.00	179.40	191.53	191.53	191.53	7.2%	205.32	217.64	230.70
Electricity: Basic levy		157.89	192.98	204.56	216.83	216.83	216.83	17.5%	254.78	270.07	286.27
Electricity: Consumption		1 056.28	1 126.62	1 219.02	1 367.73	1 367.73	1 367.73	6.0%	1 449.12	1 558.25	1 651.75
Water: Basic levy		92.98	96.49	102.28	108.42	108.42	108.42	6.0%	114.93	121.83	129.14
Water: Consumption		224.44	273.66	294.95	313.77	313.77	313.77	6.3%	333.62	353.76	374.99
Sanitation		264.87	288.62	306.60	325.09	325.09	325.09	6.0%	344.53	365.22	387.13
Refuse removal		113.16	122.81	130.18	137.99	137.99	137.99	6.0%	146.26	155.05	164.35
Other											
sub-total		2 060.87	2 257.18	2 436.99	2 661.36	2 661.36	2 661.36	7.0%	2 848.56	3 041.81	3 224.32
VAT on Services		267.35	294.17	316.06	345.78	345.78	345.78		370.05	395.38	419.11
Total large household bill:		2 328.22	2 551.35	2 753.05	3 007.14	3 007.14	3 007.14	7.0%	3 218.61	3 437.20	3 643.43
% increase/-decrease			9.6%	7.9%	9.2%	0.0%	-		7.0%	6.8%	6.0%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		104.70	108.00	124.20	132.60	132.60	132.60	7.2%	142.15	150.68	159.72
Electricity: Basic levy		157.89	192.98	204.56	216.83	216.83	216.83	17.5%	254.78	270.07	286.27
Electricity: Consumption		438.62	456.59	494.02	554.27	554.27	554.27	3.5%	573.52	621.30	658.58
Water: Basic levy		92.98	96.49	102.28	108.42	108.42	108.42	6.0%	114.93	121.83	129.14
Water: Consumption		164.44	207.86	222.11	236.54	236.54	236.54	6.4%	251.79	266.98	283.00
Sanitation		234.17	254.84	270.69	287.01	287.01	287.01	6.0%	304.18	322.44	341.79
Refuse removal		113.16	122.81	130.18	137.99	137.99	137.99	6.0%	146.26	155.05	164.35
Other											
sub-total		1 305.96	1 439.57	1 548.04	1 673.66	1 673.66	1 673.66	6.8%	1 787.61	1 908.34	2 022.84
VAT on Services		168.18	186.42	199.34	215.75	215.75	215.75		230.36	246.07	260.84
Total small household bill:		1 474.14	1 625.99	1 747.38	1 889.41	1 889.41	1 889.41	6.8%	2 017.97	2 154.41	2 283.68
% increase/-decrease			10.3%	7.5%	8.1%	-	-		6.8%	6.8%	6.0%
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		58.16	60.00	69.00	73.67	73.67	73.67	7.2%	78.97	83.71	88.73
Electricity: Basic levy		157.89	192.98	204.56	216.83	216.83	216.83	17.5%	254.78	270.07	286.27
Electricity: Consumption		278.39	286.75	310.24	348.08	348.08	348.08	1.0%	351.58	387.44	410.69
Water: Basic levy		92.98	96.49	102.28	108.42	108.42	108.42	6.0%	114.93	121.83	129.14
Water: Consumption		104.44	143.72	152.36	162.59	162.59	162.59	6.7%	173.44	183.88	194.91
Sanitation		203.48	221.07	234.78	248.93	248.93	248.93	6.0%	263.82	279.66	296.44
Refuse removal		113.16	122.81	130.18	137.99	137.99	137.99	6.0%	146.26	155.05	164.35
Other		(521.33)	(598.16)	(635.06)	(676.99)	(676.99)	(676.99)		(743.13)	(787.72)	(834.98)
sub-total		487.17	525.66	568.34	619.52	619.52	619.52	3.4%	640.65	693.91	735.54
VAT on Services		60.06	65.19	69.91	76.42	76.42	76.42		78.63	85.43	90.55
Total small household bill:		547.23	590.85	638.25	695.94	695.94	695.94	3.4%	719.28	779.34	826.10
% increase/-decrease			8.0%	8.0%	9.0%	-	-		3.4%	8.3%	6.0%

References

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

1.5 Operating Expenditure Framework

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

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

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

Table 12 Summary of operating expenditure by standard classification item

Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Expenditure By Type									
Employee related costs	231 642	260 645	267 019	291 593	292 827	292 827	314 204	322 023	339 129
Remuneration of councillors	7 084	7 933	8 104	8 674	8 674	8 674	9 110	9 620	10 161
Debt impairment	6 688	12 526	10 846	22 792	22 792	22 792	23 888	23 974	24 048
Depreciation & asset impairment	104 408	99 361	106 445	111 362	111 362	111 362	117 690	124 752	132 237
Finance charges	37 331	39 927	43 447	46 895	46 895	46 895	46 421	46 952	45 449
Bulk purchases	145 022	157 055	167 660	193 573	191 573	191 573	210 763	227 329	245 197
Other materials	12 441	13 595	16 659	57 801	61 507	61 507	75 048	40 659	46 605
Contracted services	67 697	72 754	85 327	125 322	147 093	147 093	158 368	164 936	174 154
Transfers and grants	35 856	38 749	48 659	48 497	49 448	49 448	57 479	60 808	64 336
Other expenditure	102 146	117 460	157 098	58 021	57 553	57 553	60 024	63 497	67 536
Loss on disposal of PPE	1 756	12 017							
Total Expenditure	752 070	832 022	911 264	964 529	989 724	989 724	1 072 995	1 084 550	1 148 851

The budgeted allocation for employee related costs and remuneration of councillors for the 2016/17 financial year totals R323,3m which equals 30,1 per cent of the total operating expenditure and within the NT norm of 25 – 40 per cent. Of this total, the provisions relating to employee related costs amounts to R20,4m of which the majority of the amount is of a long term liability nature (post-retirement benefits) and therefore not cash remuneration.

A new three year collective SALGBC salary agreement came into effect on 1 July 2015. Salary increases, according to the agreement, have been determined at 6% for the 2016/17 financial year, based on the average inflation for the period February 2015 to January 2016, with a minimum inflation rate of 5% plus 1%. This salary determination and annual notch increases for qualifying personnel have been factored into the budget for the 2016/17 financial year as well as the two outer years of the MTREF.

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

With effect from 1 July 2010, the Municipal Manager and Section 57 Employees (Directors) remuneration is determined by an independent consulting firm, Messrs.' Work Dynamics (Pty) Ltd, appointed by the Employer to determine market related cost-to-employer remuneration packages. The afore-mentioned employees receive no bonuses, which principle was negotiated with them. The recommendation of Messrs.' Work Dynamics (Pty) Ltd, although they are a private company, does compare the salaries of people with similar job descriptions, whether it be the private or government sector. The remuneration model developed by them for senior managers in the local government sector has been adjusted to reflect the remuneration trends in the labour market. This determination will be completed at a later stage for the 2016/2017 budget. For draft budgeting purposes, the same increase of 6 per cent, as for other employees has been factored into the budget.

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

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The proclamation with regard to the 2015/2016 increases was published and implemented during January 2016. No indication for 2016/17 has been received to date and therefore an increase of 5%, based on the increase for 2015/16 determination, has been factored into the budget for 2016/17.

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

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate of asset consumption. Budget appropriations in this regard total R117,7m for the 2016/17 financial year and equates to 11 per cent of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This resulted in a significant increase in depreciation relative to previous years. This aspect is further highlighted in para. 1.3 of this report.

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

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

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

Contracted services have been identified as an area for the municipality to implement efficiencies. As part of the compilation of the 2016/17 MTREF this group of expenditure was critically evaluated and operational efficiencies are being enforced. In the 2016/17 financial year, this group of expenditure totals R158,4m. The introduction and reclassification resulting from mSCOA has caused a shift in expenditure previously classified and budgeted under general expenses. Further details relating to contracted services can be seen in Table 61 MBRR SA1 (see page 96).

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

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

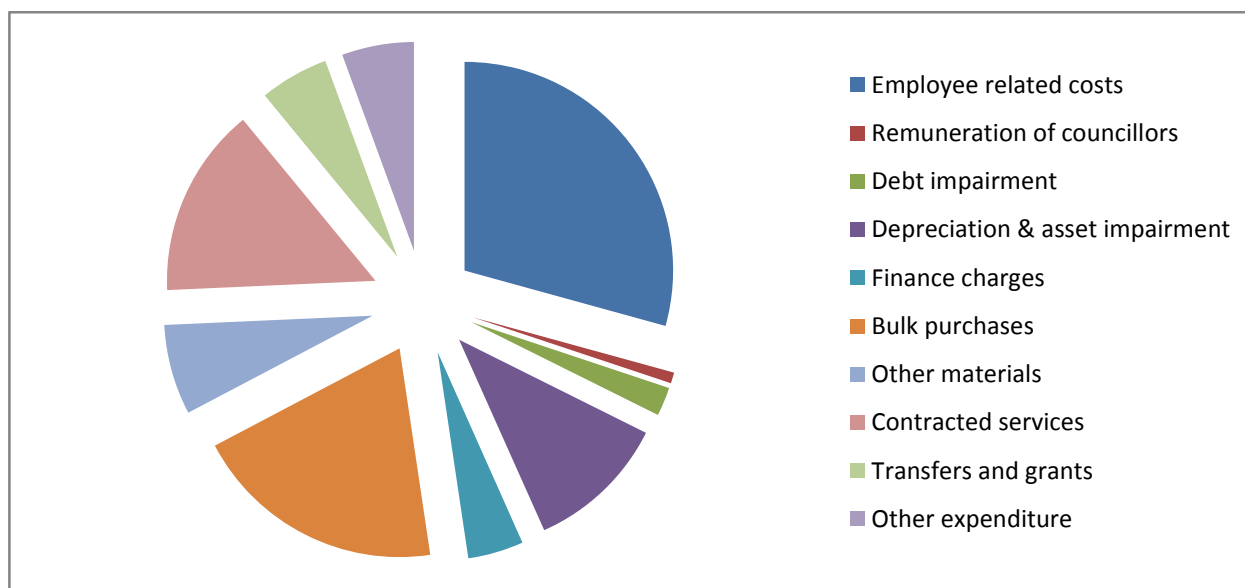


Figure 1 Main operational expenditure categories for the 2016/17 financial year

1.5.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2016/17 budget and MTREF provide for continuing in the area of asset maintenance, as informed by the asset maintenance strategy and repairs and maintenance plan of the Municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

Table 13 Operational repairs and maintenance

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

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

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

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

Table 14 Repairs and maintenance per asset class

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	87 048	129 145	136 009	111 449	111 449	111 449	110 372	114 116	118 787
Infrastructure - Road transport	42 236	63 749	65 726	57 090	57 090	57 090	61 852	63 763	66 471
Roads, Pavements & Bridges	39 790	60 016	60 328	51 401	51 401	51 401	55 545	57 207	59 544
Storm water	2 446	3 732	5 398	5 689	5 689	5 689	6 306	6 555	6 927
Infrastructure - Electricity	14 105	20 488	26 276	16 835	16 835	16 835	17 747	18 486	18 826
Generation									
Transmission & Reticulation	14 105	20 488	26 276	16 835	16 835	16 835	17 747	18 486	18 826
Street Lighting									
Infrastructure - Water	21 502	27 931	25 811	22 874	22 874	22 874	16 555	17 280	18 168
Dams & Reservoirs	80								
Water purification	1 963								
Reticulation	19 459	27 931	25 811	22 874	22 874	22 874	16 555	17 280	18 168
Infrastructure - Sanitation	7 708	15 486	16 060	12 159	12 159	12 159	11 672	11 949	12 587
Reticulation	6 623								
Sewerage purification	1 085	15 486	16 060	12 159	12 159	12 159	11 672	11 949	12 587
Infrastructure - Other	1 499	1 491	2 136	2 492	2 492	2 492	2 546	2 639	2 735
Waste Management	1 499	1 491	2 136	2 492	2 492	2 492	2 546	2 639	2 735
Community	5 408	7 349	8 469	4 546	4 546	4 546	4 878	4 918	5 208
Other assets	21 958	13 864	13 548	5 081	5 081	5 081	5 545	4 822	5 072
Total Repairs and Maintenance Expenditure	114 414	150 358	158 026	121 077	121 077	121 077	120 795	123 857	129 068
R&M as a % of PPE	3.7%	4.8%	5.1%	3.9%	3.9%	3.9%	3.9%	4.1%	4.3%
R&M as % Operating Expenditure	15.2%	18.1%	17.3%	12.6%	12.2%	12.2%	11.3%	11.4%	11.2%

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

1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are indigent/poor or face other circumstances that limit their ability to pay for services. To receive these free/subsidised services the households are required to register in terms of the Municipality's Indigent Policy. The budgeted indigent households amounts to approximately 7100 and will be reviewed monthly. Details relating to free services and basic service delivery measurement is contained in Table 26 MBRR A10 (Basic Service Delivery Measurement) on page 44.

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

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

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

Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Cash Transfers to other municipalities									
Total Cash Transfers To Municipalities:	-	-	-	-	-	-	-	-	-
Cash Transfers to other Organs of State									
Total Cash Transfers To Other Organs Of State:	-	-	-	-	-	-	-	-	-
Cash Transfers to Organisations									
<i>Grant-in-aid</i>	398	451	278					278	278
Badisa herberg-aan-see				5	5	5			
Nsri				28	28	28			
Hermanus hacking group				15	15	15			
Camphill school				20	20	20			
Overstrand Arts / Kunste				20	20	20			
Overstrand hospice				20	20	20			
Stanford animal welfare society				15	15	15			
Flower valley conservation trust				15	15	15			
kids@the centre				15	15	15			
Siyazama				15	15	15			
Overstrand association for persons with disabilities				20	20	20			
Strandloperij bewaarskool				15	15	15			
Narrative foundation				15	15	15			
Hermanus botanical society				20	20	20			
Whale coast conservation				20	20	20			
Camphill farm community				20	20	20			
Pearly Shell Service Centre							9		
RDP Training Centre							10		
Hermanus Night Shelter							15		
The Recycle Swop Shop							20		
Blommeland Day Care							5		
Overstrand Arts / Kunste							23		
Whale Coast 96 FM							8		
Pearly Beach Conservancy							15		
Whale Coast Conservation							30		
Overstrand Hospice							30		
Hermanus Botanical Society							9		
Narrative Foundation							35		

Women Action Group							10		
Stanford Conservation							20		
Dyer Island Conservation Trust							25		
Grootbos Green Futures Foundation							15		
Tourism buro's				1 649	1 649	1 649	1 648	1 648	1 648
Total Cash Transfers To Organisations	398	451	278	1 927	1 927	1 927	1 926	1 926	1 926
Cash Transfers to Groups of Individuals									
Low income house-hold subsidies	35 458	38 298	41 922	46 570	47 521	47 521	55 553	58 882	62 410
Total Cash Transfers To Groups Of Individuals:	35 458	38 298	41 922	46 570	47 521	47 521	55 553	58 882	62 410
TOTAL CASH TRANSFERS AND GRANTS	35 856	38 749	42 200	48 497	49 448	49 448	57 479	60 808	64 336
Non-Cash Transfers to other Organs of State									
Transfers/donations made to other organs of state			6 459						
TOTAL TRANSFERS AND GRANTS	35 856	38 749	48 659	48 497	49 448	49 448	57 479	60 808	64 336

1.6 Capital expenditure

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

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

Vote Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Capital Expenditure - Standard									
Governance and administration	7 154	21 308	10 561	2 648	4 713	4 713	855	-	-
Executive and council							46		
Budget and treasury office									
Corporate services	7 154	21 308	10 561	2 648	4 713	4 713	809		
Community and public safety	7 268	19 582	39 184	39 768	34 660	34 660	19 502	47 715	42 340
Community and social services	4 666	3 482	5 258	3 520	3 220	3 220	2 995	4 500	1 500
Sport and recreation	2 601	5 696	1 565	5 981	5 066	5 066	2 545	5 435	3 100
Public safety	-			295	295	295	1 080		
Housing	-	10 404	32 361	29 973	26 080	26 080	12 882	37 780	37 740
Health									
Economic and environmental services	25 552	16 051	6 300	12 128	13 229	13 229	12 933	6 859	13 605
Planning and development	945			25	25	25	183		
Road transport	24 607	16 051	6 300	12 103	13 204	13 204	12 750	6 859	13 605
Environmental protection									
Trading services	103 790	73 989	52 444	49 370	50 784	50 784	55 066	39 656	51 326
Electricity	26 768	37 115	13 682	21 726	22 891	22 891	21 799	14 000	20 500
Water	50 766	23 631	16 275	16 390	16 390	16 390	15 021	12 800	16 826
Waste water management	20 728	10 202	13 221	11 244	11 487	11 487	18 231	12 856	14 000
Waste management	5 528	3 041	9 267	10	15	15	15		
Other									
Total Capital Expenditure - Standard	143 764	130 930	108 490	103 914	103 386	103 386	88 356	94 230	107 271

For 2016/17 an amount of R67,8m has been appropriated for the development of infrastructure which represents 76,8 per cent of the total capital budget of R88,4m. In the outer years this amount totals R46,5m, 49,7 per cent and R64,9m, 60,5 per cent respectively for each of the outer financial years. Electricity receives the highest allocation of R21,8m in 2016/17 which equates to 24,7 per cent followed by waste water at 20,6 per cent, R18,2 million and then water at 17 per cent, R15 million. Over the MTREF, capital housing grant expenditure relating to housing provision infrastructure, amounts to R88,4 million.

Further detail relating to asset classes and proposed capital expenditure is contained in Table 25 MBRR A9 (Asset Management) on page 42. In addition to the MBRR Table A9, MBRR Tables SA34a, b, c provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class (refer to pages 86, 87 and 88). Some of the salient projects to be undertaken during 2016/17 includes, amongst others:

Top 10 Capital Projects

Project Description	Ward	Amount
UPGRADING OF FRANSKRAAL-KLEINBAAI -GANSBAAI PIPELINES	Ward 01	8 400 000
REHABILITATION OF EXISTING PAVE ROAD (LIC) PH2	Ward 05	7 000 000
UPGRADING OF PUMPSTATIONS	Overstrand	5 588 072
ELECTRIFICATION OF LOW COST HOUSING AREAS (INEP)	Ward 04,05,06	5 000 000
STANFORD - SEWER NETWORK EXTENSION	Ward 11	4 411 928
MANDELA SQUARE/GARDEN SITE	Ward 06	4 308 419
HERMANUS: MV & LV UPGRADE/REPLACEMENT	Ward 03	4 000 000
NEW 1 ML/S RESERVOIR OHW.B31	Ward 04	3 610 000
WWTW UPGRADE STANFORD (ACIP)	Ward 11	3 500 000
GANSBAAI: CCTV,SCADA,MINISUB AND MV/LV UPGRADE	Ward 02	3 000 000

Furthermore, pages 91 to 93 and Annexure E contains a detailed breakdown of the capital budget per project over the medium-term.

Included in the final budget is the Department of Water Affairs approval of funding through the ACIP programme for water and waste water related projects. An amount of R3,5m has been awarded for the part funding of the Stanford waste water project.

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

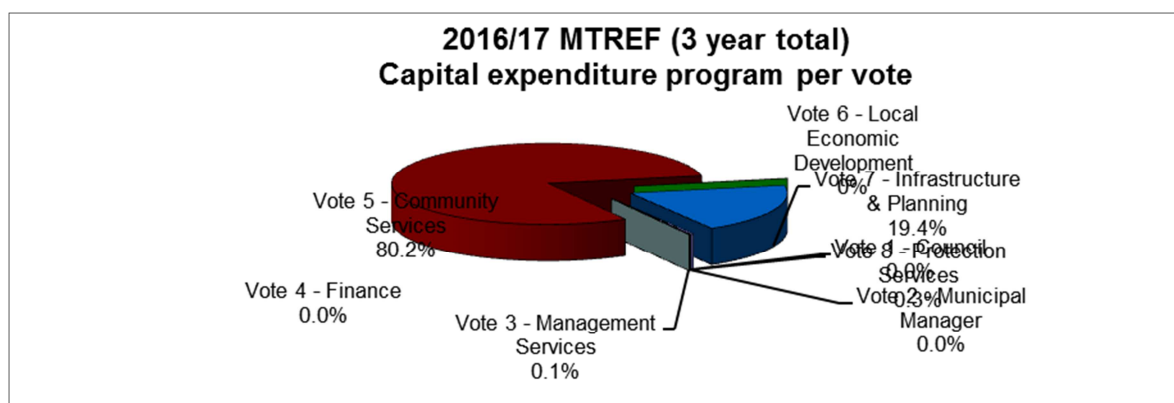


Figure 2 Capital Infrastructure Programme

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

1.6.1 Future operational cost of new infrastructure

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

1.7 Annual Budget Tables

The following twenty pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2016/17 draft budget and MTREF to be approved and/or noted by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 17 MBRR Table A1 - Budget Summary

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousands									
<u>Financial Performance</u>									
Property rates	121 571	135 633	153 617	163 621	163 621	163 621	181 439	192 326	203 865
Service charges	436 439	479 253	520 392	566 784	568 784	568 784	607 054	643 477	682 086
Investment revenue	7 555	6 352	8 144	6 348	8 973	8 973	10 489	12 795	13 563
Transfers recognised - operational	41 680	67 835	60 473	90 324	103 555	103 555	126 313	100 430	113 519
Other own revenue	96 627	47 302	62 024	67 957	68 140	68 140	67 879	68 428	70 686
Total Revenue (excluding capital transfers and contributions)	703 871	736 376	804 650	895 035	913 073	913 073	993 175	1 017 455	1 083 718
Employee costs	231 642	260 645	267 019	291 593	292 827	292 827	314 204	322 023	339 129
Remuneration of councillors	7 084	7 933	8 104	8 674	8 674	8 674	9 110	9 620	10 161
Depreciation & asset impairment	104 408	99 361	106 445	111 362	111 362	111 362	117 690	124 752	132 237
Finance charges	37 331	39 927	43 447	46 895	46 895	46 895	46 421	46 952	45 449
Materials and bulk purchases	157 462	170 650	184 319	251 374	253 080	253 080	285 811	267 988	291 802
Transfers and grants	35 856	38 749	48 659	48 497	49 448	49 448	57 479	60 808	64 336
Other expenditure	178 287	214 757	253 271	206 135	227 438	227 438	242 280	252 407	265 738
Total Expenditure	752 070	832 022	911 264	964 529	989 724	989 724	1 072 995	1 084 550	1 148 851
Surplus/(Deficit)	(48 199)	(95 646)	(106 615)	(69 494)	(76 651)	(76 651)	(79 820)	(67 094)	(65 133)
Transfers recognised - capital	53 809	38 090	55 498	63 354	60 761	60 761	39 962	63 604	67 271
Contributions recognised - capital & contributed assets	5 289	12 542	1 272	1 000	1 000	1 000	4 500	-	-
Surplus/(Deficit) after capital transfers & contributions	10 899	(45 015)	(49 845)	(5 140)	(14 890)	(14 890)	(35 358)	(3 490)	2 138
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	10 899	(45 015)	(49 845)	(5 140)	(14 890)	(14 890)	(35 358)	(3 490)	2 138
<u>Capital expenditure & funds sources</u>									
Capital expenditure	143 764	130 930	108 490	103 914	103 386	103 386	88 356	94 230	107 271
Transfers recognised - capital	53 809	38 090	55 734	64 354	61 761	61 761	43 462	64 230	67 271
Public contributions & donations	5 067	7 985	607	462	462	462	1 462	-	-
Borrowing	67 544	70 634	39 012	32 346	33 419	33 419	33 824	30 000	40 000
Internally generated funds	17 345	14 222	13 138	6 753	7 745	7 745	9 608	-	-
Total sources of capital funds	143 764	130 930	108 490	103 914	103 386	103 386	88 356	94 230	107 271
<u>Financial position</u>									
Total current assets	205 668	175 465	224 444	207 929	206 935	206 935	238 962	268 874	310 714
Total non current assets	3 290 140	3 302 111	3 305 450	3 320 511	3 318 419	3 318 419	3 284 285	3 260 152	3 241 717
Total current liabilities	160 331	148 801	155 138	174 459	171 564	171 564	183 981	187 486	192 014
Total non current liabilities	483 951	520 970	602 191	617 668	627 225	627 225	636 115	646 245	662 939
Community wealth/Equity	2 851 526	2 807 805	2 772 565	2 736 314	2 726 564	2 726 564	2 703 150	2 695 295	2 697 478
<u>Cash flows</u>									
Net cash from (used) operating	75 920	76 616	119 478	110 861	97 687	97 687	103 090	114 461	136 325
Net cash from (used) investing	(146 955)	(130 368)	(101 315)	(110 144)	(109 616)	(109 616)	(95 217)	(100 619)	(113 802)
Net cash from (used) financing	28 482	32 764	23 666	7 409	7 409	7 409	5 787	2 547	9 054
Cash/cash equivalents at the year end	84 147	63 158	104 987	97 547	100 467	100 467	114 127	130 516	162 093
<u>Cash backing/surplus reconciliation</u>									
Cash and investments available	95 744	80 123	128 136	126 001	128 922	128 922	149 455	172 243	210 361
Application of cash and investments	6 388	(16 024)	(13 650)	8 224	11 740	11 740	10 503	(385)	(7 269)
Balance - surplus (shortfall)	89 356	96 147	141 786	117 777	117 182	117 182	138 952	172 628	217 630
<u>Asset management</u>									
Asset register summary (WDV)	3 277 435	3 280 777	3 282 248	3 292 016	3 289 923	3 289 923	3 248 926	3 218 405	3 193 440
Depreciation & asset impairment	104 408	99 361	106 445	111 362	111 362	111 362	117 690	124 752	132 237
Renewal of Existing Assets	4 147	47 032	32 727	20 758	19 493	19 493	39 533	28 399	39 325
Repairs and Maintenance	114 414	150 358	158 026	121 077	121 077	121 077	120 795	123 857	129 068
<u>Free services</u>									
Cost of Free Basic Services provided	3 589	3 818	4 062	3 535	3 535	3 535	4 181	4 432	4 698
Revenue cost of free services provided	34 102	32 664	38 196	39 989	39 989	39 989	45 214	47 916	50 781
<u>Households below minimum service level</u>									
Water:	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-
Energy:	-	-	1	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's service delivery and commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive and stable indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that the cash increases over the MTREF.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

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

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

Standard Classification Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
Revenue - Standard									
<i>Governance and administration</i>	232 385	199 504	236 511	255 994	260 552	260 552	274 984	297 281	318 547
Executive and council	38 355	42 355	52 212	64 861	64 861	64 861	73 269	83 368	91 792
Budget and treasury office	137 728	150 786	172 800	180 339	183 766	183 766	200 953	213 109	225 908
Corporate services	56 303	6 363	11 499	10 795	11 924	11 924	762	803	847
<i>Community and public safety</i>	50 862	71 418	75 100	101 843	108 825	108 825	116 537	112 616	113 584
Community and social services	2 990	2 574	5 213	4 657	4 757	4 757	11 676	14 703	12 315
Sport and recreation	7 765	11 427	7 939	11 942	10 489	10 489	9 875	12 654	10 752
Public safety	20 142	28 300	31 198	37 676	37 676	37 676	37 988	38 420	38 877
Housing	19 965	29 116	30 750	47 567	55 903	55 903	56 997	46 839	51 640
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	18 567	30 962	17 928	20 033	21 639	21 639	25 639	17 168	24 533
Planning and development	7 907	12 853	9 861	9 043	9 549	9 549	14 810	9 951	10 548
Road transport	10 595	17 790	8 048	10 890	11 990	11 990	10 746	7 129	13 891
Environmental protection	65	319	19	101	101	101	83	88	93
<i>Trading services</i>	461 155	485 124	531 880	581 518	583 818	583 818	620 478	653 995	694 325
Electricity	249 645	270 880	288 745	346 361	344 361	344 361	362 878	383 351	408 112
Water	96 325	96 086	109 581	106 211	109 211	109 211	114 100	121 402	129 044
Waste water management	68 428	65 091	76 694	69 402	70 702	70 702	77 930	79 738	83 495
Waste management	46 758	53 066	56 860	59 544	59 544	59 544	65 570	69 504	73 675
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	762 969	787 007	861 419	959 389	974 834	974 834	1 037 637	1 081 060	1 150 989
Expenditure - Standard									
<i>Governance and administration</i>	205 348	119 512	231 348	237 278	249 929	249 929	262 295	273 948	290 221
Executive and council	67 621	71 355	92 928	92 565	106 242	106 242	114 535	118 197	125 860
Budget and treasury office	51 399	23 830	59 094	69 750	70 482	70 482	69 180	73 115	77 153
Corporate services	86 328	24 327	79 327	74 963	73 204	73 204	78 579	82 635	87 207
<i>Community and public safety</i>	87 288	134 133	116 395	141 933	155 493	155 493	179 163	148 176	159 408
Community and social services	26 093	30 255	35 196	31 368	31 215	31 215	34 465	35 334	37 197
Sport and recreation	14 271	18 637	16 677	18 220	18 269	18 269	20 239	20 843	22 140
Public safety	42 651	56 923	52 938	69 453	71 285	71 285	74 657	76 951	79 864
Housing	4 273	28 318	11 584	22 892	34 723	34 723	49 802	15 048	20 208
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	113 012	130 335	109 806	132 046	155 072	155 072	176 435	180 172	189 724
Planning and development	36 280	30 370	23 230	40 308	63 640	63 640	80 325	80 623	85 576
Road transport	71 108	92 659	80 914	84 786	84 933	84 933	90 397	93 565	97 944
Environmental protection	5 624	7 306	5 662	6 952	6 500	6 500	5 712	5 983	6 204
<i>Trading services</i>	346 423	448 042	453 715	453 273	429 231	429 231	455 103	482 255	509 499
Electricity	198 933	247 859	229 494	257 278	255 108	255 108	277 742	297 102	317 281
Water	61 422	99 439	71 697	78 253	62 213	62 213	59 028	61 272	63 072
Waste water management	45 965	64 659	57 717	63 478	57 745	57 745	59 828	62 976	66 197
Waste management	40 102	36 085	94 806	54 264	54 165	54 165	58 505	60 904	62 948
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	752 070	832 022	911 264	964 529	989 724	989 724	1 072 995	1 084 550	1 148 851
Surplus/(Deficit) for the year	10 899	(45 015)	(49 845)	(5 140)	(14 890)	(14 890)	(35 358)	(3 490)	2 138

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

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification, now Function/Sub Function, divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised: capital) and so does not balance to the operating revenue shown on Table A4.

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

Vote Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
Revenue by Vote									
Vote 1 - Council	38 353	42 274	52 212	64 808	64 808	64 808	73 182	83 276	91 694
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Management Services	1 476	1 286	1 692	991	2 349	2 349	1	1	1
Vote 4 - Finance	137 728	150 786	172 800	180 339	183 766	183 766	200 953	213 109	225 908
Vote 5 - Community Services	253 932	276 626	270 483	272 957	276 775	276 775	291 065	306 364	324 475
Vote 6 - Local Economic Development	3 750	6 431	3 389	3 091	3 091	3 091	3 352	1 516	1 607
Vote 7 - Infrastructure & Planning	307 588	281 304	329 646	399 527	406 369	406 369	431 096	438 374	468 427
Vote 8 - Protection Services	20 142	28 300	31 198	37 676	37 676	37 676	37 988	38 420	38 877
Total Revenue by Vote	762 969	787 007	861 419	959 389	974 834	974 834	1 037 637	1 081 060	1 150 989
Expenditure by Vote to be appropriated									
Vote 1 - Council	64 385	68 239	73 581	71 496	84 733	84 733	91 748	96 140	102 598
Vote 2 - Municipal Manager	3 243	1 295	3 903	4 489	4 489	4 489	4 722	4 978	5 247
Vote 3 - Management Services	30 890	5 492	36 148	43 327	41 916	41 916	46 490	48 974	51 802
Vote 4 - Finance	51 399	23 830	59 094	69 750	70 482	70 482	69 180	73 115	77 153
Vote 5 - Community Services	296 939	394 516	330 928	341 492	332 291	332 291	346 998	358 613	375 553
Vote 6 - Local Economic Development	7 722	9 945	10 226	8 731	9 531	9 531	10 795	7 433	7 672
Vote 7 - Infrastructure & Planning	254 841	271 782	344 447	355 793	374 997	374 997	428 407	418 346	448 962
Vote 8 - Protection Services	42 651	56 923	52 938	69 453	71 285	71 285	74 657	76 951	79 864
Total Expenditure by Vote	752 070	832 022	911 264	964 529	989 724	989 724	1 072 995	1 084 550	1 148 851
Surplus/(Deficit) for the year	10 899	(45 015)	(49 845)	(5 140)	(14 890)	(14 890)	(35 358)	(3 490)	2 138

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

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

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

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
Revenue By Source									
Property rates	120 799	134 813	152 870	162 730	162 730	162 730	180 591	191 427	202 913
Property rates - penalties & collection charges	772	821	747	891	891	891	848	899	953
Service charges - electricity revenue	247 663	268 362	286 571	338 877	336 327	336 327	356 959	379 108	401 855
Service charges - water revenue	85 243	95 136	108 391	102 045	104 429	104 429	111 544	117 505	124 556
Service charges - sanitation revenue	56 895	62 798	68 661	66 375	67 375	67 375	72 318	76 657	81 257
Service charges - refuse revenue	46 637	52 957	56 770	59 488	59 488	59 488	65 510	69 441	73 607
Service charges - other					1 166	1 166	722	765	811
Rental of facilities and equipment	7 212	7 591	9 155	11 859	5 360	5 360	4 728	3 335	3 535
Interest earned - external investments	7 555	6 352	8 144	6 348	8 973	8 973	10 489	12 795	13 563
Interest earned - outstanding debtors	2 199	2 118	2 279	2 437	2 437	2 437	2 756	2 921	3 097
Dividends received									
Fines	14 244	22 739	25 389	31 859	31 859	31 859	31 143	31 164	31 187
Licences and permits	1 968	1 956	1 972	2 190	2 190	2 190	2 330	2 470	2 618
Agency services	2 025	2 395	2 766	2 970	2 970	2 970	3 220	3 413	3 618
Transfers recognised - operational	41 680	67 835	60 473	90 324	103 555	103 555	126 313	100 430	113 519
Other revenue	68 978	10 504	20 463	16 643	23 324	23 324	23 702	25 124	26 631
Total Revenue (excluding capital transfers and contributions)	703 871	736 376	804 650	895 035	913 073	913 073	993 175	1 017 455	1 083 718
Expenditure By Type									
Employee related costs	231 642	260 645	267 019	291 593	292 827	292 827	314 204	322 023	339 129
Remuneration of councillors	7 084	7 933	8 104	8 674	8 674	8 674	9 110	9 620	10 161
Debt impairment	6 688	12 526	10 846	22 792	22 792	22 792	23 888	23 974	24 048
Depreciation & asset impairment	104 408	99 361	106 445	111 362	111 362	111 362	117 690	124 752	132 237
Finance charges	37 331	39 927	43 447	46 895	46 895	46 895	46 421	46 952	45 449
Bulk purchases	145 022	157 055	167 660	193 573	191 573	191 573	210 763	227 329	245 197
Other materials	12 441	13 595	16 659	57 801	61 507	61 507	75 048	40 659	46 605
Contracted services	67 697	72 754	85 327	125 322	147 093	147 093	158 368	164 936	174 154
Transfers and grants	35 856	38 749	48 659	48 497	49 448	49 448	57 479	60 808	64 336
Other expenditure	102 146	117 460	157 098	58 021	57 553	57 553	60 024	63 497	67 536
Loss on disposal of PPE	1 756	12 017							
Total Expenditure	752 070	832 022	911 264	964 529	989 724	989 724	1 072 995	1 084 550	1 148 851
Surplus/(Deficit)	(48 199)	(95 646)	(106 615)	(69 494)	(76 651)	(76 651)	(79 820)	(67 094)	(65 133)
Transfers recognised - capital	53 809	38 090	55 498	63 354	60 761	60 761	39 962	63 604	67 271
Contributions recognised - capital	5 289	7 871	1 272	1 000	1 000	1 000	4 500	-	-
Contributed assets		4 671							
Surplus/(Deficit) after capital transfers & contributions	10 899	(45 015)	(49 845)	(5 140)	(14 890)	(14 890)	(35 358)	(3 490)	2 138
Taxation									
Surplus/(Deficit) after taxation	10 899	(45 015)	(49 845)	(5 140)	(14 890)	(14 890)	(35 358)	(3 490)	2 138
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	10 899	(45 015)	(49 845)	(5 140)	(14 890)	(14 890)	(35 358)	(3 490)	2 138
Share of surplus/ (deficit) of associate									
Surplus/(Deficit) for the year	10 899	(45 015)	(49 845)	(5 140)	(14 890)	(14 890)	(35 358)	(3 490)	2 138

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

1. Total operating revenue is R913 million in 2015/2016 and increase to R993,1 million in 2016/17. This represents a year-on-year increase of 8,8 per cent for the 2016/17 financial year.
2. Revenue to be generated from property rates is R162,7 million in the 2015/2016 financial year and increases to R180,6 million by 2016/17 which represents 18,1 per cent of the operating revenue base of the Municipality and therefore remains a significant funding source for the municipality.
3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R568,8 million for the 2015/2016 financial year and increasing to R607,1 million by 2016/17. For the 2016/17 financial year services charges amount to 61 per cent of the operating revenue base.
4. Transfers recognised – operating grants includes the local government equitable share and other operating grants from national and provincial government.
5. The following graph illustrates the major expenditure items per type.

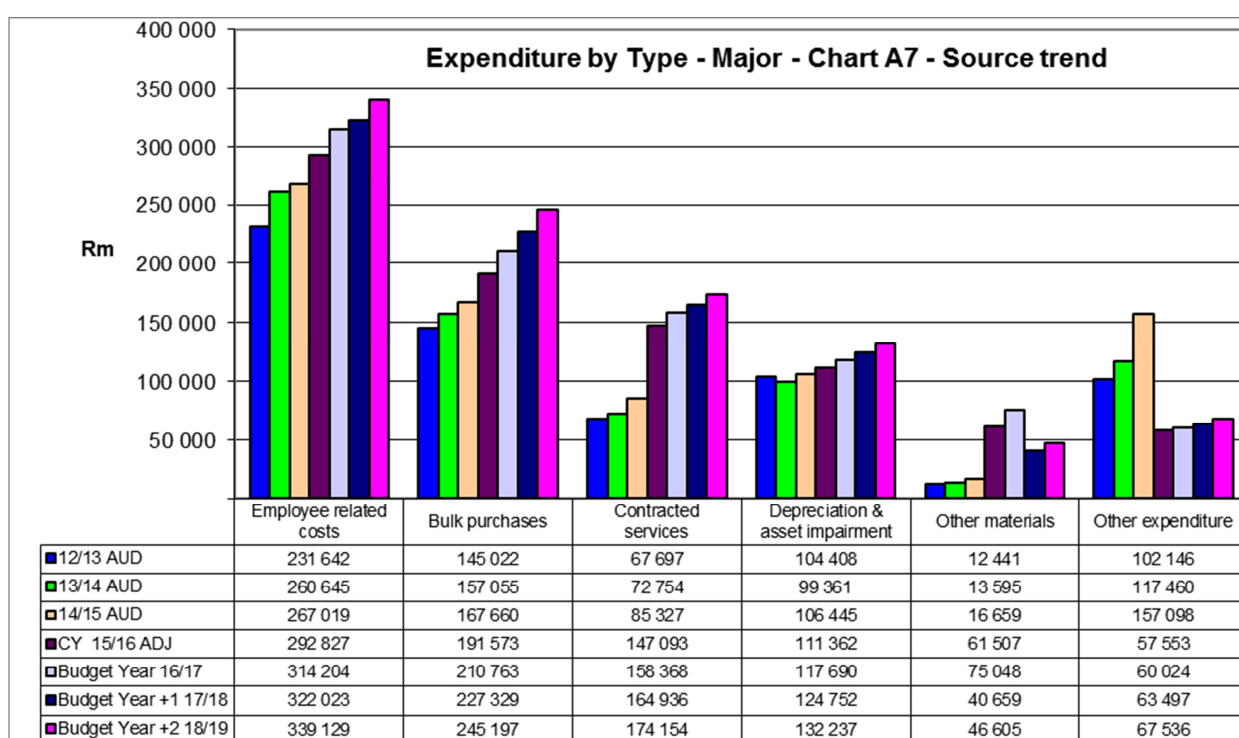


Figure 3 Expenditure by major type

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

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

Vote Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
Capital expenditure - Vote									
Multi-year expenditure to be appropriated									
Vote 1 - Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Management Services	-	-	2 658	-	-	-	-	-	-
Vote 4 - Finance	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services	-	5 000	89 992	21 911	20 996	20 996	14 311	38 890	37 031
Vote 6 - Local Economic Development	-	-	-	-	-	-	-	-	-
Vote 7 - Infrastructure & Planning	-	-	15 839	11 451	13 016	13 016	15 000	14 000	20 500
Vote 8 - Protection Services	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	-	5 000	108 489	33 362	34 012	34 012	29 311	52 890	57 531
Single-year expenditure to be appropriated									
Vote 1 - Council	-	-	-	-	-	-	5	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	41	-	-
Vote 3 - Management Services	1 274	1 790	-	2 528	4 593	4 593	320	-	-
Vote 4 - Finance	-	-	-	-	-	-	30	-	-
Vote 5 - Community Services	110 111	74 622	-	56 809	53 966	53 966	51 033	41 340	49 740
Vote 6 - Local Economic Development	945	-	-	-	-	-	15	-	-
Vote 7 - Infrastructure & Planning	31 434	49 518	-	10 920	10 520	10 520	6 721	-	-
Vote 8 - Protection Services	-	-	-	295	295	295	880	-	-
Capital single-year expenditure sub-total	143 764	125 930	-	70 552	69 374	69 374	59 046	41 340	49 740
Total Capital Expenditure - Vote	143 764	130 930	108 489	103 914	103 386	103 386	88 356	94 230	107 271
Capital Expenditure - Standard									
Governance and administration	7 154	21 308	10 561	2 648	4 713	4 713	855	-	-
Executive and council							46		
Budget and treasury office									
Corporate services	7 154	21 308	10 561	2 648	4 713	4 713	809		
Community and public safety	7 268	19 582	39 184	39 768	34 660	34 660	19 502	47 715	42 340
Community and social services	4 666	3 482	5 258	3 520	3 220	3 220	2 995	4 500	1 500
Sport and recreation	2 601	5 696	1 565	5 981	5 066	5 066	2 545	5 435	3 100
Public safety	-	-	-	295	295	295	1 080		
Housing	-	10 404	32 361	29 973	26 080	26 080	12 882	37 780	37 740
Health									
Economic and environmental services	25 552	16 051	6 300	12 128	13 229	13 229	12 933	6 859	13 605
Planning and development	945			25	25	25	183		
Road transport	24 607	16 051	6 300	12 103	13 204	13 204	12 750	6 859	13 605
Environmental protection									
Trading services	103 790	73 989	52 444	49 370	50 784	50 784	55 066	39 656	51 326
Electricity	26 768	37 115	13 682	21 726	22 891	22 891	21 799	14 000	20 500
Water	50 766	23 631	16 275	16 390	16 390	16 390	15 021	12 800	16 826
Waste water management	20 728	10 202	13 221	11 244	11 487	11 487	18 231	12 856	14 000
Waste management	5 528	3 041	9 267	10	15	15	15		
Other									
Total Capital Expenditure - Standard	143 764	130 930	108 490	103 914	103 386	103 386	88 356	94 230	107 271
Funded by:									
National Government	36 911	6 339	22 884	30 347	30 347	30 347	26 030	26 450	29 531
Provincial Government	16 898	31 751	31 850	33 007	30 414	30 414	13 932	37 780	37 740
District Municipality									
Other transfers and grants			1 000	1 000	1 000	1 000	3 500		
Transfers recognised - capital	53 809	38 090	55 734	64 354	61 761	61 761	43 462	64 230	67 271
Public contributions & donations	5 067	7 985	607	462	462	462	1 462		
Borrowing	67 544	70 634	39 012	32 346	33 419	33 419	33 824	30 000	40 000
Internally generated funds	17 345	14 222	13 138	6 753	7 745	7 745	9 608		
Total Capital Funding	143 764	130 930	108 490	103 914	103 386	103 386	88 356	94 230	107 271

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 R88,4 million in 2016/17.
3. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality.
4. The capital programme is funded from national and provincial grants and transfers, public contributions and donations, borrowing and internally generated funds from previous year surpluses. For 2016/17, capital transfers totals R43,5 million. Borrowing has been provided at R30 million plus external loan roll over funding of R3,8m, finance leases (nil) and internally generated funding totaling R9,6 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	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
ASSETS									
Current assets									
Cash	29 106	13 119	78 935	97 547	100 467	100 467	114 127	130 516	162 093
Call investment deposits	55 042	50 039	26 051	–	–	–	–	–	–
Consumer debtors	49 025	47 451	52 850	51 774	51 774	51 774	66 944	70 804	74 893
Other debtors	52 222	51 704	56 167	44 112	40 197	40 197	44 217	53 060	58 366
Current portion of long-term receivables	17	15	15	13	13	13	11	10	10
Inventory	20 257	13 137	10 426	14 483	14 483	14 483	13 663	14 483	15 352
Total current assets	205 668	175 465	224 444	207 929	206 935	206 935	238 962	268 874	310 714
Non current assets									
Long-term receivables	84	68	53	41	41	41	30	20	10
Investments	11 597	16 965	23 149	28 455	28 455	28 455	35 328	41 727	48 267
Investment property	175 866	164 501	159 761	164 501	164 501	164 501	159 761	159 761	159 761
Investment in Associate					–	–			
Property, plant and equipment	3 097 120	3 111 056	3 117 725	3 122 147	3 120 054	3 120 054	3 084 987	3 055 727	3 032 098
Agricultural					–	–			
Biological					–	–			
Intangible	4 449	5 220	4 762	5 368	5 368	5 368	4 179	2 918	1 581
Other non-current assets	1 025	4 301			–	–			
Total non current assets	3 290 140	3 302 111	3 305 450	3 320 511	3 318 419	3 318 419	3 284 285	3 260 152	3 241 717
TOTAL ASSETS	3 495 808	3 477 576	3 529 894	3 528 441	3 525 353	3 525 353	3 523 246	3 529 026	3 552 432
LIABILITIES									
Current liabilities									
Bank overdraft									
Borrowing	18 241	20 443	23 620	28 113	28 113	28 113	29 378	32 831	36 912
Consumer deposits	34 932	37 751	41 743	43 801	43 801	43 801	46 429	48 750	51 188
Trade and other payables	79 489	64 943	65 836	74 229	74 229	74 229	81 244	77 375	73 691
Provisions	27 670	25 663	23 939	28 317	25 422	25 422	26 930	28 529	30 224
Total current liabilities	160 331	148 801	155 138	174 459	171 564	171 564	183 981	187 486	192 014
Non current liabilities									
Borrowing	364 632	392 444	408 964	415 999	415 999	415 999	412 288	409 060	411 596
Provisions	119 319	128 527	193 227	201 669	211 226	211 226	223 827	237 184	251 343
Total non current liabilities	483 951	520 970	602 191	617 668	627 225	627 225	636 115	646 245	662 939
TOTAL LIABILITIES	644 282	669 772	757 329	792 127	798 789	798 789	820 097	833 731	854 954
NET ASSETS	2 851 526	2 807 805	2 772 565	2 736 314	2 726 564	2 726 564	2 703 150	2 695 295	2 697 478
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	2 849 634	2 805 240	2 769 994	2 733 677	2 723 927	2 723 927	2 700 931	2 693 032	2 695 170
Reserves	1 891	2 565	2 571	2 637	2 637	2 637	2 218	2 263	2 308
TOTAL COMMUNITY WEALTH/EQUITY	2 851 526	2 807 805	2 772 565	2 736 314	2 726 564	2 726 564	2 703 150	2 695 295	2 697 478

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is largely aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table 62 is supported by an extensive table of notes (SA3 which can be found on page 100) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non-current;
 - Changes in net assets; and
 - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 23 MBRR Table A7 - Budgeted Cash Flow Statement

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates, penalties & collection charges	120 273	135 875	152 186	163 800	163 800	163 800	177 978	191 444	202 932
Service charges	437 061	483 167	517 192	567 409	569 410	569 410	595 436	640 514	678 947
Other revenue	41 689	63 976	59 478	76 884	80 982	80 982	60 595	56 692	62 312
Government - operating	44 140	63 477	59 124	90 324	103 555	103 555	126 313	100 430	113 519
Government - capital	54 577	38 090	55 498	64 354	61 761	61 761	44 462	63 604	67 271
Interest	9 754	8 470	10 423	8 784	11 409	11 409	13 245	15 716	16 659
Dividends							-	-	-
Payments									
Suppliers and employees	(558 519)	(637 833)	(642 330)	(765 303)	(796 886)	(796 886)	(811 039)	(846 180)	(895 529)
Finance charges	(37 199)	(39 858)	(43 433)	(46 895)	(46 895)	(46 895)	(46 421)	(46 952)	(45 449)
Transfers and Grants	(35 856)	(38 749)	(48 659)	(48 497)	(49 448)	(49 448)	(57 479)	(60 808)	(64 336)
NET CASH FROM/(USED) OPERATING ACTIVITIES	75 920	76 616	119 478	110 861	97 687	97 687	103 090	114 461	136 325
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	1 725	5 073	14 548	-	-	-	-	-	-
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	45	18	15	18	18	18	13	11	10
Decrease (increase) in non-current investments	(4 960)	(4 529)	(4 980)	(6 248)	(6 248)	(6 248)	(6 873)	(6 399)	(6 541)
Payments									
Capital assets	(143 764)	(130 930)	(110 898)	(103 914)	(103 386)	(103 386)	(88 356)	(94 230)	(107 271)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(146 955)	(130 368)	(101 315)	(110 144)	(109 616)	(109 616)	(95 217)	(100 619)	(113 802)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	(389)	(730)	64	(1 135)	(1 135)	(1 135)	-	-	-
Borrowing long term/refinancing	38 700	51 300	40 000	30 000	30 000	30 000	30 000	30 000	40 000
Increase (decrease) in consumer deposits	3 726	2 819	3 983	2 479	2 479	2 479	2 628	2 321	2 438
Payments									
Repayment of borrowing	(13 554)	(20 626)	(20 381)	(23 936)	(23 936)	(23 936)	(26 841)	(29 775)	(33 384)
NET CASH FROM/(USED) FINANCING ACTIVITIES	28 482	32 764	23 666	7 409	7 409	7 409	5 787	2 547	9 054
NET INCREASE/ (DECREASE) IN CASH HELD	(42 552)	(20 989)	41 828	8 126	(4 520)	(4 520)	13 660	16 389	31 577
Cash/cash equivalents at the year begin:	126 699	84 147	63 158	89 421	104 987	104 987	100 467	114 127	130 516
Cash/cash equivalents at the year end:	84 147	63 158	104 987	97 547	100 467	100 467	114 127	130 516	162 093

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. It can be seen that the cash levels of the Municipality increase steadily over the 2016/2017 to 2018/19 period.
4. The 2016/17 MTREF has been informed by the planning principle of ensuring adequate cash over the medium-term.
5. Cash and cash equivalents totals R114,1 million as at the end of the 2016/2017 financial year and is estimated to increase to R162 million by 2018/19.

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

Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Cash and investments available									
Cash/cash equivalents at the year end	84 147	63 158	104 987	97 547	100 467	100 467	114 127	130 516	162 093
Other current investments > 90 days	–	0	–	0	0	0	–	–	–
Non current assets - Investments	11 597	16 965	23 149	28 455	28 455	28 455	35 328	41 727	48 267
Cash and investments available:	95 744	80 123	128 136	126 001	128 922	128 922	149 455	172 243	210 361
Application of cash and investments									
Unspent conditional transfers	7 783	3 425	2 076	–	–	–	–	–	–
Unspent borrowing	6 133	1 847	2 800	–	–	–	–	–	–
Statutory requirements									
Other working capital requirements	(21 016)	(40 826)	(44 247)	(22 868)	(19 352)	(19 352)	(27 043)	(44 375)	(57 844)
Other provisions									
Long term investments committed	11 597	16 965	23 149	28 455	28 455	28 455	35 328	41 727	48 267
Reserves to be backed by cash/investments	1 891	2 565	2 571	2 637	2 637	2 637	2 218	2 263	2 308
Total Application of cash and investments:	6 388	(16 024)	(13 650)	8 224	11 740	11 740	10 503	(385)	(7 269)
Surplus(shortfall)	89 356	96 147	141 786	117 777	117 182	117 182	138 952	172 628	217 630

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

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. As part of the budgeting and planning guidelines that informed the compilation of the 2016/17 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.
5. As can be seen the budget has been modelled to ensure that the budget is funded.

Table 25 MBRR Table A9 - Asset Management

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
CAPITAL EXPENDITURE									
Total New Assets	139 617	83 899	75 763	83 156	83 894	83 894	48 823	65 831	67 946
Infrastructure - Road transport	15 578	9 203	1 320	14 979	16 331	16 331	1 840	-	-
Infrastructure - Electricity	22 203	24 160	13 041	21 726	22 891	22 891	21 599	14 000	20 500
Infrastructure - Water	48 634	7 300	470	4 737	4 737	4 737	4 529	6 000	4 300
Infrastructure - Sanitation	16 478	8 449	8 892	3 420	3 413	3 413	8 301	10 160	8 500
Infrastructure - Other	5 359	1 400	9 198	10	15	15	15	-	-
Infrastructure	108 252	50 511	32 922	44 873	47 388	47 388	36 284	30 160	33 300
Community	20 997	13 896	32 280	35 611	31 768	31 768	10 366	35 671	34 646
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	795	-	-	-	-	-	-	-
Other assets	9 038	18 697	10 561	2 673	4 738	4 738	2 173	-	-
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	1 330	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	4 147	47 032	32 727	20 758	19 493	19 493	39 533	28 399	39 325
Infrastructure - Road transport	131	6 892	6 300	-	-	-	11 855	8 274	14 605
Infrastructure - Electricity	-	12 955	3 100	-	-	-	-	-	-
Infrastructure - Water	-	16 331	15 805	11 653	11 653	11 653	10 492	6 800	12 526
Infrastructure - Sanitation	-	1 711	3 179	4 947	4 947	4 947	8 200	1 281	4 500
Infrastructure - Other	-	1 641	-	-	-	-	-	-	-
Infrastructure	131	39 529	28 384	16 600	16 600	16 600	30 547	16 355	31 631
Community	756	5 686	4 343	4 158	2 893	2 893	8 986	12 044	7 694
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	3 260	1 817	-	-	-	-	-	-	-
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
Total Capital Expenditure									
Infrastructure - Road transport	15 709	16 094	7 621	14 979	16 331	16 331	13 695	8 274	14 605
Infrastructure - Electricity	22 203	37 115	16 142	21 726	22 891	22 891	21 599	14 000	20 500
Infrastructure - Water	48 634	23 631	16 275	16 390	16 390	16 390	15 021	12 800	16 826
Infrastructure - Sanitation	16 478	10 159	12 071	8 367	8 361	8 361	16 501	11 441	13 000
Infrastructure - Other	5 359	3 041	9 198	10	15	15	15	-	-
Infrastructure	108 383	90 040	61 306	61 473	63 988	63 988	66 831	46 515	64 931
Community	21 753	19 582	36 623	39 768	34 660	34 660	19 352	47 715	42 340
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	795	-	-	-	-	-	-	-
Other assets	12 298	20 513	10 561	2 673	4 738	4 738	2 173	-	-
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	1 330	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	143 764	130 930	108 489	103 914	103 386	103 386	88 356	94 230	107 271
ASSET REGISTER SUMMARY - PPE (WDV)									
Infrastructure - Road transport	947 141	942 269	935 286	925 642	926 994	926 994	906 622	878 784	855 112
Infrastructure - Electricity	609 815	619 999	616 523	620 094	619 694	619 694	619 990	611 408	607 970
Infrastructure - Water	458 648	459 954	461 764	453 842	453 842	453 842	447 747	438 164	431 264
Infrastructure - Sanitation	381 194	377 248	382 354	382 220	382 213	382 213	380 711	373 070	365 842
Infrastructure - Other	39 059	39 501	57 365	59 232	59 237	59 237	54 237	48 920	43 285
Infrastructure	2 435 858	2 438 970	2 453 291	2 441 031	2 441 981	2 441 981	2 409 306	2 350 346	2 303 474
Community	58 783	62 814	64 769	63 654	58 546	58 546	74 093	117 774	155 839
Heritage assets	99 573	99 572	97 573	99 572	99 572	99 572	99 572	99 572	99 572
Investment properties	175 866	164 501	159 761	164 501	164 501	164 501	159 761	159 761	159 761
Other assets	502 906	509 700	502 092	517 890	519 955	519 955	502 016	488 034	473 214
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	4 449	5 220	4 762	5 368	5 368	5 368	4 179	2 918	1 581
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	3 277 435	3 280 777	3 282 248	3 292 016	3 289 923	3 289 923	3 248 926	3 218 405	3 193 440
EXPENDITURE OTHER ITEMS									
Depreciation & asset impairment	104 408	99 361	106 445	111 362	111 362	111 362	117 690	124 752	132 237
Repairs and Maintenance by Asset Class	114 414	150 358	158 026	121 077	121 077	121 077	120 795	123 857	129 068
Infrastructure - Road transport	42 236	63 749	65 726	57 090	57 090	57 090	61 852	63 763	66 471
Infrastructure - Electricity	14 105	20 488	26 276	16 835	16 835	16 835	17 747	18 486	18 826
Infrastructure - Water	21 502	27 931	25 811	22 874	22 874	22 874	16 555	17 280	18 168
Infrastructure - Sanitation	7 708	15 486	16 060	12 159	12 159	12 159	11 672	11 949	12 587
Infrastructure - Other	1 499	1 491	2 136	2 492	2 492	2 492	2 546	2 639	2 735
Infrastructure	87 048	129 145	136 009	111 449	111 449	111 449	110 372	114 116	118 787
Community	5 408	7 349	8 469	4 546	4 546	4 546	4 878	4 918	5 208
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	21 958	13 864	13 548	5 081	5 081	5 081	5 545	4 822	5 072
TOTAL EXPENDITURE OTHER ITEMS	218 921	249 719	264 471	232 439	232 439	232 439	238 486	248 609	261 304
Renewal of Existing Assets as % of total capex	2.9%	35.9%	30.2%	20.0%	18.9%	18.9%	44.7%	30.1%	36.7%
Renewal of Existing Assets as % of deprecn"	4.0%	47.3%	30.7%	18.6%	17.5%	17.5%	33.6%	22.8%	29.7%
R&M as a % of PPE	3.7%	4.8%	5.1%	3.9%	3.9%	3.9%	3.9%	4.1%	4.3%
Renewal and R&M as a % of PPE	4.0%	6.0%	6.0%	4.0%	4.0%	4.0%	5.0%	5.0%	5.0%

Explanatory notes to Table A9 - Asset Management

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

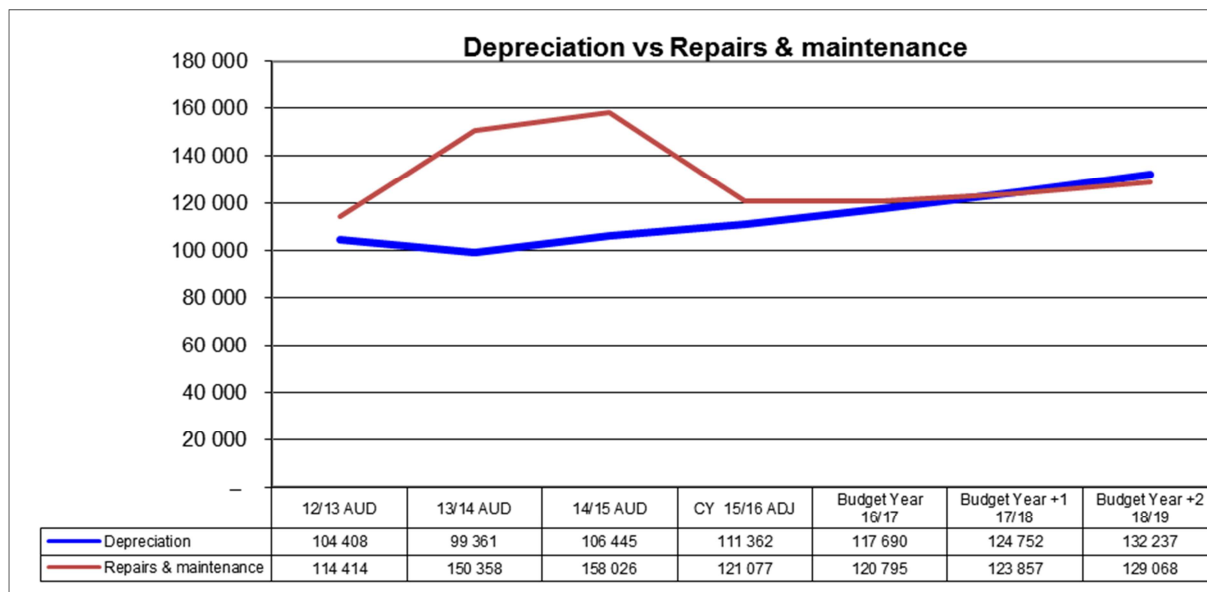


Figure 4 Depreciation in relation to repairs and maintenance over the MTREF

Table 26 MBRR Table A10 - Basic Service Delivery Measurement

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Household service targets									
Water:									
Piped water inside dwelling	27 295	32 032	28 100	29 295	29 295	29 295	32 483	33 457	34 461
Piped water inside yard (but not in dwelling)	–	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	3 436	3 334	3 350	3 188	3 188	3 188	3 144	3 068	3 010
Other water supply (at least min.service level)	199	155	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>	30 930	35 521	31 450	32 483	32 483	32 483	35 627	36 525	37 471
Using public tap (< min.service level)	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	–	–	–	–	–	–	–	–	–
No water supply	–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	–	–	–	–	–	–	–	–	–
Total number of households	30 930	35 521	31 450	32 483	32 483	32 483	35 627	36 525	37 471
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	21 284	21 632	20 030	20 818	20 818	20 818	26 910	27 717	28 548
Flush toilet (with septic tank)	9 646	9 799	11 420	11 665	11 665	11 665	8 717	8 500	8 300
Chemical toilet	–	–	–	–	–	–	–	–	–
Pit toilet (ventilated)	–	–	–	–	–	–	–	–	–
Other toilet provisions (> min.service level)	–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>	30 930	31 431	31 450	32 483	32 483	32 483	35 627	36 217	36 848
Bucket toilet	–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)	–	–	–	–	–	–	–	–	–
No toilet provisions	–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	–	–	–	–	–	–	–	–	–
Total number of households	30 930	31 431	31 450	32 483	32 483	32 483	35 627	36 217	36 848
Energy:									
Electricity (at least min.service level)	7 918	7 136	6 625	6 114	6 114	6 114	5 950	5 800	5 650
Electricity - prepaid (min.service level)	14 080	16 458	18 379	19 240	19 240	19 240	19 750	20 450	20 950
<i>Minimum Service Level and Above sub-total</i>	21 998	23 594	25 004	25 354	25 354	25 354	25 700	26 250	26 600
Electricity (< min.service level)	–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)	–	–	1 000	–	–	–	–	–	–
Other energy sources	–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	–	–	1 000	–	–	–	–	–	–
Total number of households	21 998	23 594	26 004	25 354	25 354	25 354	25 700	26 250	26 600
Refuse:									
Removed at least once a week	31 739	31 829	32 691	33 094	33 094	33 094	36 238	37 325	38 449
<i>Minimum Service Level and Above sub-total</i>	31 739	31 829	32 691	33 094	33 094	33 094	36 238	37 325	38 449
Removed less frequently than once a week	–	–	–	–	–	–	–	–	–
Using communal refuse dump	–	–	–	–	–	–	–	–	–
Using own refuse dump	–	–	–	–	–	–	–	–	–
Other rubbish disposal	–	–	–	–	–	–	–	–	–
No rubbish disposal	–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	–	–	–	–	–	–	–	–	–
Total number of households	31 739	31 829	32 691	33 094	33 094	33 094	36 238	37 325	38 449
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	25 406	6 543	6 923	7 297	7 297	7 297	7 100	7 500	8 000
Sanitation (free minimum level service)	6 423	6 543	6 923	7 297	7 297	7 297	7 100	7 500	8 000
Electricity/other energy (50kwh per household per month)	6 423	6 543	6 923	7 297	7 297	7 297	7 100	7 500	8 000
Refuse (removed at least once a week)	6 423	6 543	6 923	7 297	7 297	7 297	7 100	7 500	8 000
Cost of Free Basic Services provided - Formal Settlements (R'000)									
Water (6 kilolitres per indigent household per month)	1 095	1 165	1 240	1 320	1 320	1 320	1 637	1 735	1 840
Sanitation (free sanitation service to indigent households)	–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per indigent household per month)	2 494	2 653	2 822	2 215	2 215	2 215	2 544	2 697	2 858
Refuse (removed once a week for indigent households)	–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)									
Total cost of FBS provided	3 589	3 818	4 062	3 535	3 535	3 535	4 181	4 432	4 698
Highest level of free service provided per household									
Property rates (R value threshold)	100 000	100 000	100 000	220 000	220 000	220 000	220 000	220 000	220 000
Water (kilolitres per household per month)	6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)	4	4	4	4	4	4	4	4	4
Sanitation (Rand per household per month)	54	58	61	65	65	65	69	73	77
Electricity (kwh per household per month)	50	50	50	50	50	50	50	50	50
Refuse (average litres per week)	210	210	210	210	210	210	210	210	210
Revenue cost of subsidised services provided (R'000)									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	1 824	1 537	1 786	1 863	1 863	1 863	2 047	2 159	2 278
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)	32 278	31 127	36 411	38 126	38 126	38 126	43 167	45 757	48 502
Water (in excess of 6 kilolitres per indigent household per month)	–	–	–	–	–	–	–	–	–
Sanitation (in excess of free sanitation service to indigent households)	–	–	–	–	–	–	–	–	–
Electricity/other energy (in excess of 50 kwh per indigent household per month)	–	–	–	–	–	–	–	–	–
Refuse (in excess of one removal a week for indigent households)	–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates	–	–	–	–	–	–	–	–	–
Housing - top structure subsidies	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
Total revenue cost of subsidised services provided	34 102	32 664	38 196	39 989	39 989	39 989	45 214	47 916	50 781

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

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. Good progress is being made with the eradication of current services backlogs. Housing remains a challenge.
 - a. Electricity services – the current backlog has provisionally been eliminated.
3. The budget provides for 7 100 households to be registered as indigent in 2016/17, and therefore entitled to receiving Free Basic Services. The number is set to increase over the MTREF, especially by poor people seeking economic opportunities.
4. It is anticipated that these Free Basic Services will cost the municipality R55,5 million in 2016/17. This is covered by the municipality's equitable share allocation from national government.
5. In addition to the Free Basic Services, other rates rebates also apply to households.

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

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

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the MMC for Finance.

The primary aims of the Budget Steering Committee are to ensure:

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

2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2015) a time schedule that sets out the process to revise the IDP and prepare the budget.

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

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

- **22 January 2016** - Council considered the 2016/2016 Mid-year Review;
- **28 January 2016** – Final tariffs and adjustments budget review;
- **1-12 February 2016** – Finalisation of adjustments budget;
- **9 February 2016** – BSC finalises draft Capex/Opex;
- **23 February 2016** – OMAF;
- **March 2016** – Budget office finalises budget report;
- **30 March 2016** - Tabling in Council of the draft 2016/17 IDP, SDBIP and 2016/17 MTREF for public consultation;
- **31 March - 29 April 2016** – Draft Budget available to the public and any other stakeholders for perusal and the submission of comments and representations;
- **11-21 April 2016** – Public consultation – Public meetings to be held in all thirteen wards in the municipal area to present the draft budget to the community;
- **29 April 2016** - Closing date for written comments;
- **3 to 13 May 2016** – finalisation of the 2016/17 IDP and 2016/17 MTREF, taking into consideration comments received from the public, comments from NT & PT and updated information from the most recent DoRA and financial framework;
- **3-13 May 2016** – Budget Office compiles final report and schedules;
- **10 May 2016** – LG MTEC3 engagement;
- **12 May 2016** – Re-advertise further budget proposals, if applicable;
- **16-18 May 2016** – Final review of budget report and schedules;
- **19-20 May 2016** – Final budget distribution; and
- **25 May 2016** - Tabling of the 2016/17 MTREF in Council for consideration and approval.

2.1.2 IDP and Service Delivery and Budget Implementation Plan

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

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

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

The IDP was taken into a business and financial planning process leading up to the 2016/17 MTREF, based on the approved 2015/2016 MTREF, mid-year review and adjustments budget. The business planning process was subsequently refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2016/17 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2015/2016 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

2.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2016/17 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2016/17 MTREF:

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

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

2.1.4 Community Consultation on the Draft Budget

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

Copies of the document could be viewed:

- At the offices of all Area Managers
- All public libraries within the municipality
- At the website: www.overstrand.gov.za

The tabling of the draft budget was advertised in all 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, other full time Councillors, 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. Ten public meetings were held in the period from 11 – 21 April 2016.

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

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

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

2.2 Overview of alignment of annual budget with IDP

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

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

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

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

Table 27 IDP Strategic Objectives

2016/17 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:

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

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

- o Ensuring there is a clear structural plan for the Municipality;
- o Ensuring planning processes function in accordance with set timeframes;
- o 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:

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

Integrated Social Services for empowered and sustainable communities

- o 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:

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

- o Implementing Batho Pele in the revenue management strategy.

Promote sound governance through:

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

Ensure financial sustainability through:

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

Optimal institutional transformation to ensure capacity to achieve set objectives

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

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

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

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

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

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

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

The 2016/17 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

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

Strategic Objective	Goal	Goal Code	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
The provision of democratic, accountable and ethical governance	Good Governance	1	232 385	199 504	280 413	320 161	329 121	329 121	354 612	371 477	393 254
The provision and maintenance of municipal services	Basic Service Delivery	2	461 155	485 124	531 880	581 518	586 398	586 398	622 898	653 995	694 325
The encouragement of structured community participation in the matters of the municipality	Good Governance	3	41 457	62 333							
The creation and maintenance of a safe and healthy environment	Safe and Healthy Environment	4	20 206	28 620	31 198	37 676	37 676	37 676	37 988	38 420	38 877
The promotion of tourism, economic and social development	Economic Development and Social upliftment	5	7 765	11 427	17 928	20 033	21 639	21 639	22 139	17 168	24 533
Total Revenue (excluding capital transfers and contributions)			762 969	787 007	861 419	959 389	974 834	974 834	1 037 637	1 081 060	1 150 989

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

Strategic Objective	Goal	Goal Code	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
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	Good Governance	1	205 348	119 512	293 362	308 022	329 980	329 980	367 080	345 798	369 765
	Basic Service Delivery	2	346 423	448 042	453 715	453 273	431 552	431 552	453 114	481 629	509 499
	Good Governance	3	137 754	181 602	1 443	1 735	1 835	1 835	1 710		
The creation and maintenance of a safe and healthy environment The promotion of tourism, economic and social development	Safe and Healthy Environment	4	48 275	64 229	52 938	69 453	71 285	71 285	74 657	76 951	79 864
	Economic Development and Social Upliftment	5	14 271	18 637	109 806	132 046	155 072	155 072	176 435	180 172	189 724
Total Expenditure			752 070	832 022	911 264	964 529	989 724	989 724	1 072 995	1 084 550	1 148 851

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

Strategic Objective	Goal	Goal Code	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
The provision of democratic, accountable and ethical governance	Good Governance	1	7 154	21 308	2 526	2 648	4 113	4 113	809		
The provision and maintenance of municipal services	Basic Service Delivery	2	103 790	73 989	52 449	58 033	50 784	50 784	55 066	39 656	51 326
The encouragement of structured community participation in the matters of the municipality	Good Governance	3	30 219	29 937	5 580	3 465	3 245	3 245	3 224	4 500	1 500
The creation and maintenance of a safe and healthy environment	Safe and Healthy Environment	4	–	–		295	895	895	1 080		
The promotion of tourism, economic and social development	Economic Development and Social upliftment	5	2 601	5 696	47 934	39 473	44 350	44 350	28 177	50 074	54 445
Total Capital Expenditure			143 764	130 930	108 489	103 914	103 386	103 386	88 356	94 230	107 271

2.3 Measurable performance objectives and indicators

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

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

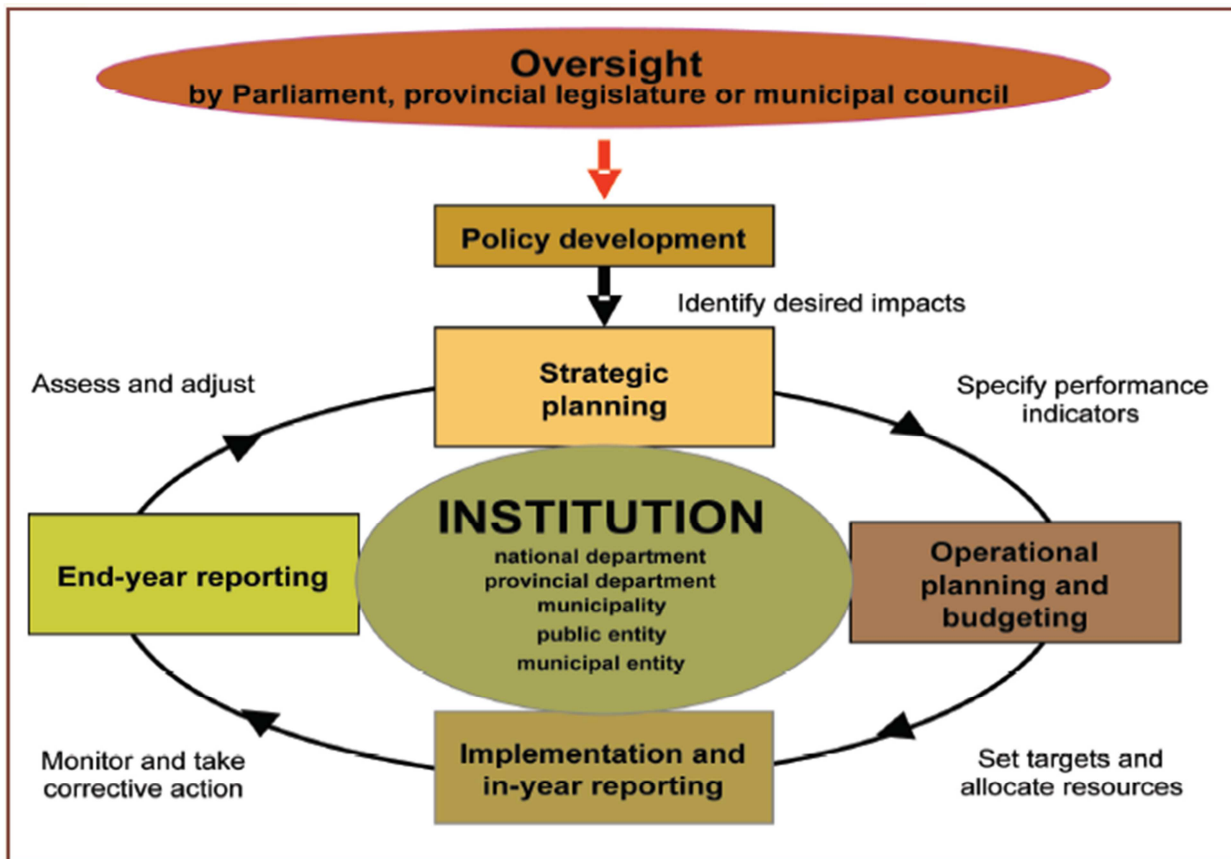


Figure 5 Planning, budgeting and reporting cycle

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

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

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

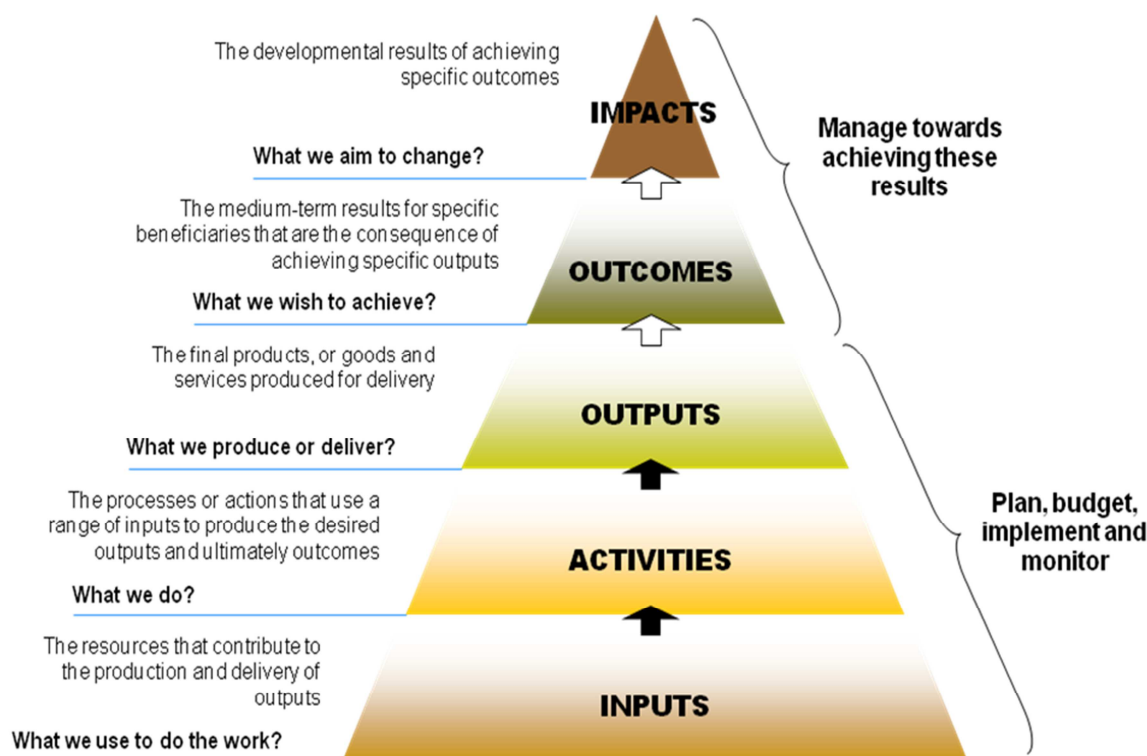


Figure 6 Definition of performance information concepts

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

Table 31 MBRR Table SA7 - Measurable performance objectives

Description	Unit of measurement	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Council										
Council and Municipal Manager										
Municipal Manager										
Risk based audit plan approved by the Audit Committee by the end of June 2017	Plan approved	1	1	0	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	1	1	4	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	4	4	4	4	4	4	4
Percentage of a municipality's capital budget actually spent on capital projects identified for 2016/17 in terms of the municipality's IDP ((Actual amount spent on projects as identified for the year in the IDP/Total amount budgeted on capital projects)(X100)	% of capital budget spent	98.00%	93.77%	88.21%	98%	98%	98%	98%	98%	88%
Management Services										
Director: Management Services										
Human Resources										
90% of the approved and funded organogram filled ((actual number of posts filled divided by the funded posts budgeted) x100)	% filled	92.86%	92.41%	92.31%	90%	90%	90%	90%	90%	90%
The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	The number of people from EE target groups employed	2	no kpi set	60	54	59	59	59	59	59
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 MKD	100%	100%	100.0%	100%	100%	100%	100%	100%	100%
Review the Municipal Organisational Staff Structure by the end of June 2017	Structure reviewed	no kpi set	0	1	1	1	1	1	1	1

Description	Unit of measurement	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revise the Section 14 Access to Information Manual by the end of June 2017 to ensure compliant and up to date	Manual revised	1	1	1	1	1	1	1	0	0
Provide legal assistance and input on policies, contracts, agreements, legislation, by-laws and	Number of responses to legal assistance provided within 5 working days	no kpi set	no kpi set	no kpi set	120	120	120	160	160	160
Monthly Reports on additional court matters	Number of reports on court matter	no kpi set	no kpi set	no kpi set	12	24	24	24	24	24
Convene quarterly LDAC (Local Drug Action Committee) meetings	Quarterly LDAC meetings	no kpi set	no kpi set	no kpi set	1	1	1	4	4	4
Finance										
Director: Finance										
Director Finance										
cash to cover fixed operating expenditure ((Available cash+ investments)/ Monthly fixed operating	Ratio achieved	3.49%	2.30%	3.72%	1.3	1.3	1.3	1.5	1.5	1.5
Financial viability measured in terms of the municipality's ability to meet it's service debt obligations ((Total operating revenue-operating grants received)/debt service payments due within the year) (%)	Ratio achieved	17.46%	16.90%	17.13%	17.0	17.0	17.0	17.2	17.2	17.2
service debtors (Total outstanding service debtors/ revenue received for services)	% achieved	11.90%	10.40%	10.36%	12.2	12.2	12.2	12.2	12.2	12.2
Submit a reviewed long term financial plan by the end of October 2016	Submission of long term financial plan	no kpi set	no kpi set	1	1	1	1	1	1	1
Financial statements submitted to the Auditor General by 31 August 2016	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	Number of households	6523	6536	6842	6650	6650	6650	7100	7500	8000
Achieve a debt recovery rate not less than 90% (Receipts/total billed for 12 months period x 100)	% Recovered	100.44%	100.33%	97.73%	96%	96%	96%	96%	96%	96%
Community Services										
Director: Community Services										
Director: Community Services										
Ward committee meetings held to facilitate consistent and regular communication with residents	No of ward committee meetings per ward per annum	8	9	8	8	8	8	8	8	8
98% of the operational conditional grant (Libraries, CDW) spent (Actual expenditure divided by the total available)	% of total conditional operational grants spent (Libraries, CDW)	100.0%	100.45%	100.0%	98%	198%	298%	98%	98%	98%
m² of roads patched and resealed according to approved Pavement Management System within available budget	m² of roads patched and resealed	216162	101560	163240	100000	100001	100002	100000	100000	100000
Limit unaccounted water to less than 20% ((Number of kiloliter water purified - Number of kiloliter water sold)/Number of kiloliter sold x 100)	% of water unaccounted for	25.57%	21.5%	19.33%	25%	125%	225%	20%	20%	20%
Provision of water to informal households based on the standard of 1 water point to 25 households	The number of taps installed in relation to the number of informal households	no kpi set	no kpi set	3144	126	126	126	126	123	120
Provision of cleaned piped water to all formal households within 200 m from households	No of formal households that meet agreed service standards for piped water	25426	27373	32544	32483	32483	32483	32483	33457	34461
waste disposal to all formal households at least once a week	Number of formal households for which refuse is removed at least once a week	no kpi set	34299	33224	33094	33094	33094	33081	34168	35342
Provision of refuse removal, refuse dumps and solid waste disposal to all informal households at least once a week	Number of weekly removal of refuse in informal households (once per week = 52 weeks per annum) Note: Unit of measurement & target revised in 2015/16 mid-year assessment	no kpi set	no kpi set	3144	52	52	52	52	52	52
The provision of sanitation services to informal households based on the standard of 1 toilette to 5 households	The number of toilet structures provided in relation to the number of informal households Note: Unit of measurement & target revised in 2015/16 mid-year assessment	no kpi set	no kpi set	3144	629	632	632	631	631	631
Provision of sanitation services to formal residential households	which are billed for sewerage in accordance to the SAMRAS financial	31221	31231	31719	32483	32483	32483	32483	33457	34461

Description	Unit of measurement	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Local Economic Development										
Director: LED										
LED										
Provide three reports on LED and Tourism initiatives to Council by end June 2017	Number of reports on LED & Tourism initiatives	no kpi set	no kpi set	no kpi set	2	2	2	3	3	3
Report to Executive Mayor on Grants to festival organisers through Service Level Agreements (SLA) by end July 2016	Number of reports submitted	no kpi set	no kpi set	no kpi set	1	1	1	1	1	1
Support 30 SMME's in terms of the SMME Development Programme by 30 June 2017	Number of SMME's supported	23	45	73	30	30	30	30	30	30
Support Emerging Contractors in terms of the Emerging Contractor Development Programme by 30 June 2017	Number of emerging contractors supported	no kpi set	no kpi set	no kpi set	no kpi set	no kpi set	no kpi set	20	20	20
Raise funds for local economic development through financial and non-financial resource mobilisation	Number of MOU's entered into and amount generated	no kpi set	no kpi set	4	3	3	3	2	2	2
Manager LED report quarterly to Director LED on linkages established with other spheres of government, agencies, donors, SALGA and other relevant bodies for benefit of local area/Stakeholder engagement and creation of partnerships to broaden economic benefit for local communities	Quarterly report on linkages established. Database of Stakeholders/ No of initiatives	no kpi set	no kpi set	4	4	4	4	4	4	4
The number of job opportunities created through the EPWP programme and as per set targets (grant agreement - FTE's, translates to 421 work opportunities)	Number of temporary jobs created	609	517	512	396	396	396	421	421	421
Monthly monitor the statistics on the usage of the LED Walk-in Centre (outreach & referral purposes) through the attendance registers	Monthly registers on LED outreach statistics (walk in centre)	no kpi set	no kpi set	no kpi set	12	12	12	12	12	12
Compile an action plan to improve on the LED maturity assessment	Plan Completed	no kpi set	no kpi set	2	1	1	1	1	1	1
Infrastructure & Planning										
Director: Infrastructure and Planning										
Electricity										
Limit electricity losses to 7.5% or less ((Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated) x 100)	% of electricity unaccounted for	6.88%	5.95%	5.78%	8%	108%	208%	8%	8%	8%
Provision of Electricity: Number of metered electrical connections in formal area (Eskom Areas excluded)	Number of formal household that meet agreed service standards	no kpi set	25751	26476	25354	25355	25356	25700	26250	26600
Water										
Report on the implementation of the Water Service Development plan annually by the end of October 2016	Report submitted	1	1	1	1	2	3	1	1	1
Quality of effluent comply 90% with SANS 241	% compliance	86.02%	82.78%	88%	90%	90%	90%	90%	90%	90%
Quality of potable water comply 95% with SANS 241	% compliance	no kpi set	95.38%	96%	95%	95%	95%	95%	95%	95%
Planning and Development										
100% of the Municipal Infrastructure Grant (MIG) spent by 30 June 2017 (Actual MIG expenditure/Allocation received)	% Expenditure of allocated funds	no kpi set	no kpi set	no kpi set	100%	100%	100%	100%	100%	100%
Protection Services										
Director Protection Services										
Annually review Community Safety Plan by the end of June in conjunction with the Department of Community Safety	Plan reviewed	1	1	1	1	1	1	1	1	1
Arrange public awareness sessions on Protection Services	Number of sessions held	60	55	88	32	32	32	50	50	50
Disaster and Fire Management										
Annually review and submit Disaster Management Plan to the District by the end of June 2017	Reviewed plan submitted	1	1	1	1	1	1	1	1	1
Annually review the Fire Management Plan by the end of June 2017	Plan reviewed	1	1	1	1	1	1	1	1	1
Traffic										
Collect R10 000 000 Public Safety Income by 30 June 2017	R-value of public safety collected income	R 5 730 902	R 5 154 575	R 14 285 330	8000000	6000000	6000000	10000000	10000000	10000000
And so on for the rest of the Votes										

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

Table 32 MBRR Table SA8 - Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<u>Borrowing Management</u>										
Credit Rating										
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	6.8%	7.3%	7.0%	7.3%	7.2%	7.2%	6.8%	7.1%	6.9%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	7.7%	9.1%	8.6%	8.8%	8.7%	8.7%	8.5%	8.4%	8.1%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	45.1%	59.6%	76.8%	73.8%	70.1%	70.1%	69.1%	100.0%	100.0%
<u>Safety of Capital</u>										
Gearing	Long Term Borrowing/ Funds & Reserves	19277.5%	15300.9%	15906.6%	15774.5%	15774.5%	15774.5%	18584.8%	18077.7%	17833.1%
<u>Liquidity</u>										
Current Ratio	Current assets/current liabilities	1.3	1.2	1.4	1.2	1.2	1.2	1.3	1.4	1.6
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.3	1.2	1.4	1.2	1.2	1.2	1.3	1.4	1.6
Liquidity Ratio	Monetary Assets/Current Liabilities	0.5	0.4	0.7	0.6	0.6	0.6	0.6	0.7	0.8
<u>Revenue Management</u>										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		99.9%	100.7%	99.3%	100.1%	100.1%	0.0%	98.1%	99.5%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		99.9%	100.7%	99.3%	100.1%	100.1%	100.1%	98.1%	99.5%	99.5%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	14.4%	13.5%	13.6%	10.7%	10.1%	10.1%	11.2%	12.2%	12.3%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	90.3%	97.2%	97.2%	97.2%	97.2%	97.2%	97.2%	97.2%	97.2%
<u>Creditors Management</u>										
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	100.0%	97.8%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Creditors to Cash and Investments		85.2%	97.4%	60.7%	76.1%	73.9%	73.9%	71.2%	59.3%	45.5%
<u>Other Indicators</u>										
Electricity Distribution Losses (2)	Total Volume Losses (kW)	15831477	13668967	13272396	13 667 000	13 667 000	13 667 000	13870000	14013000	14125000
	Total Cost of Losses (Rand '000)	7 101	7 028	987	7 927	7 927	7 927	1 611	1 884	2 499
	% Volume (units purchased and generated less units sold)/units purchased and generated	6.91%	5.95%	5.77%	5.95%	5.95%	5.95%	6.00%	6.05%	6.07%
Water Distribution Losses (2)	Total Volume Losses (kℓ)	1 445	1 455	1 281	1 453	1 453	1 453	1 440	1 541	1 613
	Total Cost of Losses (Rand '000)	3 830	5 726	5 019	4 272	4 272	4 272	5 217	5 388	5 682
	% Volume (units purchased and generated less units sold)/units purchased and generated									
Employee costs	Employee costs/(Total Revenue - capital revenue)	20.01% 32.9%	21.47% 35.4%	19.33% 33.2%	20.19% 32.6%	20.19% 32.1%	20.19% 32.1%	18.90% 31.6%	18.70% 31.6%	18.45% 31.3%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	33.9%	36.5%	34.2%	33.5%	33.0%	33.0%	32.6%	32.6%	32.2%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	16.3%	20.4%	19.6%	13.5%	13.3%	13.3%	12.2%	12.2%	11.9%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	20.1%	18.9%	18.6%	17.7%	17.3%	17.3%	16.5%	16.9%	16.4%
<u>IDP regulation financial viability indicators</u>										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	22.8	21.7	22.7	22.8	22.8	22.8	19.1	18.3	19.4
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	17.9%	15.9%	16.0%	12.9%	12.5%	12.5%	14.0%	14.8%	15.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.8	1.2	1.9	1.5	1.5	1.5	1.6	1.8	2.1

2.3.1 Performance indicators and benchmarks

2.3.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Overstrand's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the Municipality's debt portfolio is dominated by annuity loans. The following financial performance indicators have formed part of the compilation of the 2016/17 MTREF:

- *Capital charges to operating expenditure* is a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing will steadily reduce over the MTREF to 4,1 per cent. While borrowing is considered a prudent financial instrument in financing capital infrastructure development, this indicator will have to be carefully monitored going forward as the Municipality had reached its planned upper borrowing limit in 2012.
- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The average over the MTREF is 90,4 per cent which indicates the limited amount available from own sources to finance capital. This is as a result of utilising any surpluses as they become available in the past.

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

2.3.1.2 Safety of Capital

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

2.3.1.3 Liquidity

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

of the longer term financial planning objectives this ratio will have to be set at a minimum of 1, notwithstanding that it will tie up cash needed for capital investment.

2.3.1.4 Revenue Management

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

2.3.1.5 Creditors Management

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

2.3.1.6 Other Indicators

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

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

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

For the 2016/17 financial year 7 100 registered indigents have been provided for in the budget. In terms of the municipality's indigent policy, registered households are entitled to 6kℓ free water and 50 kWh of electricity, are fully subsidised for basic charges for services and 4,2kℓ sanitation. Household with a property valuation of R220 000 qualify upon registration as indigents.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the

free basic services is contained in Table 26 MBRR A10 (Basic Service Delivery Measurement) on page 44.

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

2.3.3 Providing clean water and managing waste water

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

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

The following is briefly the challenges facing the municipality:

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

2.4 Overview of budget related-policies

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

2.4.1 Customer Care, Credit Control and Debt Collection Policy

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

2.4.2 Asset Management Policy

The Asset Management Policy is considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

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

2.4.3 Budget Policy

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

2.4.4 Supply Chain Management Policy

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

2.4.5 Virement Policy

The Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the Municipality's system of delegations.

2.4.6 Investment & Cash Management Policy

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

2.4.7 Tariff Policy

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

2.4.8 Long term Financial Planning & Implementation Policy

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

2.4.9 Contract Management Policy

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

2.4.10 Pay Day Policy

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

The following policies have also been subject to review:

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

The following new policy has been introduced:

- Special rating Area Policy

2.5 Overview of budget assumptions

2.5.1 External factors

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

2.5.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2016/17 MTREF:

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

2.5.3 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The municipality chiefly engages in amortisation-style loans requiring both regular principal and interest payments. Surplus cash is invested and re-invested at short intervals.

2.5.4 Collection rate for revenue services

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

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

2.5.5 Growth or decline in tax base of the municipality

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

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

2.5.6 Salary increases

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

2.5.7 Impact of national, provincial and local policies

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

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

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

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

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

2.6 Overview of budget funding

2.6.1 Medium-term outlook: operating revenue

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

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

Description	2016/17 Medium Term Revenue & Expenditure Framework		
	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand			
Revenue By Source			
Property rates	180 591	191 427	202 913
Service charges	607 054	643 477	682 086
Rental of facilities and equipment	4 728	3 335	3 535
Interest earned	10 489	12 795	13 563
Transfers recognised - operational	126 313	100 430	113 519
Other revenue	64 000	65 992	68 104

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

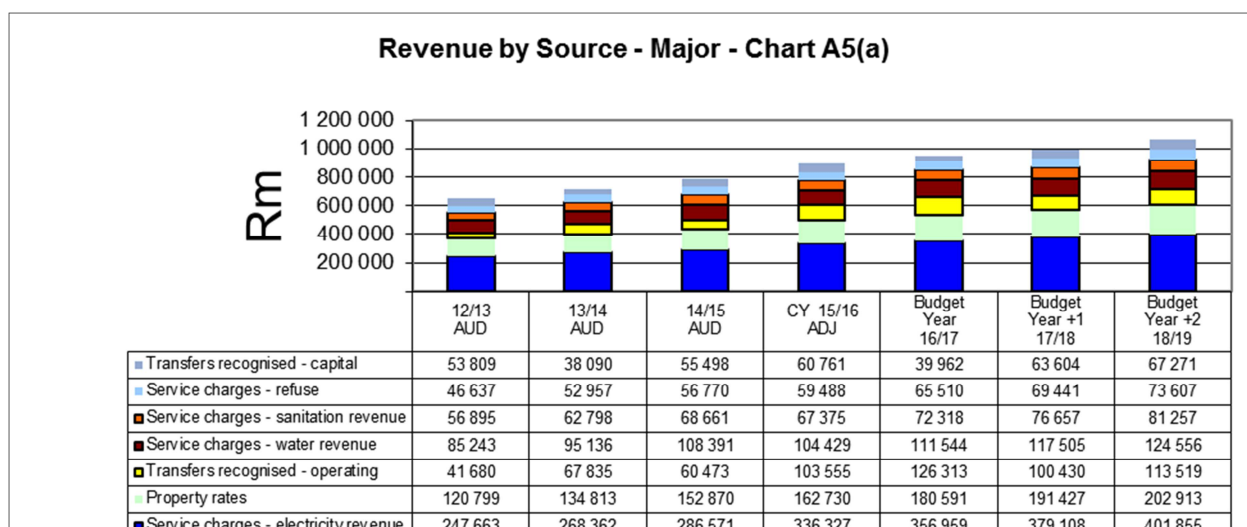


Figure 7 Breakdown of operating revenue over the 2016/17 MTREF

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

The revenue strategy is a function of key components such as:

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

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

Table 34 Proposed tariff increases for 2016/2017

Description	Current Year 2015/16	Budget Year 2016/17	Budget Year 2016/17
Rand/cent		% incr.	
Monthly Account for Household - 'Middle Income Range'			
Rates and services charges:			
Property rates	191.53	7.2%	205.32
Electricity: Basic levy	216.83	17.5%	254.78
Electricity: Consumption	1 367.73	6.0%	1 449.12
Water: Basic levy	108.42	6.0%	114.93
Water: Consumption	313.77	6.3%	333.62
Sanitation	325.09	6.0%	344.53
Refuse removal	137.99	6.0%	146.26
sub-total	2 661.36	7.0%	2 848.56
VAT on Services	345.78		370.05
Total large household bill:	3 007.14	7.0%	3 218.61
% increase/-decrease	—		7.0%

Refer to Annexure C for Tariffs increases

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

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

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

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

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

Table 35 MBRR SA15 – Detail Investment Information

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

Table 36 MBRR SA16 – Investment particulars by maturity

Investments by Maturity	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission on Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal	Investment Top Up	Closing Balance
Name of institution & investment ID	Yrs/Months												
Parent municipality													
LIBERTY 15934476	15 YEARS	POLICY	YES	VARIABLE	Fair Value Adjustment			01/09/2025	8 385	66		1 500	9 951
LIBERTY 21196964	14 YEARS	POLICY	YES	VARIABLE	Fair Value Adjustment			01/09/2025	13 186	216		3 120	16 523
MOMENTUM 3853776	15 YEARS	POLICY	YES	VARIABLE	Fair Value Adjustment			01/07/2026	1 578	44		360	1 981
													-
TOTAL INVESTMENTS AND INTEREST									23 149		-	4 980	28 455

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

2.6.2 Medium-term outlook: capital revenue

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

Table 37 Sources of capital revenue over the MTREF

Vote Description R thousand	2016/17 Medium Term Revenue & Expenditure Framework		
	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Funded by:			
National Government	26 030	26 450	29 531
Provincial Government	13 932	37 780	37 740
District Municipality			
Other transfers and grants	3 500		
Transfers recognised - capital	43 462	64 230	67 271
Public contributions & donations	1 462		
Borrowing	33 824	30 000	40 000
Internally generated funds	9 608		
Total Capital Funding	88 356	94 230	107 271

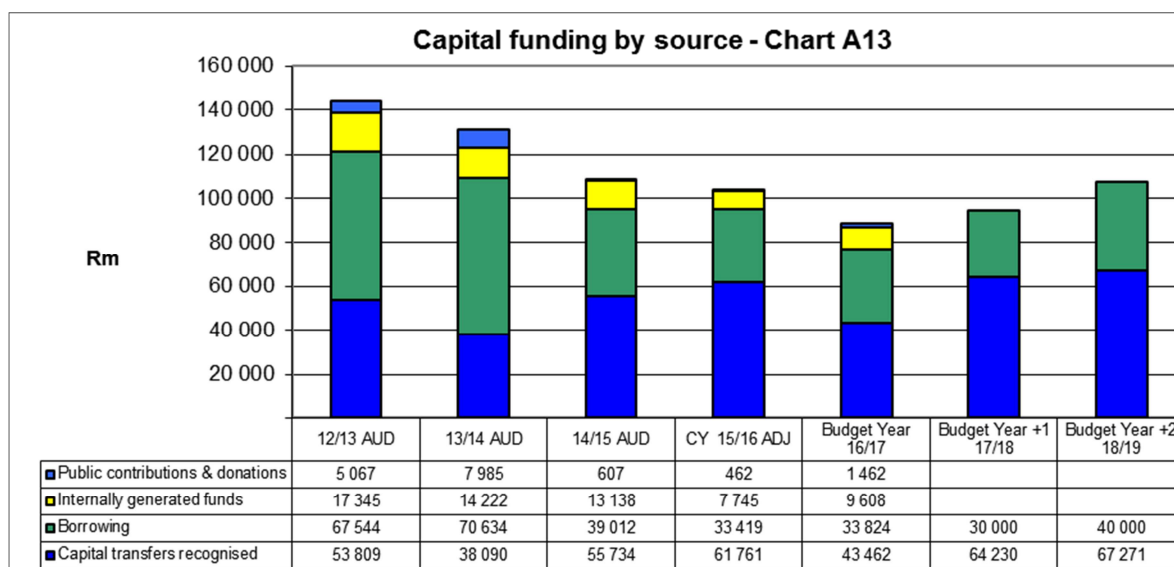


Figure 8 Sources of capital revenue for the 2016/17 financial year

Capital grants and receipts equates to 49,2 per cent of the total funding source which represents R43,5 million for the 2016/17

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

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

Table 38 MBRR Table SA17 - Detail of borrowings

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

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 R9,6 million in 2016/2017.

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

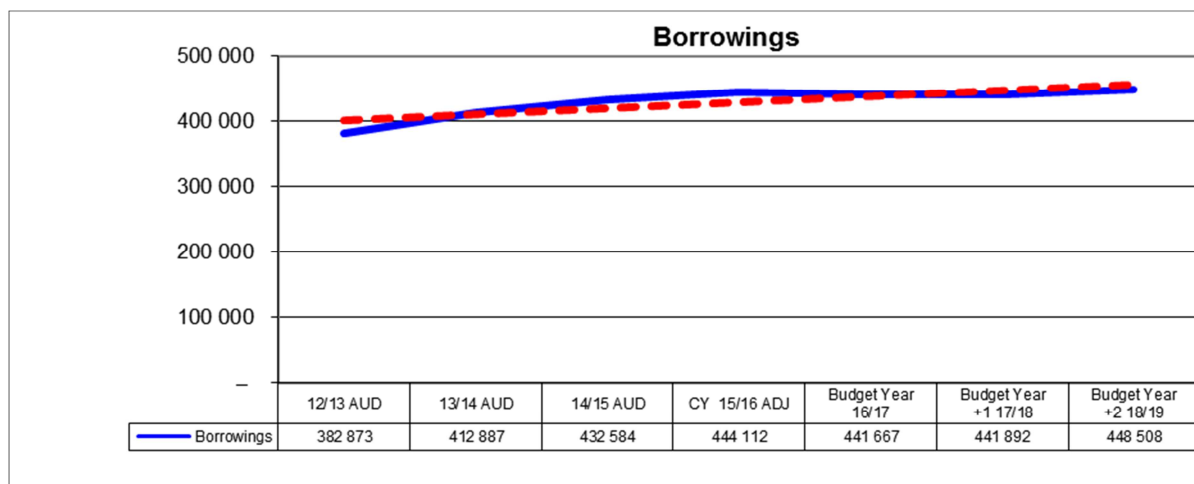


Figure 9 Growth in outstanding borrowing (long-term liabilities)

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

Table 39 MBRR Table SA18 - Capital transfers and grant receipts

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
RECEIPTS:									
Capital Transfers and Grants									
National Government:	36 911	26 068	23 608	30 347	30 347	30 347	26 030	26 450	29 531
Municipal Infrastructure Grant (MIG)	16 947	18 755	20 674	21 417	21 417	21 417	21 030	22 450	23 531
Public Transport and Systems									
Regional Bulk Infrastructure	15 174	-							
Neighbourhood Development Partnership	2 418	3 963							
Finance Management	552	-							
Municipal Systems Improvement	20	350	934	930	930	930			
INEP	1 800	3 000	2 000	8 000	8 000	8 000	5 000	4 000	6 000
Other capital transfers/grants [insert desc]									
Provincial Government:	20 217	8 819	30 195	33 007	30 414	30 414	13 932	37 154	37 740
Housing	18 693	7 727	28 045	29 973	26 080	26 080	12 882	37 154	37 740
Sport & Recreation Grant	-	100							
Provincial Library Grant	13	10	2 150	3 034	3 034	3 034	1 050		
Provincial Transport Infrastructure Grant	1 500	982							
Community Development Worker Grant	11	-							
Financial Management Support Grant					1 300	1 300			
Other grant providers:	-	-	2 000	-	-	-	3 500	-	-
National Lotto			1 000						
DWA ACIP			1 000				3 500		
Spaces 4 Sport									
Friedrich Nauman Foundation/SAMRAS usergroup									
Total Capital Transfers and Grants	57 128	34 887	55 803	63 354	60 761	60 761	43 462	63 604	67 271

Cash Flow Management

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

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

Table 40 MBRR Table A7 - Budgeted cash flow statement

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates, penalties & collection charges	120 273	135 875	152 186	163 800	163 800	163 800	177 978	191 444	202 932
Service charges	437 061	483 167	517 192	567 409	569 410	569 410	595 436	640 514	678 947
Other revenue	41 689	63 976	59 478	76 884	80 982	80 982	60 595	56 692	62 312
Government - operating	44 140	63 477	59 124	90 324	103 555	103 555	126 313	100 430	113 519
Government - capital	54 577	38 090	55 498	64 354	61 761	61 761	44 462	63 604	67 271
Interest	9 754	8 470	10 423	8 784	11 409	11 409	13 245	15 716	16 659
Dividends							-	-	-
Payments									
Suppliers and employees	(558 519)	(637 833)	(642 330)	(765 303)	(796 886)	(796 886)	(811 039)	(846 180)	(895 529)
Finance charges	(37 199)	(39 858)	(43 433)	(46 895)	(46 895)	(46 895)	(46 421)	(46 952)	(45 449)
Transfers and Grants	(35 856)	(38 749)	(48 659)	(48 497)	(49 448)	(49 448)	(57 479)	(60 808)	(64 336)
NET CASH FROM/(USED) OPERATING ACTIVITIES	75 920	76 616	119 478	110 861	97 687	97 687	103 090	114 461	136 325
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	1 725	5 073	14 548	-	-	-	-	-	-
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	45	18	15	18	18	18	13	11	10
Decrease (increase) in non-current investments	(4 960)	(4 529)	(4 980)	(6 248)	(6 248)	(6 248)	(6 873)	(6 399)	(6 541)
Payments									
Capital assets	(143 764)	(130 930)	(110 898)	(103 914)	(103 386)	(103 386)	(88 356)	(94 230)	(107 271)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(146 955)	(130 368)	(101 315)	(110 144)	(109 616)	(109 616)	(95 217)	(100 619)	(113 802)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	(389)	(730)	64	(1 135)	(1 135)	(1 135)	-	-	-
Borrowing long term/refinancing	38 700	51 300	40 000	30 000	30 000	30 000	30 000	30 000	40 000
Increase (decrease) in consumer deposits	3 726	2 819	3 983	2 479	2 479	2 479	2 628	2 321	2 438
Payments									
Repayment of borrowing	(13 554)	(20 626)	(20 381)	(23 936)	(23 936)	(23 936)	(26 841)	(29 775)	(33 384)
NET CASH FROM/(USED) FINANCING ACTIVITIES	28 482	32 764	23 666	7 409	7 409	7 409	5 787	2 547	9 054
NET INCREASE/ (DECREASE) IN CASH HELD	(42 552)	(20 989)	41 828	8 126	(4 520)	(4 520)	13 660	16 389	31 577
Cash/cash equivalents at the year begin:	126 699	84 147	63 158	89 421	104 987	104 987	100 467	114 127	130 516
Cash/cash equivalents at the year end:	84 147	63 158	104 987	97 547	100 467	100 467	114 127	130 516	162 093

The above table shows that cash and cash equivalents of the Municipality remains steady for the 2014/15 and 2015/2016 financial year. For the 2016/17 MTREF the budget has been prepared to ensure sustained levels of cash and cash equivalents over the medium-term with cash levels anticipated to exceed R114 million by 2016/17 and steadily increasing to R162 million by 2018/19.

2.6.3 Cash Backed Reserves/Accumulated Surplus Reconciliation

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

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

A surplus would indicate the cash-backed accumulated surplus that is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. It is also important to analyse trends to understand the consequences. Small cash surpluses have been realised over the past three years, which is inevitably utilised to finance capital. No meaningful growth in cash has occurred. The working capital has to be optimally managed.

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

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
Cash and investments available									
Cash/cash equivalents at the year end	84 147	63 158	104 987	97 547	100 467	100 467	114 127	130 516	162 093
Other current investments > 90 days	-	0	-	0	0	0	-	-	-
Non current assets - Investments	11 597	16 965	23 149	28 455	28 455	28 455	35 328	41 727	48 267
Cash and investments available:	95 744	80 123	128 136	126 001	128 922	128 922	149 455	172 243	210 361
Application of cash and investments									
Unspent conditional transfers	7 783	3 425	2 076	-	-	-	-	-	-
Unspent borrowing	6 133	1 847	2 800	-	-	-	-	-	-
Statutory requirements									
Other working capital requirements	(21 016)	(40 826)	(44 247)	(22 868)	(19 352)	(19 352)	(27 043)	(44 375)	(57 844)
Other provisions									
Long term investments committed	11 597	16 965	23 149	28 455	28 455	28 455	35 328	41 727	48 267
Reserves to be backed by cash/investments	1 891	2 565	2 571	2 637	2 637	2 637	2 218	2 263	2 308
Total Application of cash and investments:	6 388	(16 024)	(13 650)	8 224	11 740	11 740	10 503	(385)	(7 269)
Surplus(shortfall)	89 356	96 147	141 786	117 777	117 182	117 182	138 952	172 628	217 630

From the above table it can be seen that the cash and investments total R129 million in the 2015/2016 financial year and increase to R149,5 million by 2016/17, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. In the past these have been allowed to 'roll-over' and be spent in the ordinary course of business, but this practice has been discontinued. Stringent measures have been implemented by NT regarding unspent grants.
- No unspent borrowing from the previous financial year is anticipated. Borrowings are only drawn down once substantial expenditure has incurred against the particular projects.
- Provisions for statutory requirements include VAT owing to timing differences resulting from year- end obligations.
- The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. For the

purpose of the cash backed reserves and accumulated surplus reconciliation, at least one month's operational expenditure is covered at all times. It needs to be noted that although this can be considered prudent, the desired cash levels should be 60 days to ensure continued liquidity of the municipality. Any underperformance in relation to collections could place upward pressure on the ability of the Municipality to meet its creditor obligations.

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

It can be concluded that the Municipality will have a surplus of R139 million against the cash backed and accumulated surpluses reconciliation. When considering the funding requirements of section 18 and 19 of the MFMA, it needs to be noted that for all practical purposes the 2016/2017 MTREF is funded, from a pure cash flow perspective (cash out flow versus cash inflow) the budget is funded and is therefore credible. The challenge for the Municipality will be to ensure that the underlying planning and cash flow assumptions are meticulously managed, especially the performance against the collection rate.

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

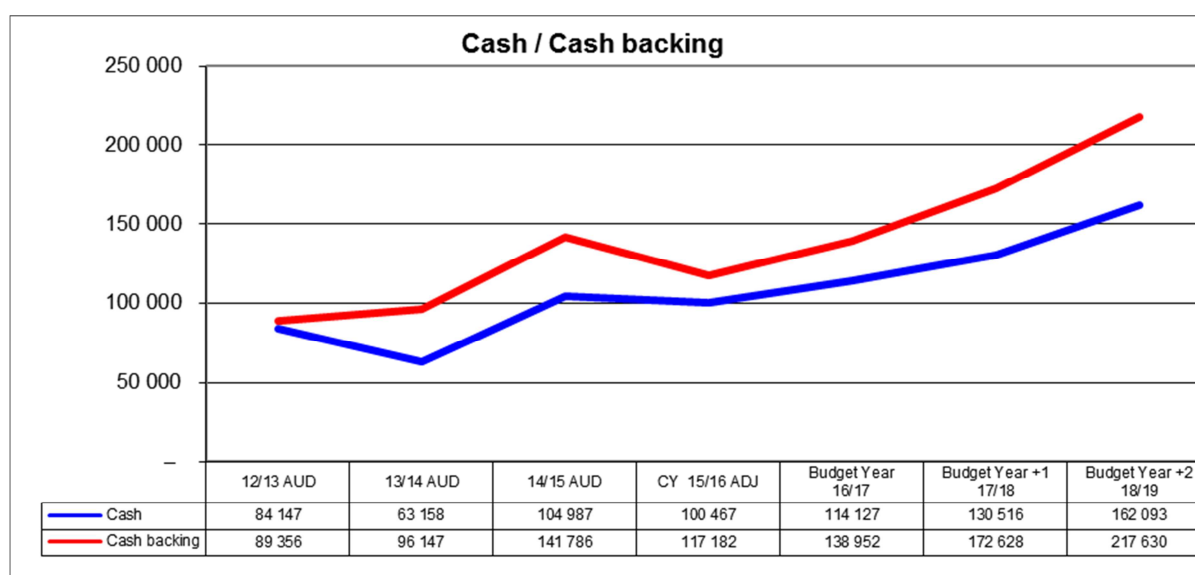


Figure 10 Cash and cash equivalents / Cash backed reserves and accumulated funds

2.6.4 Funding compliance measurement

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

Table 42 MBRR SA10 – Funding compliance measurement

Description	MFMA section	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Funding measures										
Cash/cash equivalents at the year end - R'000	18(1)b	84 147	63 158	104 987	97 547	100 467	100 467	114 127	130 516	162 093
Cash + investments at the yr end less applications - R'000	18(1)b	89 356	96 147	141 786	117 777	117 182	117 182	138 952	172 628	217 630
Cash year end/monthly employee/supplier payments	18(1)b	1.8	1.2	1.9	1.5	1.5	1.5	1.6	1.8	2.1
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	10 899	(45 015)	(49 845)	(5 140)	(14 890)	(14 890)	(35 358)	(3 490)	2 138
Service charge rev % change - macro CPI-X target exclusive	18(1)a,(2)	N.A.	4.2%	3.6%	2.4%	(5.7%)	(6.0%)	1.7%	0.0%	(0.0%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	91.5%	103.1%	99.0%	101.2%	101.7%	101.7%	97.4%	98.3%	98.7%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	1.2%	2.0%	1.6%	3.1%	3.1%	3.1%	3.0%	2.9%	2.7%
Capital payments % of capital expenditure	18(1)c,(19)	100.0%	100.0%	102.2%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	43.0%	55.3%	75.8%	75.8%	72.1%	72.1%	66.8%	100.0%	100.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a							98.8%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	(2.1%)	9.9%	(12.0%)	(4.1%)	0.0%	20.9%	11.4%	7.6%
Long term receivables % change - incr(decr)	18(1)a	N.A.	(18.4%)	(21.8%)	(23.0%)	0.0%	0.0%	(26.0%)	(33.9%)	(49.1%)
R&M % of Property Plant & Equipment	20(1)(vi)	3.7%	4.8%	5.1%	3.9%	3.9%	3.9%	3.9%	4.1%	4.3%
Asset renewal % of capital budget	20(1)(vi)	2.9%	35.9%	30.2%	20.0%	18.9%	18.9%	44.7%	30.1%	36.7%
Total Operating Revenue		703 871	736 376	804 650	895 035	913 073	913 073	993 175	1 017 455	1 083 718
Total Operating Expenditure		752 070	832 022	911 264	964 529	989 724	989 724	1 072 995	1 084 550	1 148 851
Operating Performance Surplus/(Deficit)		(48 199)	(95 646)	(106 615)	(69 494)	(76 651)	(76 651)	(79 820)	(67 094)	(65 133)
Revenue										
% Increase in Total Operating Revenue			4.6%	9.3%	11.2%	2.0%	0.0%	8.8%	2.4%	6.5%
% Increase in Property Rates Revenue			11.6%	13.4%	6.4%	0.0%	0.0%	11.0%	6.0%	6.0%
% Increase in Electricity Revenue			8.4%	6.8%	18.3%	(0.8%)	0.0%	6.1%	6.2%	6.0%
% Increase in Property Rates & Services Charges			10.2%	9.6%	8.4%	0.3%	0.0%	7.7%	6.0%	6.0%
Expenditure										
% Increase in Total Operating Expenditure			10.6%	9.5%	5.8%	2.6%	0.0%	8.4%	1.1%	5.9%
% Increase in Employee Costs			12.5%	2.4%	9.2%	0.4%	0.0%	7.3%	2.5%	5.3%
% Increase in Electricity Bulk Purchases			8.3%	6.8%	15.5%	(1.0%)	0.0%	10.0%	7.9%	7.9%
R&M % of PPE		3.7%	4.8%	5.1%	3.9%	3.9%	3.9%	3.9%	4.1%	4.3%
Asset Renewal and R&M as a % of PPE		4.0%	6.0%	6.0%	4.0%	4.0%	4.0%	5.0%	5.0%	5.0%
Debt Impairment % of Total Billable Revenue		1.2%	2.0%	1.6%	3.1%	3.1%	3.1%	3.0%	2.9%	2.7%
Capital Revenue										
Internally Funded & Other (R'000)		22 412	22 207	13 745	7 215	8 206	8 206	11 069	–	–
Borrowing (R'000)		67 544	70 634	39 012	32 346	33 419	33 419	33 824	30 000	40 000
Grant Funding and Other (R'000)		53 809	38 090	55 734	64 354	61 761	61 761	43 462	64 230	67 271
Internally Generated funds % of Non Grant Funding		24.9%	23.9%	26.1%	18.2%	19.7%	19.7%	24.7%	0.0%	0.0%
Borrowing % of Non Grant Funding		75.1%	76.1%	73.9%	81.8%	80.3%	80.3%	75.3%	100.0%	100.0%
Grant Funding % of Total Funding		37.4%	29.1%	51.4%	61.9%	59.7%	59.7%	49.2%	68.2%	62.7%
Capital Expenditure										
Total Capital Programme (R'000)		143 764	130 930	108 490	103 914	103 386	103 386	88 356	94 230	107 271
Asset Renewal		4 147	47 032	32 727	20 758	19 493	19 493	39 533	28 399	39 325
Asset Renewal % of Total Capital Expenditure		2.9%	35.9%	30.2%	20.0%	18.9%	18.9%	44.7%	30.1%	36.7%
Cash										
Cash Receipts % of Rate Payer & Other		91.5%	103.1%	99.0%	101.2%	101.7%	101.7%	97.4%	98.3%	98.7%
Borrowing										
Capital Charges to Operating		6.8%	7.3%	7.0%	7.3%	7.2%	7.2%	6.8%	7.1%	6.9%
Borrowing Receipts % of Capital Expenditure		43.0%	55.3%	75.8%	75.8%	72.1%	72.1%	66.8%	100.0%	100.0%
Reserves										
Surplus/(Deficit)		89 356	96 147	141 786	117 777	117 182	117 182	138 952	172 628	217 630
Free Services										
Free Basic Services as a % of Equitable Share		9.9%	9.1%	7.8%	5.5%	5.5%	5.5%	5.7%	5.3%	5.1%
Free Services as a % of Operating Revenue (excl operational transfers)		5.1%	4.9%	5.1%	5.0%	4.9%	4.9%	5.2%	5.2%	5.2%
High Level Outcome of Funding Compliance										
Total Operating Revenue		703 871	736 376	804 650	895 035	913 073	913 073	993 175	1 017 455	1 083 718
Total Operating Expenditure		752 070	832 022	911 264	964 529	989 724	989 724	1 072 995	1 084 550	1 148 851
Surplus/(Deficit) Budgeted Operating Statement		(48 199)	(95 646)	(106 615)	(69 494)	(76 651)	(76 651)	(79 820)	(67 094)	(65 133)
Surplus/(Deficit) Considering Reserves and Cash Backing		89 356	96 147	141 786	117 777	117 182	117 182	138 952	172 628	217 630
MTREF Funded (1)/Unfunded (0)		1	1	1	1	1	1	1	1	1
MTREF Funded ü /Unfunded ü		✓	✓	✓	✓	✓	✓	✓	✓	✓

2.6.4.1 Cash/cash equivalent position

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

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2016/17 MTREF shows R114 million, R130,5 million and R162 million for each respective financial year.

2.6.4.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 41, on page 69. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

2.6.4.3 Monthly average payments covered by cash or cash equivalents

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

2.6.4.4 Surplus/deficit excluding depreciation offsets

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

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

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

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 6,8 per cent). Refer to Annexure B for Tariff List and Increases.

2.6.4.6 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. Given that the assumed collection rate was based on a 99 per cent performance target, the cash flow statement has been accurately determined. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

2.6.4.7 Debt impairment expense as a percentage of billable revenue

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

2.6.4.8 Capital payments percentage of capital expenditure

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

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

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded. It can be seen that borrowing equates to 84, 100 and 100 per cent of own funded capital.

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

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

2.6.4.11 Consumer debtors change (Current and Non-current)

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

2.6.4.12 Repairs and maintenance expenditure level

This measure must be considered within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Details of the municipality's strategy pertaining to asset management and repairs and maintenance are contained in Table 56 MBRR SA34C on page 88.

2.6.4.13 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets. Further details in this regard are contained in Table 55 MBRR SA34b on page 87.

2.7 Expenditure on grants and reconciliations of unspent funds

Table 43 MBRR SA19 - Expenditure on transfers and grant programmes

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
EXPENDITURE:									
<u>Operating expenditure of Transfers and Grants</u>									
National Government:	2 810	3 084	3 900	3 111	3 701	3 701	3 397	1 550	1 550
Local Government Equitable Share									
Finance Management	698	1 300	860	1 450	2 040	2 040	1 475	1 550	1 550
Municipal Systems Improvement	780	540							
EPWP Incentive	1 332	1 244	1 768	1 661	1 661	1 661	1 922		
Disaster recovery grant			1 272						
Provincial Government:	2 724	22 802	4 551	22 615	35 257	35 257	49 966	15 850	20 536
Housing	1 659	18 669	632	17 141	29 370	29 370	43 795	9 346	13 540
Community Development Worker Grant	70	49	70	72	72	72	75	75	75
Main Road Subsidy	65	2 651	83	114	114	114	137		
Sport & Recreation Grant									
Provincial Library Grant	691	795	3 182	5 288	5 288	5 288	5 839	6 189	6 561
Disaster recovery grant									
Financial Management Support Grant	–	155	547		213	213	120	240	360
Nelson Mandela commemoration Grant	–	100							
Greenest Municipality	–	12	38						
HCE	19	47							
Mobility Strategy	2	106							
Thusong Service centre grant	218	218			200	200			
District Municipality:	–	–	–	–	–	–	–	–	–
Other grant providers:	222	894	252	–	–	–	–	–	–
Spaces 4 Sport/Friedrich Naumann Foundation	200	627	249						
ICT Projects for Libraries/Samras Usergroup	22	267	3						
Total operating expenditure of Transfers and Grants	5 756	26 781	8 704	25 726	38 957	38 957	53 363	17 400	22 086
<u>Capital expenditure of Transfers and Grants</u>									
National Government:	36 911	25 094	23 608	30 347	30 347	30 347	26 030	26 450	29 531
Municipal Infrastructure Grant (MIG)	16 947	18 755	20 674	21 417	21 417	21 417	21 030	22 450	23 531
Public Transport and Systems									
Regional Bulk Infrastructure	15 174	–							
Municipal Systems Improvement	20	350	934	930	930	930			
INEP	1 800	2 026	2 000	8 000	8 000	8 000	5 000	4 000	6 000
Finance Management	552	–							
Neighbourhood Development Partnership	2 418	3 963							
Provincial Government:	16 898	12 996	31 890	33 007	30 414	30 414	13 932	37 154	37 740
Housing	16 651	10 404	29 740	29 973	26 080	26 080	12 882	37 154	37 740
Sport & Recreation Grant	–	100							
Public transport non-motorised infrastructure grant	–	2 482							
Provincial Library Grant	13	10	2 150	3 034	3 034	3 034	1 050		
Financial Management Support Grant					1 300	1 300			
Mobility strategy (pound)/ CDW	234	–							
Other grant providers:	500	–	1 000	1 000	1 000	–	4 500	–	–
National Lotto				1 000	1 000		1 000		
DWA ACIP			1 000				3 500		
Spaces 4 Sport									
National Lotto	500	–	–						
Total capital expenditure of Transfers and Grants	54 309	38 090	56 498	64 354	61 761	60 761	44 462	63 604	67 271
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	60 065	64 871	65 202	90 080	100 718	99 718	97 825	81 004	89 357

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

Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Operating transfers and grants:									
National Government:									
Balance unspent at beginning of the year	-	-	-		590	590			
Current year receipts	38 956	45 033	56 511	67 709	67 709	67 709	76 347	84 580	92 983
Conditions met - transferred to revenue	38 956	45 033	55 921	67 709	68 299	68 299	76 347	84 580	92 983
Conditions still to be met - transferred to liabilities			590						
Provincial Government:									
Balance unspent at beginning of the year	174	153	683		213	213			
Current year receipts	2 703	23 332	4 481	22 615	35 044	35 044	49 966	15 850	20 536
Transfer to creditor/debtor	(222)	(894)	(400)						
Conditions met - transferred to revenue	2 502	21 908	4 551	22 615	35 257	35 257	49 966	15 850	20 536
Conditions still to be met - transferred to liabilities	153	683	213						
District Municipality:									
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities									
Other grant providers:									
Balance unspent at beginning of the year	240	669	361						
Current year receipts	652	586	165						
Conditions met - transferred to revenue	222	894	252	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities	669	361	274						
Total operating transfers and grants revenue	41 680	67 835	60 725	90 324	103 555	103 555	126 313	100 430	113 519
Total operating transfers and grants - CTBM	822	1 044	1 076	-	-	-	-	-	-
Capital transfers and grants:									
National Government:									
Balance unspent at beginning of the year	-	-							
Current year receipts	36 911	26 068	23 608	30 347	30 347	30 347	26 030	26 450	29 531
Transfer to creditor/debtor	-	(974)							
Conditions met - transferred to revenue	36 911	25 094	23 608	30 347	30 347	30 347	26 030	26 450	29 531
Conditions still to be met - transferred to liabilities									
Provincial Government:									
Balance unspent at beginning of the year	3 642	6 961	2 382						
Current year receipts	20 217	8 819	30 195	33 007	30 414	30 414	13 932	37 780	37 740
Transfer to creditor/debtor	-	(402)	(687)						
Conditions met - transferred to revenue	16 898	12 996	31 890	33 007	30 414	30 414	13 932	37 780	37 740
Conditions still to be met - transferred to liabilities	6 961	2 382							
District Municipality:									
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities									
Other grant providers:									
Balance unspent at beginning of the year	-	-				1 000			
Current year receipts	-	-	1 000	1 000	1 000		3 500		
Conditions met - transferred to revenue	-	-	-	1 000	1 000	1 000	3 500	-	-
Conditions still to be met - transferred to liabilities			1 000						
Total capital transfers and grants revenue	53 809	38 090	55 498	64 354	61 761	61 761	43 462	64 230	67 271
Total capital transfers and grants - CTBM	6 961	2 382	1 000	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE	95 489	105 925	116 223	154 678	165 316	165 316	169 775	164 660	180 790
TOTAL TRANSFERS AND GRANTS - CTBM	7 783	3 425	2 076	-	-	-	-	-	-

2.8 Councillor and employee benefits

Table 45 MBRR SA22 - Summary of councillor and staff benefits

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

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

Table 47 MBRR SA24 – Summary of personnel numbers

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

2.9 Monthly targets for revenue, expenditure and cash flow

Table 48 MBRR SA25 - Budgeted monthly revenue and expenditure

Description R thousand	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue By Source															
Property rates	17 873	14 969	14 944	14 946	14 946	14 992	14 989	14 981	14 447	14 646	14 447	14 409	180 591	191 427	202 913
Property rates - penalties & collection charges	62	59	54	62	64	33	33	47	93	102	102	138	848	899	953
Service charges - electricity revenue	31 267	29 843	27 895	27 341	27 019	28 768	30 163	26 790	28 436	35 768	31 644	32 024	356 959	379 108	401 855
Service charges - water revenue	8 307	8 962	8 279	8 873	9 924	11 218	14 629	11 938	8 924	6 693	5 577	8 222	111 544	117 505	124 556
Service charges - sanitation revenue	5 875	6 118	6 072	6 114	6 333	7 099	7 937	6 796	5 785	4 339	5 062	4 788	72 318	76 657	81 257
Service charges - refuse revenue	5 521	5 692	5 742	5 568	5 670	5 691	5 682	5 545	3 931	5 241	5 896	5 332	65 510	69 441	73 607
Service charges - other	–	–	–	–	–	–	–	–	–	–	–	722	722	765	811
Rental of facilities and equipment	200	127	347	180	207	643	302	225	263	136	109	1 989	4 728	3 335	3 535
Interest earned - external investments	842	1 540	1 329	1 996	1 042	1 134	373	997	362	362	241	271	10 489	12 795	13 563
Interest earned - outstanding debtors	247	250	242	237	263	262	279	292	220	191	185	88	2 756	2 921	3 097
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines	516	4 126	2 146	2 107	2 057	2 018	2 115	2 491	641	881	1 246	10 801	31 143	31 164	31 187
Licences and permits	204	198	205	185	190	177	225	211	173	205	140	218	2 330	2 470	2 618
Agency services	284	223	246	280	286	335	318	293	221	225	193	315	3 220	3 413	3 618
Transfers recognised - operational	34 700	747	1 286	4 358	29 769	8 200	–	10 358	12 825	8 978	2 565	12 527	126 313	100 430	113 519
Other revenue	2 145	1 616	2 547	3 683	2 355	1 809	2 184	2 639	1 422	711	1 185	1 406	23 702	25 124	26 631
Gains on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	108 042	74 470	71 332	75 930	100 125	82 377	79 230	83 604	77 744	78 477	68 593	93 251	993 175	1 017 455	1 083 718
Expenditure By Type															
Employee related costs	19 797	21 991	25 432	23 251	35 970	23 882	25 331	29 914	24 735	28 932	22 943	32 027	314 204	322 023	339 129
Remuneration of councillors	696	696	696	734	717	717	982	759	759	759	759	837	9 110	9 620	10 161
Debt impairment	1 991	1 991	1 991	1 991	1 991	1 991	1 991	1 991	1 911	1 911	1 911	2 230	23 888	23 974	24 048
Depreciation & asset impairment	9 808	9 808	9 808	9 808	9 808	9 808	9 808	9 808	9 808	9 808	9 808	9 808	117 690	124 752	132 237
Finance charges	122	664	1 097	3 849	1 241	8 425	1 541	1 912	1 857	4 642	6 963	14 110	46 421	46 952	45 449
Bulk purchases	3 608	26 257	24 455	15 727	14 954	16 196	16 126	15 887	18 857	22 540	16 600	19 557	210 763	227 329	245 197
Other materials	1 570	2 508	3 308	6 691	5 076	10 413	2 222	11 286	5 368	7 669	7 669	11 268	75 048	40 659	46 605
Contracted services	1 809	7 224	8 569	8 341	8 639	16 037	10 340	26 517	11 110	31 744	12 697	15 341	158 368	164 936	174 154
Transfers and grants	3 897	6 693	5 031	4 599	4 588	4 597	4 596	4 581	2 874	4 048	4 032	7 943	57 479	60 808	64 336
Other expenditure	864	4 392	3 507	5 968	4 736	4 408	3 143	5 402	7 803	7 203	6 002	6 596	60 024	63 497	67 536
Loss on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure	44 161	82 222	83 892	80 958	87 718	96 473	76 080	108 056	85 081	119 254	89 385	119 716	1 072 995	1 084 550	1 148 851
Surplus/(Deficit)	63 881	(7 751)	(12 560)	(5 029)	12 407	(14 095)	3 150	(24 453)	(7 337)	(40 777)	(20 792)	(26 465)	(79 820)	(67 094)	(65 133)
Transfers recognised - capital	150	2 904	7 293	1 320	3 083	4 399	–	1 029	3 506	5 908	4 411	5 959	39 962	63 604	67 271
Contributions recognised - capital	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Contributed assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	64 032	(4 848)	(5 267)	(3 709)	15 491	(9 697)	3 150	(23 424)	(3 831)	(34 870)	(16 380)	(16 006)	(35 358)	(3 490)	2 138
Surplus/(Deficit)	64 032	(4 848)	(5 267)	(3 709)	15 491	(9 697)	3 150	(23 424)	(3 831)	(34 870)	(16 380)	(16 006)	(35 358)	(3 490)	2 138

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

Description	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue by Vote															
Vote 1 - Council	35 018	40	20	21	24 336	22	18	18	11 636	1 927	41	86	73 182	83 276	91 694
Vote 2 - Municipal Manager	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 3 - Management Services	0	0	0	0	0	0	0	0	0	0	0	0	1	1	1
Vote 4 - Finance	19 088	16 603	16 775	17 234	16 539	16 430	15 641	16 749	15 030	15 579	15 625	19 659	200 953	213 109	225 908
Vote 5 - Community Services	20 749	21 063	23 392	24 170	25 076	30 494	30 084	29 467	24 553	29 674	26 379	5 963	291 065	306 364	324 475
Vote 6 - Local Economic Development	197	296	318	841	293	290	137	330	90	335	168	56	3 352	1 516	1 607
Vote 7 - Infrastructure & Planning	32 118	34 696	35 379	31 436	34 308	36 979	30 605	35 048	28 749	34 970	26 993	69 815	431 096	438 374	468 427
Vote 8 - Protection Services	1 022	4 676	2 742	3 547	2 656	2 561	2 744	3 021	1 190	1 899	3 799	8 132	37 988	38 420	38 877
Total Revenue by Vote	108 193	77 374	78 626	77 250	103 208	86 776	79 230	84 633	81 250	84 384	73 004	103 710	1 037 637	1 081 060	1 150 989
Expenditure by Vote to be appropriated															
Vote 1 - Council	5 546	8 061	6 464	6 077	6 194	6 085	6 269	13 774	6 555	7 695	5 728	13 300	91 748	96 140	102 598
Vote 2 - Municipal Manager	337	382	435	367	378	366	357	312	333	472	403	581	4 722	4 978	5 247
Vote 3 - Management Services	2 086	4 867	3 432	3 587	4 078	3 221	3 905	2 862	4 793	704	3 204	9 752	46 490	48 974	51 802
Vote 4 - Finance	2 899	4 505	5 252	6 956	7 744	5 410	4 296	3 808	2 331	3 649	3 468	18 862	69 180	73 115	77 153
Vote 5 - Community Services	18 123	21 750	25 877	27 377	33 705	39 215	27 158	37 439	30 240	41 157	31 815	13 144	346 998	358 613	375 553
Vote 6 - Local Economic Development	319	1 203	766	1 192	853	740	926	623	1 710	755	1 103	606	10 795	7 433	7 672
Vote 7 - Infrastructure & Planning	10 415	36 365	35 953	29 901	28 171	35 689	26 935	43 494	35 054	59 284	39 956	47 190	428 407	418 346	448 962
Vote 8 - Protection Services	4 437	5 087	5 714	5 500	6 597	5 748	6 234	5 745	4 065	5 539	3 708	16 283	74 657	76 951	79 864
Total Expenditure by Vote	44 161	82 222	83 892	80 958	87 718	96 473	76 080	108 056	85 081	119 254	89 385	119 716	1 072 995	1 084 550	1 148 851
Surplus/(Deficit) before assoc.	64 032	(4 848)	(5 267)	(3 709)	15 491	(9 697)	3 150	(23 424)	(3 831)	(34 870)	(16 380)	(16 006)	(35 358)	(3 490)	2 138
Surplus/(Deficit)	64 032	(4 848)	(5 267)	(3 709)	15 491	(9 697)	3 150	(23 424)	(3 831)	(34 870)	(16 380)	(16 006)	(35 358)	(3 490)	2 138

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

Description R thousand	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue - Standard															
<i>Governance and administration</i>	53 922	16 688	16 875	17 330	40 981	16 707	15 672	16 901	26 052	17 509	15 710	20 637	274 984	297 281	318 547
Executive and council	34 798	46	27	23	24 349	147	27	49	10 990	1 862	42	909	73 269	83 368	91 792
Budget and treasury office	19 088	16 603	16 775	17 234	16 539	16 430	15 641	16 749	15 030	15 579	15 625	19 659	200 953	213 109	225 908
Corporate services	35	39	73	73	92	129	4	103	31	69	43	70	762	803	847
<i>Community and public safety</i>	2 159	9 847	15 865	7 941	7 868	13 667	4 151	11 771	7 899	12 398	9 353	13 617	116 537	112 616	113 584
Community and social services	659	598	2 324	582	590	645	637	665	1 632	947	1 950	446	11 676	14 703	12 315
Sport and recreation	260	291	311	381	477	2 112	742	474	332	488	464	3 544	9 875	12 654	10 752
Public safety	1 022	4 676	2 742	3 547	2 656	2 561	2 744	3 021	1 190	3 465	1 236	9 130	37 988	38 420	38 877
Housing	218	4 282	10 488	3 431	4 145	8 349	28	7 611	4 744	7 498	5 704	498	56 997	46 839	51 640
Health															
<i>Economic and environmental services</i>	879	981	1 772	1 952	1 541	2 636	680	2 229	946	1 800	1 904	8 320	25 639	17 168	24 533
Planning and development	852	981	1 149	1 877	1 146	857	641	1 326	647	918	617	3 799	14 810	9 951	10 548
Road transport	12	—	623	75	394	1 779	40	903	296	875	1 286	4 463	10 746	7 129	13 891
Environmental protection	15	—	—	—	—	—	—	—	2	7	1	58	83	88	93
<i>Trading services</i>	51 233	49 858	44 114	50 027	52 819	53 766	58 726	53 731	46 353	52 678	46 037	61 136	620 478	653 995	694 325
Electricity	31 259	28 657	23 283	28 659	29 754	29 578	30 159	29 242	27 342	33 866	29 547	41 533	362 878	383 351	408 112
Water	8 223	8 871	8 219	8 838	10 209	11 239	14 659	11 932	9 599	9 150	6 429	6 731	114 100	121 402	129 044
Waste water management	6 226	6 633	6 862	6 958	7 180	7 243	8 225	7 011	4 634	4 862	5 300	6 795	77 930	79 738	83 495
Waste management	5 524	5 696	5 750	5 572	5 675	5 706	5 683	5 546	4 779	4 801	4 761	6 077	65 570	69 504	73 675
<i>Other</i>															
Total Revenue - Standard	108 193	77 374	78 626	77 250	103 208	86 776	79 230	84 633	81 250	84 384	73 004	103 710	1 037 637	1 081 060	1 150 989
Expenditure - Standard															
<i>Governance and administration</i>	14 277	21 639	20 683	20 201	24 059	21 778	23 071	27 585	14 512	26 021	17 866	30 602	262 295	273 948	290 221
Executive and council	7 292	10 027	9 563	7 347	8 914	8 706	9 104	18 452	9 017	10 657	8 279	7 177	114 535	118 197	125 860
Budget and treasury office	2 899	4 505	5 252	6 956	7 744	5 410	4 296	3 808	2 331	3 649	3 468	18 862	69 180	73 115	77 153
Corporate services	4 086	7 106	5 869	5 898	7 401	7 662	9 671	5 325	3 163	11 716	6 118	4 564	78 579	82 635	87 207
<i>Community and public safety</i>	7 608	8 793	9 930	13 240	14 422	19 409	11 554	20 895	8 650	26 212	15 928	22 521	179 163	148 176	159 408
Community and social services	1 987	2 323	2 429	2 738	4 453	2 639	2 667	2 593	2 410	4 883	2 564	2 780	34 465	35 334	37 197
Sport and recreation	850	1 010	1 331	1 447	1 659	3 141	2 268	1 475	1 642	2 856	1 482	1 078	20 239	20 843	22 140
Public safety	4 437	5 087	5 714	5 500	6 597	5 748	6 234	5 745	4 065	5 539	3 708	16 283	74 657	76 951	79 864
Housing	334	372	457	3 555	1 714	7 880	386	11 083	533	12 935	8 174	2 380	49 802	15 048	20 208
Health															
<i>Economic and environmental services</i>	6 996	10 738	10 279	11 679	13 645	15 039	8 655	24 464	26 666	22 609	17 607	8 058	176 435	180 172	189 724
Planning and development	2 472	4 009	3 784	4 606	4 846	3 957	3 425	18 389	19 777	6 636	6 280	2 145	80 325	80 623	85 576
Road transport	4 258	6 404	6 078	6 886	8 345	10 723	4 954	5 731	6 485	15 402	10 641	4 692	90 397	93 565	97 944
Environmental protection	266	325	417	388	454	359	276	345	404	571	685	1 222	5 712	5 983	6 204
<i>Trading services</i>	15 280	41 051	43 000	35 838	35 591	40 248	32 800	35 113	35 252	44 412	37 984	58 534	455 103	482 255	509 499
Electricity	6 639	29 744	28 620	20 593	19 937	22 862	20 556	21 707	22 516	24 308	23 535	36 727	277 742	297 102	317 281
Water	2 992	3 898	4 726	6 346	4 945	7 134	3 158	4 448	4 914	5 860	3 775	6 832	59 028	61 272	63 072
Waste water management	3 127	3 887	5 044	4 893	5 288	5 760	4 529	4 388	4 403	5 468	4 239	8 803	59 828	62 976	66 197
Waste management	2 523	3 522	4 610	4 006	5 422	4 491	4 558	4 570	3 420	8 776	6 436	6 172	58 505	60 904	62 948
<i>Other</i>															
Total Expenditure - Standard	44 161	82 222	83 892	80 958	87 718	96 473	76 080	108 056	85 081	119 254	89 385	119 716	1 072 995	1 084 550	1 148 851
Surplus/(Deficit)	64 032	(4 848)	(5 267)	(3 709)	15 491	(9 697)	3 150	(23 424)	(3 831)	(34 870)	(16 380)	(16 006)	(35 358)	(3 490)	2 138

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

Description	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Multi-year expenditure to be appropriated															
Vote 1 - Council												-	-	-	-
Vote 2 - Municipal Manager												-	-	-	-
Vote 3 - Management Services												-	-	-	-
Vote 4 - Finance												-	-	-	-
Vote 5 - Community Services	-	1 111	850	350	1 600	1 550	-	1 590	940	1 940	2 040	2 340	14 311	38 890	37 031
Vote 6 - Local Economic Development												-	-	-	-
Vote 7 - Infrastructure & Planning		437	400	1 400	200	1 008	1 600	1 800	2 300	2 300	1 100	2 456	15 000	14 000	20 500
Vote 8 - Protection Services												-	-	-	-
Capital multi-year expenditure sub-total	-	1 548	1 250	1 750	1 800	2 558	1 600	3 390	3 240	4 240	3 140	4 796	29 311	52 890	57 531
Single-year expenditure to be appropriated															
Vote 1 - Council												5	5	-	-
Vote 2 - Municipal Manager					15	10						16	41	-	-
Vote 3 - Management Services												320	320	-	-
Vote 4 - Finance												30	30	-	-
Vote 5 - Community Services	50	1 430	710	2 105	2 295	1 590	585	5 150	6 846	7 763	8 072	14 437	51 033	41 340	49 740
Vote 6 - Local Economic Development												15	15	-	-
Vote 7 - Infrastructure & Planning	-	-	-	-	15	30	-	12	-	28	79	6 558	6 721	-	-
Vote 8 - Protection Services	-	-	110	30	70	-	-	-	-	20	40	610	880	-	-
Capital single-year expenditure sub-total	50	1 430	820	2 135	2 395	1 630	585	5 162	6 846	7 811	8 191	21 991	59 046	41 340	49 740
Total Capital Expenditure	50	2 978	2 070	3 885	4 195	4 188	2 185	8 551	10 086	12 051	11 331	26 787	88 356	94 230	107 271

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

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

Description	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Capital Expenditure - Standard															
<i>Governance and administration</i>	-	-	-	120	15	10	-	50	381	410	541	(673)	855	-	-
Executive and council					15	10						21	46	-	-
Budget and treasury office												-	-	-	-
Corporate services				120				50	381	410	541	(694)	809	-	-
<i>Community and public safety</i>	-	450	520	715	805	575	85	2 850	2 565	2 968	3 696	4 273	19 502	47 715	42 340
Community and social services			10	70	435	500	-	450	115	40	1 025	350	2 995	4 500	1 500
Sport and recreation	-	450	400	415	100	75	85	300	250	408	18	44	2 545	5 435	3 100
Public safety	-	-	110	30	70	-	-	-	-	20	40	810	1 080	-	-
Housing	-	-	-	200	200	-	-	2 100	2 200	2 500	2 613	3 069	12 882	37 780	37 740
Health												-	-	-	-
<i>Economic and environmental services</i>	50	980	300	1 300	1 560	1 135	-	1 050	1 100	1 630	1 399	2 429	12 933	6 859	13 605
Planning and development	-	-	-	-	-	-	-	-	-	25	54	104	183	-	-
Road transport	50	980	300	1 300	1 560	1 135	-	1 050	1 100	1 605	1 345	2 325	12 750	6 859	13 605
Environmental protection												-	-	-	-
<i>Trading services</i>	-	1 548	1 250	1 750	1 815	2 468	2 100	4 601	6 040	7 043	5 695	20 756	55 066	39 656	51 326
Electricity	-	437	400	1 400	215	1 038	1 600	1 811	2 300	2 303	1 125	9 170	21 799	14 000	20 500
Water	-	611	-	-	600	400	-	1 040	2 040	2 690	2 300	5 341	15 021	12 800	16 826
Waste water management	-	500	850	350	1 000	1 030	500	1 750	1 700	2 050	2 250	6 251	18 231	12 856	14 000
Waste management	-	-	-	-	-	-	-	-	-	-	20	(5)	15	-	-
<i>Other</i>												-	-	-	-
Total Capital Expenditure - Standard	50	2 978	2 070	3 885	4 195	4 188	2 185	8 551	10 086	12 051	11 331	26 787	88 356	94 230	107 271

Table 53 MBRR SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Cash Receipts By Source													1		
Property rates	17 546	14 681	14 646	14 647	14 652	14 715	14 732	14 696	14 152	14 369	14 156	14 139	177 130	190 545	201 979
Property rates - penalties & collection charges	62	59	54	62	64	33	33	47	93	102	102	138	848	899	953
Service charges - electricity revenue	30 694	29 269	27 338	26 793	26 487	28 236	29 645	26 279	27 855	35 091	31 006	31 424	350 118	377 363	400 006
Service charges - water revenue	8 155	8 789	8 114	8 695	9 728	11 011	14 378	11 710	8 741	6 566	5 465	8 068	109 419	116 964	123 983
Service charges - sanitation revenue	5 767	6 001	5 951	5 992	6 208	6 968	7 801	6 666	5 667	4 257	4 960	4 698	70 935	76 304	80 883
Service charges - refuse revenue	5 420	5 583	5 627	5 456	5 558	5 586	5 584	5 439	3 850	5 142	5 777	5 232	64 255	69 121	73 269
Rental of facilities and equipment	196	124	340	176	203	631	297	221	257	133	107	1 952	4 638	3 319	3 518
Interest earned - external investments	842	1 540	1 329	1 996	1 042	1 134	373	997	362	362	241	271	10 489	12 795	13 563
Interest earned - outstanding debtors	247	250	242	237	263	262	279	292	220	191	185	88	2 756	2 921	3 097
Fines	516	4 126	2 146	2 107	2 057	2 018	2 115	2 491	641	881	1 246	10 801	31 143	31 164	31 187
Licences and permits	204	198	205	185	190	177	225	211	173	205	140	218	2 330	2 470	2 618
Agency services	284	223	246	280	286	335	318	293	221	225	193	315	3 220	3 413	3 618
Transfer receipts - operational	34 700	747	1 286	4 358	29 769	8 200	—	10 358	12 825	8 978	2 565	12 527	126 313	100 430	113 519
Other revenue	1 775	1 246	2 178	3 313	1 985	1 439	1 815	2 269	1 052	341	815	1 036	19 263	16 325	21 370
Cash Receipts by Source	106 408	72 836	69 698	74 296	98 491	80 743	77 596	81 970	76 110	76 843	66 959	91 617	973 567	1 004 796	1 074 369
Other Cash Flows by Source															
Transfer receipts - capital	150	2 904	7 293	1 320	3 083	4 399	—	1 029	3 506	5 908	4 411	9 459	43 462	63 604	67 271
Contributions recognised - capital & Contributed assets	—	—	—	—	—	—	—	—	—	—	—	1 000	1 000	—	—
Proceeds on disposal of PPE	—	—	—	—	—	—	30 000	—	—	—	—	—	—	—	—
Borrowing long term/refinancing	—	—	—	—	—	—	—	—	—	—	—	—	30 000	30 000	40 000
Increase (decrease) in consumer deposits	219	219	219	219	219	219	219	219	219	219	219	219	2 628	2 321	2 438
Decrease (Increase) in non-current debtors	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Decrease (increase) other non-current receivables	1	1	1	1	1	1	1	1	1	1	1	1	13	11	10
Decrease (increase) in non-current investments	(573)	(573)	(573)	(573)	(573)	(573)	(573)	(573)	(573)	(573)	(573)	(573)	(6 873)	(6 399)	(6 541)
Total Cash Receipts by Source	106 206	75 387	76 639	75 263	101 222	84 789	107 243	82 646	79 263	82 397	71 018	101 723	1 043 797	1 094 334	1 177 547
Cash Payments by Type															
Employee related costs	19 183	21 376	24 817	22 636	35 355	23 267	24 716	29 299	24 120	28 317	22 329	31 412	306 828	314 204	330 841
Remuneration of councillors	696	696	696	734	717	717	982	759	759	759	759	837	9 110	9 620	10 161
Finance charges	122	664	1 097	3 849	1 241	8 425	1 541	1 912	1 857	4 642	6 963	14 110	46 421	46 952	45 449
Bulk purchases - Electricity	3 608	26 257	24 455	15 727	14 954	16 196	16 126	15 887	18 857	22 540	16 600	19 557	210 763	227 329	245 197
Bulk purchases - Water & Sewer	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other materials	1 570	2 508	3 308	6 691	5 076	10 413	2 222	11 286	5 368	7 669	7 669	11 268	75 048	40 659	46 605
Contracted services	1 809	7 224	8 569	8 341	8 639	16 037	10 340	26 517	11 110	31 744	12 697	15 341	158 368	164 936	174 154
Transfers and grants - other municipalities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfers and grants - other	3 897	6 693	5 031	4 599	4 588	4 597	4 596	4 581	2 874	4 048	4 032	7 943	57 479	60 808	64 336
Other expenditure	106	3 633	2 749	5 209	3 977	3 650	2 384	4 644	6 965	6 365	5 164	6 077	50 922	89 431	88 572
Cash Payments by Type	30 990	69 050	70 721	67 787	74 546	83 301	62 909	94 885	71 909	106 083	76 213	106 545	914 939	953 940	1 005 314
Other Cash Flows/Payments by Type															
Capital assets	50	2 978	2 070	3 885	4 195	4 188	2 185	8 551	10 086	12 051	11 331	26 787	88 356	94 230	107 271
Repayment of borrowing	1 606	864	840	5 395	1 146	3 037	2 072	937	897	5 754	1 219	3 074	26 841	29 775	33 384
Other Cash Flows/Payments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Cash Payments by Type	32 645	72 892	73 631	77 067	79 888	90 525	67 166	104 374	82 893	123 888	88 763	136 405	1 030 137	1 077 945	1 145 969
NET INCREASE/(DECREASE) IN CASH HELD	73 561	2 495	3 008	(1 804)	21 334	(5 736)	40 077	(21 728)	(3 630)	(41 490)	(17 746)	(34 682)	13 660	16 389	31 577
Cash/cash equivalents at the month/year begin:	100 467	174 028	176 523	179 531	177 727	199 061	193 325	233 402	211 674	208 045	166 554	148 809	100 467	114 127	130 516
Cash/cash equivalents at the month/year end:	174 028	176 523	179 531	177 727	199 061	193 325	233 402	211 674	208 045	166 554	148 809	114 127	114 127	130 516	162 093

2.10 Annual budgets and SDBIP

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

2.11 Contracts having future budgetary implications

In terms of the Municipality's Supply Chain Management Policy all contracts awarded beyond the medium-term revenue and expenditure framework (three years) are listed in Table 70 on page 107. In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

2.12 Capital expenditure details

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

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

Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	108 252	50 511	32 922	44 873	47 388	47 388	36 284	30 160	33 300
Infrastructure - Road transport	15 578	9 203	1 320	14 979	16 331	16 331	1 840	-	-
Roads, Pavements & Bridges	10 720	9 160		12 103	13 204	13 204	1 610		
Storm water	4 858	43	1 320	2 877	3 127	3 127	230		
Infrastructure - Electricity	22 203	24 160	13 041	21 726	22 891	22 891	21 599	14 000	20 500
Generation									
Transmission & Reticulation	22 203	24 160	13 041	21 726	22 891	22 891	21 599	14 000	20 500
Street Lighting									
Infrastructure - Water	48 634	7 300	470	4 737	4 737	4 737	4 529	6 000	4 300
Dams & Reservoirs							4 529	6 000	3 500
Water purification	48 634								
Reticulation		7 300	470	4 737	4 737	4 737			800
Infrastructure - Sanitation	16 478	8 449	8 892	3 420	3 413	3 413	8 301	10 160	8 500
Reticulation							4 801	7 160	7 500
Sewerage purification	16 478	8 449	8 892	3 420	3 413	3 413	3 500	3 000	1 000
Infrastructure - Other	5 359	1 400	9 198	10	15	15	15	-	-
Waste Management	5 359	1 400	9 198	10	15	15	15		
Transportation									
Gas									
Other									
Community	20 997	13 896	32 280	35 611	31 768	31 768	10 366	35 671	34 646
Parks & gardens	2 156								
Sportsfields & stadia	1 964	5 471	127	1 823	2 173	2 173	480	4 435	3 000
Swimming pools									
Community halls							945		
Libraries	3		1 961	3 080	3 080	3 080	1 050		
Recreational facilities									
Fire, safety & emergency				295	295	295	880		
Security and policing	223								
Buses									
Clinics									
Museums & Art Galleries									
Cemeteries									
Social rental housing	16 651	4 943	26 895	29 973	26 080	26 080	6 961	31 236	31 646
Other	-	3 482	3 296	440	140	140	50		
Heritage assets	-	-	-	-	-	-	-	-	-
Buildings									
Other									
Investment properties	-	795	-	-	-	-	-	-	-
Housing development									
Other		795							
Other assets	9 038	18 697	10 561	2 673	4 738	4 738	2 173	-	-
General vehicles		4 690	3 904	120	-	-	1 485		
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment					720	720			
Computers - hardware/equipment		961	2 433	2 528	3 828	3 828			
Furniture and other office equipment			1 716						
Abattoirs									
Markets									
Civic Land and Buildings									
Other Buildings		510							
Other Land		9 075							
Surplus Assets - (Investment or Inventory)	9 038								
Other		3 461	2 507	25	190	190	688		
Agricultural assets	-	-	-	-	-	-	-	-	-
List sub-class									
Biological assets	-	-	-	-	-	-	-	-	-
List sub-class									
Intangibles	1 330	-	-	-	-	-	-	-	-
Computers - software & programming	1 330								
Other (list sub-class)									
Total Capital Expenditure on new assets	139 617	83 899	75 763	83 156	83 894	83 894	48 823	65 831	67 946

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

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	131	39 529	28 384	16 600	16 600	16 600	30 547	16 355	31 631
Infrastructure - Road transport	131	6 892	6 300	-	-	-	11 855	8 274	14 605
Roads, Pavements & Bridges		6 892	6 300				10 355	6 859	13 605
Storm water	131						1 500	1 415	1 000
Infrastructure - Electricity	-	12 955	3 100	-	-	-	-	-	-
Generation									
Transmission & Reticulation		12 955	3 100						
Street Lighting									
Infrastructure - Water	-	16 331	15 805	11 653	11 653	11 653	10 492	6 800	12 526
Dams & Reservoirs									
Water purification									
Reticulation		16 331	15 805	11 653	11 653	11 653	10 492	6 800	12 526
Infrastructure - Sanitation	-	1 711	3 179	4 947	4 947	4 947	8 200	1 281	4 500
Reticulation									
Sewerage purification		1 711	3 179	4 947	4 947	4 947	8 200	1 281	4 500
Infrastructure - Other	-	1 641	-	-	-	-	-	-	-
Waste Management		1 641							
Transportation									
Gas									
Other									
Community	756	5 686	4 343	4 158	2 893	2 893	8 986	12 044	7 694
Parks & gardens									
Sportsfields & stadia		225	1 454	4 158	2 893	2 893	2 065	1 000	100
Swimming pools									
Community halls							1 000	4 500	1 500
Libraries									
Recreational facilities									
Fire, safety & emergency									
Security and policing									
Buses									
Clinics									
Museums & Art Galleries									
Cemeteries	756								
Social rental housing		5 461	2 889				5 921	6 544	6 094
Other									
Heritage assets	-	-	-	-	-	-	-	-	-
Buildings									
Other									
Investment properties	-	-	-	-	-	-	-	-	-
Housing development									
Other									
Other assets	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							
Agricultural assets	-	-	-	-	-	-	-	-	-
List sub-class									
Biological assets	-	-	-	-	-	-	-	-	-
List sub-class									
Intangibles	-	-	-	-	-	-	-	-	-
Computers - software & programming									
Other (list sub-class)									
Total Capital Expenditure on renewal of existing assets	4 147	47 032	32 727	20 758	19 493	19 493	39 533	28 399	39 325
Renewal of Existing Assets as % of total capex	2.9%	35.9%	30.2%	20.0%	18.9%	18.9%	44.7%	30.1%	36.7%
Renewal of Existing Assets as % of deprecn"	4.0%	47.3%	30.7%	18.6%	17.5%	17.5%	33.6%	22.8%	29.7%

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

Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	87 048	129 145	136 009	111 449	111 449	111 449	110 372	114 116	118 787
Infrastructure - Road transport	42 236	63 749	65 726	57 090	57 090	57 090	61 852	63 763	66 471
Roads, Pavements & Bridges	39 790	60 016	60 328	51 401	51 401	51 401	55 545	57 207	59 544
Storm water	2 446	3 732	5 398	5 689	5 689	5 689	6 306	6 555	6 927
Infrastructure - Electricity	14 105	20 488	26 276	16 835	16 835	16 835	17 747	18 486	18 826
Generation									
Transmission & Reticulation	14 105	20 488	26 276	16 835	16 835	16 835	17 747	18 486	18 826
Street Lighting									
Infrastructure - Water	21 502	27 931	25 811	22 874	22 874	22 874	16 555	17 280	18 168
Dams & Reservoirs	80								
Water purification	1 963								
Reticulation	19 459	27 931	25 811	22 874	22 874	22 874	16 555	17 280	18 168
Infrastructure - Sanitation	7 708	15 486	16 060	12 159	12 159	12 159	11 672	11 949	12 587
Reticulation	6 623								
Sewerage purification	1 085	15 486	16 060	12 159	12 159	12 159	11 672	11 949	12 587
Infrastructure - Other	1 499	1 491	2 136	2 492	2 492	2 492	2 546	2 639	2 735
Waste Management	1 499	1 491	2 136	2 492	2 492	2 492	2 546	2 639	2 735
Transportation									
Gas									
Other									
Community	5 408	7 349	8 469	4 546	4 546	4 546	4 878	4 918	5 208
Parks & gardens	1 503	2 504	2 759	2 084	2 084	2 084	2 214	2 287	2 409
Sportsfields & stadia	956	853	737	588	588	588	608	621	646
Swimming pools	289	279	314	483	483	483	557	506	612
Community halls	916	814	1 166	564	564	564	617	582	568
Libraries	161	194	107	99	99	99	103	105	111
Recreational facilities									
Fire, safety & emergency	848	787	1 352						
Security and policing	546	575	829						
Buses									
Clinics									
Museums & Art Galleries									
Cemeteries	62	53	74	27	27	27	28	28	30
Social rental housing		224	177						
Other	125	1 066	954	701	701	701	751	789	833
Heritage assets	-	-	-	-	-	-	-	-	-
Buildings									
Other									
Investment properties	-	-	-	-	-	-	-	-	-
Housing development									
Other									
Other assets	21 958	13 864	13 548	5 081	5 081	5 081	5 545	4 822	5 072
General vehicles	5 399								
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment									
Computers - hardware/equipment	5 035	4 441	4 392						
Furniture and other office equipment									
Abattoirs									
Markets									
Civic Land and Buildings									
Other Buildings	1 368	824	801	661	661	661	673	679	705
Other Land									
Surplus Assets - (Investment or Inventory)									
Other	10 156	8 599	8 355	4 420	4 420	4 420	4 872	4 144	4 367
Agricultural assets	-	-	-	-	-	-	-	-	-
List sub-class									
Biological assets	-	-	-	-	-	-	-	-	-
List sub-class									
Intangibles	-	-	-	-	-	-	-	-	-
Computers - software & programming									
Other (list sub-class)									
Total Repairs and Maintenance Expenditure	114 414	150 358	158 026	121 077	121 077	121 077	120 795	123 857	129 068
R&M as a % of PPE	3.7%	4.8%	5.1%	3.9%	3.9%	3.9%	3.9%	4.1%	4.3%
R&M as % Operating Expenditure	15.2%	18.1%	17.3%	12.6%	12.2%	12.2%	11.3%	11.4%	11.2%

Table 57 MBRR SA34d – Depreciation by asset class

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

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

Vote Description R thousand	2014/15 Medium Term Revenue & Expenditure Framework			Forecasts			
	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Present value
<u>Capital expenditure</u>							
Vote 1 - Council	5	-	-				
Vote 2 - Municipal Manager	41	-	-				
Vote 3 - Management Services	320	-	-				
Vote 4 - Finance	30	-	-				
Vote 5 - Community Services	65 344	80 230	86 771	Project phases become operational after completion			
Vote 6 - Local Economic Development	15	-	-				
Vote 7 - Infrastructure & Planning	21 721	14 000	20 500	Project phases become operational after completion			
Vote 8 - Protection Services	880	-	-				
Total Capital Expenditure	88 356	94 230	107 271	-	-	-	-
<u>Future operational costs by vote</u>							
Vote 1 - Council							
Vote 2 - Municipal Manager							
Vote 3 - Management Services							
Vote 4 - Finance							
Vote 5 - Community Services		2 342	5 726	9 736	10 189	10 642	132 454
Vote 6 - Local Economic Development							
Vote 7 - Infrastructure & Planning		594	1 198	2 138	2 238	2 337	29 092
Vote 8 - Protection Services							
Total future operational costs	-	2 936	6 924	11 874	12 427	12 979	161 546
<u>Future revenue by source</u>							
Property rates							
Property rates - penalties & collection charges							
Service charges - electricity revenue		825	1 675	2 859	3 002	3 152	65 038
Service charges - water revenue		672	1 433	2 155	2 262	2 376	49 234
Service charges - sanitation revenue		726	1 394	2 116	2 222	2 333	48 403
Service charges - refuse revenue							
Service charges - other							
Rental of facilities and equipment							
List other revenues sources if applicable							
List entity summary if applicable							
Total future revenue	-	2 223	4 502	7 129	7 486	7 860	162 675
Net Financial Implications	88 356	94 943	109 693	4 745	4 941	5 119	(1 128)

Table 59 MBRR SA36 - Detailed capital budget per municipal vote

Municipal Vote/Capital project	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2016/17 Medium Term Revenue & Expenditure Framework			Project information	
R thousand							Audited Outcome 2014/15	Current Year 2015/16 Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Ward location	New or renewal
List all capital projects grouped by Municipal Vote													
EXECUTIVE & COUNCIL													
MINOR ASSETS :MAYOR'S OFFICE	1	Yes	Other	Furniture and other office equipment	Overstrand Wide				5			Overstrand	N
MINOR ASSETS :MUNICIPAL MANAGER,TOWN SECRETARY & CHIEF EXE	1	Yes	Other	Furniture and other office equipment	Overstrand Wide				16			Overstrand	N
MINOR ASSETS :MUNICIPAL MANAGER,TOWN SECRETARY & CHIEF EXE	1	Yes	Other	Furniture and other office equipment	Overstrand Wide				25			Overstrand	N
FINANCE AND ADMINISTRATION													
FLEET MANAGEMENT SOFTWARE	1	Yes	Other	Computers - software & programming	-34.41756 19.23815		10 561	5 000	85			Overstrand	N
CARAVAN PARK LICENSES FEES	1	Yes	Other	Computers - software & programming	-34.41756 19.23815				20			Overstrand	N
MINOR ASSETS :ICT OVERSTRAND WIDE	1	Yes	Other	Other	-34.41756 19.23815				200			Overstrand	N
MINOR ASSETS :COUNCIL SUPPORT SERVICES	1	Yes	Other	Other	Overstrand Wide				120			Overstrand	N
MINOR ASSETS :FINANCE	1	Yes	Other	Furniture and other office equipment	Overstrand Wide				30			Overstrand	N
MINOR ASSETS : FLEET MANAGEMENT	1	Yes	Other	Furniture and other office equipment	Overstrand Wide				50			Overstrand	N
VEHICLES -REFURBISHMENT/REBUILD ENGINES	1	Yes	Other	General vehicles	Overstrand Wide				300			Overstrand	N
MINOR ASSETS -PROPERTY SERVICES	1	Yes	Other	Furniture and other office equipment	Overstrand Wide				4			Overstrand	N
PLANNING AND DEVELOPMENT													
MINOR ASSETS:BUILDING REGULATIONS AND ENFORCEMENT	3	Yes	Other	Furniture and other office equipment	Overstrand Wide			25	23			Overstrand	N
MINOR ASSETS :TOWN PLANNING; BUILDING REGULATIONS AND ENFOR	3	Yes	Other	Furniture and other office equipment	Overstrand Wide				5			Overstrand	N
MINOR ASSETS :NATURE CONSERVATION	3	Yes	Other	Furniture and other office equipment	Overstrand Wide				8			Overstrand	N
BABOON FENCING PROJECT	3	Yes	Other	Other	34°24'30.49"S 19°45'52.80"E				50			Ward 03	N
DEVELOPMENT OF OPEN SPACES/PLAY PARKS	3	Yes	Community	Parks & gardens	34° 35' 22" S 19° 21' 02" E				30			Ward 01	N
UPGRADE OF MARKET SQUARE (CNR DIRKIE UYS/MARKET STREET)	3	Yes	Community	Parks & gardens	19.349477 -34.607311				50			Ward 02	N
MINOR ASSETS:ECONOMIC DEVELOPMENT/PLANNING	3	Yes	Other	Furniture and other office equipment	Overstrand Wide				15			Overstrand	N
MINOR ASSETS :GIS	3	Yes	Other	Furniture and other office equipment	Overstrand Wide				3			Overstrand	N
PUBLIC SAFETY													
MINOR ASSETS:FIRE FIGHTING AND PROTECTION	4	Yes	Other	Furniture and other office equipment	34.4200016 / 19.225824			295	60			Overstrand	N
FIRE HYDRANTS (PHASE I)	4	Yes	Other	Fire, safety & emergency	34° 35' 22" S 19° 21' 02" E				100			Ward 01	N
COMPLETION OF FIRE STATION	4	Yes	Community	Other	34°20'31.2"S, 18°50'34.4"E				50			Ward 10	N
VEHICLES-FIRE FLEET REFURBISHMENT	4	Yes	Other	General vehicles	Overstrand Wide				570			Overstrand	N
VEHICLES -FIRE	4	Yes	Other	General vehicles	Overstrand Wide				200			Overstrand	N
MINOR ASSETS:POLICE FORCES, TRAFFIC AND STREET PARKING CONT	4	Yes	Other	Furniture and other office equipment	Overstrand Wide				100			Overstrand	N
COMMUNITY AND SOCIAL SERVICES													
EXTENSION OF THUSONG CENTRE	3	Yes	Community	Community halls	19°08'03"E 34°23'30"S		5 257	3 220	1 000	4 500	1 500	Ward 08	R
BUILDING OF DISABLED TOILET AT MOUNT PLEASANT SPORTS GROUND	3	Yes	Community	Community halls	34°41'97.49" S 19° 21'79.17" E				50			Ward 04	N
COMMONAGE IN WEST CLIFF	3	Yes	Community	Community halls	34°42'73.62" S 19° 22'6533" E				100			Ward 04	N
UPGRADING OF MOFFAT HALL	3	Yes	Community	Community halls	34°41'99.03" S 19° 21'34.70" E				150			Ward 04	N
ZWELHLE TAXI RANK-FENCING AND MAINTENANCE	3	Yes	Community	Other	34°42'71.56" S 19° 21'23.09" E				100			Ward 05	N
UPGRADING OF MASIZAKHE CRÉCHE(FENCING,PURHASING AND	3	Yes	Community	Other	34°42'75.40" S 19° 21'02.83" E				140			Ward 05	N
PA SYSTEM - ZWELHLE COMMUNITY HALL	3	Yes	Community	Other	34°43'09.74" S 19° 21'55.44" E				85			Ward 06	N
CONSTRUCTION OF WOODEN RAILINGS AND STEPS IN 4TH STREET	3	Yes	Community	Other	34°20'39.2"S, 19°01'48.7"E				40			Ward 09	N
EXTENSION AND BEAUTIFICATION OF BUS SHELTER OPPOSITE SIYABUL	3	Yes	Community	Other	34°20'19.0"S, 19°00'37.5"E				30			Ward 10	N
EXTENSION/ALTERATIONS TO MOOIUTSIG COMMUNITY HALL	3	Yes	Community	Other	34°21'17.6"S, 18°52'49.7"E				250			Ward 10	N
LIBRARIES													
HAWSTON LIBRARY UPGRADE	3	Yes	Community	Libraries	34°39'19.22" S 19° 13'39.10" E				1 000			Ward 08	N
MINOR ASSETS -LIBRARIES AND ARCHIVES	3	Yes	Community	Furniture and other office equipment	Overstrand Wide				50			Overstrand	N

Detailed capital budget per municipal vote (continued)

Municipal Vote/Capital project	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2016/17 Medium Term Revenue & Expenditure Framework			Project information	
							Audited Outcome 2014/15	Current Year 2015/16 Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Ward location	New or renewal
SPORT & RECREATION							1 565	5 066					
ARTIFICIAL TURF SOCCERFIELD	3	Yes	Other	Sportsfields & stadia	34.429016 & 19.215687					5 435	3 100	Ward 12	N
PLAYPARK EQUIPMENT (REPLACEMENTS)	3	Yes	Other	Other	34°36'31.10S / 19°20'16.30E				20			Ward 02	N
PURCHASING OF PAVILLION (SITTING) & 2 SOCCER POLES	3	Yes	Other	Sportsfields & stadia	34°43'20.24" S 19° 21'51.67" E				100			Ward 05	N
PLAY PARK- BETWEEN QHAYIYA & BAMBANANI STREET	3	Yes	Other	Other	34°42'36.80" S 19° 21'18.10" E				75			Ward 12	N
PLAY PARK- SOPHUMELELE CORRIDOR	3	Yes	Other	Other	34°42'54.89" S 19° 21'19.08" E				85			Ward 12	N
BOXING GYM AT JIKELEZA STREET (EARTH WORKS)	3	Yes	Other	Other	34°42'53.13" S 19° 21'30.75" E				150			Ward 12	N
MINOR ASSETS :COMMUNITY PARK(INCL. NURSERIES)	3	Yes	Other	Furniture and other office equipment	Overstrand Wide				11			Overstrand	N
MINOR ASSETS :COMMUNITY PARK(INCL. NURSERIES)	3	Yes	Other	Furniture and other office equipment	Overstrand Wide				39			Overstrand	N
OVERHILLS : KLEINMOND SOCCERFIELD	3	Yes	Other	Sportsfields & stadia	19°00'18"E 34°20'08"S				1 265			Ward 10	R
SPORT FACILITIES	3	Yes	Other	Sportsfields & stadia	19°07'02"E 34°23'02"S				800			Overstrand	R
HOUSING							32 361	26 321					
MASAKHANE	3	Yes	Community	Social rental housing	34.593147 & 19.360478				1 000	7 568	13 041	Ward 01	N
BEVERLY HILLS PROJECT	3	Yes	Community	Social rental housing	34.596323 & 19.342379				2 561	5 728		Ward 02	N
ZWELIHLE PROJECT -TRANSIT CAMP	3	Yes	Community	Social rental housing	34.426132 & 19.216377				1 000	6 242		Ward 06	N
MANDELA SQUARE	3	Yes	Community	Social rental housing	34.429257 & 19.209641				4 308			Ward 06	N
BUFFELJAGSBAAI	3	Yes	Community	Social rental housing	34.75143 & 19.608740						72	Ward 11	N
HAWSTON PROJECT - IRDP	3	Yes	Community	Social rental housing	34.386799 & 19.139259				2 400	9 373	9 141	Ward 08	N
ZWELIHLE -TAMBO SQUARE PROJECT	3	Yes	Community	Social rental housing	34.429016 & 19.215687					1 000	3 973	Ward 05	N
ZWELIHLE :TSEPE -TSEPE PROJECT	3	Yes	Community	Social rental housing	34.431257 & 19.216513						426	Ward 06	N
STANFORD IRDP	3	Yes	Community	Social rental housing	34.446248 & 19.448291				1 613	6 544	6 094	Ward 11	R
BLOMPARK PROJECT	3	Yes	Community	Social rental housing	34.596323 & 19.342379					1 326	4 993	Ward 02	N
ROADS							6 300	13 204					
REHABILITATION OF EXISTING PAVE ROAD (LIC)	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19°12'40"E 34°25'32"S				2 000			Ward 05	R
REHABILITATION OF EXISTING PAVE ROAD (LIC) PH2	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19°12'40"E 34°25'32"S				7 000	4 396	3 000	Ward 05	R
REHABILITATE ROADS AND UPGRADE STORMWATER	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19°12'43"E 34°24'45"S						2 500	Ward 04	R
REHABILITATE ROADS - BLOMPARK	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19°20'51"E 34°35'43"S				405	1 263	2 200	Ward 02	R
TRAFFIC CALMING	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	34° 35' 22" S 19° 21' 02" E				50			Ward 01	N
SPEED HUMPS-LANDA, JIKELEZA, NTLABATHI	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	34°42'60.15" S 19°21'06.58" E;				60			Ward 05	N
SPEED HUMPS -TSHANDU STREET	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	34°42'96.71" S 19°21'18.28" E				30			Ward 06	N
SIDEWALKS -NAMA/KROZANI STREET	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	34°43'16.46" S 19°21'20.77" E				135			Ward 06	N
NEW SIDEWALK - DAHLIA STREET	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19.348154 -34.594590				80			Ward 02	N
TARRING OF SIDEWALKS - MADELIEFIE STREET	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19.347458-34.597053				50			Ward 02	N
TARRING OF STREETS	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	34°42'62.84" S 19°20'55.81" E				400			Ward 07	N
HAWSTON -PAVING OF CIRCLES	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	34°23'19.60" S 19°07'53.24" E				100			Ward 08	N
HAWSTON - SIDEWALKS	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	34°22'51.29" S 19°08'5.51" E				100			Ward 08	N
PAVING OF PARKING AREA - COR. 4TH STREET AND 15TH AVENUE	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	34°19'58.1"S. 19°01'45.2"E				30			Ward 09	N
EXTENSION OF HEUNINGKLOOF FOOTPATH	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	34°20'15.8"S. 19°02'36.2"E				100			Ward 09	N
EXTENSION OF PAVING OF SIDEWALK - SCHOOL STREET PROTEADORP	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	34°20'15.8"S. 19°01'04.0"E				70			Ward 09	N
TARRING OF STRANDVELD STREET	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19° 21' 13" E 34° 56" S				100			Ward 11	N
DREYER STREET SIDEWALKS (FINAL PHASE)	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19° 27' 20" E 34° 26' 22" S				100			Ward 11	N
REHABILITATE ROADS - STANFORD	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19°26'53"E 34°27'12"S				450	200	3 000	Ward 11	R
ATLANTIC DRIVE WALKWAY	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	34°41'91.41" S 19°17'44.32" E				200			Ward 13	N
VEHICLES -ROADS	5	Yes	Other	General vehicles	Overstrand Wide				785			Overstrand	N
MINOR ASSETS :ROADS	5	Yes	Other	Furniture and other office equipment	Overstrand Wide				5			Overstrand	N
REHABILITATE ROADS - MASAKHANE	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19°21'29"E 34°35'32"S				500	1 000	2 905	Ward 01	R

Detailed capital budget per municipal vote (continued)

Municipal Vote/Capital project	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2016/17 Medium Term Revenue & Expenditure Framework			Project information	
							Audited Outcome 2014/15	Current Year 2015/16 Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Ward location	New or renewal
ELECTRICITY							13 682	22 891					
FRANSKRAAL, KLEINBAAI & BIRKENHEAD: MV/LV AND MINISUB UPGRADE	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	19.349477 -34.607311						1 500	Ward 01	N
GANSBAAI: CCTV, SCADA, MINISUB AND MV/LV UPGRADE	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	34°35'4.84"S 19°21'23.55"E				3 000	3 000	1 000	Ward 02	N
STANFORD: MV UPGRADE	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	19.459117 -34.436799				1 686		1 000	Ward 11	N
ELECTRIFICATION OF LOW COST HOUSING AREAS (INEP)	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	34°25'46.93" S 19°13'06.94"E				5 000	4 000	6 000	Ward 04,05,06	N
HERMANUS: MV & LV UPGRADE/REPLACEMENT	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	34°24'00.49" S 19°15'52.80"E				4 000	4 000	7 000	Ward 03	N
KLEINMOND: MV & LV NETWORK UPGRADE	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	34°20'33.11" S 19°01'25.68"E				1 500	1 500	2 000	Ward 09	N
HAWSTON: MV & LV UPGRADE/REPLACEMENT	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	34°23'24.76" S 19°08'13.30"E				1 500	1 500	2 000	Ward 08	N
MINOR ASSETS - ELECTRICITY	2	Yes	Other	Furniture and other office equipment					15			Overstrand	N
MINOR ASSETS - ELECTRICITY	2	Yes	Other	Furniture and other office equipment					10			Overstrand	N
MINOR ASSETS - ELECTRICITY	2	Yes	Other	Furniture and other office equipment					6			Overstrand	N
MINOR ASSETS - ELECTRICITY	2	Yes	Other	Furniture and other office equipment					15			Overstrand	N
MINOR ASSETS - ELECTRICITY	2	Yes	Other	Furniture and other office equipment					12			Overstrand	N
STREETLIGHTS (MILKWOOD)	2	Yes	Infrastructure - Electricity	Street Lighting	34° 35' 23" S 19° 21' 02" E				20			Ward 01	N
STREET LIGHTS	2	Yes	Infrastructure - Electricity	Street Lighting	34°20'11.8"S 19°01'35.4"E				30			Ward 10	N
VEHICLES - ELECTRICITY	2	Yes	Other	General vehicles					498			Overstrand	N
FLOODLIGHTS - HAWSTON SPORT GROUNDS	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	19°7'37.2"E 34°22'58.8"S				150			Ward 08	N
FLOODLIGHTS - HAWSTON SPORT GROUNDS	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	19°7'37.2"E 34°22'58.8"S				500			Ward 08	N
FLOODLIGHTS - ZWELIHLI SPORT GROUNDS	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	19°12'25"E34°24'28"S				100			Ward 05	N
FLOODLIGHTS - ZWELIHLI SPORT GROUNDS	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	19°12'25"E34°24'28"S				500			Ward 05	N
FLOODLIGHTS - ZWELIHLI SPORT GROUNDS	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	34.426228 19.216496				350			Ward 06	N
FLOODLIGHTS - ZWELIHLI SPORT GROUNDS	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	19°12'25"E34°24'28"S				150			Ward 12	N
ELECTRIFICATION IN INFORMAL AREAS	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	34°25' 57.30"S 19°12' 50.73"E				462			Ward 04,05,06	N
ELECTRIFICATION OF HOUSING PROJECTS	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	19°13'09"E34°25'30"S				2 050			Ward 04,05,06	N
ELECTRICITY TRANSFORMERS(CAPITAL REPLACEMENT CONTINGENCY)	2	Yes	Infrastructure - Electricity	Transmission & Reticulation					246			Overstrand	N
WATER							16 275	16 390					
REPLACEMENT OF OVERSTRAND WATER PIPES	2	Yes	Infrastructure - Water	Reticulation	Overstrand Wide				283	3 800	3 800	Overstrand	R
NEW BULK WATER RESERVOIR - SANDBAAI	2	Yes	Infrastructure - Water	Dams & Reservoirs	S34°25.210' / E19°12.063'					6 000	3 500	Ward 07	R
PEARLY BEACH WTW PRE-TREATMENT	2	Yes	Infrastructure - Water	Water purification	S34°39.744' / E19°32.346'				400			Ward 11	N
PEARLY BEACH WTW PRE-TREATMENT	2	Yes	Infrastructure - Water	Water purification	S34°39.744' / E19°32.346'				900			Ward 11	N
UPGRADING OF FRANSKRAAL-KLEINBAAI-GANSBAAI PIPELINES	2	Yes	Infrastructure - Water	Reticulation	S 34°35.41.4' E 019°21.05.8'				8 400			Ward 01	N
REFURBISH BUFFELS RIVER DAM BRIDGE AND TOWER & PALMIET RIVER	2	Yes	Infrastructure - Water	Reticulation	S34°19.96' / E18°50.26'				709		1 200	Ward 09	R
WATER PUMPS (CONTINGENCY)	2	Yes	Infrastructure - Water	Reticulation	Overstrand Wide				200	200		Overstrand	R
NEW 1 ML/S RESERVOIR OHW/B31	2	Yes	Infrastructure - Water	Dams & Reservoirs	19°12'43"E 34°24'45"S				3 610			Ward 04	N
HAWSTON: BULK WATER UPGRADE FOR HOUSING PROJECT	2	Yes	Infrastructure - Water	Reticulation	19°08'18"E 34°23'16"S				500	2 800	3 326	Ward 08	R
UPGRADE HERMANUS WELL FIELDS PHASE 1	2	Yes	Infrastructure - Water	Reticulation	S34°24.512' / E19°12.474'						4 000	Ward 04	R
MINOR ASSETS - WATER DISTRIBUTION	2	Yes	Other	Furniture and other office equipment	Overstrand Wide				8			Overstrand	N
MINOR ASSETS - WATER DISTRIBUTION	2	Yes	Other	Furniture and other office equipment	Overstrand Wide				11			Overstrand	N
NEW VOORBERG BOOSTER PUMP STATION	2	Yes	Infrastructure - Water	Reticulation	34.336437 19.006527						800	Ward 10	N
SEWERAGE							11 901	8 361					
UPGRADING OF PUMPSTATIONS	2	Yes	Infrastructure - Sanitation	Other	S 34 24 24.1' E 19 16 18.83'				5 588		4 000	Overstrand	R
STANFORD - SEWER NETWORK EXTENSION	2	Yes	Infrastructure - Sanitation	Other	S34°439.75' / E19°455.90'				4 412			Ward 11	N
WWTW UPGRADE STANFORD (ACIP)	2	Yes	Infrastructure - Sanitation	Other	34.446248 & 19.448291				3 500			Ward 11	N
SEWERAGE PUMPS (CONTINGENCY)	2	Yes	Infrastructure - Sanitation	Other	Overstrand Wide				500	500	500	Overstrand	R
KLEINMOND - SEWER NETWORK EXTENSION	2	Yes	Infrastructure - Sanitation	Other	S34°20.44' / E19°1.91'					3 600	1 500	Ward 09	N
GANSBAAI - CBD SEWER NETWORK EXTENSION	2	Yes	Infrastructure - Sanitation	Other	S34°35.377' / E19°21.087'					3 560		Ward 02	N
UPGRADING OF KIDBROOKE PIPELINE	2	Yes	Infrastructure - Sanitation	Other	S34°24.810' / E19°10.001						1 800	Ward 13	N
WWTW UPGRADE - STANFORD	2	Yes	Infrastructure - Sanitation	Sewerage purification	S34°26.518' / E19°26.929'					3 000	1 000	Ward 11	N
BULK SEWERAGE OUTFALL LINE 525 MM Ø OHS13.2	2	Yes	Infrastructure - Sanitation	Other	19°12'34"E 34°25'48"S				2 501	781		Ward 12	R
PEACH HOUSE & WHALE ROCK P/S LINK WITH GENERATORS	2	Yes	Infrastructure - Sanitation	Other	19°12'40"E34°25'52"S						430	Ward 12	N
REHABILITATE MAIN BULK SEWER TO WWTW PH1	2	Yes	Infrastructure - Sanitation	Other	S34°20.44' / E19°1.91'						3 770	Ward 09	N
STORMWATER							1 320	3 127					
UPGRADE STORMWATER DRAINAGE	2	Yes	Other	Storm water	19°21'39"E 34°35'30"S				1 500	1 415	1 000	Ward 01	R
FISHERHAVEN -STORMWATER	2	Yes	Other	Storm water	34°21'23.75" S 19°07'25.79" E				200			Ward 08	N
CONSTRUCTION OF DRAINAGE DITCHES	2	Yes	Other	Storm water	34°18'06.0"S, 18°49'09.9"E				30			Ward 10	N
WASTE MANAGEMENT							9 267	15					
MINOR ASSETS:SOLID WASTE DISPOSAL	2	Yes	Other	Furniture and other office equipment	Overstrand Wide				15			Overstrand	N
Total Capital expenditure							108 489	103 914	88 356	94 230	107 271		

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 2015/16		2016/17 Medium Term Revenue & Expenditure Framework		
					Original Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
				Year					
R thousand									
Parent municipality:									
List all capital projects grouped by Municipal Vote									
Vehicles-Fire Fleet refurbishment	Infrastructure - Other	General vehicles	Overstrand Wide	2016	-	570	570		
Replacement of Overstrand Water Pipes	Infrastructure - Water	Reticulation	Overstrand Wide	2016	9 653	9 653	283		
Pearly Beach WTW Pre -Treatment	Infrastructure - Water	Water purification	S34°39.744 / E19°32.346	2016	900	900	900		
Refurbish Buffels River Dam bridge and tower & Palmiet river weir	Infrastructure - Water	Reticulation	S34°19.96' / E18°50.26'	2016	2 000	2 017	709		
Stanford: MV Upgrade	Infrastructure - Electricity	Transmission & Reticulation	19.459117 -34.436799	2016	1 200	1 861	1 686		
Electricity transformers(capital replacement contingency)	Infrastructure - Electricity	Transmission & Reticulation	Overstrand Wide	2016	1 500	2 102	246		
Electrification in informal areas	Infrastructure - Electricity	Transmission & Reticulation	34°25' 57.30"S 19°12' 50.73"E	2016	462	462	462		
Electrification of housing projects	Infrastructure - Electricity	Transmission & Reticulation	19°13'09"E34°25'30"S	2016	1 558	2 050	2 050		
Floodlights -Hawston sport grounds	Infrastructure - Electricity	Transmission & Reticulation	19°7'37.2"E 34°22'58.8"S	2016	150	150	150		
Floodlights -Hawston sport grounds	Infrastructure - Electricity	Transmission & Reticulation	19°7'37.2"E 34°22'58.8"S	2016	500	500	500		
Floodlights -Zwelihle sport grounds	Infrastructure - Electricity	Transmission & Reticulation	19°12'25"E34°24'28"S	2016	100	100	100		
Floodlights -Zwelihle sport grounds	Infrastructure - Electricity	Transmission & Reticulation	19°12'25"E34°24'28"S	2016	500	500	500		
Floodlights -Zwelihle sport grounds	Infrastructure - Electricity	Transmission & Reticulation	34.426228 19.216456	2016	350	350	350		
Floodlights -Zwelihle sport grounds	Infrastructure - Electricity	Transmission & Reticulation	19°12'25"E34°24'28"S	2016	150	150	150		

2.13 Legislation compliance status

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

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

2.14 Other supporting documents

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

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
REVENUE ITEMS:									
Property rates									
Total Property Rates	153 077	165 939	189 281	200 857	200 857	200 857	223 758	237 184	251 415
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)	32 278	31 127	36 411	38 126	38 126	38 126	43 167	45 757	48 502
Net Property Rates	120 799	134 813	152 870	162 730	162 730	162 730	180 591	191 427	202 913
Service charges - electricity revenue									
Total Service charges - electricity revenue	250 157	271 015	289 393	341 092	338 542	338 542	359 503	381 805	404 713
less Revenue Foregone (in excess of 50 kwh per indigent household per month)									
less Cost of Free Basis Services (50 kwh per indigent household per month)	2 494	2 653	2 822	2 215	2 215	2 215	2 544	2 697	2 858
Net Service charges - electricity revenue	247 663	268 362	286 571	338 877	336 327	336 327	356 959	379 108	401 855
Service charges - water revenue									
Total Service charges - water revenue	86 339	96 301	109 630	103 365	105 749	105 749	113 181	119 241	126 395
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)									
less Cost of Free Basis Services (6 kilolitres per indigent household per month)	1 095	1 165	1 240	1 320	1 320	1 320	1 637	1 735	1 840
Net Service charges - water revenue	85 243	95 136	108 391	102 045	104 429	104 429	111 544	117 505	124 556
Service charges - sanitation revenue									
Total Service charges - sanitation revenue	56 895	62 798	68 661	66 375	67 375	67 375	72 318	76 657	81 257
less Revenue Foregone (in excess of free sanitation service to indigent households)									
less Cost of Free Basis Services (free sanitation service to indigent households)	-	-	-	-	-	-	-	-	-
Net Service charges - sanitation revenue	56 895	62 798	68 661	66 375	67 375	67 375	72 318	76 657	81 257
Service charges - refuse revenue									
Total refuse removal revenue	46 637	52 957	56 770	59 488	59 488	59 488	65 510	69 441	73 607
Total landfill revenue									
less Revenue Foregone (in excess of one removal a week to indigent households)									
less Cost of Free Basis Services (removed once a week to indigent households)	-	-	-	-	-	-	-	-	-
Net Service charges - refuse revenue	46 637	52 957	56 770	59 488	59 488	59 488	65 510	69 441	73 607
Other Revenue by source									
Plan&Dev-Building Plans	2 880	3 439	4 893	4 500	4 500	4 500	6 360	6 742	7 146
Collection charges	2 542	2 288	3 506	3 850	3 850	3 850	2 430	2 576	2 730
Developers Charges	2 615	2 766	2 652	1 451	1 451	1 451	1 446	1 532	1 624
Central improvement district	-	-	-						
Sundry income	2 637	1 330	911						
Townplanning fees	793	908	1 142	1 013	1 013	1 013	1 593	1 688	1 790
Admission fees	707	714	-	562	562	562	574	608	645
Valuation and clearance certificates	388	400	459	495	495	495	500	530	562
Fair value adjustments	49 649	(7 021)	(3 566)						
Roadworthy certificates	463	493	561	630	630	630	665	705	747
SETA claims	1 058	133	605						
Exchange Revenue (SCOA) / Other Income	5 247	5 054	9 300	4 142	10 823	10 823	10 134	10 742	11 387
Total 'Other' Revenue	68 978	10 504	20 463	16 643	23 324	23 324	23 702	25 124	26 631

Supporting detail to budgeted financial performance (Continued)

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
EXPENDITURE ITEMS:									
Employee related costs									
Basic Salaries and Wages	151 957	166 955	174 931	198 092	192 628	192 628	209 160	212 962	225 659
Pension and UIF Contributions	24 051	25 104	27 068	31 736	30 694	30 694	32 625	34 426	36 394
Medical Aid Contributions	8 176	8 828	9 363	11 618	11 038	11 038	11 423	12 322	13 063
Overtime	12 428	14 370	14 765	15 295	13 654	13 654	14 920	15 806	16 725
Performance Bonus									
Motor Vehicle Allowance	9 178	9 750	9 634	12 164	11 239	11 239	6 990	6 993	6 996
Cellphone Allowance	1 785	1 402	1 750	1 502	1 480	1 480	1 432	1 432	1 432
Housing Allowances	1 046	967	944	1 002	1 759	1 759	5 851	5 851	5 851
Other benefits and allowances	9 396	10 222	10 957	10 621	10 108	10 108	11 375	11 972	12 606
Payments in lieu of leave	2 138	1 659	1 414	729	729	729	709	752	793
Long service awards	690	3 587	1 161	1 802	3 042	3 042	3 139	2 820	2 810
Provision for Bonus	—	—	655	455	455	455	496	526	558
Post-retirement benefit obligations	10 795	17 799	14 378	6 578	16 001	16 001	16 081	16 162	16 242
sub-total	231 642	260 645	267 019	291 593	292 827	292 827	314 204	322 023	339 129
Less: Employees costs capitalised to PPE									
Total Employee related costs	231 642	260 645	267 019	291 593	292 827	292 827	314 204	322 023	339 129
Contributions recognised - capital									
Public contribution - non cash - assets	4 387	7 871	1 272						
DWA ACIP project	—						3 500		
Government contribution - non cash - assets	180								
KM CSIR	—								
Spaces for sport/Lotto	200			1 000	1 000	1 000	1 000		
Eskom Solar Rebate/ Stony Point Eco Centre etc	522								
Total Contributions recognised - capital	5 289	7 871	1 272	1 000	1 000	1 000	4 500	—	—
Depreciation & asset impairment									
Depreciation of Property, Plant & Equipment	94 948	99 130	103 303	111 362	111 362	111 362	117 690	124 752	132 237
Lease amortisation	235	231	65						
Capital asset impairment	9 224		3 077						
Depreciation resulting from revaluation of PPE									
Total Depreciation & asset impairment	104 408	99 361	106 445	111 362	111 362	111 362	117 690	124 752	132 237
Bulk purchases									
Electricity Bulk Purchases	145 022	157 055	167 660	193 573	191 573	191 573	210 763	227 329	245 197
Water Bulk Purchases									
Total bulk purchases	145 022	157 055	167 660	193 573	191 573	191 573	210 763	227 329	245 197
Transfers and grants									
Cash transfers and grants	35 856	38 749	42 200	48 497	49 448	49 448	57 479	60 808	64 336
Non-cash transfers and grants	—	—	6 459	—	—	—	—	—	—
Total transfers and grants	35 856	38 749	48 659	48 497	49 448	49 448	57 479	60 808	64 336
Contracted services									
Specialist services									
Other contractors									
Ward projects	5 679	2 129	1 443						
Vehicle maintenance	4 925	5 665	6 487						
Maintenance contractors	45 380	49 471	60 245						
Contracted services	11 713	15 488	17 152						
Maintenance Of Unspecified Assets				25 439	27 312	27 312	26 472	27 137	28 083
Maintenance Of Buildings & Facilities				15 463	15 463	15 463	14 030	13 319	14 161
Haulage				7 698	7 698	7 698	8 160	8 650	9 169
Civil				6 828	6 828	6 828	6 314	6 517	6 736
Litter Picking & Street Cleaning				6 430	6 430	6 430	7 226	7 491	7 819
Security Servs				5 219	5 219	5 219	5 556	5 861	6 184
Safeguard & Security				5 028	5 028	5 028	5 517	5 679	5 959
Business & Advisory - Valuer				4 488	4 488	4 488	960	1 013	1 069
Meter Management				4 367	4 367	4 367	4 491	4 654	4 824
Maintenance Of Equip				4 177	4 177	4 177	1 979	2 077	2 187
Business & Advisory - Project Management				4 017	4 017	4 017	2 944	3 068	2 903
Traffic Fines Management				3 968	3 968	3 968	4 168	4 419	4 684
Dumping Sites				3 423	3 423	3 423	3 628	3 846	4 077
Infrastructure & Planning - Ecological				2 640	2 640	2 640	2 040	2 101	2 164
Legal Cost - Legal Advice & Litigation				2 597	2 597	2 597	2 894	3 225	3 767
Chipping				2 490	2 490	2 490	2 605	2 759	3 126
Management Of Informal Settlements				1 981	1 981	1 981	2 100	2 247	2 404
Laboratory Servs - Water				1 802	1 802	1 802	1 904	2 018	2 139
Sewerage Servs				1 772	23 435	23 435	37 674	40 534	43 611
Infrastructure & Planning - Town Planner				1 700	1 700	1 700	1 620	1 717	1 820
Electrical				1 060	1 060	1 060	491	492	496
Other contractors				12 734	10 969	10 969	15 595	16 112	16 774
Total contracted services	67 697	72 754	85 327	125 322	147 093	147 093	158 368	164 936	174 154

Supporting detail to budgeted financial performance (Continued)

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
Other Expenditure By Type									
Collection costs									
Contributions to 'other' provisions	3 246	(12 399)	50 281						
Consultant fees	9 376	9 431	8 944						
Audit fees	2 869	3 559	3 886	4 514	4 514	4 514	4 514	4 785	5 072
General expenses	16 384	19 600	18 564	5 302	4 834	4 834	5 629	5 882	6 045
Conditional receipts expenses	4 133	28 072	7 540						
Property valuation charges	1 030	442	406						
Water catchment, research and testing	5 295	4 266	3 986						
Fuel and oil	9 903	11 477	10 962						
Chemicals	8 488	10 553	8 379						
Legal fees	1 669	3 017	3 616						
Telephone and fax	2 934	2 839	2 807	3 048	3 048	3 048	3 224	3 384	3 553
Tourism development	2 732	2 796	2 439						
Security services	3 759	4 262	4 432						
Solid waste dumping fees	-	-	-						
Solid waste haulage	6 318	7 742	6 791						
Hermanus public protection	3 921	4 251	5 222						
Training	2 363	1 804	2 216	2 000	2 000	2 000			
Bursaries							702	723	745
Commission Prepaid Electricity	3 248	3 652	3 833	3 804	3 804	3 804	3 660	3 861	4 074
Commission paid	4 014	1 019	975	1 213	1 213	1 213	1 280	1 350	1 425
Advertising	1 511	1 905	1 820						
Management of informal settlements	1 513	1 982	1 741	1 981	1 981	1 981			
Insurance	2 145	2 363	2 457	2 350	2 350	2 350	2 846	2 957	3 074
Printing and stationery	1 875	2 035	2 075						
Solid waste chipping	2 151	2 076	3 025						
Special projects	1 270	714	700						
Workmen's Compensation Assurance				1 750	1 750	1 750	1 550	1 750	1 750
SALGA Membership Fees									
Rentals (Equipment & Offices)									
Postage & Courier Services				1 571	1 571	1 571	1 583	1 655	1 743
Decommissioning Cost				4 619	4 619	4 619	4 948	5 245	4 420
Op Cst - Prof Bodies Memb & Subs				3 365	3 365	3 365	3 373	3 385	3 387
Specialised Computer Service				2 452	2 452	2 452	1 644	1 840	2 040
Op Cst - Uniform & Protective Clothing				2 395	2 395	2 395	2 567	2 674	2 736
Operational Cost - Skills Dev Fund Lev				2 082	2 082	2 082	2 249	2 368	4 591
Infrastructure & Planning - Town Plann				1 700	1 700	1 700			
Software Licences				2 051	2 051	2 051	3 203	3 363	3 532
Dumping Fees (District Council)				1 724	1 724	1 724	2 290	2 427	2 573
Bank Chgs Fac & Card Fees - Bank Account				1 639	1 639	1 639	1 324	1 391	1 460
Op Cst - Printing & Publications				1 471	1 471	1 471	878	911	942
Third Party Vendors				1 213	1 213	1 213			
Operating Lease				1 170	1 170	1 170	1 270	1 335	1 414
Wireless Ntwrk				937	937	937	984	1 033	1 085
Corporate Municipal Activities				721	721	721	890	1 158	1 205
Op Cst - Remuneration To Ward Commts				689	689	689	649	681	716
System Adviser				634	634	634	590	608	625
Tenders				612	612	612	752	792	832
Op Cst - Levies Paid - H2O Res Man Chrg				560	560	560	735	779	826
OperCost:Municipal Servs							5 433	5 859	6 319
OperCost:Assets < Capital Threshold							524	533	555
OperCost:Full Time Union Representativ							423	453	485
Municipal Newsletters				454	454	454	306	312	313
Total 'Other' Expenditure	102 146	117 460	157 098	58 021	57 553	57 553	60 024	63 497	67 536
Repairs and Maintenance									
by Expenditure Item									
Employee related costs	27 460	35 905	37 737	45 175	45 175	45 175	50 261	51 522	54 450
Other materials	9 153	8 865	9 317	14 541	14 541	14 541	3 500	3 719	3 989
Contracted Services	21 740	32 675	34 342	35 194	35 194	35 194	36 145	37 492	38 897
Other Expenditure	56 061	72 912	76 630	26 167	26 167	26 167	30 890	31 124	31 732
Total Repairs and Maintenance Expenditure	114 414	150 358	158 026	121 077	121 077	121 077	120 795	123 857	129 068

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 - Infrastructure & Planning	Vote 8 - Protection Services	Total
R thousand									
Revenue By Source									
Property rates				180 591					180 591
Property rates - penalties & collection charges				848					848
Service charges - electricity revenue							356 959		356 959
Service charges - water revenue					111 544				111 544
Service charges - sanitation revenue					72 318				72 318
Service charges - refuse revenue					65 510				65 510
Service charges - other				722					722
Rental of facilities and equipment					4 728				4 728
Interest earned - external investments				10 317	172				10 489
Interest earned - outstanding debtors				2 756					2 756
Dividends received									–
Fines					134		180	30 829	31 143
Licences and permits					512			1 819	2 330
Agency services					20			3 200	3 220
Other revenue	232		1	4 123	6 996	1 430	8 780	2 140	23 702
Transfers recognised - operational	72 950			1 595	6 051	1 922	43 795		126 313
Gains on disposal of PPE									–
Total Revenue (excluding capital transfers and contributions)	73 182	–	1	200 953	267 985	3 352	409 714	37 988	993 175
Expenditure By Type									
Employee related costs	19 111	4 261	21 732	38 414	141 963	6 906	46 978	34 839	314 204
Remuneration of councillors	9 110								9 110
Debt impairment				420	446		231	22 792	23 888
Depreciation & asset impairment	23	19	2 395	315	83 754	133	29 809	1 242	117 690
Finance charges				110	29 857		16 454		46 421
Bulk purchases							210 763		210 763
Other materials	97	38	341	700	21 900	138	49 348	2 486	75 048
Contracted services	22	217	7 567	12 185	60 475	977	65 122	11 802	158 368
Transfers and grants	55 761		70			1 648			57 479
Other expenditure	7 623	187	14 384	17 037	8 603	993	9 701	1 496	60 024
Loss on disposal of PPE									–
Total Expenditure	91 748	4 722	46 490	69 180	346 998	10 795	428 407	74 657	1 072 995
Surplus/(Deficit)	(18 565)	(4 722)	(46 489)	131 773	(79 013)	(7 443)	(18 693)	(36 669)	(79 820)
Transfers recognised - capital					22 080		17 882		39 962
Contributions recognised - capital					1 000		3 500		4 500
Contributed assets									–
Surplus/(Deficit) after capital transfers & contributions	(18 565)	(4 722)	(46 489)	131 773	(55 933)	(7 443)	2 690	(36 669)	(35 358)

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

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
ASSETS									
Call investment deposits									
Call deposits < 90 days	55 042	50 039	26 051						
Other current investments > 90 days									
Total Call investment deposits	55 042	50 039	26 051	-	-	-	-	-	-
Consumer debtors									
Consumer debtors	65 941	63 810	69 821	67 774	67 774	67 774	84 040	89 083	94 428
Less: Provision for debt impairment	(16 916)	(16 359)	(16 972)	(16 000)	(16 000)	(16 000)	(17 096)	(18 279)	(19 535)
Total Consumer debtors	49 025	47 451	52 850	51 774	51 774	51 774	66 944	70 804	74 893
Debt impairment provision									
Balance at the beginning of the year	18 114	16 916	16 359	16 500	16 500	16 500	16 000	17 096	18 279
Contributions to the provision	594	(107)	1 252				1 596	1 682	1 756
Bad debts written off	(1 792)	(449)	(639)	(500)	(500)	(500)	(500)	(500)	(500)
Balance at end of year	16 916	16 359	16 972	16 000	16 000	16 000	17 096	18 279	19 535
Property, plant and equipment (PPE)									
PPE at cost/valuation (excl. finance leases)	5 819 933	5 900 309	6 003 701	6 120 657	6 118 565	6 118 565	6 206 921	6 301 151	6 408 422
Leases recognised as PPE	1 379	139	304	6 923	6 923	6 923	-	-	-
Less: Accumulated depreciation	2 724 192	2 789 392	2 886 281	3 005 433	3 005 433	3 005 433	3 121 934	3 245 424	3 376 324
Total Property, plant and equipment (PPE)	3 097 120	3 111 056	3 117 725	3 122 147	3 120 054	3 120 054	3 084 987	3 055 727	3 032 098
LIABILITIES									
Current liabilities - Borrowing									
Short term loans (other than bank overdraft)	485	63	80	1 271	1 271	1 271	-	-	-
Current portion of long-term liabilities	17 756	20 381	23 539	26 841	26 841	26 841	29 378	32 831	36 912
Total Current liabilities - Borrowing	18 241	20 443	23 620	28 113	28 113	28 113	29 378	32 831	36 912
Trade and other payables									
Trade and other creditors	71 706	61 518	63 759	74 229	74 229	74 229	81 244	77 375	73 691
Unspent conditional transfers	7 783	3 425	2 076						
VAT									
Total Trade and other payables	79 489	64 943	65 836	74 229	74 229	74 229	81 244	77 375	73 691
Non current liabilities - Borrowing									
Borrowing	364 394	392 444	408 904	411 667	411 667	411 667	412 288	409 060	411 596
Finance leases (including PPP asset element)	238	-	60	4 333	4 333	4 333	-	-	-
Total Non current liabilities - Borrowing	364 632	392 444	408 964	415 999	415 999	415 999	412 288	409 060	411 596
Provisions - non-current									
Retirement benefits	79 887	95 535	107 290	113 727	120 450	120 450	127 677	135 338	143 458
List other major provision items									
Refuse landfill site rehabilitation	31 933	24 054	76 731	78 422	81 335	81 335	86 215	91 387	96 871
Other	7 498	8 938	9 207	9 520	9 441	9 441	9 935	10 459	11 014
Total Provisions - non-current	119 319	128 527	193 227	201 669	211 226	211 226	223 827	237 184	251 343
CHANGES IN NET ASSETS									
Accumulated Surplus/(Deficit)									
Accumulated Surplus/(Deficit) - opening balance	2 847 332	2 855 854	2 805 240	2 738 817	2 738 817	2 738 817	2 723 927	2 700 931	2 693 032
GRAP adjustments	(9 929)	(6 220)	13 286						
Restated balance	2 837 403	2 849 634	2 818 525	2 738 817	2 738 817	2 738 817	2 723 927	2 700 931	2 693 032
Surplus/(Deficit)	10 899	(45 015)	(49 845)	(5 140)	(14 890)	(14 890)	(35 358)	(3 490)	2 138
Appropriations to Reserves									
Transfers from Reserves	1 333	620	1 314						
Depreciation offsets							12 363	(4 409)	
Other adjustments									
Accumulated Surplus/(Deficit)	2 849 634	2 805 240	2 769 994	2 733 677	2 723 927	2 723 927	2 700 931	2 693 032	2 695 170
Reserves									
Housing Development Fund	1 891	2 565	2 571	2 637	2 637	2 637	2 218	2 263	2 308
Capital replacement									
Self-insurance									
Other reserves									
Revaluation	-								
Total Reserves	1 891	2 565	2 571	2 637	2 637	2 637	2 218	2 263	2 308
TOTAL COMMUNITY WEALTH/EQUITY	2 851 526	2 807 805	2 772 565	2 736 314	2 726 564	2 726 564	2 703 150	2 695 295	2 697 478

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

Description of economic indicator	Basis of calculation	2001 Census	2007 Survey	2011 Census	2012/13	2013/14	2014/15	Current Year 2015/16	2016/17 Medium Term Revenue & Expenditure Framework		
					Outcome	Outcome	Outcome	Original Budget	Estimate	Estimate	Estimate
Demographics											
Population	Stats SA	55 012	74 546	80 432	83 488	86 661	89 954	93 372	96 920	100 603	104 286
Females aged 5 - 14		2 770	5 837	5 228	5 427	5 633	5 847	6 069	6 300	6 539	6 779
Males aged 5 - 14		2 816	5 892	5 278	5 479	5 687	5 903	6 127	6 360	6 602	6 843
Females aged 15 - 34		5 561	11 567	13 139	13 638	14 157	14 694	15 253	15 832	16 434	17 036
Males aged 15 - 34		6 029	11 235	13 648	14 167	14 705	15 264	15 844	16 446	17 071	17 696
Unemployment		5 165	8 099	4 237	4 398	4 565	4 739	4 919	5 106	5 300	5 494
Monthly household income (no. of households)											
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	5 266	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											
Poverty profiles (no. of households)											
< R2 060 per household per month	# households earning less than R1600 based on monthly	8 374	6 077	9 911	10 288	10 679	11 084	11 506	11 943	12 397	12 868
Insert description											
Household/demographics (000)											
Number of people in municipal area	Stats SA	55 012	74 546	80 432	86 661	89 954	90 000	93 372	96 920	100 503	104 426
Number of poor people in municipal area		34 601	35 916	37 433	40 332	41 865	31 153	32 868	34 977	36 585	38 597
Number of households in municipal area	Stats SA	19 059	19 166	28 008	29 073	30 179	31 325	32 673	33 101	33 535	33 974
Number of poor households in municipal area			8 439	16 317	18 285	19 469	20 209	20 978	21 775	22 603	23 463
Definition of poor household (R per month)			2 201	4 561	4 801	5 121	5 640	5 922	6 218	6 529	6 855
Housing statistics											
Formal					23 152	23 599	25 328	25 369	25 395	25 405	25 397
Informal					3 407	3 330	3 144	3 157	3 157	3 157	3 157
Total number of households		-	-	-	26 559	26 929	28 472	28 526	28 552	28 562	28 554
Dwellings provided by municipality					-	183		220	341	-	100
Dwellings provided by province/s					-	-					
Dwellings provided by private sector					214	264	373	382	391	401	410
Total new housing dwellings		-	-	-	214	447	373	602	732	401	510
Economic											
Inflation/inflation outlook (CPIX)					5.7%	5.9%	5.6%	6.2%	6.6%	6.2%	5.9%
Interest rate - borrowing					9.7%	9.7%	9.950%	11.5%	11.75%	12.0%	12.0%
Interest rate - investment					5.1%	5.4%	6.0%	7.24%	7.45%	7.75%	7.75%
Remuneration increases					6.5%	6.8%	7.0%	7.0%	6.0%	6.0%	6.0%
Consumption growth (electricity)					1.8%	0.5%	0.3%	0.1%	0.1%	0.3%	0.3%
Consumption growth (water)					4.2%	-5.4%	2.6%	4.4%	4.0%	2.3%	3.6%
Collection rates											
Property tax/service charges					100.4%	100.3%	99.6%	99.8%	99.7%	99.7%	99.7%
Rental of facilities & equipment					100.4%	100.3%	99.6%	99.8%	99.7%	99.7%	99.7%
Interest - external investments					100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Interest - debtors					100.0%	100.0%	99.6%	99.8%	99.7%	99.7%	99.7%
Revenue from agency services					100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table 65 MBRR SA11 – Property rates summary

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

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

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

Table 68 MBRR SA13a – Service tariffs by category

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

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

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

Table 70 MBRR SA32 – List of external mechanisms

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

Table 71 MBRR SA33 – Contracts having future budgetary implications

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

2.15 Municipal manager's quality certificate

C. C. GROENEWALD

I, ..., municipal manager of Overstrand Municipality, hereby certify that the annual budget and supporting documentation for the 2016/2017 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 'C. C. Groenewald', with a horizontal line underneath.

Date

19/05/2016

ANNEXURE A

PROPOSED AMENDMENTS TO DRAFT BUDGET

PROPOSED 2016/2017 DRAFT BUDGET CHANGES

OPEX

		Draft 2016/2017	Draft 2017/2018	Draft 2018/2019	Change 2016/2017	Change 2017/2018	Change 2018/2019	Final 2016/2017	Final 2017/2018	Final 2018/2019	Reason
20150309165154	Inventory:Finished Goods (Housing Top Structures)-	45 733 648	9 345 719	13 539 881	-1 938 807	-625 925	0	43 794 841	8 719 794	13 539 881	An amount of R2079861 for Housing Projects will be spend in the current financial year as approved with the 4th adj budget WSP Reclassification of exp WSP Reclassification of exp WSP shift from OPEX to CAPEX i.t.o W03
20150306115823	Contr Serv: Maintenance of Buildings & Facilities (Gansbaai WSP)	600 000			-300 000			300 000			
20150306120019	Inventory: Materials & supplies	0			300 000			300 000			
20150306122134	Contr Serv: Maintenance of Buildings & Facilities (Hermanus WSP)	940 000			-50 000			890 000			
		47 273 648	9 345 719	13 539 881	-1 988 807	-625 925	0	45 284 841	8 719 794	13 539 881	

REVENUE

20160513101328	ACIP (Accelerated Community Infrastructure Programme)	0	0	0	-3 500 000			-3 500 000			ACIP Grant funding allocation
20150212025568	CapMonetar:WC-Housing	-13 023 352	-37 154 281	-37 740 119	141 054	-625 925	0	-12 882 298	-37 780 206	-37 740 119	An amount of R2079861 for Housing Projects will be spend in the current financial year as approved with the 4th adj budget
20150212025566	OperMonetr:WC-Housing	-45 733 648	-9 345 719	-13 539 881	1 938 807	625 925	0	-43 794 841	-8 719 794	-13 539 881	An amount of R2079861 for Housing Projects will be spend in the current financial year as approved with the 4th adj budget
20150212029972	CapMonetar:Mun Infrastructure Grant (MIG)	-2 910 500			699 500			-2 211 000			MIG Re-allocation
20160229160228	CapMonetar:Mun Infrastructure Grant (MIG)	-3 200 000			-699 500			-3 899 500			MIG Re-allocation
20150619145306	CapMonetar:Nat lotteries Board	0	0	0	-1 000 000			-1 000 000			Lotto funding Roll over
		-64 867 500	-46 500 000	-51 280 000	-2 420 139	0	0	-67 287 639	-46 500 000	-51 280 000	
BOTTOMLINE ON OPEX		-17 593 852	-37 154 281	-37 740 119	-4 408 946	-625 925	0	-22 002 798	-37 780 206	-37 740 119	

CAPEX

		<u>Ward</u>	<u>Funding Source</u>									
	WWTW Upgrade Stanford (ACIP)	Ward 11	ACIP			3 500 000			3 500 000			ACIP Grant funding allocation
	Baboon fencing project	Ward 03	Operating cash -WSP			50 000			50 000			WSP shift from OPEX to CAPEX i.t.o W03
												An amount of R2079861 for Housing Projects will be spend in the current financial year as approved with the 4th adj budget
	Hawston Project -IRDP	Ward 08	Prov-Housing	2 540 799	9 172 600	9 140 923	-141 054	200 000	2 399 745	9 372 599	9 140 923	
	Blompark Project	Ward 02	Prov-Housing		900 000	5 418 950		425 925		1 325 925	4 993 025	
	Tsepe -Tsepe Project	Ward 06	Prov-Housing					-425 925			425 925	
	New 1 ML/S Reservoir OHW.B31	Ward 04	MIG	2 410 500			699 500		3 110 000			MIG Re-allocation
	Bulk Sewerage Outfall Line- 525 MM Ø OHS13.2	Ward 12	MIG	3 200 000			-699 500		2 500 500			MIG Re-allocation
	Upgrading of pump stations	Overstrand	EL7	4 500 000			1 088 072		5 588 072			Re-allocation of exp
	Stanford -Sewer Network Extension	Ward 11	EL7	5 500 000			-1 088 072		4 411 928			Re-allocation of exp
	Pearly Beach WTW Pre-Treatment	Ward 11	EL6-R/Over				400 000		400 000			Re-allocation of exp
	Upgrading of Franskraal-Kleinbaai -Gansbaai Pipelines	Ward 01	EL7	8 800 000			-400 000		8 400 000			Re-allocation of exp
	Minor assets:Solid waste disposal	Overstrand	Surplus	30 000			-15 000		15 000			Re-allocation of exp
	Minor assets :Community park(incl. nurseries)	Overstrand	Surplus	24 000			15 000		39 000			Re-allocation of exp
	Electricity - Vehicles	Overstrand	Surplus				298 000		298 000			Insurance Claim for Elec LDV
	<u>Roll overs:</u>											
5 02 5006 002 1	Vehicles-Fire Fleet refurbishment	Overstrand	Surplus -R/Over				570 080		570 080			
5 02 5001 022 1	Replacement of Overstrand Water Pipes	Overstrand	EL6-R/Over				283 237		283 237			
5 02 5001 023 1	Pearly Beach WTW Pre -Treatment	Ward 11	EL6-R/Over				900 000		900 000			
5 02 5001 024 1	Refurbish Buffels River Dam bridge and tower & Palmiet riv	Ward 09	EL6-R/Over				709 078		709 078			
5 02 5001 014 1	Stanford: MV Upgrade	Ward 11	EL6-R/Over				1 686 100		1 686 100			
5 02 5007 001 1	Electricity transformers(capital replacement contingency)	Overstrand	EL6-R/Over				246 000		246 000			
5 02 5001 017 1	Electrification in informal areas	Overstrand	Solar rebate -R/Over				461 517		461 517			
5 02 5001 021 1	Electrification of housing projects	Ward 05,06	Surplus-DCContr-R/Over				2 049 759		2 049 759			
5 02 5008 007 1	Floodlights -Hawston sport grounds	Ward 08	Operating cash-WSP-R/Over				150 000		150 000			
5 02 5008 007 1	Floodlights -Hawston sport grounds	Ward 08	Lotto -R/Over				500 000		500 000			Lotto funding Roll over
5 02 5008 008 1	Floodlights -Zwelihle sport grounds	Ward 05	Operating cash-WSP-R/Over				100 000		100 000			
5 02 5008 008 1	Floodlights -Zwelihle sport grounds	Ward 05	Lotto -R/Over				500 000		500 000			Lotto funding Roll over
5 02 5008 030 1	Floodlights -Zwelihle sport grounds	Ward 06	Operating cash-WSP-R/Over				350 000		350 000			
5 02 5008 009 1	Floodlights -Zwelihle sport grounds	Ward 12	Operating cash-WSP-R/Over				150 000		150 000			
				27 005 299	10 072 600	14 559 873	12 362 717	625 925	0	39 368 016	10 698 524	14 559 873

BOTTOMLINE ON CAPEX

SUMMARY OF CHANGES ON 2016 - 2019 BUDGET

EXPENDITURE
 REVENUE
 (SURPLUS)/DEFICIT

 CAPITAL

DRAFT BUDGET			CHANGE			FINAL BUDGET		
2016/2017	2017/2018	2018/2019	2016/2017	2017/2018	2018/2019	2016/2017	2017/2018	2018/2019
1 074 984 034	1 085 175 810	1 148 851 136	-1 988 807	-625 925	0	1 072 995 227	1 084 549 885	1 148 851 136
-1 035 216 892	-1 081 059 667	-1 150 989 268	-2 420 139	0	0	-1 037 637 031	-1 081 059 667	-1 150 989 268
39 767 142	4 116 143	-2 138 132	-4 408 946	-625 925	0	35 358 196	3 490 218	-2 138 132
75 993 352	93 604 281	107 271 119	12 362 717	625 925	0	88 356 069	94 230 206	107 271 119

TARIFF LIST: CORRECTION OF OMMISSION

The following amendment is proposed as the actual tariff value was omitted on the draft tariff list:

1.	Tariff Code: S40E11	Use of Kitchen - Non Fundraising • R225.44 + VAT = R257.00

ANNEXURE B

A1 SCHEDULE & A2 BUDGET CHARTS

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

Version 2.8

Munisipaliteit • U-Masipala • Municipality

OVERSTRAND



Municipality Name: WC032 Overstrand ▼

CFO Name: SANTIE REYNKE-NAUDE

Tel: 028 3138040

Fax: 028 3138128

E-Mail: cfo@overstrand.gov.za

Budget for MTREF starting: 2016 ▼

Budget Year: 2016/17

Does this municipality have Entities? No ▼

If YES: Identify type of report: ▼

Organisational Structure Votes		Complete Votes & Sub-Votes	Select Org. Structure
Vote 1 - Council	Vote 1	Council	
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	Municipal Manager	
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	Management Services	
	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	Finance	
	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	Community Services	
	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	Local Economic Development	
	6.1	Director: Economic Development & Planning	6.1 - Director: Economic Development & Planning
	6.2	Tourism	6.2 - Tourism
	6.3	Parking Services	6.3 - Parking Services
	6.4	EPWP	6.4 - EPWP
	Vote 7	Infrastructure & Planning	
	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	Protection Services	
	8.1	Director: Protection Services	8.1 - Director: Protection Services
	8.2	Traffic	8.2 - Traffic
	8.3	Law Enforcement	8.3 - Law Enforcement
	8.4	Vehicle testing	8.4 - Vehicle testing
	8.5	Fire Brigade/Disaster Management	8.5 - Fire Brigade/Disaster Management
	8.6	Vehicle Licensing	8.6 - Vehicle Licensing
	8.7	Special Task Team Unit	8.7 - Special Task Team Unit

WC032 Overstrand - Contact Information	
A. GENERAL INFORMATION	
Municipality	WC032 Overstrand
Grade	3 1 Grade in terms of the Remuneration of Public Office Bearers Act.
Province	WC WESTERN CAPE
Web Address	www.overstrand.gov.za
e-mail Address	bking@overstrand.gov.za
B. CONTACT INFORMATION	
Postal address:	
P.O. Box	P.O. BOX 20
City / Town	HERMANUS
Postal Code	7200
Street address	
Building	MUNICIPAL OFFICE
Street No. & Name	MAGNOLIA STREET
City / Town	HERMANUS
Postal Code	7200
General Contacts	
Telephone number	028 313 8000
Fax number	028 313 8128
C. POLITICAL LEADERSHIP	
Speaker:	
Name	ANTON COETSEE
Telephone number	028 3138018
Cell number	083 2835 237
Fax number	028 3138067
E-mail address	acoetsee@overstrand.gov.za
Secretary/PA to the Speaker:	
Name	
Telephone number	
Cell number	
Fax number	
E-mail address	
Mayor/Executive Mayor:	
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
Secretary/PA to the Mayor/Executive Mayor:	
Name	ELIZE VERRIJ
Telephone number	028 3138058
Cell number	083 9255 404
Fax number	028 3138067
E-mail address	everij@overstrand.gov.za
Deputy Mayor/Executive Mayor:	
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
Secretary/PA to the Deputy Mayor/Executive Mayor:	
Name	
Telephone number	
Cell number	
Fax number	
E-mail address	
D. MANAGEMENT LEADERSHIP	
Municipal Manager:	
Name	COENIE GROENEWALD
Telephone number	028 3138003
Cell number	082 5529 555
Fax number	0865689726
E-mail address	cgroenewald@overstrand.gov.za
Secretary/PA to the Municipal Manager:	
Name	RENTIA PRETORIUS
Telephone number	028 3138909
Cell number	
Fax number	0865689726
E-mail address	rpretorius@overstrand.gov.za
Chief Financial Officer	
Name	SANTIE REYNEKE-NAUDE
Telephone number	028 3138040
Cell number	082 551 4499
Fax number	028 3138128
E-mail address	cfo@overstrand.gov.za
Secretary/PA to the Chief Financial Officer	
Name	RITA LE ROUX
Telephone number	028 313 8074
Cell number	
Fax number	028 313 8128
E-mail address	rleroux@overstrand.gov.za
Official responsible for submitting financial information	
Name	BERNARD KING
Telephone number	028 3138154
Cell number	
Fax number	028 313 8128
E-mail address	bking@overstrand.gov.za
Official responsible for submitting financial information	
Name	GEORGIA BUCCHIANERI
Telephone number	028 3138913
Cell number	
Fax number	028 313 8128
E-mail address	gbucchianeri@overstrand.gov.za
Official responsible for submitting financial information	
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	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousands									
Financial Performance									
Property rates	121 571	135 633	153 617	163 621	163 621	163 621	181 439	192 326	203 865
Service charges	436 439	479 253	520 392	566 784	568 784	568 784	607 054	643 477	682 086
Investment revenue	7 555	6 352	8 144	6 348	8 973	8 973	10 489	12 795	13 563
Transfers recognised - operational	41 680	67 835	60 473	90 324	103 555	103 555	126 313	100 430	113 519
Other own revenue	96 627	47 302	62 024	67 957	68 140	68 140	67 879	68 428	70 686
Total Revenue (excluding capital transfers and contributions)	703 871	736 376	804 650	895 035	913 073	913 073	993 175	1 017 455	1 083 718
Employee costs	231 642	260 645	267 019	291 593	292 827	292 827	314 204	322 023	339 129
Remuneration of councillors	7 084	7 933	8 104	8 674	8 674	8 674	9 110	9 620	10 161
Depreciation & asset impairment	104 408	99 361	106 445	111 362	111 362	111 362	117 690	124 752	132 237
Finance charges	37 331	39 927	43 447	46 895	46 895	46 895	46 421	46 952	45 449
Materials and bulk purchases	157 462	170 650	184 319	251 374	253 080	253 080	285 811	267 988	291 802
Transfers and grants	35 856	38 749	48 659	48 497	49 448	49 448	57 479	60 808	64 336
Other expenditure	178 287	214 757	253 271	206 135	227 438	227 438	242 280	252 407	265 738
Total Expenditure	752 070	832 022	911 264	964 529	989 724	989 724	1 072 995	1 084 550	1 148 851
Surplus/(Deficit)	(48 199)	(95 646)	(106 615)	(69 494)	(76 651)	(76 651)	(79 820)	(67 094)	(65 133)
Transfers recognised - capital	53 809	38 090	55 498	63 354	60 761	60 761	39 962	63 604	67 271
Contributions recognised - capital & contributed assets	5 289	12 542	1 272	1 000	1 000	1 000	4 500	-	-
Surplus/(Deficit) after capital transfers & contributions	10 899	(45 015)	(49 845)	(5 140)	(14 890)	(14 890)	(35 358)	(3 490)	2 138
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	10 899	(45 015)	(49 845)	(5 140)	(14 890)	(14 890)	(35 358)	(3 490)	2 138
Capital expenditure & funds sources									
Capital expenditure	143 764	130 930	108 490	103 914	103 386	103 386	88 356	94 230	107 271
Transfers recognised - capital	53 809	38 090	55 734	64 354	61 761	61 761	43 462	64 230	67 271
Public contributions & donations	5 067	7 985	607	462	462	462	1 462	-	-
Borrowing	67 544	70 634	39 012	32 346	33 419	33 419	33 824	30 000	40 000
Internally generated funds	17 345	14 222	13 138	6 753	7 745	7 745	9 608	-	-
Total sources of capital funds	143 764	130 930	108 490	103 914	103 386	103 386	88 356	94 230	107 271
Financial position									
Total current assets	205 668	175 465	224 444	207 929	206 935	206 935	238 962	268 874	310 714
Total non current assets	3 290 140	3 302 111	3 305 450	3 320 511	3 318 419	3 318 419	3 284 285	3 260 152	3 241 717
Total current liabilities	160 331	148 801	155 138	174 459	171 564	171 564	183 981	187 486	192 014
Total non current liabilities	483 951	520 970	602 191	617 668	627 225	627 225	636 115	646 245	662 939
Community wealth/Equity	2 851 526	2 807 805	2 772 565	2 736 314	2 726 564	2 726 564	2 703 150	2 695 295	2 697 478
Cash flows									
Net cash from (used) operating	75 920	76 616	119 478	110 861	97 687	97 687	103 090	114 461	136 325
Net cash from (used) investing	(146 955)	(130 368)	(101 315)	(110 144)	(109 616)	(109 616)	(95 217)	(100 619)	(113 802)
Net cash from (used) financing	28 482	32 764	23 666	7 409	7 409	7 409	5 787	2 547	9 054
Cash/cash equivalents at the year end	84 147	63 158	104 987	97 547	100 467	100 467	114 127	130 516	162 093
Cash backing/surplus reconciliation									
Cash and investments available	95 744	80 123	128 136	126 001	128 922	128 922	149 455	172 243	210 361
Application of cash and investments	6 388	(16 024)	(13 650)	8 224	11 740	11 740	10 503	(385)	(7 269)
Balance - surplus (shortfall)	89 356	96 147	141 786	117 777	117 182	117 182	138 952	172 628	217 630
Asset management									
Asset register summary (WDV)	3 277 435	3 280 777	3 282 248	3 292 016	3 289 923	3 289 923	3 248 926	3 218 405	3 193 440
Depreciation & asset impairment	104 408	99 361	106 445	111 362	111 362	111 362	117 690	124 752	132 237
Renewal of Existing Assets	4 147	47 032	32 727	20 758	19 493	19 493	39 533	28 399	39 325
Repairs and Maintenance	114 414	150 358	158 026	121 077	121 077	121 077	120 795	123 857	129 068
Free services									
Cost of Free Basic Services provided	3 589	3 818	4 062	3 535	3 535	3 535	4 181	4 432	4 698
Revenue cost of free services provided	34 102	32 664	38 196	39 989	39 989	39 989	45 214	47 916	50 781
Households below minimum service level									
Water:	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-
Energy:	-	-	1	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-

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

Standard Classification Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
Revenue - Standard									
<i>Governance and administration</i>	232 385	199 504	236 511	255 994	260 552	260 552	274 984	297 281	318 547
Executive and council	38 355	42 355	52 212	64 861	64 861	64 861	73 269	83 368	91 792
Budget and treasury office	137 728	150 786	172 800	180 339	183 766	183 766	200 953	213 109	225 908
Corporate services	56 303	6 363	11 499	10 795	11 924	11 924	762	803	847
<i>Community and public safety</i>	50 862	71 418	75 100	101 843	108 825	108 825	116 537	112 616	113 584
Community and social services	2 990	2 574	5 213	4 657	4 757	4 757	11 676	14 703	12 315
Sport and recreation	7 765	11 427	7 939	11 942	10 489	10 489	9 875	12 654	10 752
Public safety	20 142	28 300	31 198	37 676	37 676	37 676	37 988	38 420	38 877
Housing	19 965	29 116	30 750	47 567	55 903	55 903	56 997	46 839	51 640
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	18 567	30 962	17 928	20 033	21 639	21 639	25 639	17 168	24 533
Planning and development	7 907	12 853	9 861	9 043	9 549	9 549	14 810	9 951	10 548
Road transport	10 595	17 790	8 048	10 890	11 990	11 990	10 746	7 129	13 891
Environmental protection	65	319	19	101	101	101	83	88	93
<i>Trading services</i>	461 155	485 124	531 880	581 518	583 818	583 818	620 478	653 995	694 325
Electricity	249 645	270 880	288 745	346 361	344 361	344 361	362 878	383 351	408 112
Water	96 325	96 086	109 581	106 211	109 211	109 211	114 100	121 402	129 044
Waste water management	68 428	65 091	76 694	69 402	70 702	70 702	77 930	79 738	83 495
Waste management	46 758	53 066	56 860	59 544	59 544	59 544	65 570	69 504	73 675
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	762 969	787 007	861 419	959 389	974 834	974 834	1 037 637	1 081 060	1 150 989
Expenditure - Standard									
<i>Governance and administration</i>	205 348	119 512	231 348	237 278	249 929	249 929	262 295	273 948	290 221
Executive and council	67 621	71 355	92 928	92 565	106 242	106 242	114 535	118 197	125 860
Budget and treasury office	51 399	23 830	59 094	69 750	70 482	70 482	69 180	73 115	77 153
Corporate services	86 328	24 327	79 327	74 963	73 204	73 204	78 579	82 635	87 207
<i>Community and public safety</i>	87 288	134 133	116 395	141 933	155 493	155 493	179 163	148 176	159 408
Community and social services	26 093	30 255	35 196	31 368	31 215	31 215	34 465	35 334	37 197
Sport and recreation	14 271	18 637	16 677	18 220	18 269	18 269	20 239	20 843	22 140
Public safety	42 651	56 923	52 938	69 453	71 285	71 285	74 657	76 951	79 864
Housing	4 273	28 318	11 584	22 892	34 723	34 723	49 802	15 048	20 208
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	113 012	130 335	109 806	132 046	155 072	155 072	176 435	180 172	189 724
Planning and development	36 280	30 370	23 230	40 308	63 640	63 640	80 325	80 623	85 576
Road transport	71 108	92 659	80 914	84 786	84 933	84 933	90 397	93 565	97 944
Environmental protection	5 624	7 306	5 662	6 952	6 500	6 500	5 712	5 983	6 204
<i>Trading services</i>	346 423	448 042	453 715	453 273	429 231	429 231	455 103	482 255	509 499
Electricity	198 933	247 859	229 494	257 278	255 108	255 108	277 742	297 102	317 281
Water	61 422	99 439	71 697	78 253	62 213	62 213	59 028	61 272	63 072
Waste water management	45 965	64 659	57 717	63 478	57 745	57 745	59 828	62 976	66 197
Waste management	40 102	36 085	94 806	54 264	54 165	54 165	58 505	60 904	62 948
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	752 070	832 022	911 264	964 529	989 724	989 724	1 072 995	1 084 550	1 148 851
Surplus/(Deficit) for the year	10 899	(45 015)	(49 845)	(5 140)	(14 890)	(14 890)	(35 358)	(3 490)	2 138

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

Standard Classification Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
Revenue - Standard									
Municipal governance and administration	232 385	199 504	236 511	255 994	260 552	260 552	274 984	297 281	318 547
Executive and council	38 355	42 355	52 212	64 861	64 861	64 861	73 269	83 368	91 792
Mayor and Council	38 355	42 355	52 212	64 861	64 861	64 861	73 269	83 368	91 792
Municipal Manager	-	-	-	-	-	-	-	-	-
Budget and treasury office	137 728	150 786	172 800	180 339	183 766	183 766	200 953	213 109	225 908
Corporate services	56 303	6 363	11 499	10 795	11 924	11 924	762	803	847
Human Resources	1 158	305	755	60	60	60	-	-	-
Information Technology	150	350	935	930	2 230	2 230	-	-	-
Property Services	53 722	3 670	-	-	-	-	-	-	-
Other Admin	1 273	2 037	9 808	9 805	9 634	9 634	762	803	847
Community and public safety	50 862	71 418	75 100	101 843	108 825	108 825	116 537	112 616	113 584
Community and social services	2 990	2 574	5 213	4 657	4 757	4 757	11 676	14 703	12 315
Libraries and Archives	129	233	109	123	123	123	7 001	6 307	6 686
Museums & Art Galleries etc	-	-	-	-	-	-	-	-	-
Community halls and Facilities	2 692	2 180	4 895	4 341	4 441	4 441	4 469	8 177	5 397
Cemeteries & Crematoriums	169	161	209	194	194	194	206	218	231
Child Care	-	-	-	-	-	-	-	-	-
Aged Care	-	-	-	-	-	-	-	-	-
Other Community	-	-	-	-	-	-	-	-	-
Other Social	-	-	-	-	-	-	-	-	-
Sport and recreation	7 765	11 427	7 939	11 942	10 489	10 489	9 875	12 654	10 752
Public safety	20 142	28 300	31 198	37 676	37 676	37 676	37 988	38 420	38 877
Police	115	79	80	97	97	97	154	164	173
Fire	307	684	657	325	325	325	1 475	1 564	1 657
Civil Defence	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	-	-	-
Other	19 719	27 537	30 461	37 255	37 255	37 255	36 359	36 692	37 047
Housing	19 965	29 116	30 750	47 567	55 903	55 903	56 997	46 839	51 640
Health	-	-	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-	-	-
Ambulance	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Economic and environmental services	18 567	30 962	17 928	20 033	21 639	21 639	25 639	17 168	24 533
Planning and development	7 907	12 853	9 861	9 043	9 549	9 549	14 810	9 951	10 548
Economic Development/Planning	4 150	8 191	3 389	3 091	3 597	3 597	6 852	1 516	1 607
Town Planning/Building enforcement	3 757	4 662	6 472	5 952	5 952	5 952	7 958	8 435	8 941
Licensing & Regulation	-	-	-	-	-	-	-	-	-
Road transport	10 595	17 790	8 048	10 890	11 990	11 990	10 746	7 129	13 891
Roads	10 595	17 790	8 048	10 890	11 990	11 990	10 746	7 129	13 891
Public Buses	-	-	-	-	-	-	-	-	-
Parking Garages	-	-	-	-	-	-	-	-	-
Vehicle Licensing and Testing	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Environmental protection	65	319	19	101	101	101	83	88	93
Pollution Control	-	-	-	-	-	-	-	-	-
Biodiversity & Landscape	65	319	19	101	101	101	83	88	93
Other	-	-	-	-	-	-	-	-	-
Trading services	461 155	485 124	531 880	581 518	583 818	583 818	620 478	653 995	694 325
Electricity	249 645	270 880	288 745	346 361	344 361	344 361	362 878	383 351	408 112
Electricity Distribution	249 645	270 880	288 745	346 361	344 361	344 361	362 878	383 351	408 112
Electricity Generation	-	-	-	-	-	-	-	-	-
Water	96 325	96 086	109 581	106 211	109 211	109 211	114 100	121 402	129 044
Water Distribution	96 325	96 086	109 581	106 211	109 211	109 211	114 100	121 402	129 044
Water Storage	-	-	-	-	-	-	-	-	-
Waste water management	68 428	65 091	76 694	69 402	70 702	70 702	77 930	79 738	83 495
Sewerage	63 963	65 032	75 494	66 926	67 926	67 926	76 430	78 323	82 495
Storm Water Management	4 465	59	1 200	2 477	2 777	2 777	1 500	1 415	1 000
Public Toilets	-	-	-	-	-	-	-	-	-
Waste management	46 758	53 066	56 860	59 544	59 544	59 544	65 570	69 504	73 675
Solid Waste	46 758	53 066	56 860	59 544	59 544	59 544	65 570	69 504	73 675
Other	-	-	-	-	-	-	-	-	-
Air Transport	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Tourism	-	-	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	762 969	787 007	861 419	959 389	974 834	974 834	1 037 637	1 081 060	1 150 989

Expenditure - Standard									
Municipal governance and administration	205 348	119 512	231 348	237 278	249 929	249 929	262 295	273 948	290 221
Executive and council	67 621	71 355	92 928	92 565	106 242	106 242	114 535	118 197	125 860
<i>Mayor and Council</i>	64 378	70 977	90 897	90 290	103 967	103 967	112 194	115 720	123 239
<i>Municipal Manager</i>	3 243	378	2 031	2 275	2 275	2 275	2 341	2 477	2 621
Budget and treasury office	51 399	23 830	59 094	69 750	70 482	70 482	69 180	73 115	77 153
Corporate services	86 328	24 327	79 327	74 963	73 204	73 204	78 579	82 635	87 207
<i>Human Resources</i>	8 333	1 928	9 050	9 594	9 448	9 448	10 566	11 113	11 687
<i>Information Technology</i>	10 698	(732)	11 371	15 509	14 364	14 364	16 428	17 284	18 183
<i>Property Services</i>	17 074	6 440	12 118	5 690	5 690	5 690	6 014	6 375	6 757
<i>Other Admin</i>	50 223	16 691	46 788	44 170	43 702	43 702	45 571	47 862	50 580
Community and public safety	87 288	134 133	116 395	141 933	155 493	155 493	179 163	148 176	159 408
Community and social services	26 093	30 255	35 196	31 368	31 215	31 215	34 465	35 334	37 197
<i>Libraries and Archives</i>	4 649	6 218	5 923	6 542	6 596	6 596	7 201	7 547	7 985
<i>Museums & Art Galleries etc</i>					–	–			
<i>Community halls and Facilities</i>	21 120	23 607	28 858	24 407	24 201	24 201	26 780	27 276	28 673
<i>Cemeteries & Crematoriums</i>	325	430	416	419	419	419	484	511	539
<i>Child Care</i>									
<i>Aged Care</i>									
<i>Other Community</i>									
<i>Other Social</i>									
Sport and recreation	14 271	18 637	16 677	18 220	18 269	18 269	20 239	20 843	22 140
Public safety	42 651	56 923	52 938	69 453	71 285	71 285	74 657	76 951	79 864
<i>Police</i>	10 668	13 606	11 558	12 795	12 970	12 970	13 470	14 275	15 065
<i>Fire</i>	9 619	11 187	12 654	12 277	13 701	13 701	13 992	14 421	15 203
<i>Civil Defence</i>					–	–			
<i>Street Lighting</i>					–	–			
<i>Other</i>	22 364	32 129	28 726	44 381	44 614	44 614	47 195	48 256	49 596
Housing	4 273	28 318	11 584	22 892	34 723	34 723	49 802	15 048	20 208
Health	–	–	–	–	–	–	–	–	–
<i>Clinics</i>									
<i>Ambulance</i>									
<i>Other</i>									
Economic and environmental services	113 012	130 335	109 806	132 046	155 072	155 072	176 435	180 172	189 724
Planning and development	36 280	30 370	23 230	40 308	63 640	63 640	80 325	80 623	85 576
<i>Economic Development/Planning</i>	22 758	14 781	10 226	24 086	47 393	47 393	63 421	63 609	67 657
<i>Town Planning/Building enforcement</i>	13 522	15 589	13 004	16 221	16 246	16 246	16 904	17 015	17 919
<i>Licensing & Regulation</i>									
Road transport	71 108	92 659	80 914	84 786	84 933	84 933	90 397	93 565	97 944
<i>Roads</i>	71 108	92 659	80 914	84 786	84 933	84 933	90 397	93 565	97 944
<i>Public Buses</i>									
<i>Parking Garages</i>									
<i>Vehicle Licensing and Testing</i>									
<i>Other</i>									
Environmental protection	5 624	7 306	5 662	6 952	6 500	6 500	5 712	5 983	6 204
<i>Pollution Control</i>									
<i>Biodiversity & Landscape</i>	5 624	7 306	5 662	6 952	6 500	6 500	5 712	5 983	6 204
<i>Other</i>									
Trading services	346 423	448 042	453 715	453 273	429 231	429 231	455 103	482 255	509 499
Electricity	198 933	247 859	229 494	257 278	255 108	255 108	277 742	297 102	317 281
<i>Electricity Distribution</i>	198 933	247 859	229 494	257 278	255 108	255 108	277 742	297 102	317 281
<i>Electricity Generation</i>									
Water	61 422	99 439	71 697	78 253	62 213	62 213	59 028	61 272	63 072
<i>Water Distribution</i>	61 422	99 439	71 697	78 253	62 213	62 213	59 028	61 272	63 072
<i>Water Storage</i>									
Waste water management	45 965	64 659	57 717	63 478	57 745	57 745	59 828	62 976	66 197
<i>Sewerage</i>	41 565	58 276	50 443	54 574	48 944	48 944	50 160	52 897	55 574
<i>Storm Water Management</i>	4 400	6 024	6 987	8 478	8 398	8 398	9 220	9 608	10 128
<i>Public Toilets</i>		359	287	426	404	404	447	471	496
Waste management	40 102	36 085	94 806	54 264	54 165	54 165	58 505	60 904	62 948
<i>Solid Waste</i>	40 102	36 085	94 806	54 264	54 165	54 165	58 505	60 904	62 948
Other	–	–	–	–	–	–	–	–	–
<i>Air Transport</i>									
<i>Abattoirs</i>									
<i>Tourism</i>									
<i>Forestry</i>									
<i>Markets</i>									
Total Expenditure - Standard	752 070	832 022	911 264	964 529	989 724	989 724	1 072 995	1 084 550	1 148 851
Surplus/(Deficit) for the year	10 899	(45 015)	(49 845)	(5 140)	(14 890)	(14 890)	(35 358)	(3 490)	2 138

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

Vote Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue by Vote									
Vote 1 - Council	38 353	42 274	52 212	64 808	64 808	64 808	73 182	83 276	91 694
Vote 2 - Municipal Manager	–	–	–	–	–	–	–	–	–
Vote 3 - Management Services	1 476	1 286	1 692	991	2 349	2 349	1	1	1
Vote 4 - Finance	137 728	150 786	172 800	180 339	183 766	183 766	200 953	213 109	225 908
Vote 5 - Community Services	253 932	276 626	270 483	272 957	276 775	276 775	291 065	306 364	324 475
Vote 6 - Local Economic Development	3 750	6 431	3 389	3 091	3 091	3 091	3 352	1 516	1 607
Vote 7 - Infrastructure & Planning	307 588	281 304	329 646	399 527	406 369	406 369	431 096	438 374	468 427
Vote 8 - Protection Services	20 142	28 300	31 198	37 676	37 676	37 676	37 988	38 420	38 877
Total Revenue by Vote	762 969	787 007	861 419	959 389	974 834	974 834	1 037 637	1 081 060	1 150 989
Expenditure by Vote to be appropriated									
Vote 1 - Council	64 385	68 239	73 581	71 496	84 733	84 733	91 748	96 140	102 598
Vote 2 - Municipal Manager	3 243	1 295	3 903	4 489	4 489	4 489	4 722	4 978	5 247
Vote 3 - Management Services	30 890	5 492	36 148	43 327	41 916	41 916	46 490	48 974	51 802
Vote 4 - Finance	51 399	23 830	59 094	69 750	70 482	70 482	69 180	73 115	77 153
Vote 5 - Community Services	296 939	394 516	330 928	341 492	332 291	332 291	346 998	358 613	375 553
Vote 6 - Local Economic Development	7 722	9 945	10 226	8 731	9 531	9 531	10 795	7 433	7 672
Vote 7 - Infrastructure & Planning	254 841	271 782	344 447	355 793	374 997	374 997	428 407	418 346	448 962
Vote 8 - Protection Services	42 651	56 923	52 938	69 453	71 285	71 285	74 657	76 951	79 864
Total Expenditure by Vote	752 070	832 022	911 264	964 529	989 724	989 724	1 072 995	1 084 550	1 148 851
Surplus/(Deficit) for the year	10 899	(45 015)	(49 845)	(5 140)	(14 890)	(14 890)	(35 358)	(3 490)	2 138

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

Vote Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue by Vote									
Vote 1 - Council	38 353	42 274	52 212	64 808	64 808	64 808	73 182	83 276	91 694
1.1 - Council General	38 353	42 274	52 212	64 808	64 808	64 808	73 182	83 276	91 694
1.2 - Mayor's Office									
1.3 - Pensioners & Continued Members									
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
2.1 - Municipal Manager									
2.2 - Internal Audit									
Vote 3 - Management Services	1 476	1 286	1 692	991	2 349	2 349	1	1	1
3.1 - Director: Management Services	166	631			58	58			
3.2 - Communication					-	-			
3.3 - Legal Services					-	-			
3.4 - Strategic Services					-	-			
3.5 - Human Resources	1 158	305	755	60	60	60			
3.6 - Info & Communication Technology	150	350	935	930	2 230	2 230			
3.7 - Council Support Services	3		1	1	1	1	1	1	1
3.8 - Social Development									
3.9 - Risk Management									
3.10 - Municipal Court									
Vote 4 - Finance	137 728	150 786	172 800	180 339	183 766	183 766	200 953	213 109	225 908
4.1 - Director: Finance					-	-			
4.2 - Deputy Director: Finance	1 250	1 455	1 407	1 450	1 042	1 042	1 475	1 550	1 550
4.3 - Accounting Services	8 049	7 192	9 353	6 348	8 948	8 948	10 317	10 936	11 592
4.4 - Expenditure & Asset Management	18	25	16	15	1 250	1 250	136	257	378
4.5 - Revenue	7 418	7 154	9 038	9 675	9 675	9 675	8 412	8 917	9 452
4.6 - Supply Chain Management	138	101	64	121	121	121	21	22	24
4.7 - Data Control	22		3	-	-	-			
4.8 - Assessment Rates	120 833	134 860	152 919	162 730	162 730	162 730	180 591	191 427	202 913
Vote 5 - Community Services	253 932	276 626	270 483	272 957	276 775	276 775	291 065	306 364	324 475
5.1 - Director & Administration	1 107	938	5 744	8 447	8 447	8 447	7 052	168	173
5.2 - Offices & Community Buildings	891	971	2 571	1 706	1 578	1 578	2 009	5 569	2 634
5.3 - Parks & Townlands, Cemeteries	1 970	1 920	2 533	4 238	4 238	4 238	3 352	3 553	3 766
5.4 - Libraries	129	233	109	123	123	123	112	6 307	6 686
5.5 - Sport & Recreation	7 765	11 427	7 939	11 942	10 489	10 489	9 875	12 654	10 752
5.6 - Housing & Social Upliftment	19 965	29 116	403	453	453	453	320	339	360
5.7 - Roads & Stormwater	15 060	17 849	9 248	13 366	14 766	14 766	12 246	8 544	14 891
5.8 - Water	96 325	96 086	109 581	106 211	109 211	109 211	114 100	121 402	129 044
5.9 - Sewerage	63 963	65 032	75 494	66 926	67 926	67 926	76 430	78 323	82 495
5.10 - Refuse	46 758	53 054	56 860	59 544	59 544	59 544	65 570	69 504	73 675
Vote 6 - Local Economic Development	3 750	6 431	3 389	3 091	3 091	3 091	3 352	1 516	1 607
6.1 - Director: Economic Development & Planning	3 750	5 207	1 768	1 661	-	-			
6.2 - Tourism					-	-			
6.3 - Parking Services		1 224	1 621	1 430	1 912	1 912	1 430	1 516	1 607
6.4 - EPWP					1 179	1 179	1 922		
Vote 7 - Infrastructure & Planning	307 588	281 304	329 646	399 527	406 369	406 369	431 096	438 374	468 427
7.1 - Director: Infrastructure & Planning		1 000	941		-	-			
7.2 - Deputy Director: Engineering Planning	400	759	1 162	0	506	506	3 500	0	0
7.3 - Engineering Services & Housing Development			30 347	47 114	55 450	55 450	56 677	46 500	51 280
7.4 - Town Planning	794	912	1 200	1 112	1 112	1 112	1 506	1 596	1 692
7.5 - Geographical Info System (GIS)					-	-			
7.6 - Building Control Services	2 963	3 750	5 272	4 840	4 840	4 840	6 452	6 839	7 250
7.7 - Environmental Management Services	65	319	19	101	101	101	83	88	93
7.8 - Electricity	249 645	270 880	288 745	346 361	344 361	344 361	362 878	383 351	408 112
7.9 - Solid Waste Planning & Solid Waste Disposal		12	4 095						
7.10 - Property Administration	53 722	3 670	(2 135)						
Vote 8 - Protection Services	20 142	28 300	31 198	37 676	37 676	37 676	37 988	38 420	38 877
8.1 - Director: Protection Services	50	100			-	-			
8.2 - Traffic	18 557	27 437	30 461	37 255	37 255	37 255	36 359	36 692	37 047
8.3 - Law Enforcement	115	79	80	97	97	97	154	164	173
8.4 - Vehicle testing					-	-			
8.5 - Fire Brigade/Disaster Management	307	684	657	325	325	325	1 475	1 564	1 657
8.6 - Vehicle Licensing	1 112								
8.7 - Special Task Team Unit									
Total Revenue by Vote	762 969	787 007	861 419	959 389	974 834	974 834	1 037 637	1 081 060	1 150 989

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

Vote Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Expenditure by Vote									
Vote 1 - Council	64 385	68 239	73 581	71 496	84 733	84 733	91 748	96 140	102 598
1.1 - Council General	63 356	68 203	72 791	70 656	83 894	83 894	90 755	95 094	101 497
1.2 - Mayor's Office	1 022	28	782	832	832	832	993	1 046	1 101
1.3 - Pensioners & Continued Members	7	8	8	8	8	8			
Vote 2 - Municipal Manager	3 243	1 295	3 903	4 489	4 489	4 489	4 722	4 978	5 247
2.1 - Municipal Manager	1 834	378	2 031	2 275	2 275	2 275	2 341	2 477	2 621
2.2 - Internal Audit	1 409	917	1 872	2 214	2 214	2 214	2 381	2 501	2 626
Vote 3 - Management Services	30 890	5 492	36 148	43 327	41 916	41 916	46 490	48 974	51 802
3.1 - Director: Management Services	4 461	1 482	6 534	5 709	6 204	6 204	6 289	6 782	7 501
3.2 - Communication	2 280	41	1 670	2 757	2 467	2 467	2 993	3 093	3 197
3.3 - Legal Services	1 358	779	2 174	2 974	2 974	2 974	3 047	3 212	3 385
3.4 - Strategic Services	1 084	166	1 316	1 408	1 408	1 408	1 621	1 705	1 807
3.5 - Human Resources	8 333	1 928	9 050	9 594	9 448	9 448	10 566	11 113	11 687
3.6 - Info & Communication Technology	10 695	(732)	11 371	15 509	14 364	14 364	16 428	17 284	18 183
3.7 - Council Support Services	2 679	989	3 069	3 527	3 527	3 527	3 728	3 907	4 091
3.8 - Social Development		700	872	1 100	1 045	1 045	1 153	1 183	1 216
3.9 - Risk Management			-		-	-			
3.10 - Municipal Court		139	93	749	479	479	665	695	735
Vote 4 - Finance	51 399	23 830	59 094	69 750	70 482	70 482	69 180	73 115	77 153
4.1 - Director: Finance	1 717	662	1 909	2 042	2 082	2 082	2 171	2 297	2 431
4.2 - Deputy Director: Finance	4 385	4 347	6 253	6 993	6 186	6 186	7 104	7 508	7 856
4.3 - Accounting Services	3 561	424	5 221	5 275	5 275	5 275	5 241	5 514	5 801
4.4 - Expenditure & Asset Management	7 654	1 798	8 734	10 240	11 410	11 410	11 462	12 158	12 880
4.5 - Revenue	20 869	7 154	22 165	24 880	24 860	24 860	26 012	27 485	29 031
4.6 - Supply Chain Management	7 247	4 138	8 103	9 043	9 443	9 443	8 562	9 029	9 514
4.7 - Data Control	518	186	637	966	966	966	1 030	1 091	1 156
4.8 - Assessment Rates	5 449	5 121	6 072	10 312	10 262	10 262	7 598	8 032	8 485
Vote 5 - Community Services	296 939	394 516	330 928	341 492	332 291	332 291	346 998	358 613	375 553
5.1 - Director & Administration	38 337	13 822	35 270	27 328	40 511	40 511	41 943	42 109	44 299
5.2 - Offices & Community Buildings	6 534	4 987	5 427	6 381	6 321	6 321	6 857	6 896	7 258
5.3 - Parks & Townlands, Cemeteries	14 915	19 444	23 846	20 558	20 405	20 405	22 606	23 147	24 319
5.4 - Libraries	4 649	6 218	5 923	6 542	6 596	6 596	7 201	7 547	7 985
5.5 - Sport & Recreation	14 271	18 637	16 964	18 220	18 269	18 269	20 239	20 843	22 140
5.6 - Housing & Social Upliftment	4 273	28 318	5 045	5 750	5 353	5 353	6 007	6 328	6 668
5.7 - Roads & Stormwater	75 508	98 348	87 901	92 424	92 340	92 340	98 777	102 334	107 231
5.8 - Water	61 422	99 439	71 697	78 253	62 213	62 213	59 028	61 272	63 072
5.9 - Sewerage	41 565	58 634	50 443	55 000	49 347	49 347	50 608	53 368	56 070
5.10 - Refuse	35 466	46 668	28 412	31 035	30 936	30 936	33 732	34 769	36 512
Vote 6 - Local Economic Development	7 722	9 945	10 226	8 731	9 531	9 531	10 795	7 433	7 672
6.1 - Director: Economic Development & Planning	4 720	4 291	5 259	5 672	4 342	4 342	3 756	3 936	4 138
6.2 - Tourism	3 002	3 820	2 615	2 741	2 524	2 524	3 112	3 149	3 187
6.3 - Parking Services		1 833	2 352	317	1 486	1 486	2 005	348	348
6.4 - EPWP					1 179	1 179	1 922	-	-
Vote 7 - Infrastructure & Planning	254 841	271 782	344 447	355 793	374 997	374 997	428 407	418 346	448 962
7.1 - Director: Infrastructure & Planning	2 781	432	2 285	2 384	2 403	2 403	2 536	2 649	2 770
7.2 - Deputy Director: Engineering Planning	9 124	2 315	7 662	8 664	31 146	31 146	45 305	48 485	51 896
7.3 - Engineering Services & Housing Development	2 003	1 595	6 539	32 871	32 020	32 020	46 860	11 951	16 953
7.4 - Town Planning	9 494	10 635	8 557	11 192	11 392	11 392	11 749	11 606	12 247
7.5 - Geographical Info System (GIS)	1 128	495	1 288	1 289	1 289	1 289	1 347	1 420	1 497
7.6 - Building Control Services	4 027	4 954	4 447	5 030	4 855	4 855	5 155	5 409	5 673
7.7 - Environmental Management Services	5 624	7 306	5 662	6 952	6 500	6 500	5 712	5 983	6 204
7.8 - Electricity	198 933	248 194	229 494	258 118	256 098	256 098	278 582	297 942	318 121
7.9 - Solid Waste Planning & Solid Waste Disposal	4 636	(10 583)	66 394	23 229	23 229	23 229	24 773	26 135	26 436
7.10 - Property Administration	17 089	6 440	12 118	6 064	6 064	6 064	6 388	6 765	7 165
Vote 8 - Protection Services	42 651	56 923	52 938	69 453	71 285	71 285	74 657	76 951	79 864
8.1 - Director: Protection Services	1 518	1 289	1 729	1 948	1 980	1 980	2 000	2 116	2 240
8.2 - Traffic	19 243	30 524	25 892	41 049	41 210	41 210	43 438	44 277	45 384
8.3 - Law Enforcement	10 668	13 606	11 558	12 795	12 970	12 970	13 470	14 275	15 065
8.4 - Vehicle testing	178	316	396	296	311	311	350	370	391
8.5 - Fire Brigade/Disaster Management	9 619	11 187	12 654	12 277	13 701	13 701	13 992	14 421	15 203
8.6 - Vehicle Licensing	1 426		709	1 087	1 112	1 112	1 151	1 221	1 294
8.7 - Special Task Team Unit							256	271	288
Total Expenditure by Vote	752 070	832 022	911 264	964 529	989 724	989 724	1 072 995	1 084 550	1 148 851
Surplus/(Deficit) for the year	10 899	(45 015)	(49 845)	(5 140)	(14 890)	(14 890)	(35 358)	(3 490)	2 138

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

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
Revenue By Source									
Property rates	120 799	134 813	152 870	162 730	162 730	162 730	180 591	191 427	202 913
Property rates - penalties & collection charges	772	821	747	891	891	891	848	899	953
Service charges - electricity revenue	247 663	268 362	286 571	338 877	336 327	336 327	356 959	379 108	401 855
Service charges - water revenue	85 243	95 136	108 391	102 045	104 429	104 429	111 544	117 505	124 556
Service charges - sanitation revenue	56 895	62 798	68 661	66 375	67 375	67 375	72 318	76 657	81 257
Service charges - refuse revenue	46 637	52 957	56 770	59 488	59 488	59 488	65 510	69 441	73 607
Service charges - other					1 166	1 166	722	765	811
Rental of facilities and equipment	7 212	7 591	9 155	11 859	5 360	5 360	4 728	3 335	3 535
Interest earned - external investments	7 555	6 352	8 144	6 348	8 973	8 973	10 489	12 795	13 563
Interest earned - outstanding debtors	2 199	2 118	2 279	2 437	2 437	2 437	2 756	2 921	3 097
Dividends received									
Fines	14 244	22 739	25 389	31 859	31 859	31 859	31 143	31 164	31 187
Licences and permits	1 968	1 956	1 972	2 190	2 190	2 190	2 330	2 470	2 618
Agency services	2 025	2 395	2 766	2 970	2 970	2 970	3 220	3 413	3 618
Transfers recognised - operational	41 680	67 835	60 473	90 324	103 555	103 555	126 313	100 430	113 519
Other revenue	68 978	10 504	20 463	16 643	23 324	23 324	23 702	25 124	26 631
Gains on disposal of PPE									
Total Revenue (excluding capital transfers and contributions)	703 871	736 376	804 650	895 035	913 073	913 073	993 175	1 017 455	1 083 718
Expenditure By Type									
Employee related costs	231 642	260 645	267 019	291 593	292 827	292 827	314 204	322 023	339 129
Remuneration of councillors	7 084	7 933	8 104	8 674	8 674	8 674	9 110	9 620	10 161
Debt impairment	6 688	12 526	10 846	22 792	22 792	22 792	23 888	23 974	24 048
Depreciation & asset impairment	104 408	99 361	106 445	111 362	111 362	111 362	117 690	124 752	132 237
Finance charges	37 331	39 927	43 447	46 895	46 895	46 895	46 421	46 952	45 449
Bulk purchases	145 022	157 055	167 660	193 573	191 573	191 573	210 763	227 329	245 197
Other materials	12 441	13 595	16 659	57 801	61 507	61 507	75 048	40 659	46 605
Contracted services	67 697	72 754	85 327	125 322	147 093	147 093	158 368	164 936	174 154
Transfers and grants	35 856	38 749	48 659	48 497	49 448	49 448	57 479	60 808	64 336
Other expenditure	102 146	117 460	157 098	58 021	57 553	57 553	60 024	63 497	67 536
Loss on disposal of PPE	1 756	12 017							
Total Expenditure	752 070	832 022	911 264	964 529	989 724	989 724	1 072 995	1 084 550	1 148 851
Surplus/(Deficit)	(48 199)	(95 646)	(106 615)	(69 494)	(76 651)	(76 651)	(79 820)	(67 094)	(65 133)
Transfers recognised - capital	53 809	38 090	55 498	63 354	60 761	60 761	39 962	63 604	67 271
Contributions recognised - capital	5 289	7 871	1 272	1 000	1 000	1 000	4 500	-	-
Contributed assets		4 671							
Surplus/(Deficit) after capital transfers & contributions	10 899	(45 015)	(49 845)	(5 140)	(14 890)	(14 890)	(35 358)	(3 490)	2 138
Taxation									
Surplus/(Deficit) after taxation	10 899	(45 015)	(49 845)	(5 140)	(14 890)	(14 890)	(35 358)	(3 490)	2 138
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	10 899	(45 015)	(49 845)	(5 140)	(14 890)	(14 890)	(35 358)	(3 490)	2 138
Share of surplus/ (deficit) of associate									
Surplus/(Deficit) for the year	10 899	(45 015)	(49 845)	(5 140)	(14 890)	(14 890)	(35 358)	(3 490)	2 138

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

Vote Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Capital expenditure - Vote									
Multi-year expenditure to be appropriated									
Vote 1 - Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Management Services	-	-	2 658	-	-	-	-	-	-
Vote 4 - Finance	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services	-	5 000	89 992	21 911	20 996	20 996	14 311	38 890	37 031
Vote 6 - Local Economic Development	-	-	-	-	-	-	-	-	-
Vote 7 - Infrastructure & Planning	-	-	15 839	11 451	13 016	13 016	15 000	14 000	20 500
Vote 8 - Protection Services	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	-	5 000	108 489	33 362	34 012	34 012	29 311	52 890	57 531
Single-year expenditure to be appropriated									
Vote 1 - Council	-	-	-	-	-	-	5	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	41	-	-
Vote 3 - Management Services	1 274	1 790	-	2 528	4 593	4 593	320	-	-
Vote 4 - Finance	-	-	-	-	-	-	30	-	-
Vote 5 - Community Services	110 111	74 622	-	56 809	53 966	53 966	51 033	41 340	49 740
Vote 6 - Local Economic Development	945	-	-	-	-	-	15	-	-
Vote 7 - Infrastructure & Planning	31 434	49 518	-	10 920	10 520	10 520	6 721	-	-
Vote 8 - Protection Services	-	-	-	295	295	295	880	-	-
Capital single-year expenditure sub-total	143 764	125 930	-	70 552	69 374	69 374	59 046	41 340	49 740
Total Capital Expenditure - Vote	143 764	130 930	108 489	103 914	103 386	103 386	88 356	94 230	107 271
Capital Expenditure - Standard									
Governance and administration	7 154	21 308	10 561	2 648	4 713	4 713	855	-	-
Executive and council							46		
Budget and treasury office									
Corporate services	7 154	21 308	10 561	2 648	4 713	4 713	809		
Community and public safety	7 268	19 582	39 184	39 768	34 660	34 660	19 502	47 715	42 340
Community and social services	4 666	3 482	5 258	3 520	3 220	3 220	2 995	4 500	1 500
Sport and recreation	2 601	5 696	1 565	5 981	5 066	5 066	2 545	5 435	3 100
Public safety	-	-	-	295	295	295	1 080		
Housing	-	10 404	32 361	29 973	26 080	26 080	12 882	37 780	37 740
Health									
Economic and environmental services	25 552	16 051	6 300	12 128	13 229	13 229	12 933	6 859	13 605
Planning and development	945			25	25	25	183		
Road transport	24 607	16 051	6 300	12 103	13 204	13 204	12 750	6 859	13 605
Environmental protection									
Trading services	103 790	73 989	52 444	49 370	50 784	50 784	55 066	39 656	51 326
Electricity	26 768	37 115	13 682	21 726	22 891	22 891	21 799	14 000	20 500
Water	50 766	23 631	16 275	16 390	16 390	16 390	15 021	12 800	16 826
Waste water management	20 728	10 202	13 221	11 244	11 487	11 487	18 231	12 856	14 000
Waste management	5 528	3 041	9 267	10	15	15	15		
Other									
Total Capital Expenditure - Standard	143 764	130 930	108 490	103 914	103 386	103 386	88 356	94 230	107 271
Funded by:									
National Government	36 911	6 339	22 884	30 347	30 347	30 347	26 030	26 450	29 531
Provincial Government	16 898	31 751	31 850	33 007	30 414	30 414	13 932	37 780	37 740
District Municipality									
Other transfers and grants			1 000	1 000	1 000	1 000	3 500		
Transfers recognised - capital	53 809	38 090	55 734	64 354	61 761	61 761	43 462	64 230	67 271
Public contributions & donations	5 067	7 985	607	462	462	462	1 462		
Borrowing	67 544	70 634	39 012	32 346	33 419	33 419	33 824	30 000	40 000
Internally generated funds	17 345	14 222	13 138	6 753	7 745	7 745	9 608		
Total Capital Funding	143 764	130 930	108 490	103 914	103 386	103 386	88 356	94 230	107 271

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

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

Capital expenditure - Municipal Vote									
Single-year expenditure appropriation									
Vote 1 - Council	-	-	-	-	-	-	5	-	-
1.1 - Council General									
1.2 - Mayor's Office							5		
1.3 - Pensioners & Continued Members									
Vote 2 - Municipal Manager	-	-	-	-	-	-	41	-	-
2.1 - Municipal Manager							41		
2.2 - Internal Audit									
Vote 3 - Management Services	1 274	1 790	-	2 528	4 593	4 593	320	-	-
3.1 - Director: Management Services									
3.2 - Communication									
3.3 - Legal Services									
3.4 - Strategic Services									
3.5 - Human Resources									
3.6 - Info & Communication Technology	1 274	1 790		2 528	4 593	4 593	200		
3.7 - Council Support Services							120		
3.8 - Social Development									
3.9 - Risk Management									
3.10 - Municipal Court									
Vote 4 - Finance	-	-	-	-	-	-	30	-	-
4.1 - Director: Finance							30		
4.2 - Deputy Director: Finance									
4.3 - Accounting Services									
4.4 - Expenditure & Asset Management									
4.5 - Revenue									
4.6 - Supply Chain Management									
4.7 - Data Control									
4.8 - Assessment Rates									
Vote 5 - Community Services	110 111	74 622	-	56 809	53 966	53 966	51 033	41 340	49 740
5.1 - Director & Administration				126			1 690		
5.2 - Offices & Community Buildings	5 880	10 597					945		
5.3 - Parks & Townlands, Cemeteries									
5.4 - Libraries							1 050		
5.5 - Sport & Recreation	2 601	696		228	54	54	2 545	37 780	
5.6 - Housing & Social Upliftment	-	10 404		29 973	26 080	26 080	12 882		37 740
5.7 - Roads & Stormwater	30 715	16 094		15 079	16 424	16 424	12 195		
5.8 - Water	50 766	23 631		6 673	6 673	6 673	11 411	3 560	6 000
5.9 - Sewerage	14 621	10 159		4 720	4 720	4 720	8 301		6 000
5.10 - Refuse	5 528	3 041		10	15	15	15		
Vote 6 - Local Economic Development	945	-	-	-	-	-	15	-	-
6.1 - Director: Economic Development & Planning	945						15		
6.2 - Tourism									
6.3 - Parking Services									
6.4 - EPWP									
Vote 7 - Infrastructure & Planning	31 434	49 518	-	10 920	10 520	10 520	6 721	-	-
7.1 - Director: Infrastructure & Planning							122		
7.2 - Deputy Director: Engineering Planning									
7.3 - Engineering Services & Housing Development									
7.4 - Town Planning									
7.5 - Geographical Info System (GIS)									
7.6 - Building Control Services									
7.7 - Environmental Management Services									
7.8 - Electricity	26 768	37 115		10 275	9 875	9 875	6 599		
7.9 - Solid Waste Planning & Solid Waste Disposal									
7.10 - Property Administration	4 666	12 403		645	645	645			
Vote 8 - Protection Services	-	-	-	295	295	295	880	-	-
8.1 - Director: Protection Services				295	295	295	880		
8.2 - Traffic									
8.3 - Law Enforcement									
8.4 - Vehicle testing									
8.5 - Fire Brigade/Disaster Management									
8.6 - Vehicle Licensing									
8.7 - Special Task Team Unit									
Capital single-year expenditure sub-total	143 764	125 930	-	70 552	69 374	69 374	59 046	41 340	49 740
Total Capital Expenditure	143 764	130 930	108 489	103 914	103 386	103 386	88 356	94 230	107 271

WC032 Overstrand - Table A6 Budgeted Financial Position

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
ASSETS									
Current assets									
Cash	29 106	13 119	78 935	97 547	100 467	100 467	114 127	130 516	162 093
Call investment deposits	55 042	50 039	26 051	–	–	–	–	–	–
Consumer debtors	49 025	47 451	52 850	51 774	51 774	51 774	66 944	70 804	74 893
Other debtors	52 222	51 704	56 167	44 112	40 197	40 197	44 217	53 060	58 366
Current portion of long-term receivables	17	15	15	13	13	13	11	10	10
Inventory	20 257	13 137	10 426	14 483	14 483	14 483	13 663	14 483	15 352
Total current assets	205 668	175 465	224 444	207 929	206 935	206 935	238 962	268 874	310 714
Non current assets									
Long-term receivables	84	68	53	41	41	41	30	20	10
Investments	11 597	16 965	23 149	28 455	28 455	28 455	35 328	41 727	48 267
Investment property	175 866	164 501	159 761	164 501	164 501	164 501	159 761	159 761	159 761
Investment in Associate				–	–	–	–	–	–
Property, plant and equipment	3 097 120	3 111 056	3 117 725	3 122 147	3 120 054	3 120 054	3 084 987	3 055 727	3 032 098
Agricultural				–	–	–	–	–	–
Biological				–	–	–	–	–	–
Intangible	4 449	5 220	4 762	5 368	5 368	5 368	4 179	2 918	1 581
Other non-current assets	1 025	4 301		–	–	–	–	–	–
Total non current assets	3 290 140	3 302 111	3 305 450	3 320 511	3 318 419	3 318 419	3 284 285	3 260 152	3 241 717
TOTAL ASSETS	3 495 808	3 477 576	3 529 894	3 528 441	3 525 353	3 525 353	3 523 246	3 529 026	3 552 432
LIABILITIES									
Current liabilities									
Bank overdraft									
Borrowing	18 241	20 443	23 620	28 113	28 113	28 113	29 378	32 831	36 912
Consumer deposits	34 932	37 751	41 743	43 801	43 801	43 801	46 429	48 750	51 188
Trade and other payables	79 489	64 943	65 836	74 229	74 229	74 229	81 244	77 375	73 691
Provisions	27 670	25 663	23 939	28 317	25 422	25 422	26 930	28 529	30 224
Total current liabilities	160 331	148 801	155 138	174 459	171 564	171 564	183 981	187 486	192 014
Non current liabilities									
Borrowing	364 632	392 444	408 964	415 999	415 999	415 999	412 288	409 060	411 596
Provisions	119 319	128 527	193 227	201 669	211 226	211 226	223 827	237 184	251 343
Total non current liabilities	483 951	520 970	602 191	617 668	627 225	627 225	636 115	646 245	662 939
TOTAL LIABILITIES	644 282	669 772	757 329	792 127	798 789	798 789	820 097	833 731	854 954
NET ASSETS	2 851 526	2 807 805	2 772 565	2 736 314	2 726 564	2 726 564	2 703 150	2 695 295	2 697 478
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	2 849 634	2 805 240	2 769 994	2 733 677	2 723 927	2 723 927	2 700 931	2 693 032	2 695 170
Reserves	1 891	2 565	2 571	2 637	2 637	2 637	2 218	2 263	2 308
TOTAL COMMUNITY WEALTH/EQUITY	2 851 526	2 807 805	2 772 565	2 736 314	2 726 564	2 726 564	2 703 150	2 695 295	2 697 478

WC032 Overstrand - Table A7 Budgeted Cash Flows

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates, penalties & collection charges	120 273	135 875	152 186	163 800	163 800	163 800	177 978	191 444	202 932
Service charges	437 061	483 167	517 192	567 409	569 410	569 410	595 436	640 514	678 947
Other revenue	41 689	63 976	59 478	76 884	80 982	80 982	60 595	56 692	62 312
Government - operating	44 140	63 477	59 124	90 324	103 555	103 555	126 313	100 430	113 519
Government - capital	54 577	38 090	55 498	64 354	61 761	61 761	44 462	63 604	67 271
Interest	9 754	8 470	10 423	8 784	11 409	11 409	13 245	15 716	16 659
Dividends							-	-	-
Payments									
Suppliers and employees	(558 519)	(637 833)	(642 330)	(765 303)	(796 886)	(796 886)	(811 039)	(846 180)	(895 529)
Finance charges	(37 199)	(39 858)	(43 433)	(46 895)	(46 895)	(46 895)	(46 421)	(46 952)	(45 449)
Transfers and Grants	(35 856)	(38 749)	(48 659)	(48 497)	(49 448)	(49 448)	(57 479)	(60 808)	(64 336)
NET CASH FROM/(USED) OPERATING ACTIVITIES	75 920	76 616	119 478	110 861	97 687	97 687	103 090	114 461	136 325
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	1 725	5 073	14 548	-	-	-	-	-	-
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	45	18	15	18	18	18	13	11	10
Decrease (increase) in non-current investments	(4 960)	(4 529)	(4 980)	(6 248)	(6 248)	(6 248)	(6 873)	(6 399)	(6 541)
Payments									
Capital assets	(143 764)	(130 930)	(110 898)	(103 914)	(103 386)	(103 386)	(88 356)	(94 230)	(107 271)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(146 955)	(130 368)	(101 315)	(110 144)	(109 616)	(109 616)	(95 217)	(100 619)	(113 802)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	(389)	(730)	64	(1 135)	(1 135)	(1 135)	-	-	-
Borrowing long term/refinancing	38 700	51 300	40 000	30 000	30 000	30 000	30 000	30 000	40 000
Increase (decrease) in consumer deposits	3 726	2 819	3 983	2 479	2 479	2 479	2 628	2 321	2 438
Payments									
Repayment of borrowing	(13 554)	(20 626)	(20 381)	(23 936)	(23 936)	(23 936)	(26 841)	(29 775)	(33 384)
NET CASH FROM/(USED) FINANCING ACTIVITIES	28 482	32 764	23 666	7 409	7 409	7 409	5 787	2 547	9 054
NET INCREASE/ (DECREASE) IN CASH HELD	(42 552)	(20 989)	41 828	8 126	(4 520)	(4 520)	13 660	16 389	31 577
Cash/cash equivalents at the year begin:	126 699	84 147	63 158	89 421	104 987	104 987	100 467	114 127	130 516
Cash/cash equivalents at the year end:	84 147	63 158	104 987	97 547	100 467	100 467	114 127	130 516	162 093

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

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
Cash and investments available									
Cash/cash equivalents at the year end	84 147	63 158	104 987	97 547	100 467	100 467	114 127	130 516	162 093
Other current investments > 90 days	–	0	–	0	0	0	–	–	–
Non current assets - Investments	11 597	16 965	23 149	28 455	28 455	28 455	35 328	41 727	48 267
Cash and investments available:	95 744	80 123	128 136	126 001	128 922	128 922	149 455	172 243	210 361
Application of cash and investments									
Unspent conditional transfers	7 783	3 425	2 076	–	–	–	–	–	–
Unspent borrowing	6 133	1 847	2 800	–	–	–	–	–	–
Statutory requirements									
Other working capital requirements	(21 016)	(40 826)	(44 247)	(22 868)	(19 352)	(19 352)	(27 043)	(44 375)	(57 844)
Other provisions									
Long term investments committed	11 597	16 965	23 149	28 455	28 455	28 455	35 328	41 727	48 267
Reserves to be backed by cash/investments	1 891	2 565	2 571	2 637	2 637	2 637	2 218	2 263	2 308
Total Application of cash and investments:	6 388	(16 024)	(13 650)	8 224	11 740	11 740	10 503	(385)	(7 269)
Surplus(shortfall)	89 356	96 147	141 786	117 777	117 182	117 182	138 952	172 628	217 630

WC032 Overstrand - Table A9 Asset Management

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
CAPITAL EXPENDITURE									
Total New Assets	139 617	83 899	75 763	83 156	83 894	83 894	48 823	65 831	67 946
Infrastructure - Road transport	15 578	9 203	1 320	14 979	16 331	16 331	1 840	–	–
Infrastructure - Electricity	22 203	24 160	13 041	21 726	22 891	22 891	21 599	14 000	20 500
Infrastructure - Water	48 634	7 300	470	4 737	4 737	4 737	4 529	6 000	4 300
Infrastructure - Sanitation	16 478	8 449	8 892	3 420	3 413	3 413	8 301	10 160	8 500
Infrastructure - Other	5 359	1 400	9 198	10	15	15	15	–	–
Infrastructure	108 252	50 511	32 922	44 873	47 388	47 388	36 284	30 160	33 300
Community	20 997	13 896	32 280	35 611	31 768	31 768	10 366	35 671	34 646
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	795	–	–	–	–	–	–	–
Other assets	9 038	18 697	10 561	2 673	4 738	4 738	2 173	–	–
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	1 330	–	–	–	–	–	–	–	–
Total Renewal of Existing Assets	4 147	47 032	32 727	20 758	19 493	19 493	39 533	28 399	39 325
Infrastructure - Road transport	131	6 892	6 300	–	–	–	11 855	8 274	14 605
Infrastructure - Electricity	–	12 955	3 100	–	–	–	–	–	–
Infrastructure - Water	–	16 331	15 805	11 653	11 653	11 653	10 492	6 800	12 526
Infrastructure - Sanitation	–	1 711	3 179	4 947	4 947	4 947	8 200	1 281	4 500
Infrastructure - Other	–	1 641	–	–	–	–	–	–	–
Infrastructure	131	39 529	28 384	16 600	16 600	16 600	30 547	16 355	31 631
Community	756	5 686	4 343	4 158	2 893	2 893	8 986	12 044	7 694
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	3 260	1 817	–	–	–	–	–	–	–
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	–	–	–	–	–	–	–	–	–
Total Capital Expenditure									
Infrastructure - Road transport	15 709	16 094	7 621	14 979	16 331	16 331	13 695	8 274	14 605
Infrastructure - Electricity	22 203	37 115	16 142	21 726	22 891	22 891	21 599	14 000	20 500
Infrastructure - Water	48 634	23 631	16 275	16 390	16 390	16 390	15 021	12 800	16 826
Infrastructure - Sanitation	16 478	10 159	12 071	8 367	8 361	8 361	16 501	11 441	13 000
Infrastructure - Other	5 359	3 041	9 198	10	15	15	15	–	–
Infrastructure	108 383	90 040	61 306	61 473	63 988	63 988	66 831	46 515	64 931
Community	21 753	19 582	36 623	39 768	34 660	34 660	19 352	47 715	42 340
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	795	–	–	–	–	–	–	–
Other assets	12 298	20 513	10 561	2 673	4 738	4 738	2 173	–	–
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	1 330	–	–	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class	143 764	130 930	108 489	103 914	103 386	103 386	88 356	94 230	107 271
ASSET REGISTER SUMMARY - PPE (WDV)									
Infrastructure - Road transport	947 141	942 269	935 286	925 642	926 994	926 994	906 622	878 784	855 112
Infrastructure - Electricity	609 815	619 999	616 523	620 094	619 694	619 694	619 990	611 408	607 970
Infrastructure - Water	458 648	459 954	461 764	453 842	453 842	453 842	447 747	438 164	431 264
Infrastructure - Sanitation	381 194	377 248	382 354	382 220	382 213	382 213	380 711	373 070	365 842
Infrastructure - Other	39 059	39 501	57 365	59 232	59 237	59 237	54 237	48 920	43 285
Infrastructure	2 435 858	2 438 970	2 453 291	2 441 031	2 441 981	2 441 981	2 409 306	2 350 346	2 303 474
Community	58 783	62 814	64 769	63 654	58 546	58 546	74 093	117 774	155 839
Heritage assets	99 573	99 572	97 573	99 572	99 572	99 572	99 572	99 572	99 572
Investment properties	175 866	164 501	159 761	164 501	164 501	164 501	159 761	159 761	159 761
Other assets	502 906	509 700	502 092	517 890	519 955	519 955	502 016	488 034	473 214
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	4 449	5 220	4 762	5 368	5 368	5 368	4 179	2 918	1 581
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	3 277 435	3 280 777	3 282 248	3 292 016	3 289 923	3 289 923	3 248 926	3 218 405	3 193 440
EXPENDITURE OTHER ITEMS									
Depreciation & asset impairment	104 408	99 361	106 445	111 362	111 362	111 362	117 690	124 752	132 237
Repairs and Maintenance by Asset Class	114 414	150 358	158 026	121 077	121 077	121 077	120 795	123 857	129 068
Infrastructure - Road transport	42 236	63 749	65 726	57 090	57 090	57 090	61 852	63 763	66 471
Infrastructure - Electricity	14 105	20 488	26 276	16 835	16 835	16 835	17 747	18 486	18 826
Infrastructure - Water	21 502	27 931	25 811	22 874	22 874	22 874	16 555	17 280	18 168
Infrastructure - Sanitation	7 708	15 486	16 060	12 159	12 159	12 159	11 672	11 949	12 587
Infrastructure - Other	1 499	1 491	2 136	2 492	2 492	2 492	2 546	2 639	2 735
Infrastructure	87 048	129 145	136 009	111 449	111 449	111 449	110 372	114 116	118 787
Community	5 408	7 349	8 469	4 546	4 546	4 546	4 878	4 918	5 208
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	21 958	13 864	13 548	5 081	5 081	5 081	5 545	4 822	5 072
TOTAL EXPENDITURE OTHER ITEMS	218 821	249 719	264 471	232 439	232 439	232 439	238 486	248 609	261 304
Renewal of Existing Assets as % of total capex	2.9%	35.9%	30.2%	20.0%	18.9%	18.9%	44.7%	30.1%	36.7%
Renewal of Existing Assets as % of deprecn"	4.0%	47.3%	30.7%	18.6%	17.5%	17.5%	33.6%	22.8%	29.7%
R&M as a % of PPE	3.7%	4.8%	5.1%	3.9%	3.9%	3.9%	3.9%	4.1%	4.3%
Renewal and R&M as a % of PPE	4.0%	6.0%	6.0%	4.0%	4.0%	4.0%	5.0%	5.0%	5.0%

WC032 Overstrand - Table A10 Basic service delivery measurement

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Household service targets									
Water:									
Piped water inside dwelling	27 295	32 032	28 100	29 295	29 295	29 295	32 483	33 457	34 461
Piped water inside yard (but not in dwelling)	—	—	—	—	—	—	—	—	—
Using public tap (at least min.service level)	3 436	3 334	3 350	3 188	3 188	3 188	3 144	3 068	3 010
Other water supply (at least min.service level)	199	155	—	—	—	—	—	—	—
<i>Minimum Service Level and Above sub-total</i>	30 930	35 521	31 450	32 483	32 483	32 483	35 627	36 525	37 471
Using public tap (< min.service level)	—	—	—	—	—	—	—	—	—
Other water supply (< min.service level)	—	—	—	—	—	—	—	—	—
No water supply	—	—	—	—	—	—	—	—	—
<i>Below Minimum Service Level sub-total</i>	—	—	—	—	—	—	—	—	—
Total number of households	30 930	35 521	31 450	32 483	32 483	32 483	35 627	36 525	37 471
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	21 284	21 632	20 030	20 818	20 818	20 818	26 910	27 717	28 548
Flush toilet (with septic tank)	9 646	9 799	11 420	11 665	11 665	11 665	8 717	8 500	8 300
Chemical toilet	—	—	—	—	—	—	—	—	—
Pit toilet (ventilated)	—	—	—	—	—	—	—	—	—
Other toilet provisions (> min.service level)	—	—	—	—	—	—	—	—	—
<i>Minimum Service Level and Above sub-total</i>	30 930	31 431	31 450	32 483	32 483	32 483	35 627	36 217	36 848
Bucket toilet	—	—	—	—	—	—	—	—	—
Other toilet provisions (< min.service level)	—	—	—	—	—	—	—	—	—
No toilet provisions	—	—	—	—	—	—	—	—	—
<i>Below Minimum Service Level sub-total</i>	—	—	—	—	—	—	—	—	—
Total number of households	30 930	31 431	31 450	32 483	32 483	32 483	35 627	36 217	36 848
Energy:									
Electricity (at least min.service level)	7 918	7 136	6 625	6 114	6 114	6 114	5 950	5 800	5 650
Electricity - prepaid (min.service level)	14 080	16 458	18 379	19 240	19 240	19 240	19 750	20 450	20 950
<i>Minimum Service Level and Above sub-total</i>	21 998	23 594	25 004	25 354	25 354	25 354	25 700	26 250	26 600
Electricity (< min.service level)	—	—	—	—	—	—	—	—	—
Electricity - prepaid (< min. service level)	—	—	1 000	—	—	—	—	—	—
Other energy sources	—	—	—	—	—	—	—	—	—
<i>Below Minimum Service Level sub-total</i>	—	—	1 000	—	—	—	—	—	—
Total number of households	21 998	23 594	26 004	25 354	25 354	25 354	25 700	26 250	26 600
Refuse:									
Removed at least once a week	31 739	31 829	32 691	33 094	33 094	33 094	36 238	37 325	38 449
<i>Minimum Service Level and Above sub-total</i>	31 739	31 829	32 691	33 094	33 094	33 094	36 238	37 325	38 449
Removed less frequently than once a week	—	—	—	—	—	—	—	—	—
Using communal refuse dump	—	—	—	—	—	—	—	—	—
Using own refuse dump	—	—	—	—	—	—	—	—	—
Other rubbish disposal	—	—	—	—	—	—	—	—	—
No rubbish disposal	—	—	—	—	—	—	—	—	—
<i>Below Minimum Service Level sub-total</i>	—	—	—	—	—	—	—	—	—
Total number of households	31 739	31 829	32 691	33 094	33 094	33 094	36 238	37 325	38 449
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	25 406	6 543	6 923	7 297	7 297	7 297	7 100	7 500	8 000
Sanitation (free minimum level service)	6 423	6 543	6 923	7 297	7 297	7 297	7 100	7 500	8 000
Electricity/other energy (50kwh per household per month)	6 423	6 543	6 923	7 297	7 297	7 297	7 100	7 500	8 000
Refuse (removed at least once a week)	6 423	6 543	6 923	7 297	7 297	7 297	7 100	7 500	8 000
Cost of Free Basic Services provided - Formal Settlements (R'000)									
Water (6 kilolitres per indigent household per month)	1 095	1 165	1 240	1 320	1 320	1 320	1 637	1 735	1 840
Sanitation (free sanitation service to indigent households)	—	—	—	—	—	—	—	—	—
Electricity/other energy (50kwh per indigent household per month)	2 494	2 653	2 822	2 215	2 215	2 215	2 544	2 697	2 858
Refuse (removed once a week for indigent households)	—	—	—	—	—	—	—	—	—
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)									
Total cost of FBS provided	3 589	3 818	4 062	3 535	3 535	3 535	4 181	4 432	4 698
Highest level of free service provided per household									
Property rates (R value threshold)	100 000	100 000	100 000	220 000	220 000	220 000	220 000	220 000	220 000
Water (kilolitres per household per month)	6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)	4	4	4	4	4	4	4	4	4
Sanitation (Rand per household per month)	54	58	61	65	65	65	69	73	77
Electricity (kwh per household per month)	50	50	50	50	50	50	50	50	50
Refuse (average litres per week)	210	210	210	210	210	210	210	210	210
Revenue cost of subsidised services provided (R'000)									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	1 824	1 537	1 786	1 863	1 863	1 863	2 047	2 159	2 278
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA	32 278	31 127	36 411	38 126	38 126	38 126	43 167	45 757	48 502
Water (in excess of 6 kilolitres per indigent household per month)	—	—	—	—	—	—	—	—	—
Sanitation (in excess of free sanitation service to indigent households)	—	—	—	—	—	—	—	—	—
Electricity/other energy (in excess of 50 kwh per indigent household per month)	—	—	—	—	—	—	—	—	—
Refuse (in excess of one removal a week for indigent households)	—	—	—	—	—	—	—	—	—
Municipal Housing - rental rebates	—	—	—	—	—	—	—	—	—
Housing - top structure subsidies	—	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—	—
Total revenue cost of subsidised services provided	34 102	32 664	38 196	39 989	39 989	39 989	45 214	47 916	50 781

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

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
REVENUE ITEMS:									
Property rates									
Total Property Rates	153 077	165 939	189 281	200 857	200 857	200 857	223 758	237 184	251 415
<i>less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)</i>	32 278	31 127	36 411	38 126	38 126	38 126	43 167	45 757	48 502
Net Property Rates	120 799	134 813	152 870	162 730	162 730	162 730	180 591	191 427	202 913
Service charges - electricity revenue									
Total Service charges - electricity revenue	250 157	271 015	289 393	341 092	338 542	338 542	359 503	381 805	404 713
<i>less Revenue Foregone (in excess of 50 kwh per indigent household per month)</i>									
<i>less Cost of Free Basis Services (50 kwh per indigent household per month)</i>	2 494	2 653	2 822	2 215	2 215	2 215	2 544	2 697	2 858
Net Service charges - electricity revenue	247 663	268 362	286 571	338 877	336 327	336 327	356 959	379 108	401 855
Service charges - water revenue									
Total Service charges - water revenue	86 339	96 301	109 630	103 365	105 749	105 749	113 181	119 241	126 395
<i>less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)</i>									
<i>less Cost of Free Basis Services (6 kilolitres per indigent household per month)</i>	1 095	1 165	1 240	1 320	1 320	1 320	1 637	1 735	1 840
Net Service charges - water revenue	85 243	95 136	108 391	102 045	104 429	104 429	111 544	117 505	124 556
Service charges - sanitation revenue									
Total Service charges - sanitation revenue	56 895	62 798	68 661	66 375	67 375	67 375	72 318	76 657	81 257
<i>less Revenue Foregone (in excess of free sanitation service to indigent households)</i>									
<i>less Cost of Free Basis Services (free sanitation service to indigent households)</i>	–	–	–	–	–	–	–	–	–
Net Service charges - sanitation revenue	56 895	62 798	68 661	66 375	67 375	67 375	72 318	76 657	81 257
Service charges - refuse revenue									
Total refuse removal revenue	46 637	52 957	56 770	59 488	59 488	59 488	65 510	69 441	73 607
Total landfill revenue									
<i>less Revenue Foregone (in excess of one removal a week to indigent households)</i>									
<i>less Cost of Free Basis Services (removed once a week to indigent households)</i>	–	–	–	–	–	–	–	–	–
Net Service charges - refuse revenue	46 637	52 957	56 770	59 488	59 488	59 488	65 510	69 441	73 607
Other Revenue by source									
Plan&Dev-Building Plans	2 880	3 439	4 893	4 500	4 500	4 500	6 360	6 742	7 146
Collection charges	2 542	2 288	3 506	3 850	3 850	3 850	2 430	2 576	2 730
Developers Charges	2 615	2 766	2 652	1 451	1 451	1 451	1 446	1 532	1 624
Central improvement district	–	–	–	–	–	–	–	–	–
Sundry income	2 637	1 330	911	–	–	–	–	–	–
Townplanning fees	793	908	1 142	1 013	1 013	1 013	1 593	1 688	1 790
Admission fees	707	714	–	562	562	562	574	608	645
Valuation and clearance certificates	388	400	459	495	495	495	500	530	562
Fair value adjustments	49 649	(7 021)	(3 566)	–	–	–	–	–	–
Roadworthy certificates	463	493	561	630	630	630	665	705	747
SETA claims	1 058	133	605	–	–	–	–	–	–
Exchange Revenue (SCOA) / Other Income	5 247	5 054	9 300	4 142	10 823	10 823	10 134	10 742	11 387
Total 'Other' Revenue	68 978	10 504	20 463	16 643	23 324	23 324	23 702	25 124	26 631
EXPENDITURE ITEMS:									
Employee related costs									
Basic Salaries and Wages	151 957	166 955	174 931	198 092	192 628	192 628	209 160	212 962	225 659
Pension and UIF Contributions	24 051	25 104	27 068	31 736	30 694	30 694	32 625	34 426	36 394
Medical Aid Contributions	8 176	8 828	9 363	11 618	11 038	11 038	11 423	12 322	13 063
Overtime	12 428	14 370	14 765	15 295	13 654	13 654	14 920	15 806	16 725
Performance Bonus									
Motor Vehicle Allowance	9 178	9 750	9 634	12 164	11 239	11 239	6 990	6 993	6 996
Cellphone Allowance	1 785	1 402	1 750	1 502	1 480	1 480	1 432	1 432	1 432
Housing Allowances	1 046	967	944	1 002	1 759	1 759	5 851	5 851	5 851
Other benefits and allowances	9 396	10 222	10 957	10 621	10 108	10 108	11 375	11 972	12 606
Payments in lieu of leave	2 138	1 659	1 414	729	729	729	709	752	793
Long service awards	690	3 587	1 161	1 802	3 042	3 042	3 139	2 820	2 810
Provision for Bonus	–	–	655	455	455	455	496	526	558
Post-retirement benefit obligations	10 795	17 799	14 378	6 578	16 001	16 001	16 081	16 162	16 242
sub-total	231 642	260 645	267 019	291 593	292 827	292 827	314 204	322 023	339 129
<i>Less: Employees costs capitalised to PPE</i>									
Total Employee related costs	231 642	260 645	267 019	291 593	292 827	292 827	314 204	322 023	339 129

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
Contributions recognised - capital									
Public contribution - non cash - assets	4 387	7 871	1 272				3 500		
DWA ACIP project	–								
Government contribution - non cash - assets	180								
KM CSIR	–								
Spaces for sport/Lotto	200			1 000	1 000	1 000	1 000		
Eskom Solar Rebate/ Stony Point Eco Centre etc	522								
Total Contributions recognised - capital	5 289	7 871	1 272	1 000	1 000	1 000	4 500	–	–
Depreciation & asset impairment									
Depreciation of Property, Plant & Equipment	94 948	99 130	103 303	111 362	111 362	111 362	117 690	124 752	132 237
Lease amortisation	235	231	65						
Capital asset impairment	9 224		3 077						
Depreciation resulting from revaluation of PPE									
Total Depreciation & asset impairment	104 408	99 361	106 445	111 362	111 362	111 362	117 690	124 752	132 237
Bulk purchases									
Electricity Bulk Purchases	145 022	157 055	167 660	193 573	191 573	191 573	210 763	227 329	245 197
Water Bulk Purchases									
Total bulk purchases	145 022	157 055	167 660	193 573	191 573	191 573	210 763	227 329	245 197
Transfers and grants									
Cash transfers and grants	35 856	38 749	42 200	48 497	49 448	49 448	57 479	60 808	64 336
Non-cash transfers and grants	–	–	6 459	–	–	–	–	–	–
Total transfers and grants	35 856	38 749	48 659	48 497	49 448	49 448	57 479	60 808	64 336
Contracted services									
Specialist services									
Other contractors									
Ward projects	5 679	2 129	1 443						
Vehicle maintenance	4 925	5 665	6 487						
Maintenance contractors	45 380	49 471	60 245						
Contracted services	11 713	15 488	17 152						
Maintenance Of Unspecified Assets				25 439	27 312	27 312	26 472	27 137	28 083
Maintenance Of Buildings & Facilities				15 463	15 463	15 463	14 030	13 319	14 161
Haulage				7 698	7 698	7 698	8 160	8 650	9 169
Civil				6 828	6 828	6 828	6 314	6 517	6 736
Litter Picking & Street Cleaning				6 430	6 430	6 430	7 226	7 491	7 819
Security Servs				5 219	5 219	5 219	5 556	5 861	6 184
Safeguard & Security				5 028	5 028	5 028	5 517	5 679	5 959
Business & Advisory - Valuer				4 488	4 488	4 488	960	1 013	1 069
Meter Management				4 367	4 367	4 367	4 491	4 654	4 824
Maintenance Of Equip				4 177	4 177	4 177	1 979	2 077	2 187
Business & Advisory - Project Management				4 017	4 017	4 017	2 944	3 068	2 903
Traffic Fines Management				3 968	3 968	3 968	4 168	4 419	4 684
Dumping Sites				3 423	3 423	3 423	3 628	3 846	4 077
Infrastructure & Planning - Ecological				2 640	2 640	2 640	2 040	2 101	2 164
Legal Cost - Legal Advice & Litigation				2 597	2 597	2 597	2 894	3 225	3 767
Chipping				2 490	2 490	2 490	2 605	2 759	3 126
Management Of Informal Settlements				1 981	1 981	1 981	2 100	2 247	2 404
Laboratory Servs - Water				1 802	1 802	1 802	1 904	2 018	2 139
Sewerage Servs				1 772	23 435	23 435	37 674	40 534	43 611
Infrastructure & Planning - Town Planner				1 700	1 700	1 700	1 620	1 717	1 820
Electrical				1 060	1 060	1 060	491	492	496
Other contractors				12 734	10 969	10 969	15 595	16 112	16 774
sub-total	67 697	72 754	85 327	125 322	147 093	147 093	158 368	164 936	174 154
Allocations to organs of state:									
Electricity									
Water									
Sanitation									
Other									
Total contracted services	67 697	72 754	85 327	125 322	147 093	147 093	158 368	164 936	174 154

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
Other Expenditure By Type									
Collection costs									
Contributions to 'other' provisions	3 246	(12 399)	50 281						
Consultant fees	9 376	9 431	8 944						
Audit fees	2 869	3 559	3 886	4 514	4 514	4 514	4 514	4 785	5 072
General expenses	16 384	19 600	18 564	5 302	4 834	4 834	5 629	5 882	6 045
Conditional receipts expenses	4 133	28 072	7 540						
Property valuation charges	1 030	442	406						
Water catchment, research and testing	5 295	4 266	3 986						
Fuel and oil	9 903	11 477	10 962						
Chemicals	8 488	10 553	8 379						
Legal fees	1 669	3 017	3 616						
Telephone and fax	2 934	2 839	2 807	3 048	3 048	3 048	3 224	3 384	3 553
Tourism development	2 732	2 796	2 439						
Security services	3 759	4 262	4 432						
Solid waste dumping fees	-	-	-						
Solid waste haulage	6 318	7 742	6 791						
Hermanus public protection	3 921	4 251	5 222						
Training	2 363	1 804	2 216	2 000	2 000	2 000			
Bursaries							702	723	745
Commission Prepaid Electricity	3 248	3 652	3 833	3 804	3 804	3 804	3 660	3 861	4 074
Commission paid	4 014	1 019	975	1 213	1 213	1 213	1 280	1 350	1 425
Advertising	1 511	1 905	1 820						
Management of informal settlements	1 513	1 982	1 741	1 981	1 981	1 981			
Insurance	2 145	2 363	2 457	2 350	2 350	2 350	2 846	2 957	3 074
Printing and stationery	1 875	2 035	2 075						
Solid waste chipping	2 151	2 076	3 025						
Special projects	1 270	714	700						
Workmen's Compensation Assurance				1 750	1 750	1 750	1 550	1 750	1 750
SALGA Membership Fees									
Rentals (Equipment & Offices)									
Postage & Courier Services				1 571	1 571	1 571	1 583	1 655	1 743
Decommissioning Cost				4 619	4 619	4 619	4 948	5 245	4 420
Op Cst - Prof Bodies Memb & Subs				3 365	3 365	3 365	3 373	3 385	3 387
Specialised Computer Service				2 452	2 452	2 452	1 644	1 840	2 040
Op Cst - Uniform & Protective Clothing				2 395	2 395	2 395	2 567	2 674	2 736
Operational Cost - Skills Dev Fund Lev				2 082	2 082	2 082	2 249	2 368	4 591
Infrastructure & Planning - Town Plann				1 700	1 700	1 700			
Software Licences				2 051	2 051	2 051	3 203	3 363	3 532
Dumping Fees (District Council)				1 724	1 724	1 724	2 290	2 427	2 573
Bank Chgs Fac & Card Fees - Bank Accoun				1 639	1 639	1 639	1 324	1 391	1 460
Op Cst - Printing & Publications				1 471	1 471	1 471	878	911	942
Third Party Vendors				1 213	1 213	1 213			
Operating Lease				1 170	1 170	1 170	1 270	1 335	1 414
Wireless Ntwrk				937	937	937	984	1 033	1 085
Corporate Municipal Activities				721	721	721	890	1 158	1 205
Op Cst - Remuneration To Ward Commts				689	689	689	649	681	716
System Adviser				634	634	634	590	608	625
Tenders				612	612	612	752	792	832
Op Cst - Levies Paid - H2O Res Man Chrg				560	560	560	735	779	826
OperCost:Municipal Servs							5 433	5 859	6 319
OperCost:Assets < Capital Threshold							524	533	555
OperCost:Full Time Union Representativ							423	453	485
Municipal Newsletters				454	454	454	306	312	313
Total 'Other' Expenditure	102 146	117 460	157 098	58 021	57 553	57 553	60 024	63 497	67 536
by Expenditure Item									
Employee related costs	27 460	35 905	37 737	45 175	45 175	45 175	50 261	51 522	54 450
Other materials	9 153	8 865	9 317	14 541	14 541	14 541	3 500	3 719	3 989
Contracted Services	21 740	32 675	34 342	35 194	35 194	35 194	36 145	37 492	38 897
Other Expenditure	56 061	72 912	76 630	26 167	26 167	26 167	30 890	31 124	31 732
Total Repairs and Maintenance Expenditure	114 414	150 358	158 026	121 077	121 077	121 077	120 795	123 857	129 068

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
R thousand									
Revenue By Source									
Property rates				180 591					180 591
Property rates - penalties & collection charges				848					848
Service charges - electricity revenue							356 959		356 959
Service charges - water revenue					111 544				111 544
Service charges - sanitation revenue					72 318				72 318
Service charges - refuse revenue					65 510				65 510
Service charges - other				722					722
Rental of facilities and equipment					4 728				4 728
Interest earned - external investments				10 317	172				10 489
Interest earned - outstanding debtors				2 756					2 756
Dividends received									-
Fines					134		180	30 829	31 143
Licences and permits					512			1 819	2 330
Agency services					20			3 200	3 220
Other revenue	232		1	4 123	6 996	1 430	8 780	2 140	23 702
Transfers recognised - operational	72 950			1 595	6 051	1 922	43 795		126 313
Gains on disposal of PPE									-
Total Revenue (excluding capital transfers and contri	73 182	-	1	200 953	267 985	3 352	409 714	37 988	993 175
Expenditure By Type									
Employee related costs	19 111	4 261	21 732	38 414	141 963	6 906	46 978	34 839	314 204
Remuneration of councillors	9 110								9 110
Debt impairment				420	446		231	22 792	23 888
Depreciation & asset impairment	23	19	2 395	315	83 754	133	29 809	1 242	117 690
Finance charges				110	29 857		16 454		46 421
Bulk purchases							210 763		210 763
Other materials	97	38	341	700	21 900	138	49 348	2 486	75 048
Contracted services	22	217	7 567	12 185	60 475	977	65 122	11 802	158 368
Transfers and grants	55 761		70			1 648			57 479
Other expenditure	7 623	187	14 384	17 037	8 603	993	9 701	1 496	60 024
Loss on disposal of PPE									-
Total Expenditure	91 748	4 722	46 490	69 180	346 998	10 795	428 407	74 657	1 072 995
Surplus/(Deficit)	(18 565)	(4 722)	(46 489)	131 773	(79 013)	(7 443)	(18 693)	(36 669)	(79 820)
Transfers recognised - capital					22 080		17 882		39 962
Contributions recognised - capital					1 000		3 500		4 500
Contributed assets									-
Surplus/(Deficit) after capital transfers & contributions	(18 565)	(4 722)	(46 489)	131 773	(55 933)	(7 443)	2 690	(36 669)	(35 358)

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

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
ASSETS									
Call investment deposits									
Call deposits < 90 days	55 042	50 039	26 051						
Other current investments > 90 days									
Total Call investment deposits	55 042	50 039	26 051	-	-	-	-	-	-
Consumer debtors									
Consumer debtors	65 941	63 810	69 821	67 774	67 774	67 774	84 040	89 083	94 428
Less: Provision for debt impairment	(16 916)	(16 359)	(16 972)	(16 000)	(16 000)	(16 000)	(17 096)	(18 279)	(19 535)
Total Consumer debtors	49 025	47 451	52 850	51 774	51 774	51 774	66 944	70 804	74 893
Debt impairment provision									
Balance at the beginning of the year	18 114	16 916	16 359	16 500	16 500	16 500	16 000	17 096	18 279
Contributions to the provision	594	(107)	1 252				1 596	1 682	1 756
Bad debts written off	(1 792)	(449)	(639)	(500)	(500)	(500)	(500)	(500)	(500)
Balance at end of year	16 916	16 359	16 972	16 000	16 000	16 000	17 096	18 279	19 535
Property, plant and equipment (PPE)									
PPE at cost/valuation (excl. finance leases)	5 819 933	5 900 309	6 003 701	6 120 657	6 118 565	6 118 565	6 206 921	6 301 151	6 408 422
Leases recognised as PPE	1 379	139	304	6 923	6 923	6 923	-	-	-
Less: Accumulated depreciation	2 724 192	2 789 392	2 886 281	3 005 433	3 005 433	3 005 433	3 121 934	3 245 424	3 376 324
Total Property, plant and equipment (PPE)	3 097 120	3 111 056	3 117 725	3 122 147	3 120 054	3 120 054	3 084 987	3 055 727	3 032 098
LIABILITIES									
Current liabilities - Borrowing									
Short term loans (other than bank overdraft)	485	63	80	1 271	1 271	1 271	-	-	-
Current portion of long-term liabilities	17 756	20 381	23 539	26 841	26 841	26 841	29 378	32 831	36 912
Total Current liabilities - Borrowing	18 241	20 443	23 620	28 113	28 113	28 113	29 378	32 831	36 912
Trade and other payables									
Trade and other creditors	71 706	61 518	63 759	74 229	74 229	74 229	81 244	77 375	73 691
Unspent conditional transfers	7 783	3 425	2 076						
VAT									
Total Trade and other payables	79 489	64 943	65 836	74 229	74 229	74 229	81 244	77 375	73 691
Non current liabilities - Borrowing									
Borrowing	364 394	392 444	408 904	411 667	411 667	411 667	412 288	409 060	411 596
Finance leases (including PPP asset element)	238	-	60	4 333	4 333	4 333	-	-	-
Total Non current liabilities - Borrowing	364 632	392 444	408 964	415 999	415 999	415 999	412 288	409 060	411 596
Provisions - non-current									
Retirement benefits	79 887	95 535	107 290	113 727	120 450	120 450	127 677	135 338	143 458
List other major provision items									
Refuse landfill site rehabilitation	31 933	24 054	76 731	78 422	81 335	81 335	86 215	91 387	96 871
Other	7 498	8 938	9 207	9 520	9 441	9 441	9 935	10 459	11 014
Total Provisions - non-current	119 319	128 527	193 227	201 669	211 226	211 226	223 827	237 184	251 343
CHANGES IN NET ASSETS									
Accumulated Surplus/(Deficit)									
Accumulated Surplus/(Deficit) - opening balance	2 847 332	2 855 854	2 805 240	2 738 817	2 738 817	2 738 817	2 723 927	2 700 931	2 693 032
GRAP adjustments	(9 929)	(6 220)	13 286						
Restated balance	2 837 403	2 849 634	2 818 525	2 738 817	2 738 817	2 738 817	2 723 927	2 700 931	2 693 032
Surplus/(Deficit)	10 899	(45 015)	(49 845)	(5 140)	(14 890)	(14 890)	(35 358)	(3 490)	2 138
Appropriations to Reserves									
Transfers from Reserves	1 333	620	1 314						
Depreciation offsets									
Other adjustments							12 363	(4 409)	
Accumulated Surplus/(Deficit)	2 849 634	2 805 240	2 769 994	2 733 677	2 723 927	2 723 927	2 700 931	2 693 032	2 695 170
Reserves									
Housing Development Fund	1 891	2 565	2 571	2 637	2 637	2 637	2 218	2 263	2 308
Capital replacement									
Self-insurance									
Other reserves									
Revaluation	-								
Total Reserves	1 891	2 565	2 571	2 637	2 637	2 637	2 218	2 263	2 308
TOTAL COMMUNITY WEALTH/EQUITY	2 851 526	2 807 805	2 772 565	2 736 314	2 726 564	2 726 564	2 703 150	2 695 295	2 697 478

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

Strategic Objective	Goal	Goal Code	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
The provision of democratic, accountable and ethical governance	Good Governance	1	232 385	199 504	280 413	320 161	329 121	329 121	354 612	371 477	393 254
The provision and maintenance of municipal services	Basic Service Delivery	2	461 155	485 124	531 880	581 518	586 398	586 398	622 898	653 995	694 325
The encouragement of structured community participation in the matters of the municipality	Good Governance	3	41 457	62 333							
The creation and maintenance of a safe and healthy environment	Safe and Healthy Environment	4	20 206	28 620	31 198	37 676	37 676	37 676	37 988	38 420	38 877
The promotion of tourism, economic and social development	Economic Development and Social upliftment	5	7 765	11 427	17 928	20 033	21 639	21 639	22 139	17 168	24 533
Allocations to other priorities											
Total Revenue (excluding capital transfers and contributions)			762 969	787 007	861 419	959 389	974 834	974 834	1 037 637	1 081 060	1 150 989

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

Strategic Objective	Goal	Goal Code	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
The provision of democratic, accountable and ethical governance	Good Governance	1	205 348	119 512	293 362	308 022	329 980	329 980	367 080	345 798	369 765
The provision and maintenance of municipal services	Basic Service Delivery	2	346 423	448 042	453 715	453 273	431 552	431 552	453 114	481 629	509 499
The encouragement of structured community participation in the matters of the municipality	Good Governance	3	137 754	181 602	1 443	1 735	1 835	1 835	1 710		
The creation and maintenance of a safe and healthy environment	Safe and Healthy Environment	4	48 275	64 229	52 938	69 453	71 285	71 285	74 657	76 951	79 864
The promotion of tourism, economic and social development	Economic Development and Social upliftment	5	14 271	18 637	109 806	132 046	155 072	155 072	176 435	180 172	189 724
Allocations to other priorities											
Total Expenditure			752 070	832 022	911 264	964 529	989 724	989 724	1 072 995	1 084 550	1 148 851

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

Strategic Objective	Goal	Goal Code	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
The provision of democratic, accountable and ethical governance	Good Governance	1	7 154	21 308	2 526	2 648	4 113	4 113	809		
The provision and maintenance of municipal services	Basic Service Delivery	2	103 790	73 989	52 449	58 033	50 784	50 784	55 066	39 656	51 326
The encouragement of structured community participation in the matters of the municipality	Good Governance	3	30 219	29 937	5 580	3 465	3 245	3 245	3 224	4 500	1 500
The creation and maintenance of a safe and healthy environment	Safe and Healthy Environment	4	–	–		295	895	895	1 080		
The promotion of tourism, economic and social development	Economic Development and Social upliftment	5	2 601	5 696	47 934	39 473	44 350	44 350	28 177	50 074	54 445
Allocations to other priorities											
Total Capital Expenditure			143 764	130 930	108 489	103 914	103 386	103 386	88 356	94 230	107 271

WC032 Overstrand - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue Framework	
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18
Council									
Council and Municipal Manager									
Municipal Manager									
Risk based audit plan prooved by the Audit Committee by the end of June 2017	Plan approved	1	1	0	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	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	4	4	4	4	4	4
Percentage of a municipality's capital budget actually spent on capital projects identified for 2016/17 in terms of the municipality's IDP {(Actual amount spent on projects as identified for the year in the IDP/Total amount budgeted on capital projects)X100}	% of capital budget spent	98.00%	93.77%	88.21%	98%	98%	98%	98%	98%
Management Services									
Director: Management Services									
Human Resources									
90% of the approved and funded organogram filled ((actual number of posts filled dived by the funded posts budgeted) x100)	% filled	92.86%	92.41%	92.31%	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	2	no kpi set	60	54	59	59	59	59
The percentage of a municipality's budget (training budget) actually spent on implementing its workplace skills plan	% of the training budget spent on implementation of the WSP	100%	100%	100.0%	100%	100%	100%	100%	100%
Review the Municipal Organisational Staff Structure by the end of June 2017	Structure reviewed	no kpi set	0	1	1	1	1	1	1
Revise the Section 14 Access to Information Manual by the end of June 2017 to ensure compliant and up to date policies	Manual revised	1	1	1	1	1	1	1	0
Provide legal assistance and input on policies, contracts, agreements, legislation, by-laws and authorities within 5 working days	Number of reponses to legal assistance provided within 5 working days	no kpi set	no kpi set	no kpi set	120	120	120	160	160
Monthly Reports on additional court matters	Number of reports on court matter	no kpi set	no kpi set	no kpi set	12	24	24	24	24
Convene quarterly LDAC (Local Drug Action Committee) meetings	Quarterly LDAC meetings	no kpi set	no kpi set	no kpi set	1	1	1	4	4
Finance									
Director: Finance									
Director Finance									
Financial viability measured in terms of the available cash to cover fixed operating expenditure ((Available cash+ investments)/ Monthly fixed operating expenditure)	Ratio achieved	3.49%	2.30%	3.72%	1.3	1.3	1.3	1.5	1.5
Financial viability measured in terms of the municipality's ability to meet it's service debt obligations ((Total operating revenue-operating grants received)/debt service payments due within the year) (%)	Ratio achieved	17.46%	16.90%	17.13%	17	17	17	17.2	17.2
Financial viability measured in terms of the outstanding service debtors (Total outstanding service debtors/ revenue received for services)	% achieved	11.90%	10.40%	10.36%	12.2	12.2	12.2	12.2	12.2
Submit a reviewed long term financial plan by the end of October 2016	Submission of long term financial plan	no kpi set	no kpi set	1	1	1	1	1	1
Financial statements submitted to the Auditor General by 31 August 2016	Financial statements submitted	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	6523	6536	6842	6650	6650	6650	7100	7500
Achieve a debt recovery rate not less than 96% (Receipts/total billed for 12 months period x 100)	% Recovered	100.44%	100.33%	97.73%	96%	96%	96%	96%	96%

Description	Unit of measurement	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue Framework	
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18
Community Services									
Director: Community Services									
Director: Community Services									
Ward committee meetings held to facilitate consistent and regular communication with residents	No of ward committee meetings per ward per annum	8	9	8	8	8	8	8	8
98% of the operational conditional grant (Libraries, CDW) spent (Actual expenditure divided by the total grant received)	% of total conditional operational grants spent (Libraries, CDW)	100.0%	100.45%	100.0%	98%	198%	298%	98%	98%
m² of roads patched and resealed according to approved Pavement Management System within available budget	m² of roads patched and resealed	216162	101560	163240	100000	100001	100002	100000	100000
Limit unaccounted water to less than 20% ((Number of kiloliter water purified - Number of kiloliter water sold)/Number of kiloliter sold x 100))	% of water unaccounted for	25.57%	21.5%	19.33%	25%	125%	225%	20%	20%
Provision of water to informal households based on the standard of 1 water point to 25 households	The number of taps installed in relation to the number of informal households	no kpi set	no kpi set	3144	126	126	126	126	123
Provision of cleaned piped water to all formal households within 200 m from households	No of formal households that meet agreed service standards for piped water	25426	27373	32544	32483	32483	32483	32483	33457
Provision of refuse removal, refuse dumps and solid waste disposal to all formal households at least once a week	Number of formal households for which refuse is removed at least once a week	no kpi set	34299	33224	33094	33094	33094	33081	34168
Provision of refuse removal, refuse dumps and solid waste disposal to all informal households at least once a week	Number of weekly removal of refuse in informal households (once per week = 52 weeks per annum) Note: Unit of measurement & target revised in 2015/16 mid-year assessment	no kpi set	no kpi set	3144	52	52	52	52	52
The provision of sanitation services to informal households based on the standard of 1 toilette to 5 households	The number of toilet structures provided in relation to the number of informal households Note: Unit of measurement & target revised in 2015/16 mid-year assessment	no kpi set	no kpi set	3144	629	632	632	631	631
Provision of sanitation services to formal residential households	No of formal residential households which are billed for sewerage in accordance to the SAMRAS financial system	31221	31231	31719	32483	32483	32483	32483	33457
Local Economic Development									
Director: LED									
LED									
Provide three reports on LED and Tourism initiatives to Council by end June 2017	Number of reports on LED & Tourism initiatives	no kpi set	no kpi set	no kpi set	2	2	2	3	3
Report to Executive Mayor on Grants to festival organisers through Service Level Agreements (SLA) by end July 2016	Number of reports submitted	no kpi set	no kpi set	no kpi set	1	1	1	1	1
Support 30 SMME's in terms of the SMME Development Programme by 30 June 2017	Number of SMME's supported	23	45	73	30	30	30	30	30
Support Emerging Contractors in terms of the Emerging Contractor Development Programme by 30 June 2017	Number of emerging contractors supported	no kpi set	no kpi set	no kpi set	no kpi set	no kpi set	no kpi set	20	20
Raise funds for local economic development through financial and non-financial resource mobilisation	Number of MOU's entered into and amount generated	no kpi set	no kpi set	4	3	3	3	2	2
Manager LED report quarterly to Director LED on linkages established with other spheres of government, agencies, donors, SALGA and other relevant bodies for benefit of local area/Stakeholder engagement and creation of partnerships to broaden economic benefit for local communities	Quarterly report on linkages established. Database of Stakeholders/ No of initiatives	no kpi set	no kpi set	4	4	4	4	4	4
The number of job opportunities created through the EPWP programme and as per set targets (grant agreement - FTE's, translates to 421 work opportunities)	Number of temporary jobs created	609	517	512	396	396	396	421	421
Monthly monitor the statistics on the usage of the LED Walk-in Centre (outreach & referral purposes) through the attendance registers	Monthly registers on LED outreach statistics (walk in centre)	no kpi set	no kpi set	no kpi set	12	12	12	12	12
Compile an action plan to improve on the LED maturity assessment	Plan Completed	no kpi set	no kpi set	2	1	1	1	1	1

Description	Unit of measurement	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue Framework	
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18
Infrastructure & Planning									
Director: Infrastructure and Planning									
Electricity									
Limit electricity losses to 7.5% or less $\{(\text{Number of Electricity Units Purchased} - \text{Number of Electricity Units Sold}) / \text{Number of Electricity Units Purchased and/or Generated}\} \times 100\}$	% of electricity unaccounted for	6.88%	5.95%	5.78%	8%	108%	208%	7.5%	7.5%
Provision of Electricity: Number of metered electrical connections in formal area (Eskom Areas excluded)	Number of formal household that meet agreed service standards	no kpi set	25751	26476	25354	25355	25356	25700	26250
Water									
Report on the implementation of the Water Service Development plan annually by the end of October 2016	Report submitted	1	1	1	1	2	3	1	1
Quality of effluent comply 90% with SANS 241	% compliance	86.02%	82.78%	88%	90%	90%	90%	90%	90%
Quality of potable water comply 95% with SANS 241	% compliance	no kpi set	95.38%	96%	95%	95%	95%	95%	95%
Planning and Development									
100% of the Municipal Infrastructure Grant (MIG) spent by 30 June 2017 (Actual MIG expenditure/Allocation received)	% Expenditure of allocated funds	no kpi set	no kpi set	no kpi set	100%	100%	100%	100%	100%
Protection Services									
Director Protection Services									
Annually review Community Safety Plan by the end of June in conjunction with the Department of Community Safety	Plan reviewed	1	1	1	1	1	1	1	1
Arrange public awareness sessions on Protection Services	Number of sessions held	60	55	88	32	32	32	50	50
Disaster and Fire Management									
Annually review and submit Disaster Management Plan to the District by the end of June 2017	Reviewed plan submitted	1	1	1	1	1	1	1	1
Annually review the Fire Management Plan by the end of June 2017	Plan reviewed	1	1	1	1	1	1	1	1
Traffic									
Collect R10 000 000 Public Safety Income by 30 June 2017	R-value of public safety collected income	R 5 730 902	R 5 154 575	R 14 285 330	R 8 000 000	R 6 000 000	R 6 000 000	R 10 000 000	R 10 000 000

& Expenditure	
Budget Year +2 2018/19	
1	
4	
4	
88%	
90%	
59	
100%	
1	
0	
160	
24	
4	
1.5	
17.2	
12.2	
1	
1	
8000	
96%	

& Expenditure	
Budget Year +2 2018/19	
8	
98%	
100000	
20%	
120	
34461	
35342	
52	
631	
34461	
3	
1	
30	
20	
2	
4	
421	
12	
1	

& Expenditure	
Budget Year +2 2018/19	
7.5%	
26600	
1	
90%	
95%	
100%	
1	
50	
1	
1	
R 10 000 000	

WC032 Overstrand - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<u>Borrowing Management</u>										
Credit Rating										
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	6.8%	7.3%	7.0%	7.3%	7.2%	7.2%	6.8%	7.1%	6.9%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	7.7%	9.1%	8.6%	8.8%	8.7%	8.7%	8.5%	8.4%	8.1%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	45.1%	59.6%	76.8%	73.8%	70.1%	70.1%	69.1%	100.0%	100.0%
<u>Safety of Capital</u>										
Gearing	Long Term Borrowing/ Funds & Reserves	19277.5%	15300.9%	15906.6%	15774.5%	15774.5%	15774.5%	18584.8%	18077.7%	17833.1%
<u>Liquidity</u>										
Current Ratio	Current assets/current liabilities	1.3	1.2	1.4	1.2	1.2	1.2	1.3	1.4	1.6
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.3	1.2	1.4	1.2	1.2	1.2	1.3	1.4	1.6
Liquidity Ratio	Monetary Assets/Current Liabilities	0.5	0.4	0.7	0.6	0.6	0.6	0.6	0.7	0.8
<u>Revenue Management</u>										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		99.9%	100.7%	99.3%	100.1%	100.1%	0.0%	98.1%	99.5%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		99.9%	100.7%	99.3%	100.1%	100.1%	100.1%	98.1%	99.5%	99.5%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	14.4%	13.5%	13.6%	10.7%	10.1%	10.1%	11.2%	12.2%	12.3%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	90.3%	97.2%	97.2%	97.2%	97.2%	97.2%	97.2%	97.2%	97.2%
<u>Creditors Management</u>										
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	100.0%	97.8%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Creditors to Cash and Investments		85.2%	97.4%	60.7%	76.1%	73.9%	73.9%	71.2%	59.3%	45.5%
<u>Other Indicators</u>										
Electricity Distribution Losses (2)	Total Volume Losses (kW)	15831477	13668967	13272396	13667000	13667000	13667000	13870000	14013000	14125000
	Total Cost of Losses (Rand '000)	7 101	7 028	987	7 927	7 927	7 927	1 611	1 884	2 499
	% Volume (units purchased and generated less units sold)/units purchased and generated									
		6.91%	5.95%	5.77%	5.95%	5.95%	5.95%	6.00%	6.05%	6.07%
Water Distribution Losses (2)	Total Volume Losses (kℓ)	1 445	1 455	1 281	1 453	1 453	1 453	1 440	1 541	1 613
	Total Cost of Losses (Rand '000)	3 830	5 726	5 019	4 272	4 272	4 272	5 217	5 388	5 682
	% Volume (units purchased and generated less units sold)/units purchased and generated									
		20.01%	21.47%	19.33%	20.19%	20.19%	20.19%	18.90%	18.70%	18.45%
Employee costs	Employee costs/(Total Revenue - capital revenue)	32.9%	35.4%	33.2%	32.6%	32.1%	32.1%	31.6%	31.6%	31.3%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	33.9%	36.5%	34.2%	33.5%	33.0%	33.0%	32.6%	32.6%	32.2%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	16.3%	20.4%	19.6%	13.5%	13.3%	13.3%	12.2%	12.2%	11.9%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	20.1%	18.9%	18.6%	17.7%	17.3%	17.3%	16.5%	16.9%	16.4%
<u>IDP regulation financial viability indicators</u>										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	22.8	21.7	22.7	22.8	22.8	22.8	19.1	18.3	19.4
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	17.9%	15.9%	16.0%	12.9%	12.5%	12.5%	14.0%	14.8%	15.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.8	1.2	1.9	1.5	1.5	1.5	1.6	1.8	2.1

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

Description of economic indicator	Basis of calculation	2001 Census	2007 Survey	2011 Census	2012/13	2013/14	2014/15	Current Year 2015/16	2016/17 Medium Term Revenue & Expenditure Framework		
					Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics											
Population	Stats SA	55 012	74 546	80 432	83 488	86 661	89 954	93 372	96 920	100 603	104 286
Females aged 5 - 14		2 770	5 837	5 228	5 427	5 633	5 847	6 069	6 300	6 539	6 779
Males aged 5 - 14		2 816	5 892	5 278	5 479	5 687	5 903	6 127	6 360	6 602	6 843
Females aged 15 - 34		5 561	11 567	13 139	13 638	14 157	14 694	15 253	15 832	16 434	17 036
Males aged 15 - 34		6 029	11 235	13 648	14 167	14 705	15 264	15 844	16 446	17 071	17 696
Unemployment		5 165	8 099	4 237	4 398	4 565	4 739	4 919	5 106	5 300	5 494
Monthly household income (no. of households)											
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											
Poverty profiles (no. of households)											
< R2 060 per household per month	# households earning less than R1600 based on	8 374	6 077	9 911	10 288	10 679	11 084	11 506	11 943	12 397	12 868
Insert description	monthly household income figures above										
Household/demographics (000)											
Number of people in municipal area	Stats SA	55 012	74 546	80 432	86 661	89 954	90 000	93 372	96 920	100 503	104 426
Number of poor people in municipal area		34 601	35 916	37 433	40 332	41 865	31 153	32 868	34 977	36 585	38 597
Number of households in municipal area	Stats SA	19 059	19 166	28 008	29 073	30 179	31 325	32 673	33 101	33 535	33 974
Number of poor households in municipal area			8 439	16 317	18 285	19 469	20 209	20 978	21 775	22 603	23 463
Definition of poor household (R per month)			2 201	4 561	4 801	5 121	5 640	5 922	6 218	6 529	6 855
Housing statistics											
Formal					23 152	23 599	25 328	25 369	25 395	25 405	25 397
Informal					3 407	3 330	3 144	3 157	3 157	3 157	3 157
Total number of households											
Dwellings provided by municipality		-	-	-	26 559	26 929	28 472	28 526	28 552	28 562	28 554
Dwellings provided by province/s					-	183		220	341	-	100
Dwellings provided by private sector					-	-					
Total new housing dwellings					214	264	373	382	391	401	410
		-	-	-	214	447	373	602	732	401	510
Economic											
Inflation/inflation outlook (CPIX)					5.7%	5.9%	5.6%	6.2%	6.6%	6.2%	5.9%
Interest rate - borrowing					9.7%	9.7%	9.950%	11.5%	11.75%	12.0%	12.0%
Interest rate - investment					5.1%	5.4%	6.0%	7.24%	7.45%	7.75%	7.75%
Remuneration increases					6.5%	6.8%	7.0%	7.0%	6.0%	6.0%	6.0%
Consumption growth (electricity)					1.8%	0.5%	0.3%	0.1%	0.1%	0.3%	0.3%
Consumption growth (water)					4.2%	-5.4%	2.6%	4.4%	4.0%	2.3%	3.6%
Collection rates											
Property tax/service charges					100.4%	100.3%	99.6%	99.8%	99.7%	99.7%	99.7%
Rental of facilities & equipment					100.4%	100.3%	99.6%	99.8%	99.7%	99.7%	99.7%
Interest - external investments					100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Interest - debtors					100.0%	100.0%	99.6%	99.8%	99.7%	99.7%	99.7%
Revenue from agency services					100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

WC032 Overstrand Supporting Table SA10 Funding measurement

Description	MFMA section	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Funding measures										
Cash/cash equivalents at the year end - R'000	18(1)b	84 147	63 158	104 987	97 547	100 467	100 467	114 127	130 516	162 093
Cash + investments at the yr end less applications - R'000	18(1)b	89 356	96 147	141 786	117 777	117 182	117 182	138 952	172 628	217 630
Cash year end/monthly employee/supplier payments	18(1)b	1.8	1.2	1.9	1.5	1.5	1.5	1.6	1.8	2.1
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	10 899	(45 015)	(49 845)	(5 140)	(14 890)	(14 890)	(35 358)	(3 490)	2 138
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	N.A.	4.2%	3.6%	2.4%	(5.7%)	(6.0%)	1.7%	0.0%	(0.0%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	91.5%	103.1%	99.0%	101.2%	101.7%	101.7%	97.4%	98.3%	98.7%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	1.2%	2.0%	1.6%	3.1%	3.1%	3.1%	3.0%	2.9%	2.7%
Capital payments % of capital expenditure	18(1)c;19	100.0%	100.0%	102.2%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	43.0%	55.3%	75.8%	75.8%	72.1%	72.1%	66.8%	100.0%	100.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a							98.8%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	(2.1%)	9.9%	(12.0%)	(4.1%)	0.0%	20.9%	11.4%	7.6%
Long term receivables % change - incr(decr)	18(1)a	N.A.	(18.4%)	(21.8%)	(23.0%)	0.0%	0.0%	(26.0%)	(33.9%)	(49.1%)
R&M % of Property Plant & Equipment	20(1)(vi)	3.7%	4.8%	5.1%	3.9%	3.9%	3.9%	3.9%	4.1%	4.3%
Asset renewal % of capital budget	20(1)(vi)	2.9%	35.9%	30.2%	20.0%	18.9%	18.9%	44.7%	30.1%	36.7%
Total Operating Revenue		703 871	736 376	804 650	895 035	913 073	913 073	993 175	1 017 455	1 083 718
Total Operating Expenditure		752 070	832 022	911 264	964 529	989 724	989 724	1 072 995	1 084 550	1 148 851
Operating Performance Surplus/(Deficit)		(48 199)	(95 646)	(106 615)	(69 494)	(76 651)	(76 651)	(79 820)	(67 094)	(65 133)
Cash and Cash Equivalents (30 June 2012)								114 127		
Revenue										
% Increase in Total Operating Revenue			4.6%	9.3%	11.2%	2.0%	0.0%	8.8%	2.4%	6.5%
% Increase in Property Rates Revenue			11.6%	13.4%	6.4%	0.0%	0.0%	11.0%	6.0%	6.0%
% Increase in Electricity Revenue			8.4%	6.8%	18.3%	(0.8%)	0.0%	6.1%	6.2%	6.0%
% Increase in Property Rates & Services Charges			10.2%	9.6%	8.4%	0.3%	0.0%	7.7%	6.0%	6.0%
Expenditure										
% Increase in Total Operating Expenditure			10.6%	9.5%	5.8%	2.6%	0.0%	8.4%	1.1%	5.9%
% Increase in Employee Costs			12.5%	2.4%	9.2%	0.4%	0.0%	7.3%	2.5%	5.3%
% Increase in Electricity Bulk Purchases			8.3%	6.8%	15.5%	(1.0%)	0.0%	10.0%	7.9%	7.9%
R&M % of PPE		3.7%	4.8%	5.1%	3.9%	3.9%	3.9%	3.9%	4.1%	4.3%
Asset Renewal and R&M as a % of PPE		4.0%	6.0%	6.0%	4.0%	4.0%	4.0%	5.0%	5.0%	5.0%
Debt Impairment % of Total Billable Revenue		1.2%	2.0%	1.6%	3.1%	3.1%	3.1%	3.0%	2.9%	2.7%
Capital Revenue										
Internally Funded & Other (R'000)		22 412	22 207	13 745	7 215	8 206	8 206	11 069	-	-
Borrowing (R'000)		67 544	70 634	39 012	32 346	33 419	33 419	33 824	30 000	40 000
Grant Funding and Other (R'000)		53 809	38 090	55 734	64 354	61 761	61 761	43 462	64 230	67 271
Internally Generated funds % of Non Grant Funding		24.9%	23.9%	26.1%	18.2%	19.7%	19.7%	24.7%	0.0%	0.0%
Borrowing % of Non Grant Funding		75.1%	76.1%	73.9%	81.8%	80.3%	80.3%	75.3%	100.0%	100.0%
Grant Funding % of Total Funding		37.4%	29.1%	51.4%	61.9%	59.7%	59.7%	49.2%	68.2%	62.7%
Capital Expenditure										
Total Capital Programme (R'000)		143 764	130 930	108 490	103 914	103 386	103 386	88 356	94 230	107 271
Asset Renewal		4 147	47 032	32 727	20 758	19 493	19 493	39 533	28 399	39 325
Asset Renewal % of Total Capital Expenditure		2.9%	35.9%	30.2%	20.0%	18.9%	18.9%	44.7%	30.1%	36.7%
Cash										
Cash Receipts % of Rate Payer & Other		91.5%	103.1%	99.0%	101.2%	101.7%	101.7%	97.4%	98.3%	98.7%
Borrowing										
Capital Charges to Operating		6.8%	7.3%	7.0%	7.3%	7.2%	7.2%	6.8%	7.1%	6.9%
Borrowing Receipts % of Capital Expenditure		43.0%	55.3%	75.8%	75.8%	72.1%	72.1%	66.8%	100.0%	100.0%
Reserves										
Surplus/(Deficit)		89 356	96 147	141 786	117 777	117 182	117 182	138 952	172 628	217 630
Free Services										
Free Basic Services as a % of Equitable Share		9.9%	9.1%	7.8%	5.5%	5.5%	5.5%	5.7%	5.3%	5.1%
Free Services as a % of Operating Revenue (excl operational transfers)		5.1%	4.9%	5.1%	5.0%	4.9%	4.9%	5.2%	5.2%	5.2%
High Level Outcome of Funding Compliance										
Total Operating Revenue		703 871	736 376	804 650	895 035	913 073	913 073	993 175	1 017 455	1 083 718
Total Operating Expenditure		752 070	832 022	911 264	964 529	989 724	989 724	1 072 995	1 084 550	1 148 851
Surplus/(Deficit) Budgeted Operating Statement		(48 199)	(95 646)	(106 615)	(69 494)	(76 651)	(76 651)	(79 820)	(67 094)	(65 133)
Surplus/(Deficit) Considering Reserves and Cash Backing		89 356	96 147	141 786	117 777	117 182	117 182	138 952	172 628	217 630
MTREF Funded (1) / Unfunded (0)		1	1	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded ✖		✓	✓	✓	✓	✓	✓	✓	✓	✓

WC032 Overstrand - Supporting Table SA11 Property rates summary

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

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

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

WC032 Overstrand - Supporting Table SA13a Service Tariffs by category

WC032 Overstrand - Supporting Table SA15a Service Tariffs by category								
Description	Provide description of tariff structure where appropriate	2012/13	2013/14	2014/15	Current Year 2015/16	2016/17 Medium Term Revenue & Expenditure Framework		
						Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Property rates (rate in the Rand)								
Residential properties		0.0036	0.0036	0.0041	0.0044	0.0047	0.0050	0.0053
Residential properties - vacant land			0.0057	0.0057	0.0061	0.0065	0.0069	0.0073
Formal/informal settlements								
Small holdings								
Farm properties - used		0.0009	0.0009	0.0010	0.0011	0.0012	0.0013	0.0013
Farm properties - not used								
Industrial properties								
Business and commercial properties		0.0055	0.0055	0.0063	0.0067	0.0072	0.0076	0.0081
Communal land - residential								
Communal land - small holdings								
Communal land - farm property								
Communal land - business and commercial								
Communal land - other								
State-owned properties								
Municipal properties								
Public service infrastructure								
Privately owned towns serviced by the owner								
State trust land								
Restitution and redistribution properties								
Protected areas								
National monuments properties								
Exemptions, reductions and rebates (Rands)								
Residential properties								
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		100 000	100 000	100 000	220 000	220 000	220 000	220 000
Pensioners/social grants rebate or exemption		100 000	100 000	100 000	220 000	220 000	220 000	220 000
Temporary relief rebate or exemption		30-100%	30-100%	30-100%	40-100%	40-100%	40-100%	40-100%
Bona fide farmers rebate or exemption								
Other rebates or exemptions		75%	75%	75%	75%	75%	75%	75%
Water tariffs								
Domestic								
Basic charge/fixd fee (Rands/month)		93	96	102	102	115	122	129
Service point - vacant land (Rands/month)		93	96	102	102	115	122	129
Water usage - flat rate tariff (c/kl)	0 - 6 kl		307	325	325	404	428	454
Water usage - life line tariff	7 - 18 kl	-	811	860	1 005	966	1 024	1 085
Water usage - Block 1 (c/kl)	19 - 30 kl	746	1 316	1 395	1 631	1 567	1 661	1 761
Water usage - Block 2 (c/kl)	31 - 45 kl	1 200	2 026	2 148	2 512	2 413	2 558	2 711
Water usage - Block 3 (c/kl)	46 - 60 kl	1 860	2 632	2 790	3 263	3 134	3 322	3 521
Water usage - Block 4 (c/kl)	> 60 kl	2 518	3 509	3 720	4 351	4 179	4 430	4 696
Other								
Waste water tariffs								
Domestic								
Basic charge/fixd fee (Rands/month)		81	86	91	91	102	109	115
Service point - vacant land (Rands/month)		123	130	110	109	123	131	138
Waste water - flat rate tariff (c/kl)		877	965	1 026	1 026	1 153	1 222	1 296
Volumetric charge - Block 1 (c/kl)	Basic charge pumps	54	58	61	61	69	73	78
Volumetric charge - Block 2 (c/kl)	Service per pump	373	396	419	419	471	499	529
Volumetric charge - Block 3 (c/kl)	(fill in structure)							
Volumetric charge - Block 4 (c/kl)	(fill in structure)							
Other								
Electricity tariffs								
Domestic								
Basic charge/fixd fee (Rands/month)	Basic charge monthly	158	193	205	204	255	270	286
Service point - vacant land (Rands/month)	Basic charge vacant land	158	193	205	204	255	270	286
FBE	(how is this targeted?)							
Life-line tariff - meter	(describe structure)							
Life-line tariff - prepaid	(describe structure)	795	795	879	886	996	1 056	1 119
Flat rate tariff - meter (c/kwh)								
Flat rate tariff - prepaid(c/kwh)								
Meter - IBT Block 1 (c/kwh)	Credit Meter							
Meter - IBT Block 2 (c/kwh)	0 - 350 kWh	86	86	96	96	109	115	122
Meter - IBT Block 3 (c/kwh)	351 - 600 kWh	113	119	130	130	157	166	176
Meter - IBT Block 4 (c/kwh)	> 600 kWh	133	144	157	157	189	201	213
Meter - IBT Block 5 (c/kwh)	Prepaid Meter							
Prepaid - IBT Block 1 (c/kwh)	0 - 350 kWh	80	80	89	89	100	106	113
Prepaid - IBT Block 2 (c/kwh)	351 - 600 kWh	107	112	123	123	148	157	166
Prepaid - IBT Block 3 (c/kwh)	> 600 kWh	128	138	151	151	182	193	204
Prepaid - IBT Block 4 (c/kwh)	(fill in thresholds)							
Prepaid - IBT Block 5 (c/kwh)	(fill in thresholds)							
Other								
Waste management tariffs								
Domestic								
Street cleaning charge								
Basic charge/fixd fee		113	123	130	130	146	155	164
80l bin - once a week								
250l bin - once a week		113	123	130	130	146	155	164

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

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

WC032 Overstrand - Supporting Table SA14 Household bills

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17 % incr.	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Rand/cent										
<u>Monthly Account for Household - 'Middle Income Range'</u>										
Rates and services charges:										
Property rates	151.25	156.00	179.40	191.53	191.53	191.53	7.2%	205.32	217.64	230.70
Electricity: Basic levy	157.89	192.98	204.56	216.83	216.83	216.83	17.5%	254.78	270.07	286.27
Electricity: Consumption	1 056.28	1 126.62	1 219.02	1 367.73	1 367.73	1 367.73	6.0%	1 449.12	1 558.25	1 651.75
Water: Basic levy	92.98	96.49	102.28	108.42	108.42	108.42	6.0%	114.93	121.83	129.14
Water: Consumption	224.44	273.66	294.95	313.77	313.77	313.77	6.3%	333.62	353.76	374.99
Sanitation	264.87	288.62	306.60	325.09	325.09	325.09	6.0%	344.53	365.22	387.13
Refuse removal	113.16	122.81	130.18	137.99	137.99	137.99	6.0%	146.26	155.05	164.35
Other										
sub-total	2 060.87	2 257.18	2 436.99	2 661.36	2 661.36	2 661.36	7.0%	2 848.56	3 041.81	3 224.32
VAT on Services	267.35	294.17	316.06	345.78	345.78	345.78		370.05	395.38	419.11
Total large household bill:	2 328.22	2 551.35	2 753.05	3 007.14	3 007.14	3 007.14	7.0%	3 218.61	3 437.20	3 643.43
% increase/-decrease		9.6%	7.9%	9.2%	0.0%	-		7.0%	6.8%	6.0%
<u>Monthly Account for Household - 'Affordable Range'</u>										
Rates and services charges:										
Property rates	104.70	108.00	124.20	132.60	132.60	132.60	7.2%	142.15	150.68	159.72
Electricity: Basic levy	157.89	192.98	204.56	216.83	216.83	216.83	17.5%	254.78	270.07	286.27
Electricity: Consumption	438.62	456.59	494.02	554.27	554.27	554.27	3.5%	573.52	621.30	658.58
Water: Basic levy	92.98	96.49	102.28	108.42	108.42	108.42	6.0%	114.93	121.83	129.14
Water: Consumption	164.44	207.86	222.11	236.54	236.54	236.54	6.4%	251.79	266.98	283.00
Sanitation	234.17	254.84	270.69	287.01	287.01	287.01	6.0%	304.18	322.44	341.79
Refuse removal	113.16	122.81	130.18	137.99	137.99	137.99	6.0%	146.26	155.05	164.35
Other										
sub-total	1 305.96	1 439.57	1 548.04	1 673.66	1 673.66	1 673.66	6.8%	1 787.61	1 908.34	2 022.84
VAT on Services	168.18	186.42	199.34	215.75	215.75	215.75		230.36	246.07	260.84
Total small household bill:	1 474.14	1 625.99	1 747.38	1 889.41	1 889.41	1 889.41	6.8%	2 017.97	2 154.41	2 283.68
% increase/-decrease		10.3%	7.5%	8.1%	-	-		6.8%	6.8%	6.0%
<u>Monthly Account for Household - 'Indigent' Household receiving free basic services</u>										
Rates and services charges:										
Property rates	58.16	60.00	69.00	73.67	73.67	73.67	7.2%	78.97	83.71	88.73
Electricity: Basic levy	157.89	192.98	204.56	216.83	216.83	216.83	17.5%	254.78	270.07	286.27
Electricity: Consumption	278.39	286.75	310.24	348.08	348.08	348.08	1.0%	351.58	387.44	410.69
Water: Basic levy	92.98	96.49	102.28	108.42	108.42	108.42	6.0%	114.93	121.83	129.14
Water: Consumption	104.44	143.72	152.36	162.59	162.59	162.59	6.7%	173.44	183.88	194.91
Sanitation	203.48	221.07	234.78	248.93	248.93	248.93	6.0%	263.82	279.66	296.44
Refuse removal	113.16	122.81	130.18	137.99	137.99	137.99	6.0%	146.26	155.05	164.35
Other	(521.33)	(598.16)	(635.06)	(676.99)	(676.99)	(676.99)		(743.13)	(787.72)	(834.98)
sub-total	487.17	525.66	568.34	619.52	619.52	619.52	3.4%	640.65	693.91	735.54
VAT on Services	60.06	65.19	69.91	76.42	76.42	76.42		78.63	85.43	90.55
Total small household bill:	547.23	590.85	638.25	695.94	695.94	695.94	3.4%	719.28	779.34	826.10
% increase/-decrease		8.0%	8.0%	9.0%	-	-		3.4%	8.3%	6.0%

WC032 Overstrand - Supporting Table SA15 Investment particulars by type

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

WC032 Overstrand - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID	Yrs/Months												
Parent municipality													
LIBERTY 15934476	15 YEARS	POLICY	YES	VARIABLE	Fair Value Adjustment			01/09/2025	8 385	66		1 500	9 951
LIBERTY 21196964	14 YEARS	POLICY	YES	VARIABLE	Fair Value Adjustment			01/09/2025	13 186	216		3 120	16 523
MOMENTUM 3853776	15 YEARS	POLICY	YES	VARIABLE	Fair Value Adjustment			01/07/2026	1 578	44		360	1 981
													-
TOTAL INVESTMENTS AND INTEREST									23 149		-	4 980	28 455

WC032 Overstrand - Supporting Table SA17 Borrowing

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

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

WC032 Overstrand - Supporting Table SA18 Transfers and grant receipts

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
RECEIPTS:									
<u>Operating Transfers and Grants</u>									
National Government:	38 956	45 033	56 511	67 709	67 709	67 709	76 347	84 580	92 983
Local Government Equitable Share	36 146	41 949	52 021	64 598	64 598	64 598	72 950	83 030	91 433
Finance Management	698	1 300	1 450	1 450	1 450	1 450	1 475	1 550	1 550
Municipal Systems Improvement	780	540							
EPWP Incentive	1 332	1 244	1 768	1 661	1 661	1 661	1 922		
Disaster recovery grant			1 272						
Other transfers/grants [insert description]									
Provincial Government:	2 703	23 332	4 481	22 615	35 044	35 044	49 966	15 850	20 536
Housing	1 659	18 669	632	17 141	29 370	29 370	43 795	9 346	13 540
Emergency Housing Programme (EHP)	–	–							
Provincial Library Grant	691	795	3 182	5 288	5 288	5 288	5 839	6 189	6 561
Financial Management Support Grant	–	800							
Disaster recovery grant									
Community Development Worker Grant	70	49	70	72	72	72	75	75	75
Main Road Subsidy	65	2 651	83	114	114	114	137		
Sport & Recreation Grant	–	–							
Nelson Mandela commemoration Grant	–	100							
Greenest Municipality	–	50	–						
Financial Management Support Grant			515				120	240	360
Thusong Service centre grant	218	218			200	200			
Other transfers/grants [insert description]									
District Municipality:	–	–	–	–	–	–	–	–	–
[insert description]									
Other grant providers:	652	586	165	–	–	–	–	–	–
ACIP									
Prov Govt. Nelson Mandela Commemoration									
Prov Govt. ICT Projects for Libraries	–	27							
Table Mountain Fund	–	240							
Public Contr. KCIH									
Samras Usergroup	22	–	3						
Friedrich Naumann Foundation	–	319	162						
Spaces 4 Sport	630	–							
Total Operating Transfers and Grants	42 311	68 951	61 158	90 324	102 753	102 753	126 313	100 430	113 519
<u>Capital Transfers and Grants</u>									
National Government:	36 911	26 068	23 608	30 347	30 347	30 347	26 030	26 450	29 531
Municipal Infrastructure Grant (MIG)	16 947	18 755	20 674	21 417	21 417	21 417	21 030	22 450	23 531
Public Transport and Systems									
Regional Bulk Infrastructure	15 174	–							
Neighbourhood Development Partnership	2 418	3 963							
Finance Management	552	–							
Municipal Systems Improvement	20	350	934	930	930	930			
INEP	1 800	3 000	2 000	8 000	8 000	8 000	5 000	4 000	6 000
Other capital transfers/grants [insert desc]									
Provincial Government:	20 217	8 819	30 195	33 007	30 414	30 414	13 932	37 154	37 740
Housing	18 693	7 727	28 045	29 973	26 080	26 080	12 882	37 154	37 740
Sport & Recreation Grant	–	100							
Provincial Library Grant	13	10	2 150	3 034	3 034	3 034	1 050		
Pronicial Transport Infrastructure Grant	1 500	982							
Community Development Worker Grant	11	–							
Financial Management Support Grant					1 300	1 300			
District Municipality:	–	–	–	–	–	–	–	–	–
[insert description]									
Other grant providers:	–	–	2 000	–	–	–	3 500	–	–
National Lotto			1 000						
DWA ACIP			1 000				3 500		
Spaces 4 Sport									
Friedrich Nauman Foundation/SAMRAS usergroup									
Total Capital Transfers and Grants	57 128	34 887	55 803	63 354	60 761	60 761	43 462	63 604	67 271
TOTAL RECEIPTS OF TRANSFERS & GRANTS	99 439	103 838	116 961	153 678	163 514	163 514	169 775	164 034	180 790

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

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
EXPENDITURE:									
<u>Operating expenditure of Transfers and Grants</u>									
National Government:	2 810	3 084	3 900	3 111	3 701	3 701	3 397	1 550	1 550
Local Government Equitable Share									
Finance Management	698	1 300	860	1 450	2 040	2 040	1 475	1 550	1 550
Municipal Systems Improvement	780	540							
EPWP Incentive	1 332	1 244	1 768	1 661	1 661	1 661	1 922		
Disaster recovery grant			1 272						
Other transfers/grants [insert description]									
Provincial Government:	2 724	22 802	4 551	22 615	35 257	35 257	49 966	15 850	20 536
Housing	1 659	18 669	632	17 141	29 370	29 370	43 795	9 346	13 540
Community Development Worker Grant	70	49	70	72	72	72	75	75	75
Main Road Subsidy	65	2 651	83	114	114	114	137		
Sport & Recreation Grant									
Provincial Library Grant	691	795	3 182	5 288	5 288	5 288	5 839	6 189	6 561
Disaster recovery grant									
Financial Management Support Grant	–	155	547		213	213	120	240	360
Nelson Mandela commemoration Grant	–	100							
Greenest Municipality	–	12	38						
HCE	19	47							
Mobility Strategy	2	106							
Thusong Service centre grant	218	218			200	200			
Other transfers/grants [insert description]									
District Municipality:	–	–	–	–	–	–	–	–	–
[insert description]									
Other grant providers:	222	894	252	–	–	–	–	–	–
Spaces 4 Sport/Friedrich Naumann Foundation	200	627	249						
ICT Projects for Libraries/Samras Usergroup	22	267	3						
Total operating expenditure of Transfers and Grants:	5 756	26 781	8 704	25 726	38 957	38 957	53 363	17 400	22 086
<u>Capital expenditure of Transfers and Grants</u>									
National Government:	36 911	25 094	23 608	30 347	30 347	30 347	26 030	26 450	29 531
Municipal Infrastructure Grant (MIG)	16 947	18 755	20 674	21 417	21 417	21 417	21 030	22 450	23 531
Public Transport and Systems									
Regional Bulk Infrastructure	15 174	–							
Municipal Systems Improvement	20	350	934	930	930	930			
INEP	1 800	2 026	2 000	8 000	8 000	8 000	5 000	4 000	6 000
Finance Management	552	–							
Neighbourhood Development Partnership	2 418	3 963							
Provincial Government:	16 898	12 996	31 890	33 007	30 414	30 414	13 932	37 154	37 740
Housing	16 651	10 404	29 740	29 973	26 080	26 080	12 882	37 154	37 740
Sport & Recreation Grant	–	100							
Public transport non-motorised infrastructure grant	–	2 482							
Provincial Library Grant	13	10	2 150	3 034	3 034	3 034	1 050		
Financial Management Support Grant					1 300	1 300			
Mobility strategy (pound)/ CDW	234	–							
District Municipality:	–	–	–	–	–	–	–	–	–
[insert description]									
Other grant providers:	500	–	1 000	1 000	1 000	–	4 500	–	–
National Lotto				1 000	1 000		1 000		
'DWA ACIP			1 000				3 500		
'Spaces 4 Sport									
National Lotto	500	–	–						
Total capital expenditure of Transfers and Grants	54 309	38 090	56 498	64 354	61 761	60 761	44 462	63 604	67 271
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	60 065	64 871	65 202	90 080	100 718	99 718	97 825	81 004	89 357

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

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
<u>Operating transfers and grants:</u>									
National Government:									
Balance unspent at beginning of the year	–	–	–		590	590			
Current year receipts	38 956	45 033	56 511	67 709	67 709	67 709	76 347	84 580	92 983
Conditions met - transferred to revenue	38 956	45 033	55 921	67 709	68 299	68 299	76 347	84 580	92 983
Conditions still to be met - transferred to liabilities			590						
Provincial Government:									
Balance unspent at beginning of the year	174	153	683		213	213			
Current year receipts	2 703	23 332	4 481	22 615	35 044	35 044	49 966	15 850	20 536
Transfer to creditor/debtor	(222)	(894)	(400)						
Conditions met - transferred to revenue	2 502	21 908	4 551	22 615	35 257	35 257	49 966	15 850	20 536
Conditions still to be met - transferred to liabilities	153	683	213						
District Municipality:									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities									
Other grant providers:									
Balance unspent at beginning of the year	240	669	361						
Current year receipts	652	586	165						
Conditions met - transferred to revenue	222	894	252	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities	669	361	274						
Total operating transfers and grants revenue	41 680	67 835	60 725	90 324	103 555	103 555	126 313	100 430	113 519
Total operating transfers and grants - CTBM	822	1 044	1 076	–	–	–	–	–	–
<u>Capital transfers and grants:</u>									
National Government:									
Balance unspent at beginning of the year	–	–							
Current year receipts	36 911	26 068	23 608	30 347	30 347	30 347	26 030	26 450	29 531
Transfer to creditor/debtor	–	(974)							
Conditions met - transferred to revenue	36 911	25 094	23 608	30 347	30 347	30 347	26 030	26 450	29 531
Conditions still to be met - transferred to liabilities									
Provincial Government:									
Balance unspent at beginning of the year	3 642	6 961	2 382						
Current year receipts	20 217	8 819	30 195	33 007	30 414	30 414	13 932	37 780	37 740
Transfer to creditor/debtor	–	(402)	(687)						
Conditions met - transferred to revenue	16 898	12 996	31 890	33 007	30 414	30 414	13 932	37 780	37 740
Conditions still to be met - transferred to liabilities	6 961	2 382							
District Municipality:									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities									
Other grant providers:									
Balance unspent at beginning of the year	–	–				1 000			
Current year receipts	–	–	1 000	1 000	1 000		3 500		
Conditions met - transferred to revenue	–	–	–	1 000	1 000	1 000	3 500	–	–
Conditions still to be met - transferred to liabilities			1 000						
Total capital transfers and grants revenue	53 809	38 090	55 498	64 354	61 761	61 761	43 462	64 230	67 271
Total capital transfers and grants - CTBM	6 961	2 382	1 000	–	–	–	–	–	–
TOTAL TRANSFERS AND GRANTS REVENUE	95 489	105 925	116 223	154 678	165 316	165 316	169 775	164 660	180 790
TOTAL TRANSFERS AND GRANTS - CTBM	7 783	3 425	2 076	–	–	–	–	–	–

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

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

WC032 Overstrand - Supporting Table SA22 Summary councillor and staff benefits

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

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

Disclosure of Salaries, Allowances & Benefits 1.	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum			1.				2.
<u>Councillors</u>							
Speaker	1	642 795		24 468			667 263
Chief Whip							–
Executive Mayor	1	803 493		24 468			827 961
Deputy Executive Mayor	1	642 795		24 468			667 263
Executive Committee	3	1 807 863		73 404			1 881 267
Total for all other councillors	19	4 601 608		464 892			5 066 500
Total Councillors	25	8 498 554	–	611 700			9 110 254
<u>Senior Managers of the Municipality</u>							
Municipal Manager (MM)	1	1 814 878		22 872			1 837 750
Chief Finance Officer	1	1 678 835		19 872			1 698 707
Management Serv	1	1 272 554		22 872			1 295 426
LED	1	1 192 084		19 872			1 211 956
Protection Serv	1	1 150 142		22 872			1 173 014
Infrastrcture and Plzanning	1	1 668 515		22 872			1 691 387
Community Serv	1	1 373 410		22 872			1 396 282
							–
Total Senior Managers of the Municipality	7	10 150 418	–	154 104	–		10 304 522
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	32	18 648 972	–	765 804	–		19 414 776

WC032 Overstrand - Supporting Table SA24 Summary of personnel numbers

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

WC032 Overstrand - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand															
Revenue By Source															
Property rates	17 873	14 969	14 944	14 946	14 946	14 992	14 989	14 981	14 447	14 646	14 447	14 409	180 591	191 427	202 913
Property rates - penalties & collection charges	62	59	54	62	64	33	33	47	93	102	102	138	848	899	953
Service charges - electricity revenue	31 267	29 843	27 895	27 341	27 019	28 768	30 163	26 790	28 436	35 768	31 644	32 024	356 959	379 108	401 855
Service charges - water revenue	8 307	8 962	8 279	8 873	9 924	11 218	14 629	11 938	8 924	6 693	5 577	8 222	111 544	117 505	124 556
Service charges - sanitation revenue	5 875	6 118	6 072	6 114	6 333	7 099	7 937	6 796	5 785	4 339	5 062	4 788	72 318	76 657	81 257
Service charges - refuse revenue	5 521	5 692	5 742	5 568	5 670	5 691	5 682	5 545	3 931	5 241	5 896	5 332	65 510	69 441	73 607
Service charges - other	–	–	–	–	–	–	–	–	–	–	–	722	722	765	811
Rental of facilities and equipment	200	127	347	180	207	643	302	225	263	136	109	1 989	4 728	3 335	3 535
Interest earned - external investments	842	1 540	1 329	1 996	1 042	1 134	373	997	362	362	241	271	10 489	12 795	13 563
Interest earned - outstanding debtors	247	250	242	237	263	262	279	292	220	191	185	88	2 756	2 921	3 097
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines	516	4 126	2 146	2 107	2 057	2 018	2 115	2 491	641	881	1 246	10 801	31 143	31 164	31 187
Licences and permits	204	198	205	185	190	177	225	211	173	205	140	218	2 330	2 470	2 618
Agency services	284	223	246	280	286	335	318	293	221	225	193	315	3 220	3 413	3 618
Transfers recognised - operational	34 700	747	1 286	4 358	29 769	8 200	–	10 358	12 825	8 978	2 565	12 527	126 313	100 430	113 519
Other revenue	2 145	1 616	2 547	3 683	2 355	1 809	2 184	2 639	1 422	711	1 185	1 406	23 702	25 124	26 631
Gains on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	108 042	74 470	71 332	75 930	100 125	82 377	79 230	83 604	77 744	78 477	68 593	93 251	993 175	1 017 455	1 083 718
Expenditure By Type															
Employee related costs	19 797	21 991	25 432	23 251	35 970	23 882	25 331	29 914	24 735	28 932	22 943	32 027	314 204	322 023	339 129
Remuneration of councillors	696	696	696	734	717	717	982	759	759	759	759	837	9 110	9 620	10 161
Debt impairment	1 991	1 991	1 991	1 991	1 991	1 991	1 991	1 991	1 911	1 911	1 911	2 230	23 888	23 974	24 048
Depreciation & asset impairment	9 808	9 808	9 808	9 808	9 808	9 808	9 808	9 808	9 808	9 808	9 808	9 808	117 690	124 752	132 237
Finance charges	122	664	1 097	3 849	1 241	8 425	1 541	1 912	1 857	4 642	6 963	14 110	46 421	46 952	45 449
Bulk purchases	3 608	26 257	24 455	15 727	14 954	16 196	16 126	15 887	18 857	22 540	16 600	19 557	210 763	227 329	245 197
Other materials	1 570	2 508	3 308	6 691	5 076	10 413	2 222	11 286	5 368	7 669	7 669	11 268	75 048	40 659	46 605
Contracted services	1 809	7 224	8 569	8 341	8 639	16 037	10 340	26 517	11 110	31 744	12 697	15 341	158 368	164 936	174 154
Transfers and grants	3 897	6 693	5 031	4 599	4 588	4 597	4 596	4 581	2 874	4 048	4 032	7 943	57 479	60 808	64 336
Other expenditure	864	4 392	3 507	5 968	4 736	4 408	3 143	5 402	7 803	7 203	6 002	6 596	60 024	63 497	67 536
Loss on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure	44 161	82 222	83 892	80 958	87 718	96 473	76 080	108 056	85 081	119 254	89 385	119 716	1 072 995	1 084 550	1 148 851
Surplus/(Deficit)	63 881	(7 751)	(12 560)	(5 029)	12 407	(14 095)	3 150	(24 453)	(7 337)	(40 777)	(20 792)	(26 465)	(79 820)	(67 094)	(65 133)
Transfers recognised - capital	150	2 904	7 293	1 320	3 083	4 399	–	1 029	3 506	5 908	4 411	5 959	39 962	63 604	67 271
Contributions recognised - capital	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Contributed assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	64 032	(4 848)	(5 267)	(3 709)	15 491	(9 697)	3 150	(23 424)	(3 831)	(34 870)	(16 380)	(16 006)	(35 358)	(3 490)	2 138
Taxation	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Attributable to minorities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	64 032	(4 848)	(5 267)	(3 709)	15 491	(9 697)	3 150	(23 424)	(3 831)	(34 870)	(16 380)	(16 006)	(35 358)	(3 490)	2 138

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

Description	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand															
Revenue by Vote															
Vote 1 - Council	35 018	40	20	21	24 336	22	18	18	11 636	1 927	41	86	73 182	83 276	91 694
Vote 2 - Municipal Manager	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vote 3 - Management Services	0	0	0	0	0	0	0	0	0	0	0	0	1	1	1
Vote 4 - Finance	19 088	16 603	16 775	17 234	16 539	16 430	15 641	16 749	15 030	15 579	15 625	19 659	200 953	213 109	225 908
Vote 5 - Community Services	20 749	21 063	23 392	24 170	25 076	30 494	30 084	29 467	24 553	29 674	26 379	5 963	291 065	306 364	324 475
Vote 6 - Local Economic Development	197	296	318	841	293	290	137	330	90	335	168	56	3 352	1 516	1 607
Vote 7 - Infrastructure & Planning	32 118	34 696	35 379	31 436	34 308	36 979	30 605	35 048	28 749	34 970	26 993	69 815	431 096	438 374	468 427
Vote 8 - Protection Services	1 022	4 676	2 742	3 547	2 656	2 561	2 744	3 021	1 190	1 899	3 799	8 132	37 988	38 420	38 877
Total Revenue by Vote	108 193	77 374	78 626	77 250	103 208	86 776	79 230	84 633	81 250	84 384	73 004	103 710	1 037 637	1 081 060	1 150 989
Expenditure by Vote to be appropriated															
Vote 1 - Council	5 546	8 061	6 464	6 077	6 194	6 085	6 269	13 774	6 555	7 695	5 728	13 300	91 748	96 140	102 598
Vote 2 - Municipal Manager	337	382	435	367	378	366	357	312	333	472	403	581	4 722	4 978	5 247
Vote 3 - Management Services	2 086	4 867	3 432	3 587	4 078	3 221	3 905	2 862	4 793	704	3 204	9 752	46 490	48 974	51 802
Vote 4 - Finance	2 899	4 505	5 252	6 956	7 744	5 410	4 296	3 808	2 331	3 649	3 468	18 862	69 180	73 115	77 153
Vote 5 - Community Services	18 123	21 750	25 877	27 377	33 705	39 215	27 158	37 439	30 240	41 157	31 815	13 144	346 998	358 613	375 553
Vote 6 - Local Economic Development	319	1 203	766	1 192	853	740	926	623	1 710	755	1 103	606	10 795	7 433	7 672
Vote 7 - Infrastructure & Planning	10 415	36 365	35 953	29 901	28 171	35 689	26 935	43 494	35 054	59 284	39 956	47 190	428 407	418 346	448 962
Vote 8 - Protection Services	4 437	5 087	5 714	5 500	6 597	5 748	6 234	5 745	4 065	5 539	3 708	16 283	74 657	76 951	79 864
Total Expenditure by Vote	44 161	82 222	83 892	80 958	87 718	96 473	76 080	108 056	85 081	119 254	89 385	119 716	1 072 995	1 084 550	1 148 851
Surplus/(Deficit) before assoc.	64 032	(4 848)	(5 267)	(3 709)	15 491	(9 697)	3 150	(23 424)	(3 831)	(34 870)	(16 380)	(16 006)	(35 358)	(3 490)	2 138
Taxation												—	—	—	—
Attributable to minorities												—	—	—	—
Share of surplus/ (deficit) of associate												—	—	—	—
Surplus/(Deficit)	64 032	(4 848)	(5 267)	(3 709)	15 491	(9 697)	3 150	(23 424)	(3 831)	(34 870)	(16 380)	(16 006)	(35 358)	(3 490)	2 138

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

Description	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand															
Revenue - Standard															
<i>Governance and administration</i>	53 922	16 688	16 875	17 330	40 981	16 707	15 672	16 901	26 052	17 509	15 710	20 637	274 984	297 281	318 547
Executive and council	34 798	46	27	23	24 349	147	27	49	10 990	1 862	42	909	73 269	83 368	91 792
Budget and treasury office	19 088	16 603	16 775	17 234	16 539	16 430	15 641	16 749	15 030	15 579	15 625	19 659	200 953	213 109	225 908
Corporate services	35	39	73	73	92	129	4	103	31	69	43	70	762	803	847
<i>Community and public safety</i>	2 159	9 847	15 865	7 941	7 868	13 667	4 151	11 771	7 899	12 398	9 353	13 617	116 537	112 616	113 584
Community and social services	659	598	2 324	582	590	645	637	665	1 632	947	1 950	446	11 676	14 703	12 315
Sport and recreation	260	291	311	381	477	2 112	742	474	332	488	464	3 544	9 875	12 654	10 752
Public safety	1 022	4 676	2 742	3 547	2 656	2 561	2 744	3 021	1 190	3 465	1 236	9 130	37 988	38 420	38 877
Housing	218	4 282	10 488	3 431	4 145	8 349	28	7 611	4 744	7 498	5 704	498	56 997	46 839	51 640
Health												-	-	-	-
<i>Economic and environmental services</i>	879	981	1 772	1 952	1 541	2 636	680	2 229	946	1 800	1 904	8 320	25 639	17 168	24 533
Planning and development	852	981	1 149	1 877	1 146	857	641	1 326	647	918	617	3 799	14 810	9 951	10 548
Road transport	12	-	623	75	394	1 779	40	903	296	875	1 286	4 463	10 746	7 129	13 891
Environmental protection	15	-	-	-	-	-	-	-	2	7	1	58	83	88	93
<i>Trading services</i>	51 233	49 858	44 114	50 027	52 819	53 766	58 726	53 731	46 353	52 678	46 037	61 136	620 478	653 995	694 325
Electricity	31 259	28 657	23 283	28 659	29 754	29 578	30 159	29 242	27 342	33 866	29 547	41 533	362 878	383 351	408 112
Water	8 223	8 871	8 219	8 838	10 209	11 239	14 659	11 932	9 599	9 150	6 429	6 731	114 100	121 402	129 044
Waste water management	6 226	6 633	6 862	6 958	7 180	7 243	8 225	7 011	4 634	4 862	5 300	6 795	77 930	79 738	83 495
Waste management	5 524	5 696	5 750	5 572	5 675	5 706	5 683	5 546	4 779	4 801	4 761	6 077	65 570	69 504	73 675
<i>Other</i>												-	-	-	-
Total Revenue - Standard	108 193	77 374	78 626	77 250	103 208	86 776	79 230	84 633	81 250	84 384	73 004	103 710	1 037 637	1 081 060	1 150 989
Expenditure - Standard															
<i>Governance and administration</i>	14 277	21 639	20 683	20 201	24 059	21 778	23 071	27 585	14 512	26 021	17 866	30 602	262 295	273 948	290 221
Executive and council	7 292	10 027	9 563	7 347	8 914	8 706	9 104	18 452	9 017	10 657	8 279	7 177	114 535	118 197	125 860
Budget and treasury office	2 899	4 505	5 252	6 956	7 744	5 410	4 296	3 808	2 331	3 649	3 468	18 862	69 180	73 115	77 153
Corporate services	4 086	7 106	5 869	5 898	7 401	7 662	9 671	5 325	3 163	11 716	6 118	4 564	78 579	82 635	87 207
<i>Community and public safety</i>	7 608	8 793	9 930	13 240	14 422	19 409	11 554	20 895	8 650	26 212	15 928	22 521	179 163	148 176	159 408
Community and social services	1 987	2 323	2 429	2 738	4 453	2 639	2 667	2 593	2 410	4 883	2 564	2 780	34 465	35 334	37 197
Sport and recreation	850	1 010	1 331	1 447	1 659	3 141	2 268	1 475	1 642	2 856	1 482	1 078	20 239	20 843	22 140
Public safety	4 437	5 087	5 714	5 500	6 597	5 748	6 234	5 745	4 065	5 539	3 708	16 283	74 657	76 951	79 864
Housing	334	372	457	3 555	1 714	7 880	386	11 083	533	12 935	8 174	2 380	49 802	15 048	20 208
Health												-	-	-	-
<i>Economic and environmental services</i>	6 996	10 738	10 279	11 679	13 645	15 039	8 655	24 464	26 666	22 609	17 607	8 058	176 435	180 172	189 724
Planning and development	2 472	4 009	3 784	4 606	4 846	3 957	3 425	18 389	19 777	6 636	6 280	2 145	80 325	80 623	85 576
Road transport	4 258	6 404	6 078	6 686	8 345	10 723	4 954	5 731	6 485	15 402	10 641	4 692	90 397	93 565	97 944
Environmental protection	266	325	417	388	454	359	276	345	404	571	685	1 222	5 712	5 983	6 204
<i>Trading services</i>	15 280	41 051	43 000	35 838	35 591	40 248	32 800	35 113	35 252	44 412	37 984	58 534	455 103	482 255	509 499
Electricity	6 639	29 744	28 620	20 593	19 937	22 862	20 556	21 707	22 516	24 308	23 535	36 727	277 742	297 102	317 281
Water	2 992	3 898	4 726	6 346	4 945	7 134	3 158	4 448	4 914	5 860	3 775	6 832	59 028	61 272	63 072
Waste water management	3 127	3 887	5 044	4 893	5 288	5 760	4 529	4 388	4 403	5 468	4 239	8 803	59 828	62 976	66 197
Waste management	2 523	3 522	4 610	4 006	5 422	4 491	4 558	4 570	3 420	8 776	6 436	6 172	58 505	60 904	62 948
<i>Other</i>												-	-	-	-
Total Expenditure - Standard	44 161	82 222	83 892	80 958	87 718	96 473	76 080	108 056	85 081	119 254	89 385	119 716	1 072 995	1 084 550	1 148 851
Surplus/(Deficit) before assoc.	64 032	(4 848)	(5 267)	(3 709)	15 491	(9 697)	3 150	(23 424)	(3 831)	(34 870)	(16 380)	(16 006)	(35 358)	(3 490)	2 138
Share of surplus/ (deficit) of associate												-	-	-	-
Surplus/(Deficit)	64 032	(4 848)	(5 267)	(3 709)	15 491	(9 697)	3 150	(23 424)	(3 831)	(34 870)	(16 380)	(16 006)	(35 358)	(3 490)	2 138

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

Description	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand															
<u>Multi-year expenditure to be appropriated</u>															
Vote 1 - Council												-	-	-	-
Vote 2 - Municipal Manager												-	-	-	-
Vote 3 - Management Services												-	-	-	-
Vote 4 - Finance												-	-	-	-
Vote 5 - Community Services	-	1 111	850	350	1 600	1 550	-	1 590	940	1 940	2 040	2 340	14 311	38 890	37 031
Vote 6 - Local Economic Development												-	-	-	-
Vote 7 - Infrastructure & Planning		437	400	1 400	200	1 008	1 600	1 800	2 300	2 300	1 100	2 456	15 000	14 000	20 500
Vote 8 - Protection Services												-	-	-	-
Capital multi-year expenditure sub-total	-	1 548	1 250	1 750	1 800	2 558	1 600	3 390	3 240	4 240	3 140	4 796	29 311	52 890	57 531
<u>Single-year expenditure to be appropriated</u>															
Vote 1 - Council												5	5	-	-
Vote 2 - Municipal Manager					15	10						16	41	-	-
Vote 3 - Management Services												320	320	-	-
Vote 4 - Finance												30	30	-	-
Vote 5 - Community Services	50	1 430	710	2 105	2 295	1 590	585	5 150	6 846	7 763	8 072	14 437	51 033	41 340	49 740
Vote 6 - Local Economic Development												15	15	-	-
Vote 7 - Infrastructure & Planning	-	-	-	-	15	30	-	12	-	28	79	6 558	6 721	-	-
Vote 8 - Protection Services	-	-	110	30	70	-	-	-	-	20	40	610	880	-	-
Capital single-year expenditure sub-total	50	1 430	820	2 135	2 395	1 630	585	5 162	6 846	7 811	8 191	21 991	59 046	41 340	49 740
Total Capital Expenditure	50	2 978	2 070	3 885	4 195	4 188	2 185	8 551	10 086	12 051	11 331	26 787	88 356	94 230	107 271

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

Description R thousand	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Capital Expenditure - Standard															
<i>Governance and administration</i>	–	–	–	120	15	10	–	50	381	410	541	(673)	855	–	–
Executive and council					15	10						21	46	–	–
Budget and treasury office												–	–	–	–
Corporate services				120				50	381	410	541	(694)	809	–	–
<i>Community and public safety</i>	–	450	520	715	805	575	85	2 850	2 565	2 968	3 696	4 273	19 502	47 715	42 340
Community and social services			10	70	435	500	–	450	115	40	1 025	350	2 995	4 500	1 500
Sport and recreation	–	450	400	415	100	75	85	300	250	408	18	44	2 545	5 435	3 100
Public safety	–	–	110	30	70	–	–	–	–	20	40	810	1 080	–	–
Housing	–	–	–	200	200	–	–	2 100	2 200	2 500	2 613	3 069	12 882	37 780	37 740
Health												–	–	–	–
<i>Economic and environmental services</i>	50	980	300	1 300	1 560	1 135	–	1 050	1 100	1 630	1 399	2 429	12 933	6 859	13 605
Planning and development	–	–	–	–	–	–	–	–	–	25	54	104	183	–	–
Road transport	50	980	300	1 300	1 560	1 135	–	1 050	1 100	1 605	1 345	2 325	12 750	6 859	13 605
Environmental protection												–	–	–	–
<i>Trading services</i>	–	1 548	1 250	1 750	1 815	2 468	2 100	4 601	6 040	7 043	5 695	20 756	55 066	39 656	51 326
Electricity	–	437	400	1 400	215	1 038	1 600	1 811	2 300	2 303	1 125	9 170	21 799	14 000	20 500
Water	–	611	–	–	600	400	–	1 040	2 040	2 690	2 300	5 341	15 021	12 800	16 826
Waste water management	–	500	850	350	1 000	1 030	500	1 750	1 700	2 050	2 250	6 251	18 231	12 856	14 000
Waste management	–	–	–	–	–	–	–	–	–	–	20	(5)	15	–	–
<i>Other</i>												–	–	–	–
Total Capital Expenditure - Standard	50	2 978	2 070	3 885	4 195	4 188	2 185	8 551	10 086	12 051	11 331	26 787	88 356	94 230	107 271
Funded by:															
National Government	50	1 400	1 050	2 565	2 250	2 200	500	2 500	2 350	3 185	2 120	5 861	26 030	26 450	29 531
Provincial Government	–	–	–	200	200	–	–	2 100	2 200	2 525	3 638	3 069	13 932	37 780	37 740
District Municipality												–	–	–	–
Other transfers and grants												3 500	3 500	–	–
Transfers recognised - capital	50	1 400	1 050	2 765	2 450	2 200	500	4 600	4 550	5 710	5 758	12 430	43 462	64 230	67 271
Public contributions & donations												1 462	1 462	–	–
Borrowing	–	1 548	900	900	800	908	1 600	3 640	5 040	5 640	4 490	8 360	33 824	30 000	40 000
Internally generated funds	–	30	120	220	945	1 080	85	312	496	701	1 084	4 535	9 608	–	–
Total Capital Funding	50	2 978	2 070	3 885	4 195	4 188	2 185	8 551	10 086	12 051	11 331	26 787	88 356	94 230	107 271

WC032 Overstrand - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Cash Receipts By Source													1		
Property rates	17 546	14 681	14 646	14 647	14 652	14 715	14 732	14 696	14 152	14 369	14 156	14 139	177 130	190 545	201 979
Property rates - penalties & collection charges	62	59	54	62	64	33	33	47	93	102	102	138	848	899	953
Service charges - electricity revenue	30 694	29 269	27 338	26 793	26 487	28 236	29 645	26 279	27 855	35 091	31 006	31 424	350 118	377 363	400 006
Service charges - water revenue	8 155	8 789	8 114	8 695	9 728	11 011	14 378	11 710	8 741	6 566	5 465	8 068	109 419	116 964	123 983
Service charges - sanitation revenue	5 767	6 001	5 951	5 992	6 208	6 968	7 801	6 666	5 667	4 257	4 960	4 698	70 935	76 304	80 883
Service charges - refuse revenue	5 420	5 583	5 627	5 456	5 558	5 586	5 584	5 439	3 850	5 142	5 777	5 232	64 255	69 121	73 269
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	708	708	762	808
Rental of facilities and equipment	196	124	340	176	203	631	297	221	257	133	107	1 952	4 638	3 319	3 518
Interest earned - external investments	842	1 540	1 329	1 996	1 042	1 134	373	997	362	362	241	271	10 489	12 795	13 563
Interest earned - outstanding debtors	247	250	242	237	263	262	279	292	220	191	185	88	2 756	2 921	3 097
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	516	4 126	2 146	2 107	2 057	2 018	2 115	2 491	641	881	1 246	10 801	31 143	31 164	31 187
Licences and permits	204	198	205	185	190	177	225	211	173	205	140	218	2 330	2 470	2 618
Agency services	284	223	246	280	286	335	318	293	221	225	193	315	3 220	3 413	3 618
Transfer receipts - operational	34 700	747	1 286	4 358	29 769	8 200	-	10 358	12 825	8 978	2 565	12 527	126 313	100 430	113 519
Other revenue	1 775	1 246	2 178	3 313	1 985	1 439	1 815	2 269	1 052	341	815	1 036	19 263	16 325	21 370
Cash Receipts by Source	106 408	72 836	69 698	74 296	98 491	80 743	77 596	81 970	76 110	76 843	66 959	91 617	973 567	1 004 796	1 074 369
Other Cash Flows by Source															
Transfer receipts - capital	150	2 904	7 293	1 320	3 083	4 399	-	1 029	3 506	5 908	4 411	9 459	43 462	63 604	67 271
Contributions recognised - capital & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	1 000	1 000	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	30 000	-	-	-	-	-	30 000	30 000	40 000
Increase (decrease) in consumer deposits	219	219	219	219	219	219	219	219	219	219	219	219	2 628	2 321	2 438
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	1	1	1	1	1	1	1	1	1	1	1	1	13	11	10
Decrease (increase) in non-current investment	(573)	(573)	(573)	(573)	(573)	(573)	(573)	(573)	(573)	(573)	(573)	(573)	(6 873)	(6 399)	(6 541)
Total Cash Receipts by Source	106 206	75 387	76 639	75 263	101 222	84 789	107 243	82 646	79 263	82 397	71 018	101 723	1 043 797	1 094 334	1 177 547
Cash Payments by Type															
Employee related costs	19 183	21 376	24 817	22 636	35 355	23 267	24 716	29 299	24 120	28 317	22 329	31 412	306 828	314 204	330 841
Remuneration of councillors	696	696	696	734	717	717	982	759	759	759	759	837	9 110	9 620	10 161
Finance charges	122	664	1 097	3 849	1 241	8 425	1 541	1 912	1 857	4 642	6 963	14 110	46 421	46 952	45 449
Bulk purchases - Electricity	3 608	26 257	24 455	15 727	14 954	16 196	16 126	15 887	18 857	22 540	16 600	19 557	210 763	227 329	245 197
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	1 570	2 508	3 308	6 691	5 076	10 413	2 222	11 286	5 368	7 669	7 669	11 268	75 048	40 659	46 605
Contracted services	1 809	7 224	8 569	8 341	8 639	16 037	10 340	26 517	11 110	31 744	12 697	15 341	158 368	164 936	174 154
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	3 897	6 693	5 031	4 599	4 588	4 597	4 596	4 581	2 874	4 048	4 032	7 943	57 479	60 808	64 336
Other expenditure	106	3 633	2 749	5 209	3 977	3 650	2 384	4 644	6 965	6 365	5 164	6 077	50 922	89 431	88 572
Cash Payments by Type	30 990	69 050	70 721	67 787	74 546	83 301	62 909	94 885	71 909	106 083	76 213	106 545	914 939	953 940	1 005 314
Other Cash Flows/Payments by Type															
Capital assets	50	2 978	2 070	3 885	4 195	4 188	2 185	8 551	10 086	12 051	11 331	26 787	88 356	94 230	107 271
Repayment of borrowing	1 606	864	840	5 395	1 146	3 037	2 072	937	897	5 754	1 219	3 074	26 841	29 775	33 384
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	32 645	72 892	73 631	77 067	79 888	90 525	67 166	104 374	82 893	123 888	88 763	136 405	1 030 137	1 077 945	1 145 969
NET INCREASE/(DECREASE) IN CASH HELD	73 561	2 495	3 008	(1 804)	21 334	(5 736)	40 077	(21 728)	(3 630)	(41 490)	(17 746)	(34 682)	13 660	16 389	31 577
Cash/cash equivalents at the month/year begin	100 467	174 028	176 523	179 531	177 727	199 061	193 325	233 402	211 674	208 045	166 554	148 809	100 467	114 127	130 516
Cash/cash equivalents at the month/year end	174 028	176 523	179 531	177 727	199 061	193 325	233 402	211 674	208 045	166 554	148 809	114 127	114 127	130 516	162 093

WC032 Overstrand - NOT REQUIRED - municipality does not have entities

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

WC032 Overstrand - Supporting Table SA32 List of external mechanisms

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

WC032 Overstrand - Supporting Table SA33 Contracts having future budgetary implications

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

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

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	108 252	50 511	32 922	44 873	47 388	47 388	36 284	30 160	33 300
Infrastructure - Road transport	15 578	9 203	1 320	14 979	16 331	16 331	1 840	–	–
Roads, Pavements & Bridges	10 720	9 160		12 103	13 204	13 204	1 610		
Storm water	4 858	43	1 320	2 877	3 127	3 127	230		
Infrastructure - Electricity	22 203	24 160	13 041	21 726	22 891	22 891	21 599	14 000	20 500
Generation									
Transmission & Reticulation	22 203	24 160	13 041	21 726	22 891	22 891	21 599	14 000	20 500
Street Lighting									
Infrastructure - Water	48 634	7 300	470	4 737	4 737	4 737	4 529	6 000	4 300
Dams & Reservoirs							4 529	6 000	3 500
Water purification	48 634								
Reticulation		7 300	470	4 737	4 737	4 737			800
Infrastructure - Sanitation	16 478	8 449	8 892	3 420	3 413	3 413	8 301	10 160	8 500
Reticulation							4 801	7 160	7 500
Sewerage purification	16 478	8 449	8 892	3 420	3 413	3 413	3 500	3 000	1 000
Infrastructure - Other	5 359	1 400	9 198	10	15	15	15	–	–
Waste Management	5 359	1 400	9 198	10	15	15	15		
Transportation									
Gas									
Other									
Community	20 997	13 896	32 280	35 611	31 768	31 768	10 366	35 671	34 646
Parks & gardens	2 156								
Sportsfields & stadia	1 964	5 471	127	1 823	2 173	2 173	480	4 435	3 000
Swimming pools									
Community halls							945		
Libraries	3		1 961	3 080	3 080	3 080	1 050		
Recreational facilities									
Fire, safety & emergency				295	295	295	880		
Security and policing	223								
Buses									
Clinics									
Museums & Art Galleries									
Cemeteries									
Social rental housing	16 651	4 943	26 895	29 973	26 080	26 080	6 961	31 236	31 646
Other	–	3 482	3 296	440	140	140	50		
Heritage assets	–	–	–	–	–	–	–	–	–
Buildings									
Other									
Investment properties	–	795	–	–	–	–	–	–	–
Housing development									
Other		795							
Other assets	9 038	18 697	10 561	2 673	4 738	4 738	2 173	–	–
General vehicles		4 690	3 904	120	–	–	1 485		
Specialised vehicles	–	–	–	–	–	–	–	–	–
Plant & equipment					720	720			
Computers - hardware/equipment		961	2 433	2 528	3 828	3 828			
Furniture and other office equipment			1 716						
Abattoirs									
Markets									
Civic Land and Buildings									
Other Buildings		510							
Other Land		9 075							
Surplus Assets - (Investment or Inventory)	9 038								
Other		3 461	2 507	25	190	190	688		
Agricultural assets	–	–	–	–	–	–	–	–	–
List sub-class									
Biological assets	–	–	–	–	–	–	–	–	–
List sub-class									
Intangibles	1 330	–	–	–	–	–	–	–	–
Computers - software & programming	1 330								
Other (list sub-class)									
Total Capital Expenditure on new assets	139 617	83 899	75 763	83 156	83 894	83 894	48 823	65 831	67 946

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

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	131	39 529	28 384	16 600	16 600	16 600	30 547	16 355	31 631
Infrastructure - Road transport	131	6 892	6 300	-	-	-	11 855	8 274	14 605
Roads, Pavements & Bridges		6 892	6 300				10 355	6 859	13 605
Storm water	131						1 500	1 415	1 000
Infrastructure - Electricity	-	12 955	3 100	-	-	-	-	-	-
Generation									
Transmission & Reticulation		12 955	3 100						
Street Lighting									
Infrastructure - Water	-	16 331	15 805	11 653	11 653	11 653	10 492	6 800	12 526
Dams & Reservoirs									
Water purification									
Reticulation		16 331	15 805	11 653	11 653	11 653	10 492	6 800	12 526
Infrastructure - Sanitation	-	1 711	3 179	4 947	4 947	4 947	8 200	1 281	4 500
Reticulation									
Sewerage purification		1 711	3 179	4 947	4 947	4 947	8 200	1 281	4 500
Infrastructure - Other	-	1 641	-	-	-	-	-	-	-
Waste Management		1 641							
Transportation									
Gas									
Other									
Community	756	5 686	4 343	4 158	2 893	2 893	8 986	12 044	7 694
Parks & gardens									
Sportsfields & stadia		225	1 454	4 158	2 893	2 893	2 065	1 000	100
Swimming pools									
Community halls							1 000	4 500	1 500
Libraries									
Recreational facilities									
Fire, safety & emergency									
Security and policing									
Buses									
Clinics									
Museums & Art Galleries									
Cemeteries	756								
Social rental housing		5 461	2 889				5 921	6 544	6 094
Other									
Heritage assets	-	-	-	-	-	-	-	-	-
Buildings									
Other									
Investment properties	-	-	-	-	-	-	-	-	-
Housing development									
Other									
Other assets	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							
Agricultural assets	-	-	-	-	-	-	-	-	-
List sub-class									
Biological assets	-	-	-	-	-	-	-	-	-
List sub-class									
Intangibles	-	-	-	-	-	-	-	-	-
Computers - software & programming									
Other (list sub-class)									
Total Capital Expenditure on renewal of existing assets	4 147	47 032	32 727	20 758	19 493	19 493	39 533	28 399	39 325
Renewal of Existing Assets as % of total capex	2.9%	35.9%	30.2%	20.0%	18.9%	18.9%	44.7%	30.1%	36.7%
Renewal of Existing Assets as % of deprecn"	4.0%	47.3%	30.7%	18.6%	17.5%	17.5%	33.6%	22.8%	29.7%

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

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	87 048	129 145	136 009	111 449	111 449	111 449	110 372	114 116	118 787
Infrastructure - Road transport	42 236	63 749	65 726	57 090	57 090	57 090	61 852	63 763	66 471
Roads, Pavements & Bridges	39 790	60 016	60 328	51 401	51 401	51 401	55 545	57 207	59 544
Storm water	2 446	3 732	5 398	5 689	5 689	5 689	6 306	6 555	6 927
Infrastructure - Electricity	14 105	20 488	26 276	16 835	16 835	16 835	17 747	18 486	18 826
Generation									
Transmission & Reticulation	14 105	20 488	26 276	16 835	16 835	16 835	17 747	18 486	18 826
Street Lighting									
Infrastructure - Water	21 502	27 931	25 811	22 874	22 874	22 874	16 555	17 280	18 168
Dams & Reservoirs	80								
Water purification	1 963								
Reticulation	19 459	27 931	25 811	22 874	22 874	22 874	16 555	17 280	18 168
Infrastructure - Sanitation	7 708	15 486	16 060	12 159	12 159	12 159	11 672	11 949	12 587
Reticulation	6 623								
Sewerage purification	1 085	15 486	16 060	12 159	12 159	12 159	11 672	11 949	12 587
Infrastructure - Other	1 499	1 491	2 136	2 492	2 492	2 492	2 546	2 639	2 735
Waste Management	1 499	1 491	2 136	2 492	2 492	2 492	2 546	2 639	2 735
Transportation									
Gas									
Other									
Community	5 408	7 349	8 469	4 546	4 546	4 546	4 878	4 918	5 208
Parks & gardens	1 503	2 504	2 759	2 084	2 084	2 084	2 214	2 287	2 409
Sportsfields & stadia	956	853	737	588	588	588	608	621	646
Swimming pools	289	279	314	483	483	483	557	506	612
Community halls	916	814	1 166	564	564	564	617	582	568
Libraries	161	194	107	99	99	99	103	105	111
Recreational facilities									
Fire, safety & emergency	848	787	1 352						
Security and policing	546	575	829						
Buses									
Clinics									
Museums & Art Galleries									
Cemeteries	62	53	74	27	27	27	28	28	30
Social rental housing		224	177						
Other	125	1 066	954	701	701	701	751	789	833
Heritage assets	-	-	-	-	-	-	-	-	-
Buildings									
Other									
Investment properties	-	-	-	-	-	-	-	-	-
Housing development									
Other									
Other assets	21 958	13 864	13 548	5 081	5 081	5 081	5 545	4 822	5 072
General vehicles	5 399								
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment									
Computers - hardware/equipment	5 035	4 441	4 392						
Furniture and other office equipment									
Abattoirs									
Markets									
Civic Land and Buildings									
Other Buildings	1 368	824	801	661	661	661	673	679	705
Other Land									
Surplus Assets - (Investment or Inventory)									
Other	10 156	8 599	8 355	4 420	4 420	4 420	4 872	4 144	4 367
Agricultural assets	-	-	-	-	-	-	-	-	-
List sub-class									
Biological assets	-	-	-	-	-	-	-	-	-
List sub-class									
Intangibles	-	-	-	-	-	-	-	-	-
Computers - software & programming									
Other (list sub-class)									
Total Repairs and Maintenance Expenditure	114 414	150 358	158 026	121 077	121 077	121 077	120 795	123 857	129 068
R&M as a % of PPE	3.7%	4.8%	5.1%	3.9%	3.9%	3.9%	3.9%	4.1%	4.3%
R&M as % Operating Expenditure	15.2%	18.1%	17.3%	12.6%	12.2%	12.2%	11.3%	11.4%	11.2%

WC032 Overstrand - Supporting Table SA34d Depreciation by asset class

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

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

Vote Description R thousand	2016/17 Medium Term Revenue & Expenditure Framework			Forecasts			
	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Present value
<u>Capital expenditure</u>							
Vote 1 - Council	5	–	–				
Vote 2 - Municipal Manager	41	–	–				
Vote 3 - Management Services	320	–	–				
Vote 4 - Finance	30	–	–				
Vote 5 - Community Services	65 344	80 230	86 771	Project phases become operational after completion			
Vote 6 - Local Economic Development	15	–	–				
Vote 7 - Infrastructure & Planning	21 721	14 000	20 500	Project phases become operational after completion			
Vote 8 - Protection Services	880	–	–				
Total Capital Expenditure	88 356	94 230	107 271	–	–	–	–
<u>Future operational costs by vote</u>							
Vote 1 - Council							
Vote 2 - Municipal Manager							
Vote 3 - Management Services							
Vote 4 - Finance							
Vote 5 - Community Services		2 342	5 726	9 736	10 189	10 642	132 454
Vote 6 - Local Economic Development							
Vote 7 - Infrastructure & Planning		594	1 198	2 138	2 238	2 337	29 092
Vote 8 - Protection Services							
Total future operational costs	–	2 936	6 924	11 874	12 427	12 979	161 546
<u>Future revenue by source</u>							
Property rates							
Property rates - penalties & collection charges							
Service charges - electricity revenue		825	1 675	2 859	3 002	3 152	65 038
Service charges - water revenue		672	1 433	2 155	2 262	2 376	49 234
Service charges - sanitation revenue		726	1 394	2 116	2 222	2 333	48 403
Service charges - refuse revenue							
Service charges - other							
Rental of facilities and equipment							
List other revenues sources if applicable							
List entity summary if applicable							
Total future revenue	–	2 223	4 502	7 129	7 486	7 860	162 675
Net Financial Implications	88 356	94 943	109 693	4 745	4 941	5 119	(1 128)

WC032 Overstrand - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project	Program/Project description	IDP Goal code 2	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes			2016/17 Medium Term Revenue & Expenditure Framework			Project infor
								Audited Outcome 2014/15	Current Year 2015/16 Full Year Forecast		Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
R thousand			6	3	3	5								Ward location
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>														
EXECUTIVE & COUNCIL	EXECUTIVE & COUNCIL													
MINOR ASSETS :MAYOR'S OFFICE	MINOR ASSETS :MAYOR'S OFFICE	1	Yes	Other	Furniture and other office equipment	Overstrand Wide					5			Overstrand
MINOR ASSETS :MUNICIPAL MANAGER,TOWN SECRETARY & CHIEF EXEC	MINOR ASSETS :MUNICIPAL MANAGER,TOWN SECRETARY & CHIEF EXEC	1	Yes	Other	Furniture and other office equipment	Overstrand Wide					16			Overstrand
MINOR ASSETS :MUNICIPAL MANAGER,TOWN SECRETARY & CHIEF EXEC	MINOR ASSETS :MUNICIPAL MANAGER,TOWN SECRETARY & CHIEF EXEC	1	Yes	Other	Furniture and other office equipment	Overstrand Wide					25			Overstrand
FINANCE AND ADMINISTRATION	FINANCE AND ADMINISTRATION							10 561	5 000					
FLEET MANAGEMENT SOFTWARE	FLEET MANAGEMENT SOFTWARE	1	Yes	Other	Computers - software & programming	-34.41756 19.23815					85			Overstrand
CARAVAN PARK LICENSES FEES	CARAVAN PARK LICENSES FEES	1	Yes	Other	Computers - software & programming	-34.41756 19.23815					20			Overstrand
MINOR ASSETS :ICT OVERSTRAND WIDE	MINOR ASSETS :ICT OVERSTRAND WIDE	1	Yes	Other	Other	-34.41756 19.23815					200			Overstrand
MINOR ASSETS :COUNCIL SUPPORT SERVICES	MINOR ASSETS :COUNCIL SUPPORT SERVICES	1	Yes	Other	Other	Overstrand Wide					120			Overstrand
MINOR ASSETS :FINANCE	MINOR ASSETS :FINANCE	1	Yes	Other	Furniture and other office equipment	Overstrand Wide					30			Overstrand
MINOR ASSETS :FLEET MANAGEMENT	MINOR ASSETS :FLEET MANAGEMENT	1	Yes	Other	Furniture and other office equipment	Overstrand Wide					50			Overstrand
VEHICLES -REFURBISHMENT/REBUILD ENGINES	VEHICLES -REFURBISHMENT/REBUILD ENGINES	1	Yes	Other	General vehicles	Overstrand Wide					300			Overstrand
MINOR ASSETS :PROPERTY SERVICES	MINOR ASSETS :PROPERTY SERVICES	1	Yes	Other	Furniture and other office equipment	Overstrand Wide					4			Overstrand
PLANNING AND DEVELOPMENT	PLANNING AND DEVELOPMENT									25				
MINOR ASSETS:BUILDING REGULATIONS AND ENFORCEMENT	MINOR ASSETS:BUILDING REGULATIONS AND ENFORCEMENT	3	Yes	Other	Furniture and other office equipment	Overstrand Wide					23			Overstrand
MINOR ASSETS :TOWN PLANNING; BUILDING REGULATIONS AND ENFORCEMENT	MINOR ASSETS :TOWN PLANNING; BUILDING REGULATIONS AND ENFORCEMENT	3	Yes	Other	Furniture and other office equipment	Overstrand Wide					5			Overstrand
MINOR ASSETS :NATURE CONSERVATION	MINOR ASSETS :NATURE CONSERVATION	3	Yes	Other	Furniture and other office equipment	Overstrand Wide					8			Overstrand
BABOON FENCING PROJECT	BABOON FENCING PROJECT	3	Yes	Other	Other	34°2430.49"S 19°1952.80"E					50			Ward 03
DEVELOPMENT OF OPEN SPACES/PLAY PARKS	DEVELOPMENT OF OPEN SPACES/PLAY PARKS	3	Yes	Community	Parks & gardens	34° 35' 22" S 19° 21' 02" E					30			Ward 01
UPGRADE OF MARKET SQUARE (CNR DIRKIE UYS/MARKET STREET)	UPGRADE OF MARKET SQUARE (CNR DIRKIE UYS/MARKET STREET)	3	Yes	Community	Parks & gardens	19.349477 -34.607311					50			Ward 02
MINOR ASSETS:ECONOMIC DEVELOPMENT/PLANNING	MINOR ASSETS:ECONOMIC DEVELOPMENT/PLANNING	3	Yes	Other	Furniture and other office equipment	Overstrand Wide					15			Overstrand
MINOR ASSETS :GIS	MINOR ASSETS :GIS	3	Yes	Other	Furniture and other office equipment	Overstrand Wide					3			Overstrand
PUBLIC SAFETY	PUBLIC SAFETY									295				
MINOR ASSETS:FIRE FIGHTING AND PROTECTION	MINOR ASSETS:FIRE FIGHTING AND PROTECTION	4	Yes	Other	Furniture and other office equipment	34.4200016 / 19.225824					60			Overstrand
FIRE HYDRANTS (PHASE I)	FIRE HYDRANTS (PHASE I)	4	Yes	Other	Fire, safety & emergency	34° 35' 22" S 19° 21' 02" E					100			Ward 01
COMPLETION OF FIRE STATION	COMPLETION OF FIRE STATION	4	Yes	Community	Other	34°20'31.2"S, 18°50'34.4"E					50			Ward 10
VEHICLES-FIRE FLEET REFURBISHMENT	VEHICLES-FIRE FLEET REFURBISHMENT	4	Yes	Other	General vehicles	Overstrand Wide					570			Overstrand
VEHICLES -FIRE	VEHICLES -FIRE	4	Yes	Other	General vehicles	Overstrand Wide					200			Overstrand
MINOR ASSETS:POLICE FORCES, TRAFFIC AND STREET PARKING CONTROL	MINOR ASSETS:POLICE FORCES, TRAFFIC AND STREET PARKING CONTROL	4	Yes	Other	Furniture and other office equipment	Overstrand Wide					100			Overstrand
COMMUNITY AND SOCIAL SERVICES	COMMUNITY AND SOCIAL SERVICES							5 257	3 220					
EXTENSION OF THUSONG CENTRE	EXTENSION OF THUSONG CENTRE	3	Yes	Community	Community halls	19°08'03"E 34°23'30"S					1 000	4 500	1 500	Ward 08
BUILDING OF DISABLED TOILET AT MOUNT PLEASANT SPORTS GROUND	BUILDING OF DISABLED TOILET AT MOUNT PLEASANT SPORTS GROUND	3	Yes	Community	Community halls	34°41'97.49" S 19° 21'79.17" E					50			Ward 04
COMMONAGE IN WEST CLIFF	COMMONAGE IN WEST CLIFF	3	Yes	Community	Community halls	34°42'73.62" S 19° 22'6533" E					100			Ward 04
UPGRADING OF MOFFAT HALL	UPGRADING OF MOFFAT HALL	3	Yes	Community	Community halls	34°41'99.03" S 19° 21'34.70" E					150			Ward 04
ZWELIHLI TAXI RANK-FENCING AND MAINTENANCE	ZWELIHLI TAXI RANK-FENCING AND MAINTENANCE	3	Yes	Community	Other	34°42'71.56" S 19° 21'23.09" E					100			Ward 05
UPGRADING OF MASIZAKHE CRÊCHE(FENCING,PURHASING AND FIXING PLAY PARK EQUIPMENT,EARTH WORKS,PAVING)	UPGRADING OF MASIZAKHE CRÊCHE(FENCING,PURHASING AND FIXING PLAY PARK EQUIPMENT,EARTH WORKS,PAVING)	3	Yes	Community	Other	34°42'75.40" S 19° 21'02.83" E					140			Ward 05
PA SYSTEM - ZWELIHLI COMMUNITY HALL	PA SYSTEM - ZWELIHLI COMMUNITY HALL	3	Yes	Community	Other	34°43'09.74" S 19° 21'55.44" E					85			Ward 06
CONSTRUCTION OF WOODEN RAILINGS AND STEPS IN 4TH STREET	CONSTRUCTION OF WOODEN RAILINGS AND STEPS IN 4TH STREET	3	Yes	Community	Other	34°20'39.2"S, 19°01'48.7"E					40			Ward 09
EXTENSION AND BEAUTIFICATION OF BUS SHELTER OPPOSITE SIYABULELA CRÊCHE	EXTENSION AND BEAUTIFICATION OF BUS SHELTER OPPOSITE SIYABULELA CRÊCHE	3	Yes	Community	Other	34°20'19.0"S, 19°00'37.5"E					30			Ward 10
EXTENSION/ALTERATIONS TO MOOIUTSIG COMMUNITY HALL	EXTENSION/ALTERATIONS TO MOOIUTSIG COMMUNITY HALL	3	Yes	Community	Other	34°21'17.6"S, 18°52'49.7"E					250			Ward 10
LIBRARIES	LIBRARIES													
HAWSTON LIBRARY UPGRADE	HAWSTON LIBRARY UPGRADE	3	Yes	Community	Libraries	34°39'19.22" S 19° 13'39.10" E					1 000			Ward 08
MINOR ASSETS -LIBRARIES AND ARCHIVES	MINOR ASSETS -LIBRARIES AND ARCHIVES	3	Yes	Community	Furniture and other office equipment	Overstrand Wide					50			Overstrand
SPORT & RECREATION	SPORT & RECREATION							1 565	5 066					
ARTIFICIAL TURF SOCCERFIELD	ARTIFICIAL TURF SOCCERFIELD	3	Yes	Other	Sportsfields & stadia	34.429016 & 19.215687						5 435	3 100	Ward 12
PLAYPARK EQUIPMENT (REPLACEMENTS)	PLAYPARK EQUIPMENT (REPLACEMENTS)	3	Yes	Other	Other	34°36'31.10S / 19°20'16.30E					20			Ward 02
PURCHASING OF PAVILLION (SITTING) & 2 SOCCER POLES	PURCHASING OF PAVILLION (SITTING) & 2 SOCCER POLES	3	Yes	Other	Sportsfields & stadia	34°43'20.24" S 19° 21'51.67" E					100			Ward 05
PLAY PARK- BETWEEN QHAYIYA & BAMBANANI STREET	PLAY PARK- BETWEEN QHAYIYA & BAMBANANI STREET	3	Yes	Other	Other	34°42'36.80" S 19° 21'18.10" E					75			Ward 12
PLAY PARK- SOPHUMELELE CORRIDOR	PLAY PARK- SOPHUMELELE CORRIDOR	3	Yes	Other	Other	34°42'54.89" S 19° 21'19.08" E					85			Ward 12
BOXING GYM AT JIKELEZA STREET (EARTH WORKS)	BOXING GYM AT JIKELEZA STREET (EARTH WORKS)	3	Yes	Other	Other	34°42'53.13" S 19° 21'30.75" E					150			Ward 12
MINOR ASSETS :COMMUNITY PARK(INCL. NURSERIES)	MINOR ASSETS :COMMUNITY PARK(INCL. NURSERIES)	3	Yes	Other	Furniture and other office equipment	Overstrand Wide					11			Overstrand
MINOR ASSETS :COMMUNITY PARK(INCL. NURSERIES)	MINOR ASSETS :COMMUNITY PARK(INCL. NURSERIES)	3	Yes	Other	Furniture and other office equipment	Overstrand Wide					39			Overstrand
OVERHILLS : KLEINMOND SOCCERFIELD	OVERHILLS : KLEINMOND SOCCERFIELD	3	Yes	Other	Sportsfields & stadia	19°00'18"E 34°20'08"S					1 265			Ward 10
SPORT FACILITIES	SPORT FACILITIES	3	Yes	Other	Sportsfields & stadia	19°07'02"E 34°23'02"S					800			Overstrand

Municipal Vote/Capital project	Program/Project description	IDP Goal code 2	Individually Approved (Yes/No) 6	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 5	Total Project Estimate	Prior year outcomes			2016/17 Medium Term Revenue & Expenditure Framework			Project info
R thousand								Audited Outcome 2014/15	Current Year 2015/16	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Ward location
HOUSING	HOUSING							32 361	26 321					
MASAKHANE	MASAKHANE	3	Yes	Community	Social rental housing	34.593147 & 19.360478					1 000	7 568	13 041	Ward 01
BEVERLY HILLS PROJECT	BEVERLY HILLS PROJECT	3	Yes	Community	Social rental housing	34.596323 & 19.342379					2 561	5 728		Ward 02
ZWELIHLI PROJECT - TRANSIT CAMP	ZWELIHLI PROJECT - TRANSIT CAMP	3	Yes	Community	Social rental housing	34.426132 & 19.216377					1 000	6 242		Ward 06
MANDELA SQUARE	MANDELA SQUARE	3	Yes	Community	Social rental housing	34.429257 & 19.209641					4 308			Ward 06
BUFFELJAGSBAAI	BUFFELJAGSBAAI	3	Yes	Community	Social rental housing	34.75143 & 19.608740							72	Ward 11
HAWSTON PROJECT - IRDP	HAWSTON PROJECT - IRDP	3	Yes	Community	Social rental housing	34.386799 & 19.139259				2 400	9 373	9 141		Ward 08
ZWELIHLI - TAMBO SQUARE PROJECT	ZWELIHLI - TAMBO SQUARE PROJECT	3	Yes	Community	Social rental housing	34.429016 & 19.215687					1 000	3 973		Ward 05
ZWELIHLI - TSEPE - TSEPE PROJECT	ZWELIHLI - TSEPE - TSEPE PROJECT	3	Yes	Community	Social rental housing	34.431257 & 19.216513						426		Ward 06
STANFORD IRDP	STANFORD IRDP	3	Yes	Community	Social rental housing	34.446248 & 19.448291				1 613	6 544	6 094		Ward 11
BLOMPARK PROJECT	BLOMPARK PROJECT	3	Yes	Community	Social rental housing	34.596323 & 19.342379						1 326	4 993	Ward 02
ROADS	ROADS							6 300	13 204					
REHABILITATION OF EXISTING PAVE ROAD (LIC)	REHABILITATION OF EXISTING PAVE ROAD (LIC)	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19°12'40"E 34°25'32"S					2 000			Ward 05
REHABILITATION OF EXISTING PAVE ROAD (LIC) PH2	REHABILITATION OF EXISTING PAVE ROAD (LIC) PH2	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19°12'40"E 34°25'32"S					7 000	4 396	3 000	Ward 05
REHABILITATE ROADS AND UPGRADE STORMWATER	REHABILITATE ROADS AND UPGRADE STORMWATER	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19°12'43"E 34°24'45"S							2 500	Ward 04
REHABILITATE ROADS - BLOMPARK	REHABILITATE ROADS - BLOMPARK	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19°20'51"E 34°35'43"S					405	1 263	2 200	Ward 02
TRAFFIC CALMING	TRAFFIC CALMING	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	34° 35' 22" S 19° 21' 02" E					50			Ward 01
SPEED HUMPS-LANDA, JIKELEZA, NTLABATHI	SPEED HUMPS-LANDA, JIKELEZA, NTLABATHI	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	34°42'54.00"S 19°21'31.62"E					60			Ward 05
SPEED HUMPS -TSHANDU STREET	SPEED HUMPS -TSHANDU STREET	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	34°42'56.71" S 19°21'18.28" E					30			Ward 06
SIDEWALKS -NAMA/KROZANI STREET	SIDEWALKS -NAMA/KROZANI STREET	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	34°43'16.46" S 19°21'20.77" E					135			Ward 06
NEW SIDEWALK - DAHLIA STREET	NEW SIDEWALK - DAHLIA STREET	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19.348154 -34.594590					80			Ward 02
TARRING OF SIDEWALKS - MADELIEFIE STREET	TARRING OF SIDEWALKS - MADELIEFIE STREET	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19.347458-34.597053					50			Ward 02
TARRING OF STREETS	TARRING OF EAST END STREET	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	34°42'62.84" S 19°20'55.81" E					400			Ward 07
HAWSTON -PAVING OF CIRCLES	HAWSTON -PAVING OF CIRCLES	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	34°23'19.60" S 19°07'53.24" E					100			Ward 08
HAWSTON - SIDEWALKS	HAWSTON - SIDEWALKS	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	34°22'51.29" S 19°08'5.51" E					100			Ward 08
PAVING OF PARKING AREA - COR. 4TH STREET AND 15TH AVENUE	PAVING OF PARKING AREA - COR. 4TH STREET AND 15TH AVENUE	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	34°19'58.1"S, 19°01'45.2"E					30			Ward 09
EXTENSION OF HEUNINGKLOOF FOOTPATH	EXTENSION OF HEUNINGKLOOF FOOTPATH	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	34°20'15.8"S, 19°02'36.2"E					100			Ward 09
EXTENSION OF PAVING OF SIDEWALK - SCHOOL STREET PROTEADORP	EXTENSION OF PAVING OF SIDEWALK - SCHOOL STREET PROTEADORP	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	34°20'15.8"S, 19°01'04.0"E					70			Ward 09
TARRING OF STRANDVELD STREET	TARRING OF STRANDVELD STREET	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19° 21' 13" E 34° 56" S					100			Ward 11
DREYER STREET SIDEWALKS (FINAL PHASE)	DREYER STREET SIDEWALKS (FINAL PHASE)	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19° 27' 20" E 34° 26' 22" S					100			Ward 11
REHABILITATE ROADS - STANFORD	REHABILITATE ROADS - STANFORD	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19°26'53"E 34°27'12"S					450	200	3 000	Ward 11
ATLANTIC DRIVE WALKWAY	ATLANTIC DRIVE WALKWAY	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	34°41'91.41" S 19°17'44.32" E					200			Ward 13
VEHICLES -ROADS	VEHICLES -ROADS	5	Yes	Other	General vehicles	Overstrand Wide					785			Overstrand
MINOR ASSETS :ROADS	MINOR ASSETS :ROADS	5	Yes	Other	Furniture and other office equipment	Overstrand Wide					5			Overstrand
REHABILITATE ROADS - MASAKHANE	REHABILITATE ROADS - MASAKHANE	5	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	19°21'29"E 34°35'32"S					500	1 000	2 905	Ward 01
ELECTRICITY	ELECTRICITY							13 682	22 891					
FRANSKRAAL,KLEINBAAI & BIRKENHEAD: MV/LV AND MINISUB UPGRADE	FRANSKRAAL,KLEINBAAI & BIRKENHEAD: MV/LV AND MINISUB UPGRADE	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	19.349477 -34.607311							1 500	Ward 01
GANSBAAI: CCTV,SCADA,MINISUB AND MV/LV UPGRADE	GANSBAAI: CCTV,SCADA,MINISUB AND MV/LV UPGRADE	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	34°35'4.84"S 19°21'23.55"E					3 000	3 000	1 000	Ward 02
STANFORD: MV UPGRADE	STANFORD: MV UPGRADE	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	19.459117 -34.436799					1 686		1 000	Ward 11
ELECTRIFICATION OF LOW COST HOUSING AREAS (INEP)	ELECTRIFICATION OF LOW COST HOUSING AREAS (INEP)	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	34°25'46.93" S 19°30'6.94"E					5 000	4 000	6 000	Ward 04,05,06
HERMANUS: MV & LV UPGRADE/REPLACEMENT	HERMANUS: MV & LV UPGRADE/REPLACEMENT	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	34°24'0.49" S 19°5'52.80"E					4 000	4 000	7 000	Ward 03
KLEINMOND: MV & LV NETWORK UPGRADE	KLEINMOND: MV & LV NETWORK UPGRADE	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	34°20'33.11" S 19°1'25.68"E					1 500	1 500	2 000	Ward 09
HAWSTON: MV & LV UPGRADE/REPLACEMENT	HAWSTON: MV & LV UPGRADE/REPLACEMENT	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	34°23'24.76" S 19°0'8'13.30"E					1 500	1 500	2 000	Ward 08
MINOR ASSETS :ELECTRICITY	MINOR ASSETS :ELECTRICITY	2	Yes	Other	Furniture and other office equipment	Overstrand Wide					15			Overstrand
MINOR ASSETS :ELECTRICITY	MINOR ASSETS :ELECTRICITY	2	Yes	Other	Furniture and other office equipment	Overstrand Wide					10			Overstrand
MINOR ASSETS :ELECTRICITY	MINOR ASSETS :ELECTRICITY	2	Yes	Other	Furniture and other office equipment	Overstrand Wide					6			Overstrand
MINOR ASSETS :ELECTRICITY	MINOR ASSETS :ELECTRICITY	2	Yes	Other	Furniture and other office equipment	Overstrand Wide					15			Overstrand
MINOR ASSETS :ELECTRICITY	MINOR ASSETS :ELECTRICITY	2	Yes	Other	Furniture and other office equipment	Overstrand Wide					12			Overstrand
STREETLIGHTS (MILKWOOD)	STREETLIGHTS (MILKWOOD)	2	Yes	Infrastructure - Electricity	Street Lighting	34° 35' 23" S 19° 21' 02" E					20			Ward 01
STREET LIGHTS	STREET LIGHTS	2	Yes	Infrastructure - Electricity	Street Lighting	34°20'11.8"S 19°01'35.4"E					30			Ward 10
VEHICLES -ELECTRICITY	VEHICLES -ELECTRICITY	2	Yes	Other	General vehicles	Overstrand Wide					498			Overstrand
FLOODLIGHTS -HAWSTON SPORT GROUNDS	FLOODLIGHTS -HAWSTON SPORT GROUNDS	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	19°7'37.2"E 34°22'58.8"S					150			Ward 08
FLOODLIGHTS -HAWSTON SPORT GROUNDS	FLOODLIGHTS -HAWSTON SPORT GROUNDS	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	19°7'37.2"E 34°22'58.8"S					500			Ward 08
FLOODLIGHTS -ZWELIHLI SPORT GROUNDS	FLOODLIGHTS -ZWELIHLI SPORT GROUNDS	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	19°12'25"E34°24'28"S					100			Ward 05
FLOODLIGHTS -ZWELIHLI SPORT GROUNDS	FLOODLIGHTS -ZWELIHLI SPORT GROUNDS	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	19°12'25"E34°24'28"S					500			Ward 05
FLOODLIGHTS -ZWELIHLI SPORT GROUNDS	FLOODLIGHTS -ZWELIHLI SPORT GROUNDS	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	34.426228 19.216456					350			Ward 06
FLOODLIGHTS -ZWELIHLI SPORT GROUNDS	FLOODLIGHTS -ZWELIHLI SPORT GROUNDS	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	19°12'25"E34°24'28"S					150			Ward 12
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			Ward 04,05,06
ELECTRIFICATION OF HOUSING PROJECTS	ELECTRIFICATION OF HOUSING PROJECTS	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	19°13'09"E34°25'30"S					2 050			Ward 04,05,06
ELECTRICITY TRANSFORMERS(CAPITAL REPLACEMENT CONTINGENCY)	ELECTRICITY TRANSFORMERS(CAPITAL REPLACEMENT CONTINGENCY)	2	Yes	Infrastructure - Electricity	Transmission & Reticulation	Overstrand Wide					246			Overstrand

Municipal Vote/Capital project	Program/Project description	IDP Goal code 2	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2016/17 Medium Term Revenue & Expenditure Framework			Project inform
R thousand			6	3	3	5		Audited Outcome 2014/15	Current Year 2015/16 Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Ward location
WATER	WATER							16 275	16 390				
REPLACEMENT OF OVERSTRAND WATER PIPES	REPLACEMENT OF OVERSTRAND WATER PIPES	2	Yes	Infrastructure - Water	Reticulation	Overstrand Wide				283	3 800	3 800	Overstrand
NEW BULK WATER RESERVOIR -SANDBAAI	NEW BULK WATER RESERVOIR -SANDBAAI	2	Yes	Infrastructure - Water	Dams & Reservoirs	S34°25'210" / E19°12.063'					6 000	3 500	Ward 07
PEARLY BEACH WTW PRE-TREATMENT	PEARLY BEACH WTW PRE-TREATMENT	2	Yes	Infrastructure - Water	Water purification	S34°39.744 / E19°32.346				400			Ward 11
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
UPGRADING OF FRANSKRAAL-KLEINBAAI -GANSBAAI PIPELINES	UPGRADING OF FRANSKRAAL-KLEINBAAI -GANSBAAI PIPELINES	2	Yes	Infrastructure - Water	Reticulation	S 34°35.41.4' E 019°21.05.8'				8 400			Ward 01
REFURBISH BUFFELS RIVER DAM BRIDGE AND TOWER & PALMIET RIVER WEIR	REFURBISH BUFFELS RIVER DAM BRIDGE AND TOWER & PALMIET RIVER WEIR	2	Yes	Infrastructure - Water	Reticulation	S34°19.96' / E18°50.26'				709		1 200	Ward 09
WATER PUMPS (CONTINGENCY)	WATER PUMPS (CONTINGENCY)	2	Yes	Infrastructure - Water	Reticulation	Overstrand Wide				200	200	200	Overstrand
NEW 1 ML/S RESERVOIR OHW.B31	NEW 1 ML/S RESERVOIR OHW.B31	2	Yes	Infrastructure - Water	Dams & Reservoirs	19°12'43"E 34°24'45"S				3 610			Ward 04
HAWSTON: BULK WATER UPGRADE FOR HOUSING PROJECT	HAWSTON: BULK WATER UPGRADE FOR HOUSING PROJECT	2	Yes	Infrastructure - Water	Reticulation	19°08'18"E 34°23'16"S				500	2 800	3 326	Ward 08
UPGRADE HERMANUS WELL FIELDS PHASE 1	UPGRADE HERMANUS WELL FIELDS PHASE 1	2	Yes	Infrastructure - Water	Reticulation	S34°24.512' / E19°12.474'						4 000	Ward 04
MINOR ASSETS :WATER DISTRIBUTION	MINOR ASSETS :WATER DISTRIBUTION	2	Yes	Other	Furniture and other office equipment	Overstrand Wide				8			Overstrand
MINOR ASSETS :WATER DISTRIBUTION	MINOR ASSETS :WATER DISTRIBUTION	2	Yes	Other	Furniture and other office equipment	Overstrand Wide				11			Overstrand
NEW VOORBERG BOOSTER PUMP STATION	NEW VOORBERG BOOSTER PUMP STATION	2	Yes	Infrastructure - Water	Reticulation	34.336437 19.006527						800	Ward 10
SEWERAGE	SEWERAGE							11 901	8 361				
UPGRADING OF PUMPSTATIONS	UPGRADING OF PUMPSTATIONS	2	Yes	Infrastructure - Sanitation	Other	S 34 24 24.1' E 19 16 18.83'				5 588		4 000	Overstrand
STANFORD - SEWER NETWORK EXTENSION	STANFORD - SEWER NETWORK EXTENSION	2	Yes	Infrastructure - Sanitation	Other	S34°439.75' / E19°455.90'				4 412			Ward 11
WWTW UPGRADE STANFORD (ACIP)	WWTW UPGRADE STANFORD (ACIP)	2	Yes	Infrastructure - Sanitation	Other	34.446248 & 19.448291				3 500			Ward 11
SEWERAGE PUMPS (CONTINGENCY)	SEWERAGE PUMPS (CONTINGENCY)	2	Yes	Infrastructure - Sanitation	Other	Overstrand Wide				500	500	500	Overstrand
KLEINMOND - SEWER NETWORK EXTENSION	KLEINMOND - SEWER NETWORK EXTENSION	2	Yes	Infrastructure - Sanitation	Other	S34°20.44' / E19°1.91'					3 600	1 500	Ward 09
GANSBAAI - CBD SEWER NETWORK EXTENSION	GANSBAAI - CBD SEWER NETWORK EXTENSION	2	Yes	Infrastructure - Sanitation	Other	S34°35.377' / E19°21.087'					3 560		Ward 02
UPGRADING OF KIDBROOKE PIPELINE	UPGRADING OF KIDBROOKE PIPELINE	2	Yes	Infrastructure - Sanitation	Other	S34°24.810' / E19°10.001'						1 800	Ward 13
WWTW UPGRADE - STANFORD	WWTW UPGRADE - STANFORD	2	Yes	Infrastructure - Sanitation	Sewerage purification	S34°26.518' / E19°26.929'					3 000	1 000	Ward 11
BULK SEWERAGE OUTFALL LINE 525 MM Ø OHS13.2	BULK SEWERAGE OUTFALL LINE 525 MM Ø OHS13.2	2	Yes	Infrastructure - Sanitation	Other	19°12'34"E 34°25'48"S				2 501	781		Ward 12
PEACH HOUSE & WHALE ROCK P/S LINK WITH GENERATORS	PEACH HOUSE & WHALE ROCK P/S LINK WITH GENERATORS	2	Yes	Infrastructure - Sanitation	Other	19°12'40"E34°25'52"S						430	Ward 12
REHABILITATE MAIN BULK SEWER TO WWTW PH1	REHABILITATE MAIN BULK SEWER TO WWTW PH1	2	Yes	Infrastructure - Sanitation	Other	S34°20.44' / E19°1.91'						3 770	Ward 09
STORMWATER	STORMWATER							1 320	3 127				
UPGRADE STORMWATER DRAINAGE	UPGRADE STORMWATER DRAINAGE	2	Yes	Other	Storm water	19°21'39"E 34°35'30"S				1 500	1 415	1 000	Ward 01
FISHERHAVEN -STORMWATER	FISHERHAVEN -STORMWATER	2	Yes	Other	Storm water	34°21'23.75" S 19°07'25.79" E				200			Ward 08
CONSTRUCTION OF DRAINAGE DITCHES	CONSTRUCTION OF DRAINAGE DITCHES	2	Yes	Other	Storm water	34°18'06.0"S, 18°49'09.9"E				30			Ward 10
WASTE MANAGEMENT	WASTE MANAGEMENT							9 267	15				
MINOR ASSETS:SOLID WASTE DISPOSAL	MINOR ASSETS:SOLID WASTE DISPOSAL	2	Yes	Other	Furniture and other office equipment	Overstrand Wide				15			Overstrand
Total Capital expenditure								108 489	103 914	88 356	94 230	107 271	

Information
New or renewal
N
N
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WC032 Overstrand - Supporting Table SA37 Projects delayed from previous financial year/s

Municipal Vote/Capital project	Project name	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete	Current Year 2015/16		2016/17 Medium Term Revenue & Expenditure Framework		
						Original Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
					Year					
R thousand										
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>		<i>Examples</i>	<i>Examples</i>							
Vehicles-Fire Fleet refurbishment	Vehicles-Fire Fleet refurbishment	<i>Infrastructure - Other</i>	<i>General vehicles</i>	<i>Overstrand Wide</i>	2016	–	570	570		
Replacement of Overstrand Water Pipes	Replacement of Overstrand Water Pipes	<i>Infrastructure - Water</i>	<i>Reticulation</i>	<i>Overstrand Wide</i>	2016	9 653	9 653	283		
Pearly Beach WTW Pre -Treatment	Pearly Beach WTW Pre -Treatment	<i>Infrastructure - Water</i>	<i>Water purification</i>	<i>S34°39.744 / E19°32.346</i>	2016	900	900	900		
Refurbish Buffels River Dam bridge and tower & Palmiet river weir	Refurbish Buffels River Dam bridge and tower & Palmiet river weir	<i>Infrastructure - Water</i>	<i>Reticulation</i>	<i>S34°19.96' / E18°50.26'</i>	2016	2 000	2 017	709		
Stanford: MV Upgrade	Stanford: MV Upgrade	<i>Infrastructure - Electricity</i>	<i>Transmission & Reticulation</i>	<i>19.459117 -34.436799</i>	2016	1 200	1 861	1 686		
Electricity transformers(capital replacement contingency)	Electricity transformers(capital replacement contingency)	<i>Infrastructure - Electricity</i>	<i>Transmission & Reticulation</i>	<i>Overstrand Wide</i>	2016	1 500	2 102	246		
Electrification in informal areas	Electrification in informal areas	<i>Infrastructure - Electricity</i>	<i>Transmission & Reticulation</i>	<i>34°25' 57.30"S 19°12' 50.73"E</i>	2016	462	462	462		
Electrification of housing projects	Electrification of housing projects	<i>Infrastructure - Electricity</i>	<i>Transmission & Reticulation</i>	<i>19°13'09"E34°25'30"S</i>	2016	1 558	2 050	2 050		
Floodlights -Hawston sport grounds	Floodlights -Hawston sport grounds	<i>Infrastructure - Electricity</i>	<i>Transmission & Reticulation</i>	<i>19°7'37.2"E 34°22'58.8"S</i>	2016	150	150	150		
Floodlights -Hawston sport grounds	Floodlights -Hawston sport grounds	<i>Infrastructure - Electricity</i>	<i>Transmission & Reticulation</i>	<i>19°7'37.2"E 34°22'58.8"S</i>	2016	500	500	500		
Floodlights -Zwelihle sport grounds	Floodlights -Zwelihle sport grounds	<i>Infrastructure - Electricity</i>	<i>Transmission & Reticulation</i>	<i>19°12'25"E34°24'28"S</i>	2016	100	100	100		
Floodlights -Zwelihle sport grounds	Floodlights -Zwelihle sport grounds	<i>Infrastructure - Electricity</i>	<i>Transmission & Reticulation</i>	<i>19°12'25"E34°24'28"S</i>	2016	500	500	500		
Floodlights -Zwelihle sport grounds	Floodlights -Zwelihle sport grounds	<i>Infrastructure - Electricity</i>	<i>Transmission & Reticulation</i>	<i>34.426228 19.216456</i>	2016	350	350	350		
Floodlights -Zwelihle sport grounds	Floodlights -Zwelihle sport grounds	<i>Infrastructure - Electricity</i>	<i>Transmission & Reticulation</i>	<i>19°12'25"E34°24'28"S</i>	2016	150	150	150		

2.15 Municipal manager's quality certificate

I, **C. C. GROENEWALD**, municipal manager of Overstrand Municipality, hereby certify that the annual budget and supporting documentation for the 2016/2017 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**

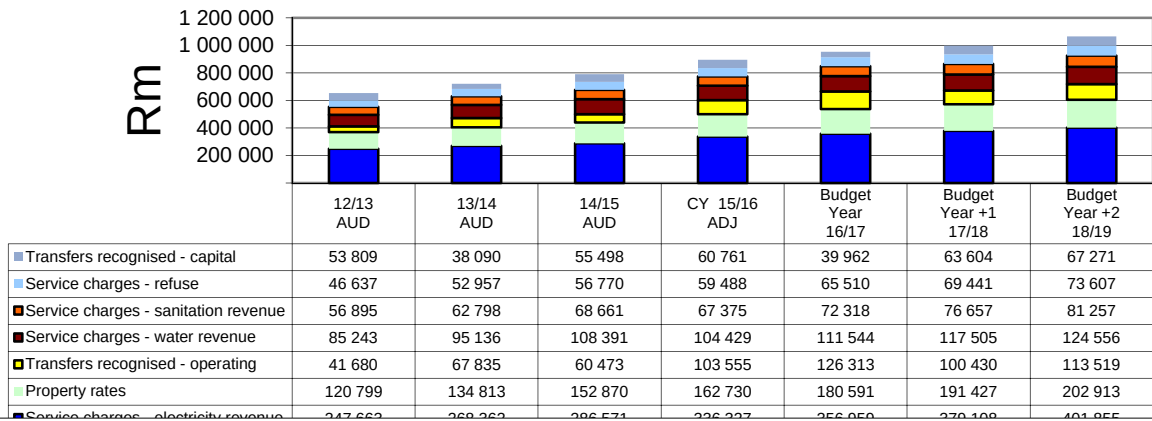
Municipal manager of Overstrand Municipality (WC032)

Signature 

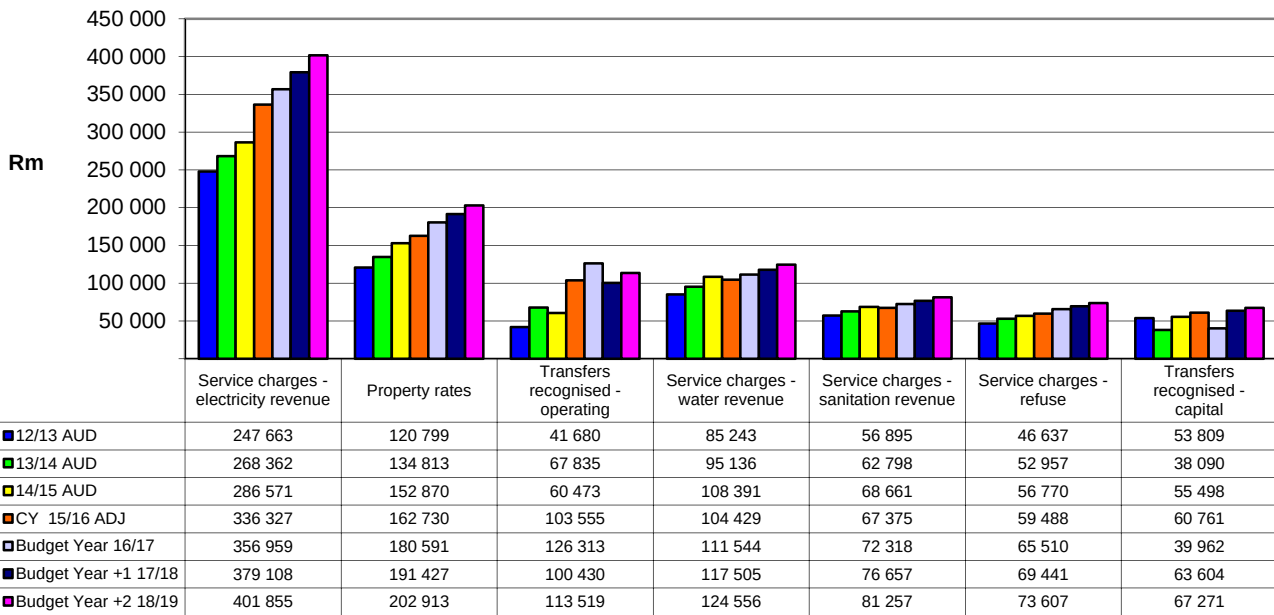
Date 19/05/2016

OVERSTRAND MUNICIPALITY - BUDGET REGULATION CHARTS 2016/2017 BUDGET

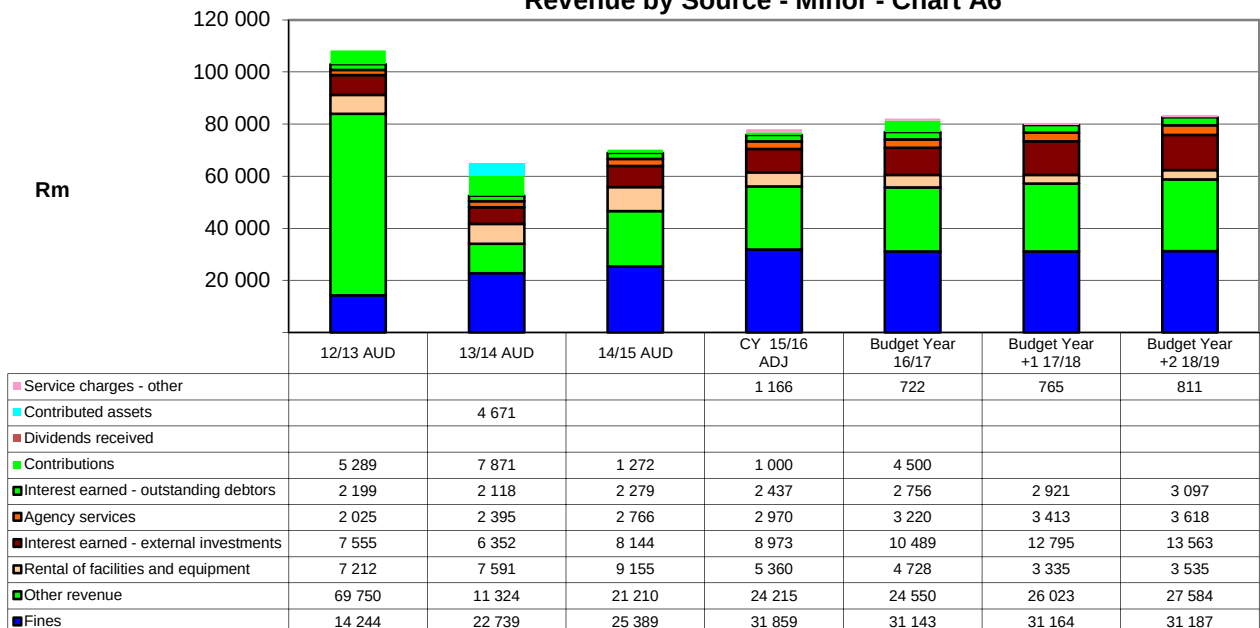
Revenue by Source - Major - Chart A5(a)



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

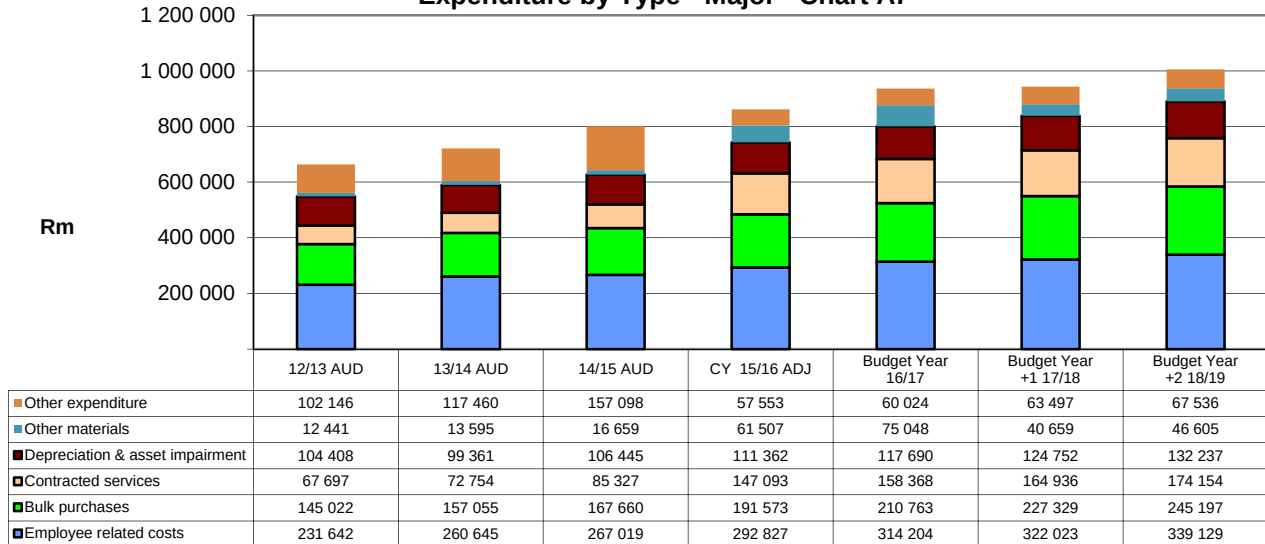


Revenue by Source - Minor - Chart A6

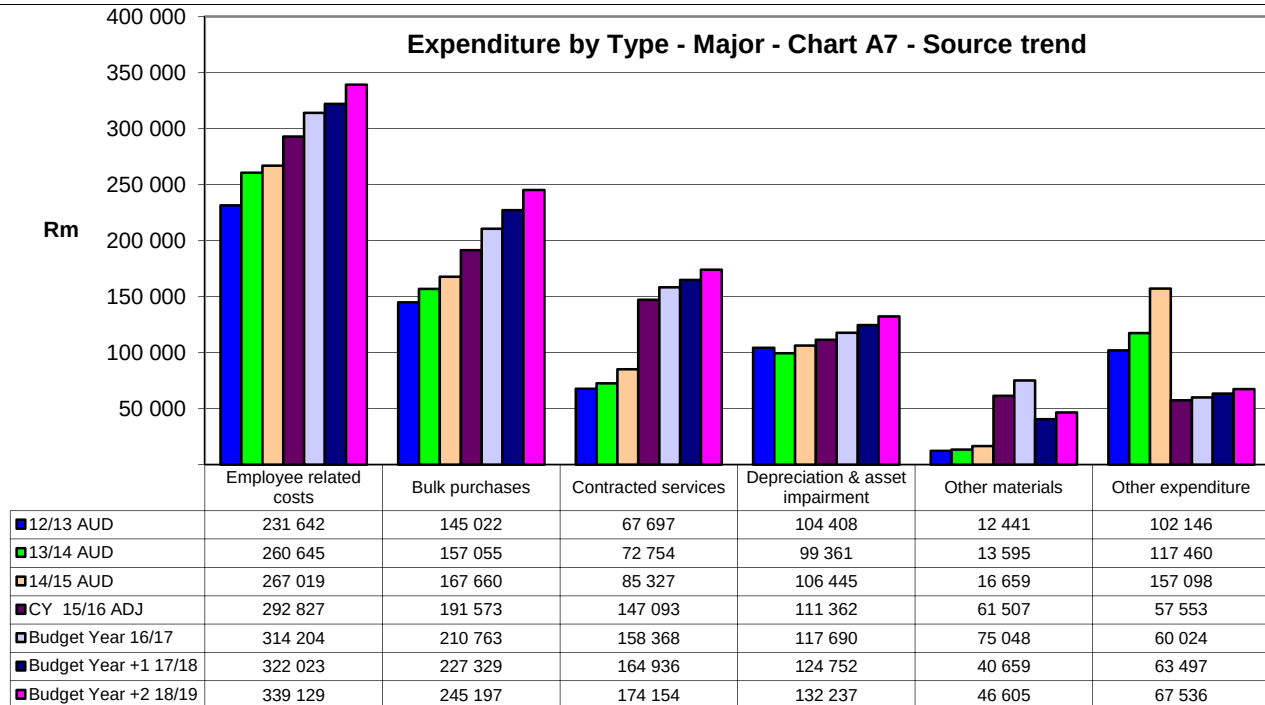


OVERSTRAND MUNICIPALITY - BUDGET REGULATION CHARTS 2016/2017 BUDGET

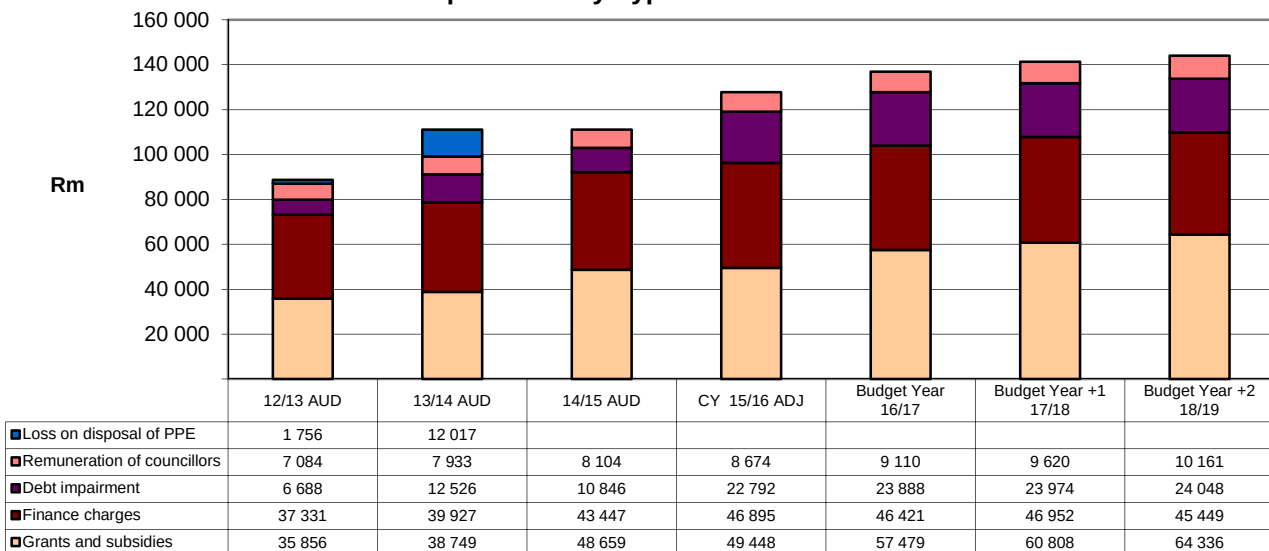
Expenditure by Type - Major - Chart A7



Expenditure by Type - Major - Chart A7 - Source trend

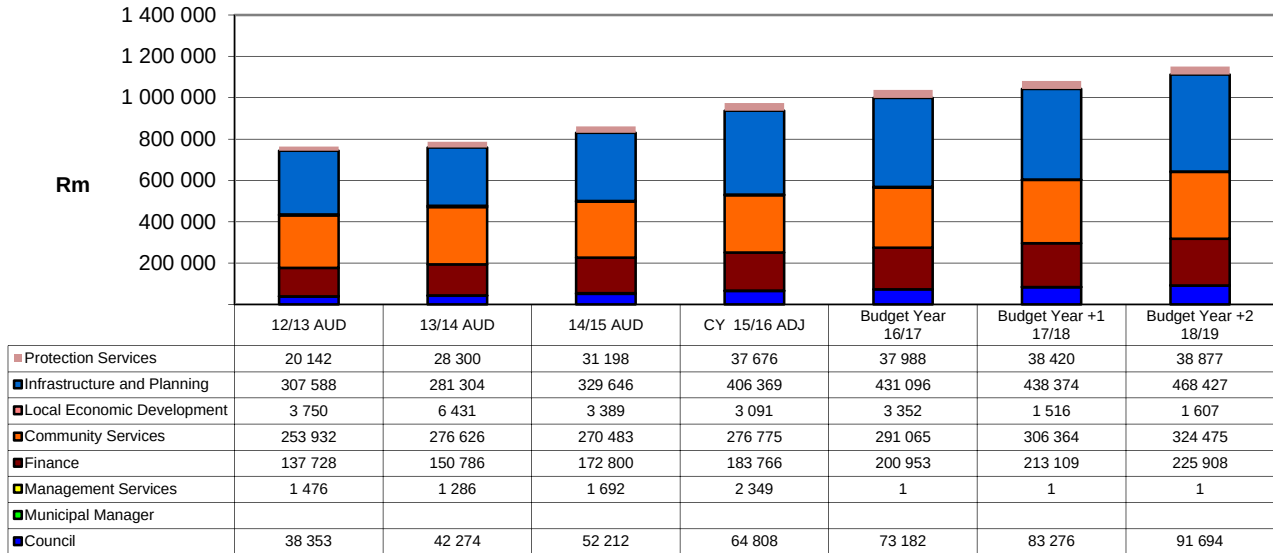


Expenditure by Type - Minor - Chart A7

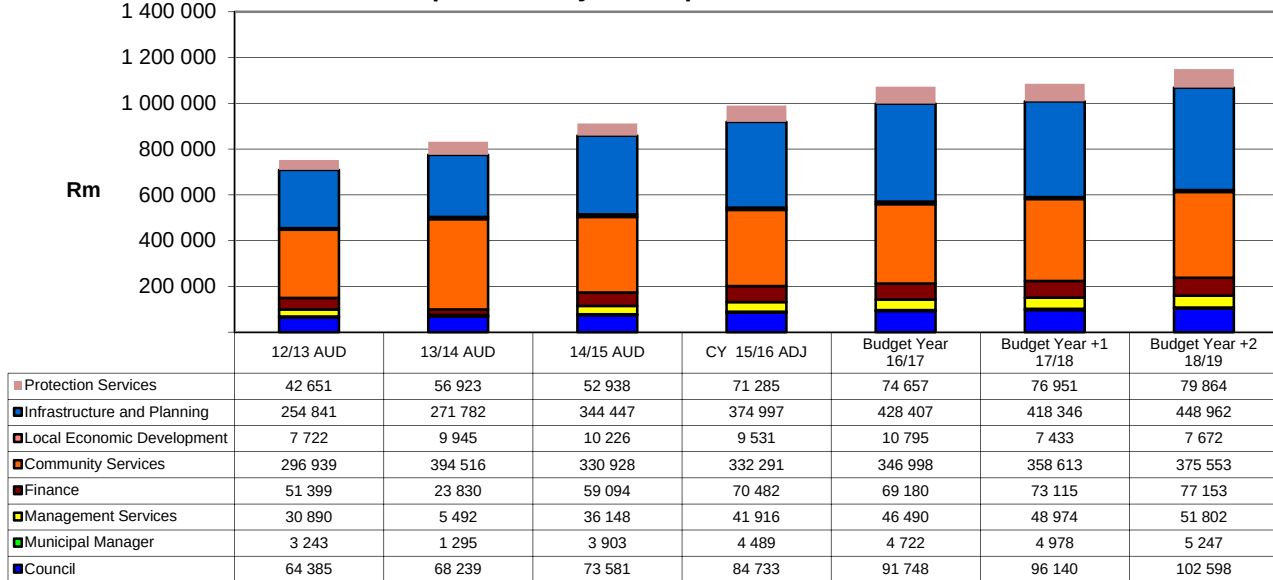


OVERSTRAND MUNICIPALITY - BUDGET REGULATION CHARTS 2016/2017 BUDGET

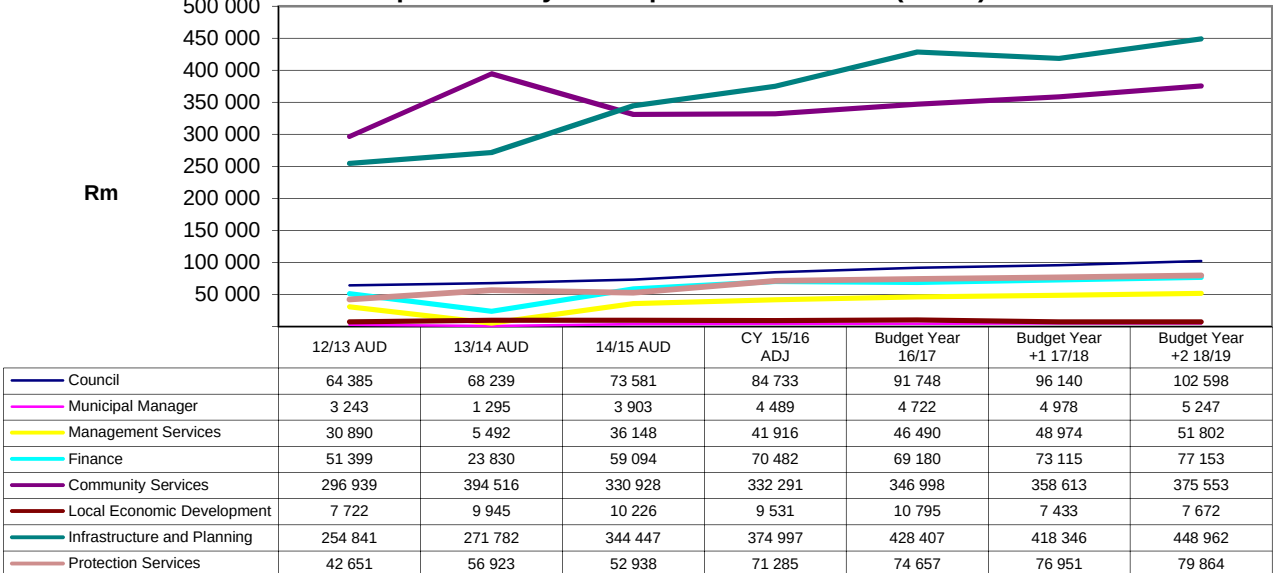
Revenue by Municipal Vote classification - Chart A1



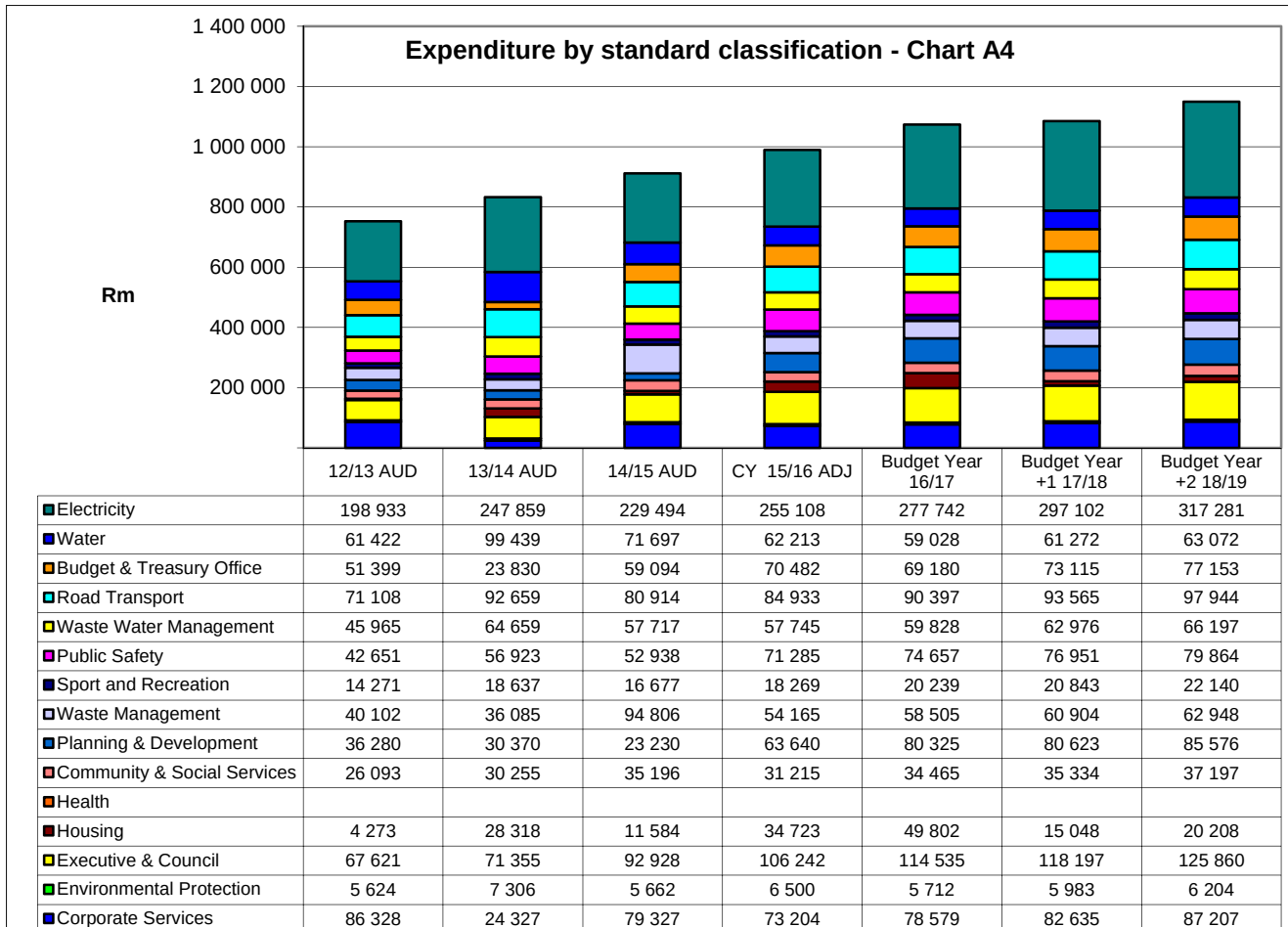
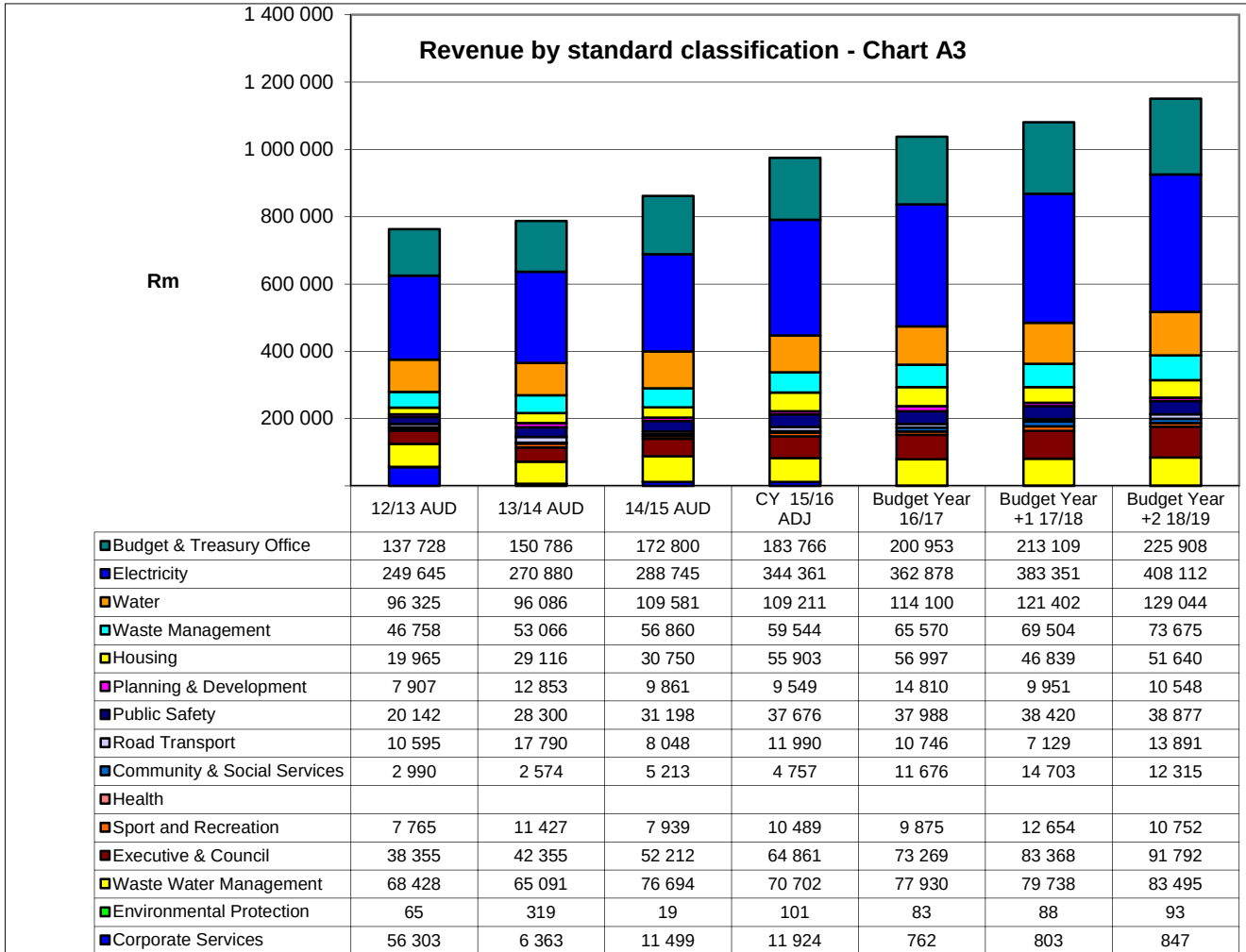
Expenditure by Municipal Vote - Chart A2a



Expenditure by Municipal Vote - Chart A2 (Trend)

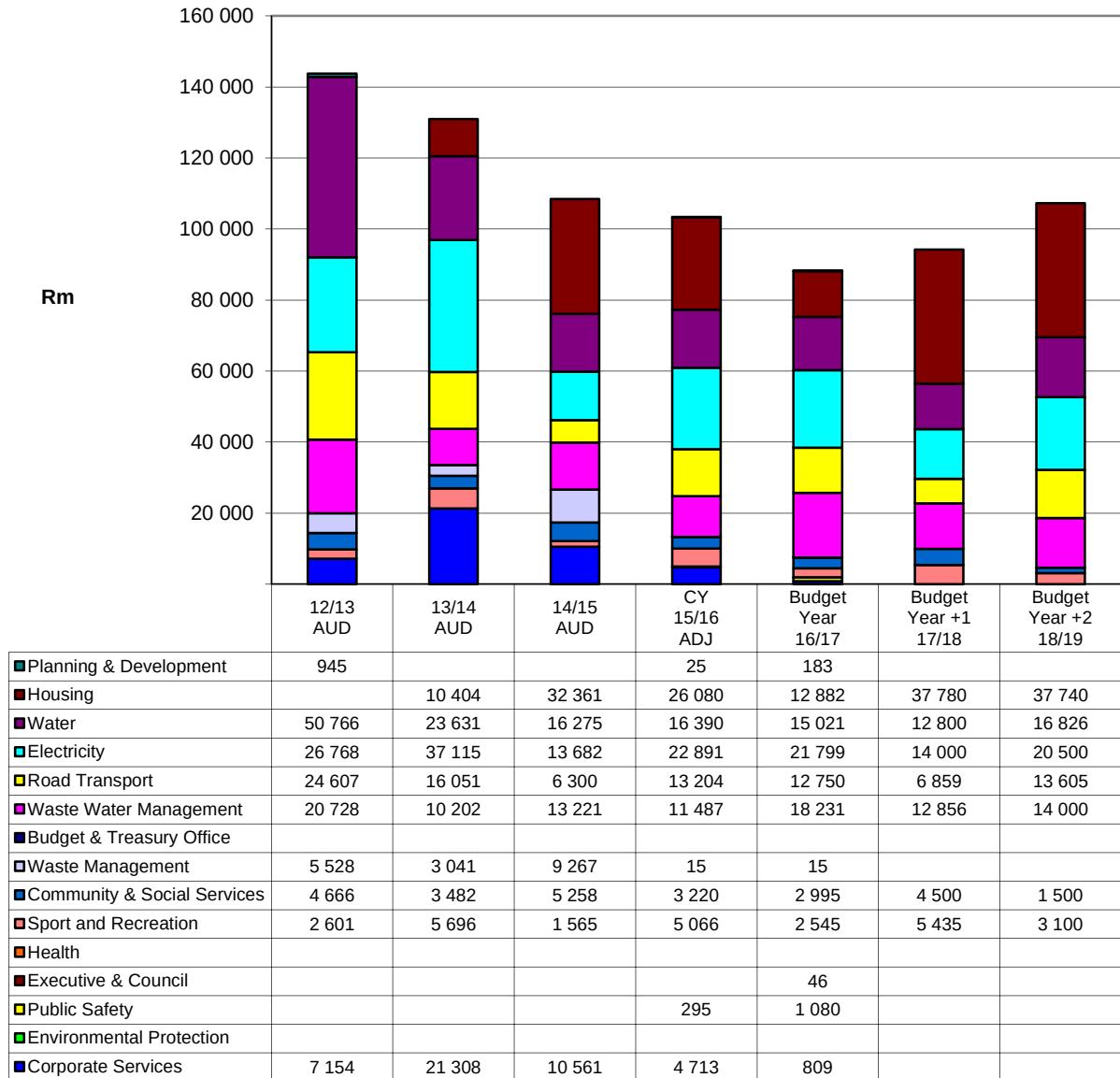


OVERSTRAND MUNICIPALITY - BUDGET REGULATION CHARTS 2016/2017 BUDGET

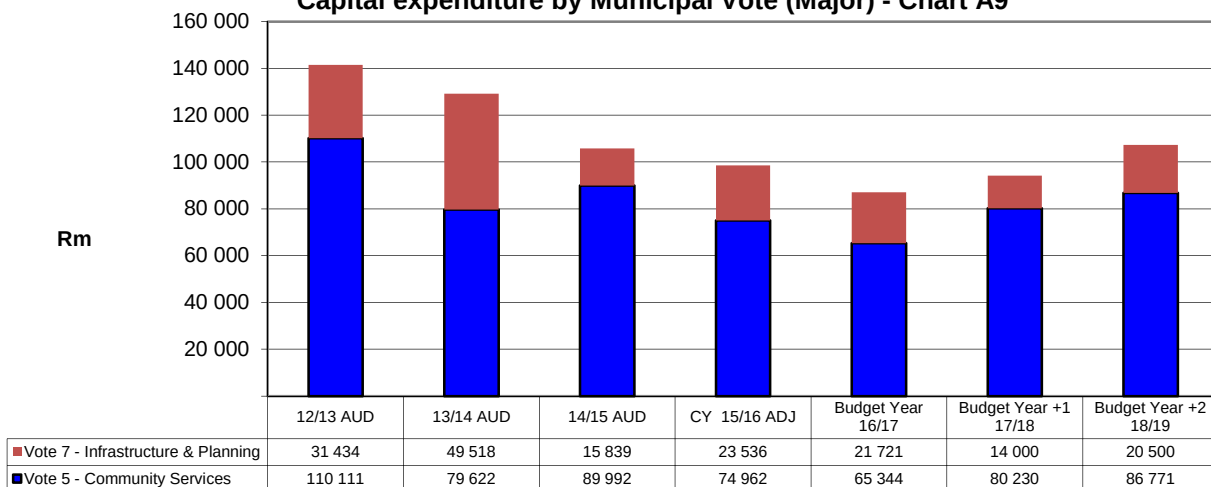


OVERSTRAND MUNICIPALITY - BUDGET REGULATION CHARTS 2016/2017 BUDGET

Capital expenditure by Standard Classification - Chart A11



Capital expenditure by Municipal Vote (Major) - Chart A9

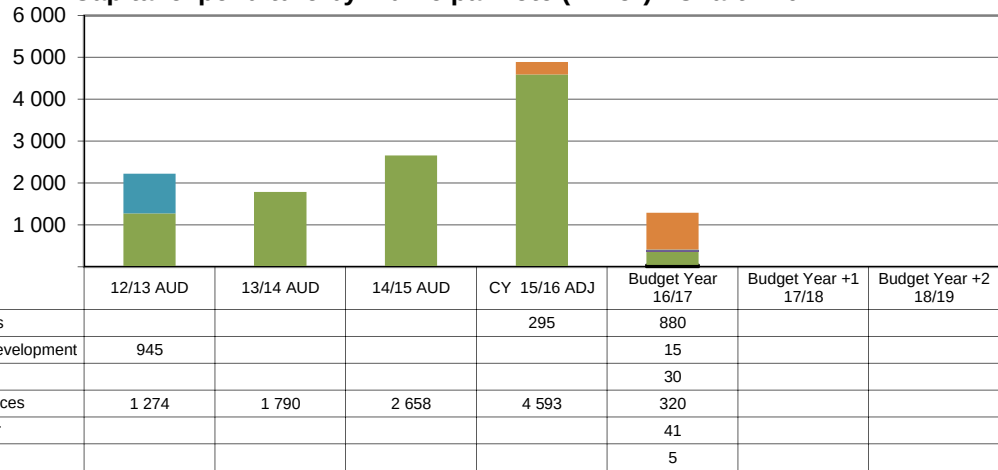


OVERSTRAND MUNICIPALITY - BUDGET REGULATION CHARTS 2016/2017 BUDGET

232 345

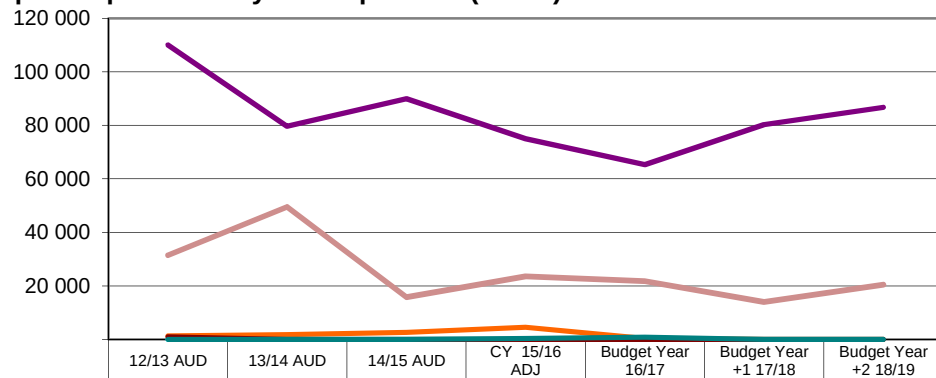
Capital expenditure by Municipal Vote (Minor) - Chart A10

Rm

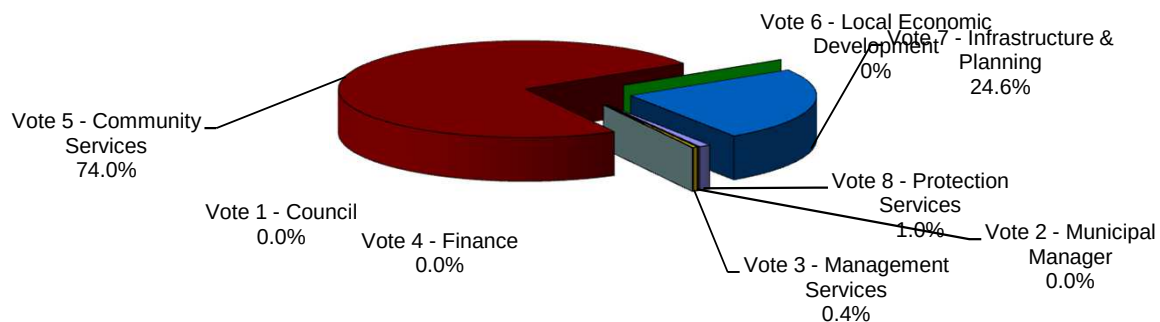


Capital expenditure by Municipal Vote (Trend) - Chart A12

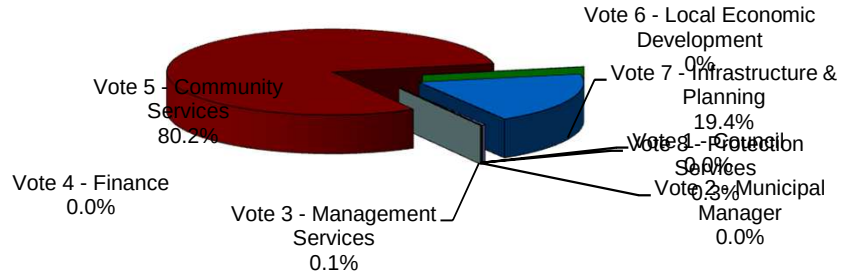
Rm



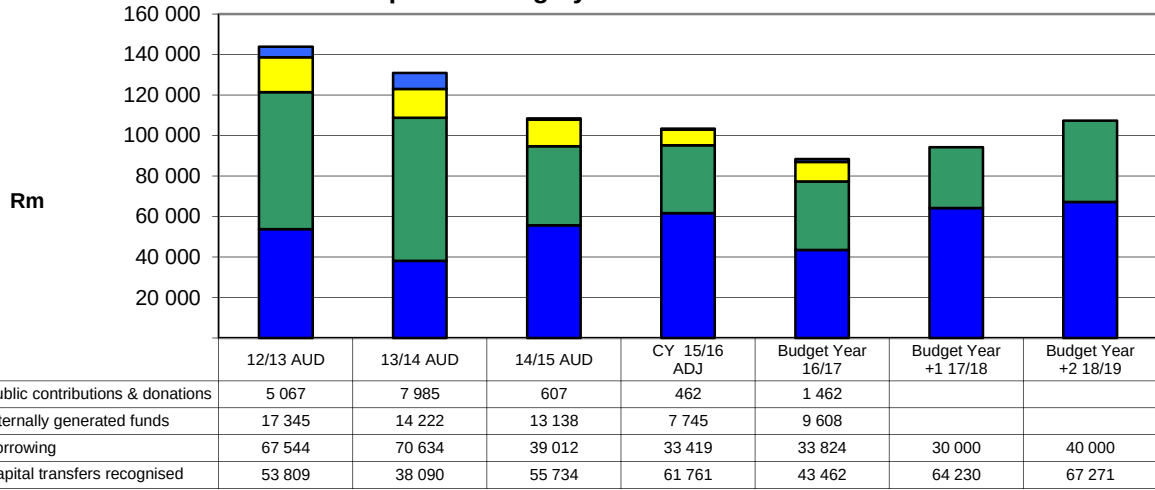
2016/17 Budget Year Capital expenditure program per vote



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



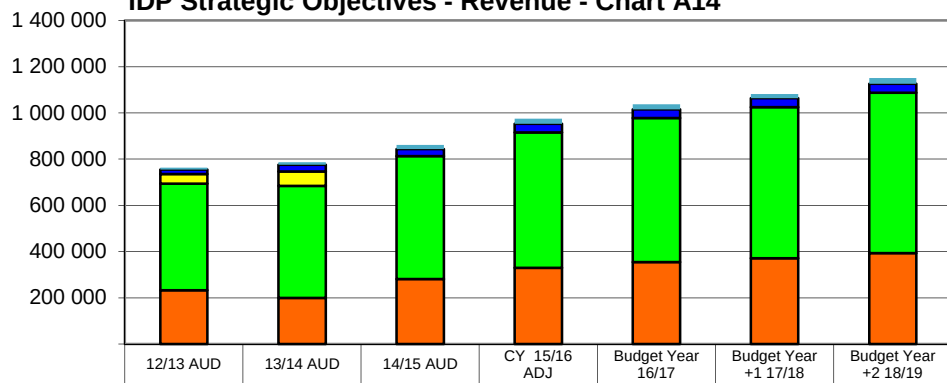
Capital funding by source - Chart A13



OVERSTRAND MUNICIPALITY - BUDGET REGULATION CHARTS 2016/2017 BUDGET

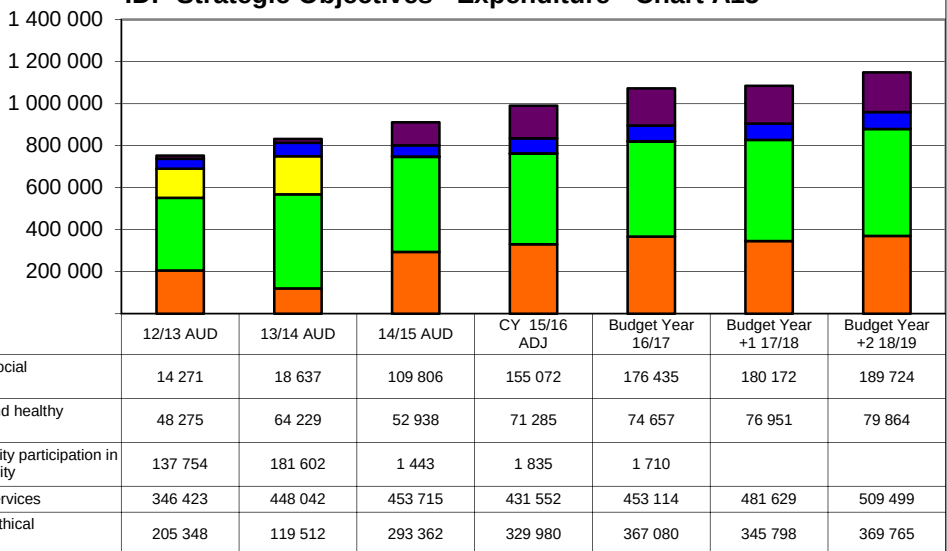
IDP Strategic Objectives - Revenue - Chart A14

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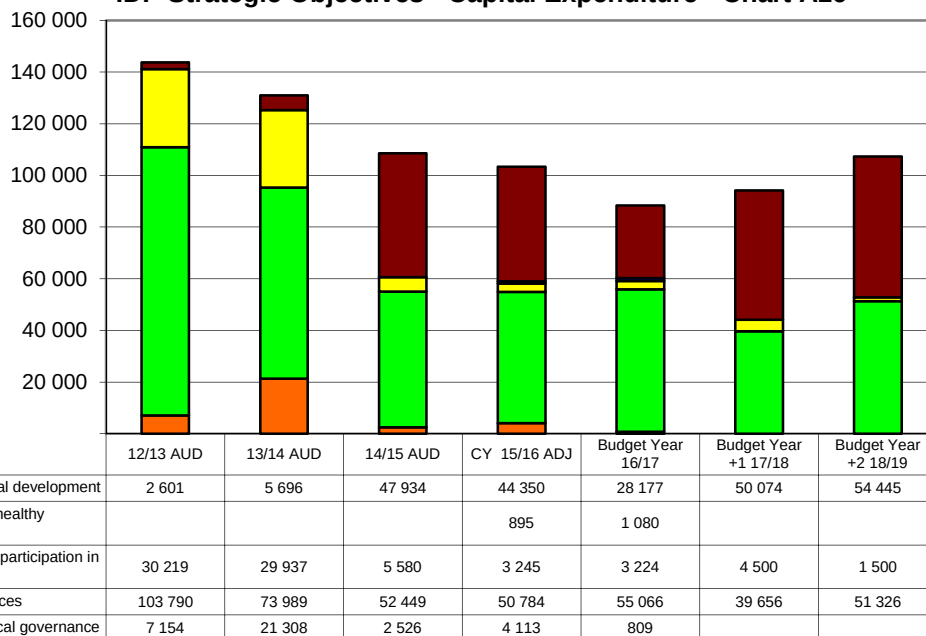
IDP Strategic Objectives - Expenditure - Chart A15

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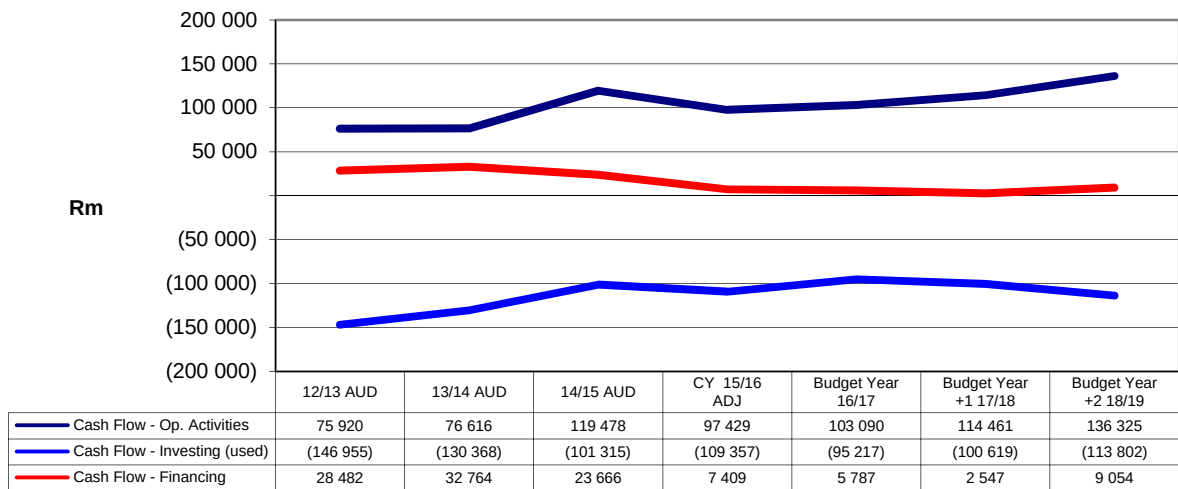
IDP Strategic Objectives - Capital Expenditure - Chart A16

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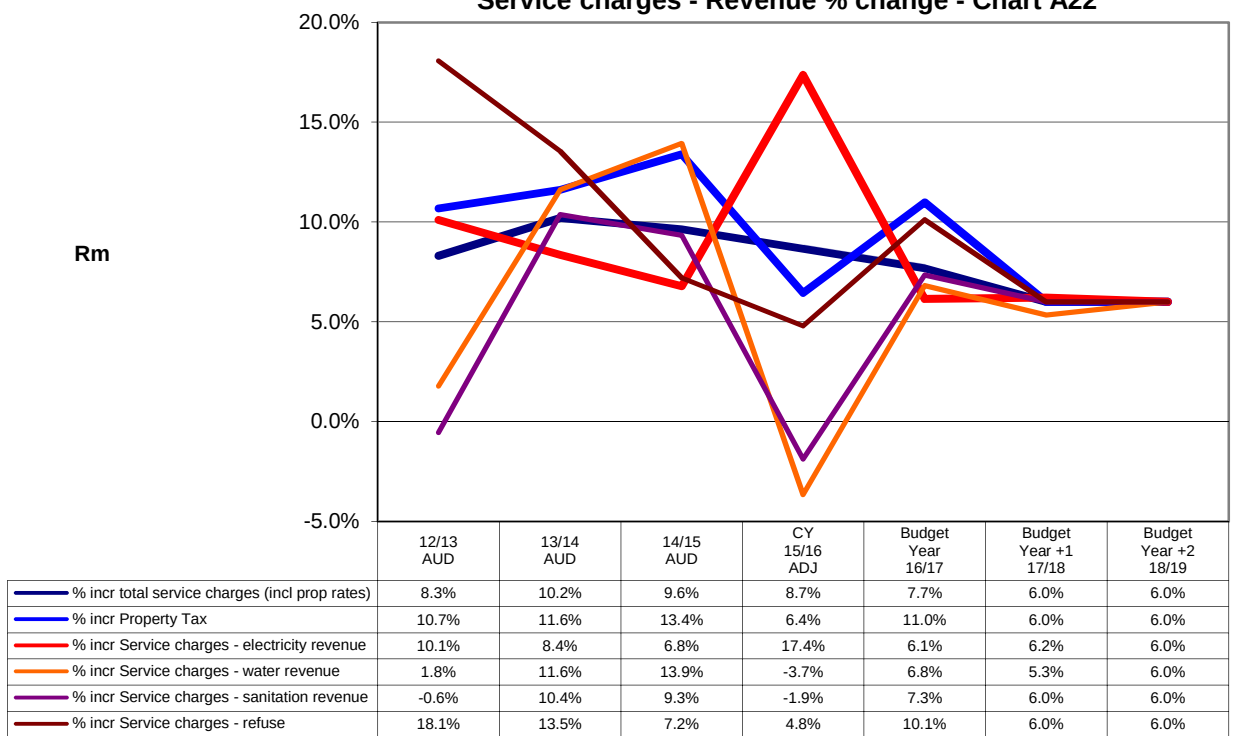


OVERSTRAND MUNICIPALITY - BUDGET REGULATION CHARTS 2016/2017 BUDGET

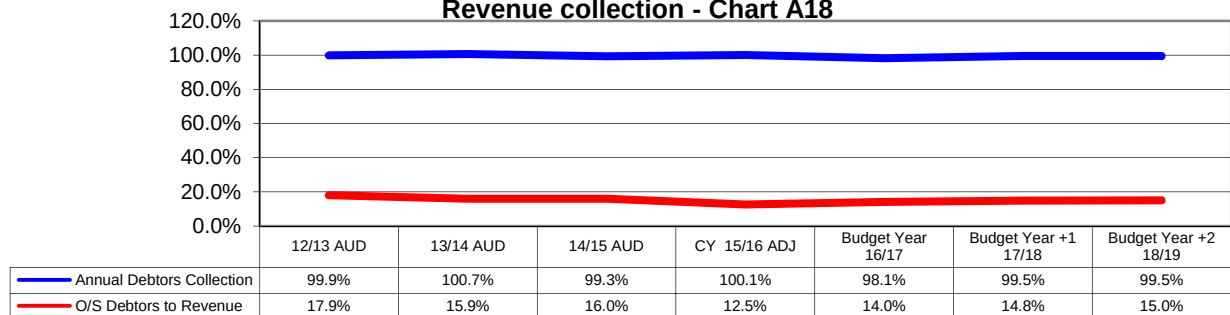
Cash flow trend - Chart A23



Service charges - Revenue % change - Chart A22

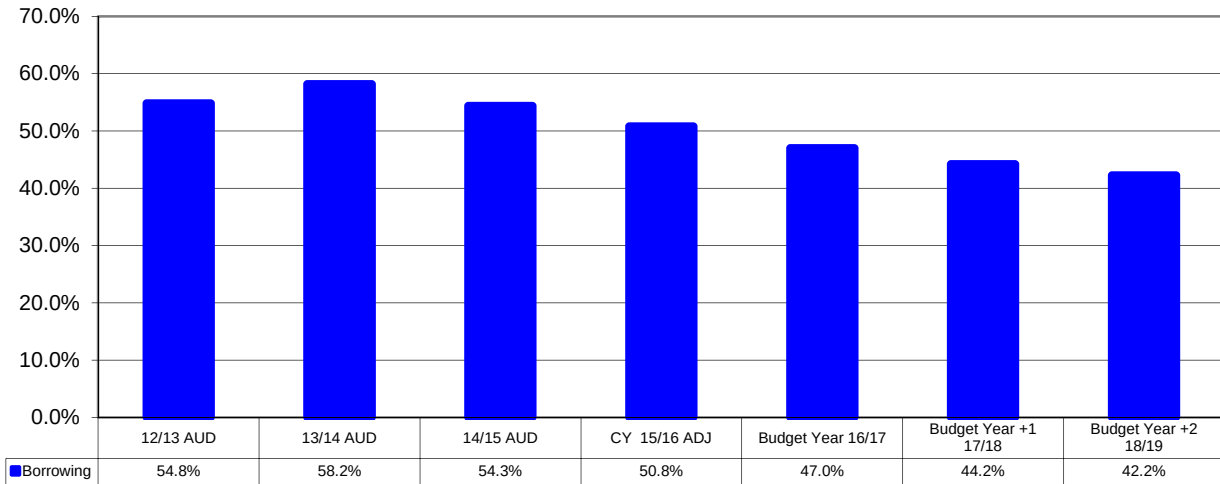


Revenue collection - Chart A18

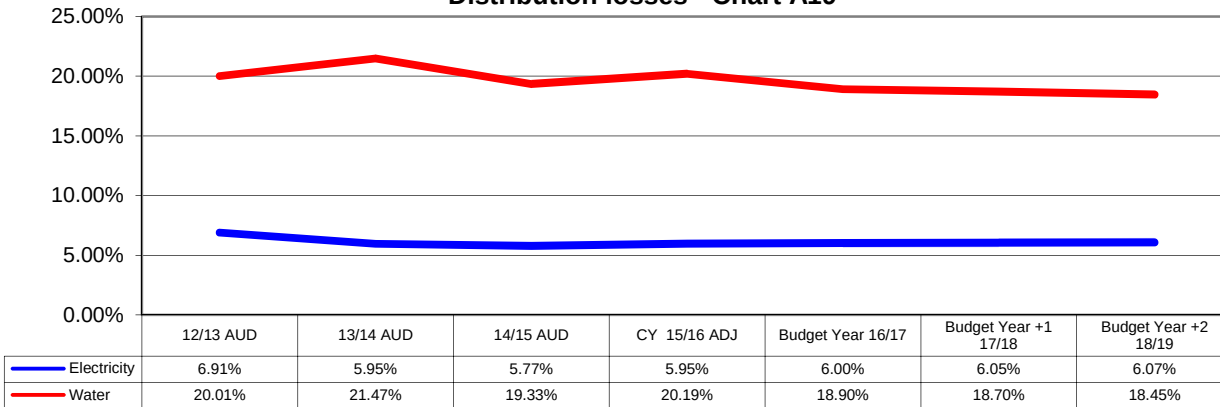


OVERSTRAND MUNICIPALITY - BUDGET REGULATION CHARTS 2016/2017 BUDGET

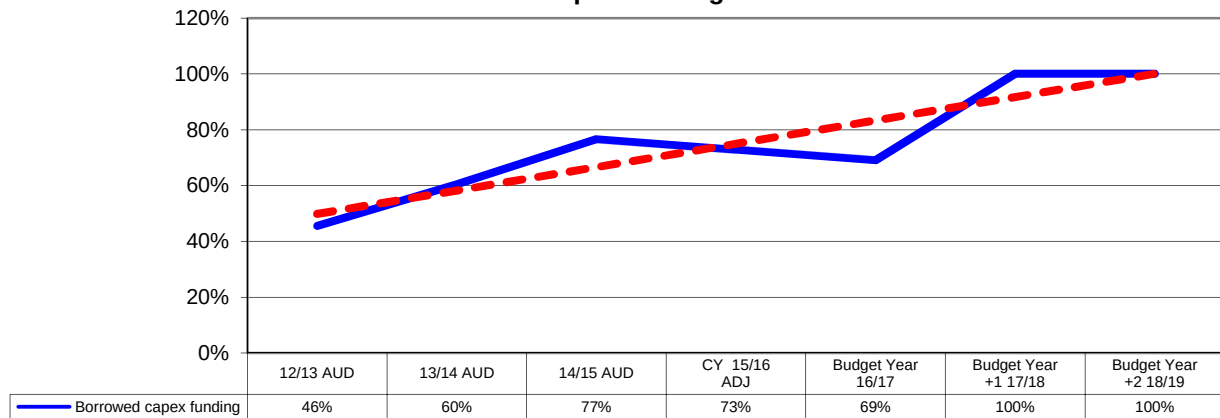
Debt (borrowing as a % of total revenue collection) - Chart A17



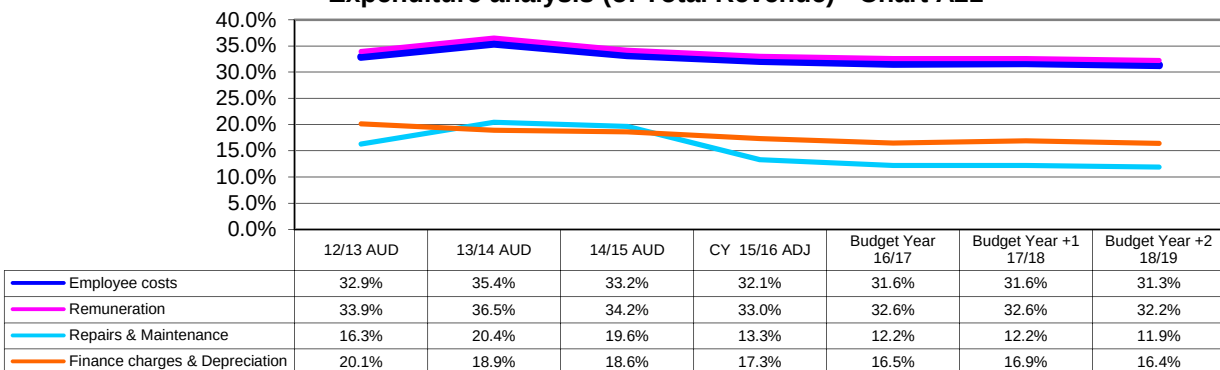
Distribution losses - Chart A19



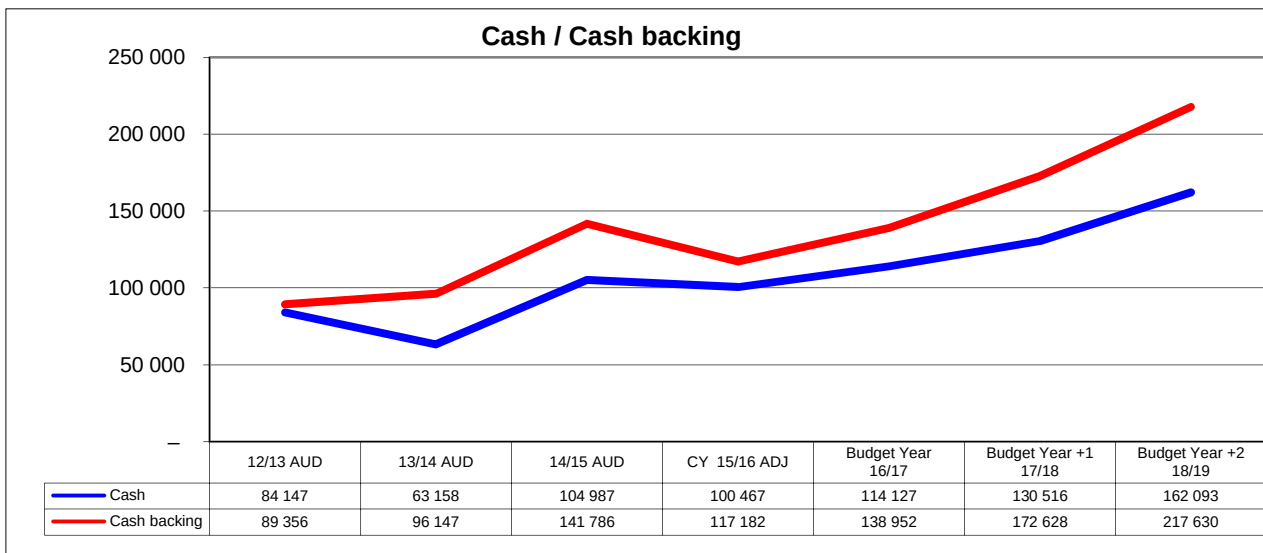
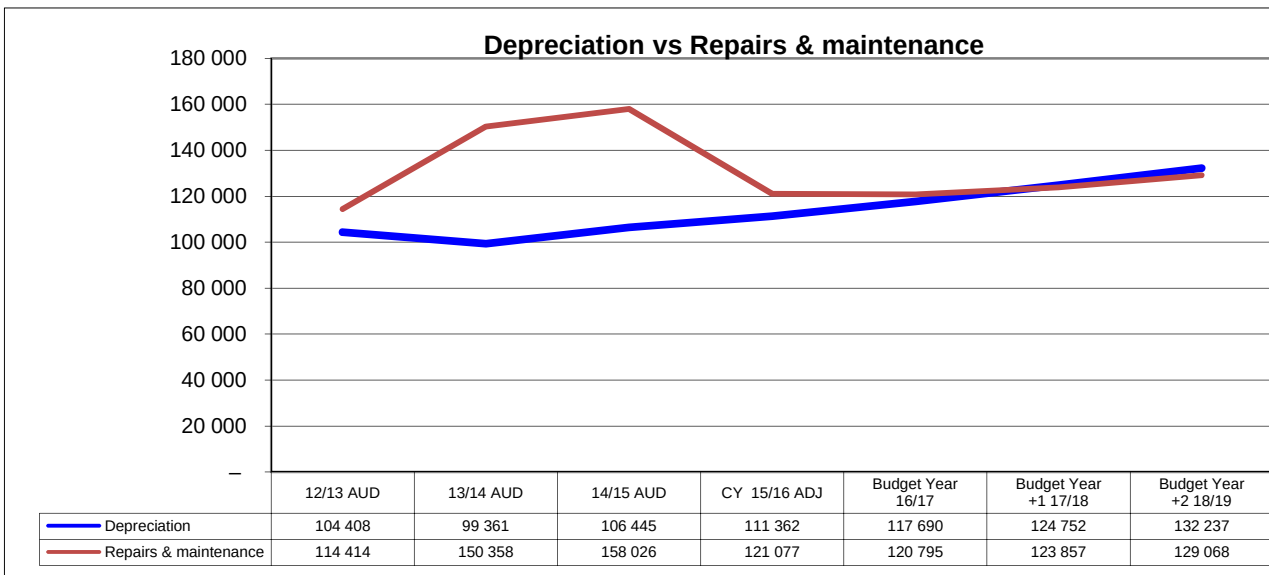
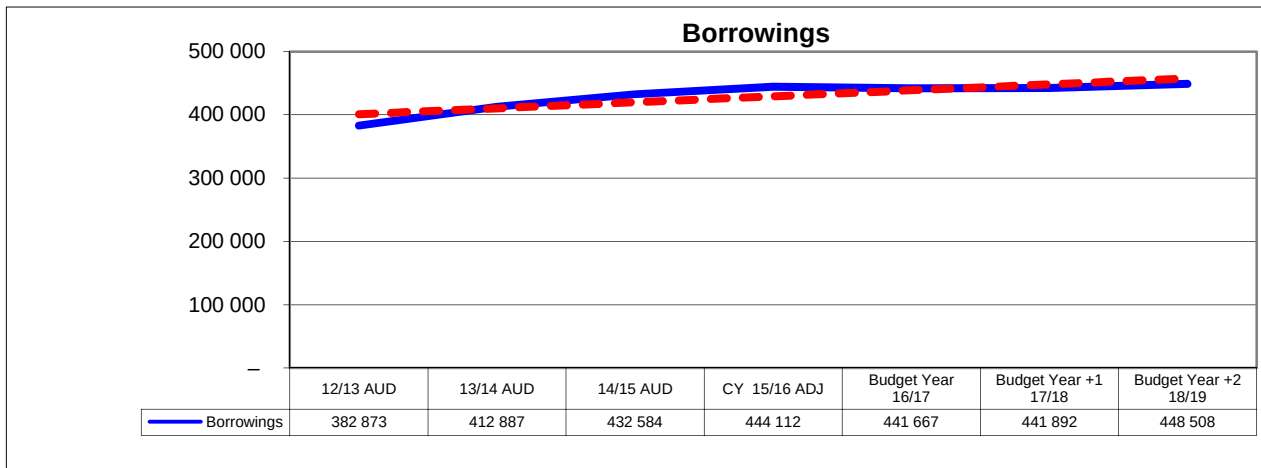
Borrowed capex funding - Chart A20



Expenditure analysis (of Total Revenue) - Chart A21



OVERSTRAND MUNICIPALITY - BUDGET REGULATION CHARTS 2016/2017 BUDGET



ANNEXURE C

RATES AND TARIFFS

OVERSTRAND MUNICIPALITY TARIFF LIST

RATES TARIFFS

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

OVERSTRAND MUNICIPALITY

(Attachments to the Rates Tariff Schedule)

TARIFF CODE	CLASS TAX	TYPE OF PROPERTY	REBATE OR EXEMPTIONS
BUS	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%
BUSO	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.
RES	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"
RESO	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"
FARMS	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.
FARMS	Conservation land	Privately owned properties whether designated or used for conservation purposes.	Not rateable in terms of section 17(1)(e) of the act.

PR100 PR050 PR040	Other Rebates	Single residential properties, Group Housing, Retirement Villages, Flats, Sectional Schemes	- Property must be occupied permanently; - The applicant must be the registered owner; - Only one residential unit allowed on the property - Applicant may not be the registered owner of more than one property • A rebate of 100% to approved applicants, in terms of the Property Rates Policy, who's gross monthly household income may not exceed the amount of two times (2X) of state funded social pensions per month; • A rebate of 50% to approved applicants, in terms of the Property Rates Policy, who are older than 60 with a gross monthly household income less than four times (4X) of state funded social pensions per month; • A rebate of 40% to approved applicants, in terms of the Property Rates, 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.

EXEMPTIONS FROM PROPERTY RATES (Rates Policy)

Religious Organizations	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.
Health and welfare institutions	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.
Private schools and Educational Institutions	Property used by registered private schools for educational purposes only
Charitable institutions	Properties belonging to not-for-gain institutions or organizations that perform charitable work.
Sporting bodies	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 at the sole discretion of council on an annual basis.
Agricultural societies	Property belonging to agricultural societies affiliated to the SA Agricultural Union used for the purposes of the society.
Cultural institutions	Properties declared in terms of the Cultural Institutions Act, Act 29 of 1969 or the Cultural Institutions Act, Act 66 of 1989.
<i>Museums, libraries, art galleries and botanical gardens</i>	Registered in the name of private persons, open to the public and not operated for gain.
Youth development organizations	Property owned and/or used by organizations such as the Boy Scouts, Girls Guides, Voortrekkers or organizations the Council deems to be similar.
Animal protection	Property owned or used by institutions/organizations whose exclusive aim is to protect birds, reptiles and animals on a not-for-gain basis.

OVERSTRAND MUNICIPALITY

SUNDRY TARIFF LIST

Tariff Code	Detail	2016/2017		2015/2016		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S1	BOAT LICENCE/PERMITS, LAUNCHING & ENTRANCE FEE					
S1J	<u>Kleinbaai Boat Launching:</u>					
S1J1	On site Parking pm	789.47	900.00	745.61	850.00	5.88%
S1J2A	Category B1: Shark-view operators/whale-watching (Incl on-site parking) pa	33 125.44	37 763.00	31 250.00	35 625.00	6.00%
S1J2B	Category B2: Shark-view operators/whale-watching (excl on-site parking) pm	2 534.21	2 889.00	2 390.35	2 725.00	6.02%
S1J2C	Category B2: Shark-view operators/whale-watching (excl on-site parking) pa	25 282.46	28 822.00	23 850.88	27 190.00	6.00%
S1J4A	Kelp Collectors pm	3 166.67	3 610.00	2 986.84	3 405.00	6.02%
S1J4B	Kelp Collectors pa	31 605.26	36 030.00	29 815.79	33 990.00	6.00%
S1J4C	Kelp Collectors per launch	204.39	233.00	192.98	220.00	5.91%
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	600.00	684.00	565.79	645.00	6.05%
S1J6C	Support Service per launch	78.95	90.00	74.56	85.00	5.89%
S1J7A1	Recreational Fishing (Overstrand Consumers) Vessels < 7m pa	511.40	583.00	482.46	550.00	6.00%
S1J7A2	Recreational Fishing Vessels < 7m per Launch	60.53	69.00	57.02	65.00	6.16%
S1J7A3	Recreational Fishing (Overstrand Consumers) Vessels > 7m pa	614.04	700.00	578.95	660.00	6.06%
S1J7A4	Recreational Fishing Vessels > 7m per Launch	78.95	90.00	74.56	85.00	5.89%
S1J7B1	Commercial Fishing (Overstrand Consumers) Vessels < 7m pa	557.90	636.00	526.32	600.00	6.00%
S1J7B2	Commercial Fishing Vessels > 7m pa	739.47	843.00	697.37	795.00	6.04%
S1J7B3	Commercial Fishing Vessels < 7m per launch	70.18	80.00	65.79	75.00	6.67%
S1J7B4	Commercial Fishing Vessels > 7m per launch	88.60	101.00	83.33	95.00	6.32%
S1J8A	Passenger Boats pm	1 264.91	1 442.00	1 192.98	1 360.00	6.03%
S1J8B	Passenger Boats per launch	121.05	138.00	114.04	130.00	6.15%
S1J9	Vehicles up to 1 Ton per vehicle load capacity - mixed builders rubble NO ADMISSION to Transfer	214.04	244.00	201.75	230.00	6.09%
S1J11	Formal Shop Rental / month	735.09	838.00	692.98	790.00	6.08%
S1J12	Informal Trader under cover rental / month	483.33	551.00	456.14	520.00	5.96%
S1M	<u>Kleinmond Slipway:</u>					
S1M1	Recreational Fishing (Overstrand Consumers) Vessels < 7m pa	511.40	583.00	482.46	550.00	6.00%
S1M2	Recreational Fishing Vessels < 7m per Launch	60.53	69.00	57.02	65.00	6.16%
S1M3	Recreational Fishing (Overstrand Consumers) Vessels > 7m pa	614.04	700.00	578.95	660.00	6.06%
S1M4	Recreational Fishing Vessels > 7m per Launch	78.95	90.00	74.56	85.00	5.89%
S1M5	Commercial Fishing (Overstrand Consumers) Vessels < 7m pa	557.90	636.00	526.32	600.00	6.00%
S1M6	Commercial Fishing Vessels > 7m pa	739.47	843.00	697.37	795.00	6.04%
S1M7	Commercial Fishing Vessels < 7m per launch	70.18	80.00	65.79	75.00	6.67%
S1M8	Commercial Fishing Vessels > 7m per launch	83.33	95.00	78.95	90.00	5.55%
S1M9	Passenger Boats pm	1 264.91	1 442.00	1 192.98	1 360.00	6.03%
S1M10	Passenger Boats per launch	121.05	138.00	114.04	130.00	6.15%
S1T	<u>Registered Launching Sites managed by the Overstrand Municipality (08:00-16:00) (Western Cape December School Holiday and when declared by Council)</u>					
S1T1	<u>Affiliated Members</u>					
S1T1A	Annually	185.97	212.00	175.44	200.00	6.00%
S1T1B	Monthly	111.40	127.00	105.26	120.00	5.83%
S1T1C	Weekly	56.14	64.00	52.63	60.00	6.67%

OVERSTRAND MUNICIPALITY

SUNDRY TARIFF LIST

Tariff Code	Detail	2016/2017		2015/2016		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S1T1D	Daily	18.42	21.00	17.54	20.00	5.02%
S1T2	Non- Affiliated Members					
S1T2A	Annually	371.93	424.00	350.88	400.00	6.00%
S1T2B	Monthly	167.54	191.00	157.89	179.99	6.11%
S1T2C	Weekly	92.98	106.00	87.72	100.00	6.00%
S1T2D	Daily	28.07	32.00	26.32	30.00	6.65%
S2	BUILDING CONTROL					
S2A1	Building Plan Fees up to 100 m ² (R/m ²)	25.44	29.00	23.68	27.00	7.43%
S2A2	Building Plan Fees from 101 m ² to 200 sq m (R/m ²)	29.83	34.00	28.07	32.00	6.25%
S2A3	Building Plan Fees from 201 m ² to 300 sq m (R/m ²)	35.09	40.00	32.46	37.00	8.10%
S2A4	Building Plan Fees greater than 300 m ² (R/m ²)	39.47	45.00	36.84	42.00	7.14%
S2A5	Building Plan fees - Building Sub Economic < 70 m ²	357.90	408.00	337.72	385.00	5.97%
S2B	Alterations and Additions smaller than 30 m ² (S2A1 X 30)	753.51	859.00	710.53	810.00	6.05%
S2C	Building Plan fees related to farm buildings (farm sheds, stables, etc) R/m ²	16.67	19.00	15.79	18.00	5.57%
S2D1	Building Plan fees related to Industrial buildings R/m ²	16.67	19.00	15.79	18.00	5.57%
S2D2	Building Plan Fees Related to Government Buildings (School etc) (R/m ²)	16.67	19.00	15.79	18.00	5.57%
S2F1	Plan Scrutiny Fees - < 200 m ²	436.84	498.00	412.28	470.00	5.96%
S2F2	> 200 m ² (R/m ²)	3.51	4.00	3.33	3.80	5.50%
S2G	Demolition application	436.84	498.00	412.28	470.00	5.96%
S2H	Inspection & Re-inspection fees and Inspections on complaints, rates clearance etc.	260.53	297.00	245.61	280.00	6.07%
S2J1	Building Deposit - < 50m ² or less or less than R150,000.00	775.00	no vat	730.00	no vat	6.16%
S2J2	Building Deposit - Recoverable 50m ² to 200m ² or more than R150,000.00	2 060.00	no vat	1 940.00	no vat	6.19%
S2J3	Building Deposit - Recoverable more than 200m ²	5 650.00	no vat	5 330.00	no vat	6.00%
S2J4	Building Deposit - Sub economic Areas only (Not applicable to Additions)	No Deposit	no vat	No Deposit	no vat	
S2K	Administration / Viewing Fee	50.88	58.00	48.25	55.00	5.46%
S2L	Minor Building Works	204.39	233.00	192.98	220.00	5.91%
S2L1	Heritage Investigation Minor Alterations (no additions)	408.77	466.00	385.97	440.00	5.91%
S2L2	Heritage Investigation add and alt smaller than 30m ² (2 X S2L1)	818.42	933.00	771.93	880.00	6.02%
S2L3	Heritage Investigation add and alt greater than 30m ² (2 X S2L2)	1 724.56	1 966.00	1 543.86	1 760.00	11.70%
S3	BUILDING CONTROL: PLAN PRINTING FEES					
S3A1	Per sheet - Size A0 (Private copy)	56.14	64.00	52.63	60.00	6.67%
S3A2	Size A1 (Private copy)	43.86	50.00	42.11	48.00	4.17%
S3A3	Size A2 (Private copy)	32.46	37.00	31.58	36.00	2.79%
S3A4	Per sheet - Size A0 (Official copy)	43.86	50.00	42.11	48.00	4.17%
S3A5	- Size A1 (Official copy)	32.46	37.00	31.58	36.00	2.79%
S3A6	- Size A2 (Official copy)	22.81	26.00	21.93	25.00	4.01%
S3B1	Per sheet - Size A0 (Private copy) Colour	292.98	334.00	276.32	315.00	6.03%
S3B2	Size A1 (Private copy) Colour	223.68	255.00	210.53	240.00	6.25%
S3B3	Size A2 (Private copy) Colour	149.12	170.00	140.35	160.00	6.25%
S3B4	Per sheet - Size A0 (Official copy) Colour	149.12	170.00	140.35	160.00	6.25%
S3B5	- Size A1 (Official copy) Colour	111.40	127.00	105.26	120.00	5.83%
S3B6	- Size A2 (Official copy) Colour	74.56	85.00	70.18	80.00	6.25%

OVERSTRAND MUNICIPALITY

SUNDRY TARIFF LIST

Tariff Code	Detail	2016/2017		2015/2016		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S5	BUSINESS LICENSE					
S5B1	Business Licence - Formal	649.12	740.00	615.62	701.80	5.44%
S5B2	Business Licence - Informal	232.46	265.00	221.93	253.00	4.74%
S5B3	Re-inspection Fee	127.19	145.00	122.06	139.15	4.20%
S5B4	Duplicate Licence Fee	127.19	145.00	122.06	139.15	4.20%
S15	CEMETERY					
	Residents (RES):					
S15A	Plot Cost (Fixed)					
	Grave Depths					
Note	- Infill grave (between two existing graves) must have a soil coverage of not less than 1 meter; - Other single graves (not infill) must have a soil coverage of not less than 1.5 meters; - Double graves (in depth) must have a soil coverage of not less than 1.5 meters with a 300mm soil between the coffins; - Child grave must have a soil coverage of not less than 1 meter.					
S15A1	All cemeteries - single grave	503.51	574.00	474.56	541.00	6.10%
S15A2	All cemeteries - Double graves - depth for two coffins	780.70	890.00	736.84	840.00	5.95%
S15A3	Double grave next to each other	1 006.14	1 147.00	949.12	1 082.00	6.01%
S15A4	Children under 12years	377.19	430.00	356.14	406.00	5.91%
S15A5	Garden of Remembrance Fees	184.21	210.00	173.68	198.00	6.06%
S15B	Indication of grave					
S15B1	New graves (include inspection before and after funeral)	499.12	569.00	499.12	569.00	0.00%
S15B2	Existing graves	159.65	182.00	159.65	182.00	0.00%
	Non Residents:					
S15C	Plot Cost					
S15C1	All Tariffs	Res Tariff X 5	Vat on Res Tariff X 5	Res Tariff X 5	Vat on Res Tariff X 5	
S15D	Indication of grave					
S15D1	All Tariffs	Res Tariff X 5	Vat on Res Tariff X 5	Res Tariff X 5	Vat on Res Tariff X 5	
S18	COMMERCIAL FILMING/PHOTOGRAPHING					
S18A1	Large per day or part thereof ≥ 50 people	11 929.83	13 600.00	11 254.39	12 830.00	6.00%
S18A2	Small per day or part thereof more than 10 but < 50 people	4 184.21	4 770.00	3 947.37	4 500.00	6.00%
S18A3	Small per day or part thereof ≤ 10 people	1 200.00	1 368.00	1 131.58	1 290.00	6.05%
	Addition to Shoot					
S18C	Animals (per animal per day or part of a day)	149.12	170.00	140.35	160.00	6.25%
S18D	Area required for production and catering (per m² per day or part of a day)	33.33	38.00	31.58	36.00	5.54%
S18E	Cancellation Fee (per application at full permit fee)	15% of Fee	15% of Fee	15% of Fee	15% of Fee	
S18G	Environmental Control Officer: Fees per hour or part thereof	349.12	398.00	328.95	375.00	6.13%
S18H	Vehicles off Public Roads per Parking Bay (per vehicle per day/part of a day)	125.44	143.00	118.42	135.00	5.93%
S20	CREDIT CONTROL AND DEBT COLLECTION					
S20A1	Admin fee on arrear accounts Notices	315.79	360.00	315.79	360.00	0.00%
S20A2	Admin fee on 24 hour Notices - Bulk users	315.79	360.00	315.79	360.00	0.00%
S20B	Admin fee on arrear accounts Disconnection and Reconnection Fee	530.71	605.00	530.71	605.00	0.00%
S20C	SMS admin fee on arrear accounts Notices	21.93	25.00	21.93	25.00	0.00%
S22	DOG TAX					

OVERSTRAND MUNICIPALITY

SUNDRY TARIFF LIST

Tariff Code	Detail	2016/2017		2015/2016		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S22A	Licence per dog	66.67	76.00	63.16	72.00	5.56%
S22B	Social pensioner and registered indigent clients on application	FREE	no vat applicable	FREE	no vat applicable	
S23	FIRE SERVICES & DISASTER MANAGEMENT					
S23A	Plot Clearing	Actual Cost + R964.92 admin. Fee	(Actual Cost + Vat) + R1 100,00	Actual Cost + R964.92 admin. Fee	(Actual Cost + Vat) + R1 100,00	0.00%
S23B	Re-inspection Fee under By-law	135.09	154.00	127.19	145.00	6.21%
S23C	Extinguishing of Fires					
S23C1	Extinguishing of structural fires per hour or part thereof per incident	1 534.21	1 749.00	1 447.37	1 650.00	6.00%
S23C2	Extinguishing of structural fires - indigent households	FREE	no vat applicable	FREE	no vat applicable	
S23C3	Extinguishing of veld - and other fires per hour or part thereof	511.41	583.00	482.46	550.00	6.00%
S23C4	Assistance at motor vehicle accidents and rescues	FREE	no vat applicable	FREE	no vat applicable	
S23D	Standby at fire scene					
S23D1	Per hour or part thereof for vehicle and fire fighters	511.41	583.00	482.46	550.00	6.00%
S23E	Fire Prevention Inspections					
S23E1	Tank installation - per tank	289.48	330.00	289.48	330.00	0.00%
S23E2	LP Gas - per installation 48Kg and more incl bulk tanks	289.48	330.00	289.48	330.00	0.00%
S23F	Fire Safety					
S23F1	1st and 2nd compliance inspection	FREE	no vat applicable	FREE	no vat applicable	
S23F2	3rd and continuing compliance inspection	289.48	330.00	289.48	330.00	0.00%
S23G	Events					
S23G1	Inspection of location and issuing of Population Certificate	192.98	220.00	192.98	220.00	0.00%
S23G2	Standby at event per event per day or part thereof for vehicle and fire fighters	964.91	1 100.00	964.91	1 100.00	0.00%
S23H	Burn Permits					
S23H1	Burn Permit Inspection	241.23	275.00	241.23	275.00	0.00%
S23G	Special Services					
S23G1	Ad hoc services	526.32	600.00	NEW	NEW	
S23G2	Water Supply per hour, excluding water tariff as set out in structure	526.32	600.00	NEW	NEW	
S25	LAW ENFORCEMENT					
S25C	Impoundment of Hawkers Goods					
S25C1	Per Impoundment	576.32	657.00	543.86	620.00	5.97%
S25C2	Removal of illegal structure per structure	2 361.40	2 692.00	2 228.07	2 540.00	5.98%
S25C3	Storage Fee per day	153.51	175.00	144.74	165.00	6.06%
S25D	Pound fee: Dogs and Cats					
S25D1	Impoundment of Dogs and Cats	62.28	71.00	58.77	67.00	5.97%
S25D2	Pound fee: from day 2 per day	40.35	46.00	37.72	43.00	6.97%
S25E	Pound fee: Other Animals					
S25E1	Impoundment fee per week per animal	619.30	706.00	584.21	666.00	6.01%
S25F	Bylaw on Outdoor Advertising					
S25F1	Impoundment of illegal Advertising/Agent boards (per board) - small <2400cm ²	62.28	71.00	58.77	67.00	5.97%
S25F2	Impoundment of illegal Advertising/Agent boards (per board) - large >2400cm ²	619.30	706.00	584.21	666.00	6.01%
S28	LIBRARY					

OVERSTRAND MUNICIPALITY

SUNDRY TARIFF LIST

Tariff Code	Detail	2016/2017		2015/2016		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S28A1	Copies: A3 / Page	3.51	4.00	3.33	3.80	5.50%
S28A3	Copies: A3 page Colour	7.02	8.00	7.28	8.30	-3.57%
S28A5	Copies: A4/Page	1.75	2.00	2.90	3.30	-39.55%
S28A7	Copies: A4 page Colour	4.39	5.00	5.26	6.00	-16.54%
S28B1	Deposit to person/s non-residents Fiction & Non-Fiction	350.00	no vat	330.00	no vat	6.06%
S28C1	Fax per page - excluding 0865/6 numbers	3.95	4.50	3.77	4.30	4.77%
S28C2	Fax per page - 0865/6 numbers	6.75	7.70	6.40	7.30	5.50%
S28D1	Lost Cards: Laminated (R/card) first time	21.93	25.00	19.30	22.00	13.66%
S28D1a	Lost Cards: Laminated (R/card)(subsequent lost card)	43.86	50.00	new	new	
S28D2	Laminated Cost A3	5.09	5.80	4.83	5.50	5.50%
S28D3	Laminated Cost A4	2.54	2.90	2.41	2.75	5.50%
S28E1	Penalty per book per week	2.00	no vat	1.00	no vat	100.00%
S28E2	Penalty per record/CD per week	4.00	no vat	1.00	no vat	300.00%
S28E3	Penalty per video per day	2.00	no vat	2.00	no vat	0.00%
S28F1	Scanning of Document - Black & White	17.54	20.00	16.67	19.00	5.22%
S28F2	Scanning of Document - Colour	19.30	22.00	18.42	21.00	4.78%
S28G1	Special Requests - Hold per Book	4.39	5.00	2.63	3.00	66.92%
S28G2	Special Requests - ILL per Book	8.77	10.00	4.39	5.00	99.77%
S28H1	Subscriptions/ reader - Adults (Non residents)	131.58	150.00	127.19	145.00	3.45%
S28H2	Subscriptions/ reader - Children (Non residents)	83.33	95.00	78.95	90.00	5.55%
S28H3	Subscriptions/ reader - Family max 5 (Non residents)	324.56	370.00	307.02	350.00	5.71%
S28K	Visitor's fee - Handling charge / item	11.14	12.70	10.53	12.00	5.79%
S28L1	Hire of Library Hall per Hour - Fundraising event	127.19	145.00	121.05	138.00	5.07%
S28L2	Hire of Library Hall per Hour - NON- Fundraising event	22.81	26.00	21.93	25.00	4.01%
S28M1	Minor Damage to book (per book)	22.81	26.00	new	new	
S28M2	Damage or lost library material	As per System Price Rounded	applicable vat	new	new	
S30	STONY POINT					
S30A1	Visitors fee Stony Point Nature Reserve per day (persons 12 years and older)	17.54	20.00	13.16	15.00	33.28%
S30A2	Visitors fee Stony Point Nature Reserve per day (children under 12 years)	8.77	10.00	NEW	NEW	
S32	PARKING FEE					
	Metered parking (excluding public holidays)					
S32P	Parking Monthly Permit per vehicle	263.16	300.00	263.16	300.00	0.00%
S32Q	Per Quarter Hour or part of it - Monday to Friday 08:30 - 16:00	0.88	1.00	0.88	1.00	0.00%
S32R	Per Half Hour or part of it - Monday to Friday 08:30 - 16:00	1.75	2.00	1.75	2.00	0.00%
S32S	Per Hour Normal (Monday to Friday : 08:30 - 16:00)	3.51	4.00	3.51	4.00	0.00%
S32T	Per Hour Saturday (08:30 - 13:00)	3.51	4.00	3.51	4.00	0.00%
S33	OPERATIONAL COST					

OVERSTRAND MUNICIPALITY

SUNDRY TARIFF LIST

Tariff Code	Detail	2016/2017		2015/2016	
		Exclude VAT	Include VAT	Exclude VAT	Include VAT
S33A	Application fee for Installation of Street Signage (brown direction boards)	cost + 15%	applicable vat	cost + 15%	applicable vat
S34	PROPERTY ADMINISTRATION				
S34A	Application for Encroachment (Administration of Immovable Property Policy (Par. 64.2; 64.3; 64.4)	2 250.00	2 565.00	2 122.81	2 420.00
S34B1	Application for lease or purchase of Municipal Property (<i>excluding Sport Facilities/Stalls and organs of state</i>)	2 250.00	2 565.00	2 122.81	2 420.00
S34B2	Application for lease of Municipal Property - registered Social Care Institutions / Organisations	511.40	583.00	482.46	550.00
	Encroachment Fee:				
S34C	Veranda, Balcony, Sign, Signboards or similar structure (per annum) (Par. 64.2)	388.60	443.00	366.67	418.00
S34D	Encroachments onto Commonage, Public Open Spaces, or Conservation areas (per annum) (Par. 64.3)	388.60	443.00	366.67	418.00
S34F	Enclosure or exclusive use or portions of the Commonage, Public Open Spaces, Road Reserves or Public Thoroughfares for gardening purposes (per m² per month) (Par 64.4)	11.14	12.70	10.53	12.00
	Leases				
S34G	Temporary use (<12months) of Municipal land for general purposes (per m² per month) (Par 64.5)	4.39	5.00	24.56	28.00
S34H	Radio Mast				
S34H1	Equipment on Mast - per month per mast	1 710.53	1 950.00	1 614.04	1 840.00
S34H2	Space in building per m² - per month	450.00	513.00	424.56	484.00
S34H3	Space outside the building per m² - per month	225.44	257.00	212.28	242.00
S34H4	Land for installation of a new mast per m² - per month	57.02	65.00	53.51	61.00
	Memorial Benches				
S34J	Memorial Benches (Installation and application)	2 813.16	3 207.00	2 653.51	3 025.00
S34K	Memorial Benches (per Annum)	225.44	257.00	212.28	242.00
S36	PROPERTY INFORMATION				
S36A1	Clearance Certificate (R/certificate) - ELECTRONIC	85.97	98.00	80.70	92.00
S36A2	Clearance Certificate (R/certificate) - MANUAL	260.53	297.00	245.61	280.00
S36B1	Deeds office registrations with sales information (R/100 erven or part)	112.28	128.00	106.14	121.00
S36B2	Deeds office registrations with sales information (R/erf)	28.95	33.00	27.19	31.00
S36C	Extract from the Valuation Roll (R/page)	9.65	11.00	8.77	10.00
S36F	Revaluation fee	1 608.77	1 834.00	1 517.54	1 730.00
S36G1	Valuation Certificate (R/certificate) - ELECTRONIC	40.35	46.00	37.72	43.00
S36G2	Valuation Certificate (R/certificate) - MANUAL	135.09	154.00	127.19	145.00
S36H	Access of valuation roll Information on CD	307.02	350.00	289.47	330.00
S40	RENTAL: COMMUNITY HALLS				
S40.1	All events hosted where the municipal council or administration is the official host	free of charge	free of charge	free of charge	free of charge
S40.3	Elections by the Electoral Commission	as per IEC policy	applicable vat	as per IEC policy	applicable vat
S40.4	Events of Government Departments directly in interest of community	free of charge	free of charge	new	new
S40A	Auditorium & Banqueting Hall				

OVERSTRAND MUNICIPALITY

SUNDRY TARIFF LIST

Tariff Code	Detail	2016/2017		2015/2016		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S40A1	Deposit for all functions (refundable) - excluding meetings	1 700.00	no vat	1 700.00	no vat	0.00%
S40A2	Hire of Auditorium and Banqueting Hall per Hour or part of a hour	540.35	616.00	509.65	581.00	6.02%
S40A3	Hire of Auditorium per Hour or part of a hour	271.05	309.00	255.26	291.00	6.19%
S40A4	Hire of Banqueting Hall per Hour or part of a hour	405.26	462.00	382.46	436.00	5.96%
Note	<i>Hiring of Kitchen (Banqueting Hall & Auditorium) used for the serving of food only is included in the hiring fee mentioned above as this facility forms an integral part of the building and cannot be separated there from.</i>					
S40A5	Non-fundraising events for Schools, other training institutions and sport & recreation per day	408.77	466.00	385.97	440.00	5.91%
S40A6	Piano per event	Actual Tuning Cost + R321.05 admin. Fee	Actual Tuning Cost + R366.00	Actual Tuning Cost + R302.98 admin. Fee	Actual Tuning Cost + R345.40	5.64%
S40A7	Sound OR Ligthing Equipment per event (each item) per hour	85.97	98.00	80.70	92.00	6.52%
S40A8	Use of Kitchen per day	562.28	641.00	530.71	605.00	5.95%
S40A10	Local NGO's and CBO's per hour per venue - all events	175.44	200.00	234.21	267.00	-25.09%
S40A12	Preparation for event - per hour / per event dependent on hourly or per event tariff applied	112.28	128.00	106.14	121.00	5.78%
S40A13	Meetings: Government departments (private meetings), NGO's and CBO's from outside the municipal area, per hour (Banquet hall)	248.25	283.00	234.21	267.00	5.99%
S40A14	Meetings: Local CBO's & NGO's per hour (Banquet hall only)	23.68	27.00	21.93	25.00	7.98%
S40A15	Daily Tariff	3 508.77	4 000.00	new	new	
S40A16	Package deal for Festivals, Exhibitions, Weddings, Birthdays, Eistedfods, Special Events - per day	1 754.39	2 000.00	new	new	
S40C	<u>Barracks - Kleinmond</u>					
S40C1	Hire per room per month	37.72	43.00	35.09	40.00	7.50%
S40E	<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>					
S40E4	Fundraising: (Karaoke) Per daytime or evening	248.25	283.00	234.21	267.00	5.99%
S40E5	Funeral Tea (three hours)	101.75	116.00	95.61	109.00	6.42%
S40E7	Non-fundraising events for Schools, other training institutions and sport & recreation	204.39	233.00	192.98	220.00	5.91%
S40E8	Meetings: Local CBO's and NGO's per hour	23.68	27.00	21.93	25.00	7.98%
S40E9	Non-fundraising (parties) Per daytime or evening	124.56	142.00	117.54	134.00	5.97%
S40E10	Use of Kitchen - Fundraising events per event	225.44	257.00	212.28	242.00	6.20%
S40E11	Use of Kitchen - Non Fundraising	225.44	257.00	No charge	no vat	
Note	<i>Daytime = 07:00 - 17:00 // Evening = 18:00 - 24:00 (Charge seperately)</i>					
S40J	<u>Kleinmond Hall, & Hawston Thusong Centre</u>					
S40J1	Deposit: (refundable) Funeral Teas, Church Services, Government Imbizos & Meetings.	466.00	no vat	440.00	no vat	5.91%
S40J2	Deposit: Hawston Thusong Centre	1 160.00	no vat	1 100.00	no vat	5.45%
S40J3	Fundraising: Karaoke, Disco, competitions, etc. per daytime or evening	562.28	641.00	530.71	605.00	5.95%
S40J4	Funeral Tea (three hours)	101.75	116.00	95.61	109.00	6.42%
S40J5	Government Imbizos (per day)	1 733.33	1 976.00	1 635.09	1 864.00	6.01%
S40J6	Non-fundraising events for Schools, other training institutions and sport & recreation	204.39	233.00	192.98	220.00	5.91%

OVERSTRAND MUNICIPALITY

SUNDRY TARIFF LIST

Tariff Code	Detail	2016/2017		2015/2016		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S40J7	Meetings: Government Departments (private meetings) & CBO's outside Municipal area per hour	248.25	283.00	234.21	267.00	5.99%
S40J8	Meetings: Local CBO's, NGO's per hour (only large groups > 30)	23.68	27.00	21.93	25.00	7.98%
S40J9	Non-fundraising: Parties, weddings, indoor sports, etc. per hour	112.28	128.00	106.14	121.00	5.78%
S40J10	Sound OR Ligthing Equipment per event (each item) per hour	85.97	98.00	80.70	92.00	6.52%
S40J11	Use of kitchen (per event per day)	270.18	308.00	255.26	291.00	5.84%
S40J12	Use of kitchen (per event per day) - Welfare, churches, non-profit organizations	270.18	308.00	255.26	291.00	5.84%
S43	RENTAL: HAWKERS' STALLS, OPEN SPACES & BEACHES					
S43A	<u>CBD</u>					
S43A1	All open stalls per day (demarcated area)(excluding Western Cape December Holiday plus Easter Weekend)	23.68	27.00	21.93	25.00	7.98%
S43A2	Open Stalls per day (Western Cape December Holiday plus Easter Weekend)	34.21	39.00	32.46	37.00	5.39%
S43B	<u>Outside the CBD</u>					
S43B1	Open Stalls Rental - Western Cape December Holiday plus Easter Weekend / pm	77.19	88.00	72.81	83.00	6.02%
S43B2	Open Stalls Rental - excluding Western Cape December Holiday plus Easter Weekend / pm	33.33	38.00	31.58	36.00	5.54%
S43D	<u>Public Open Space</u>					
S43D1	Car Park - Private Car Sales per day (demarcated areas)	30.70	35.00	28.95	33.00	6.04%
S43D2	Funfair, Circus etc per day	731.58	834.00	690.35	787.00	5.97%
S43D3	Welfare, churches, non-profit organizations	no charge	no vat	no charge	no vat	
S43D4	Sport Events per day	3 319.30	3 784.00	3 131.58	3 570.00	5.99%
S43F	<u>Beaches</u>					
S43F1	Beach Rentals - per day (Private functions)	1 069.30	1 219.00	1 008.77	1 150.00	6.00%
S46	RENTAL: OFFICE					
S46A	Rental per m ² / pm	101.75	116.00	95.61	109.00	6.42%
S46A1	Rental per m ² / pm (except the Hermanus area)	50.88	58.00	48.25	55.00	5.46%
S46A2	NGO's/NPO's per m ² / pm	30.70	35.00	28.95	33.00	6.04%
S46B	Local Council Functions	no charge	no vat	no charge	no vat	
S48	RENTAL: SPORT FACILITIES					
S48A	<u>Spaces for Sport - Gansbaai</u>					
S48A1	Club House - per hour (private events)	141.23	161.00	133.33	152.00	5.93%
S48A2	Club House - Sport events (Overstrand Teams)	no charge	no vat	no charge	no vat	
S48A3	Club House - Sport Event - per hour	71.05	81.00	66.67	76.00	6.57%
S48A4	Sport grounds - Non Overstrand per event	1 391.23	1 586.00	1 312.28	1 496.00	6.02%
S48A6	Sport grounds - Functions/Events (excluding departmental events)	767.54	875.00	723.68	825.00	6.06%
S48A7	Gym fees per month	71.93	82.00	67.54	77.00	6.50%
S48B	<u>Overhills</u>					
S48B1	Sport grounds - Non Overstrand per event	1 391.23	1 586.00	1 312.28	1 496.00	6.02%
S48B2	Sport grounds - Functions/Events (excluding departmental events)	767.54	875.00	723.68	825.00	6.06%
S49	RENTAL: UNDEVELOPED SERVICED ERVEN					
S49A	Wetcore Stands (Social Housing) - rent per month	28.07	32.00	26.32	30.00	6.65%
S50	SCHUSS HOUSES KLEINMOND (Meerenvlei)					
S50A	Rent per month	833.33	950.00	785.97	896.00	6.03%

OVERSTRAND MUNICIPALITY

SUNDRY TARIFF LIST

Tariff Code	Detail	2016/2017		2015/2016		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S55	SUNDRY					
S55A	Access to Information as per Act (2 of 2000) - Tariffs	As Stipulated in the Act	As Stipulated in the Act	As Stipulated in the Act	As Stipulated in the Act	
S55B1	Administration Cost - RD ACB	59.65	68.00	56.14	64.00	6.25%
S55B2	Administration Cost - RD cheques ,Post Dated Cheques	actual cost + R40.35	actual cost + R46.00	actual cost + R37.72	actual cost + R43.00	6.98%
S55B3	Administration Cost - Trace of Direct Deposit	81.58	93.00	77.19	88.00	5.69%
S55C	Copies of Council Agendas and Minutes per annum	1 162.28	1 325.00	1 096.49	1 250.00	6.00%
S55D1	Copies: A3 page	3.51	4.00	3.33	3.80	5.50%
S55D2	Copies: A3 page Colour	7.02	8.00	7.02	8.00	0.00%
S55D3	Copies: A4 page	1.75	2.00	2.63	3.00	-33.46%
S55D4	Copies: A4 page Colour	4.39	5.00	5.26	6.00	-16.54%
S55E	Foreign Bank Cost	actual cost	actual vat	actual cost	actual vat	
S55F1	Fax per page - excluding 0865/6 numbers	3.95	4.50	3.68	4.20	7.34%
S55F2	Fax per page - 0865/6 numbers	6.75	7.70	6.40	7.30	5.50%
S55G1	Interest on accounts in arrear	prime + 4%	no vat	prime + 4%	no vat	
S55G2	Placard / Poster Deposit for Elections	3 850.00	no vat	3 630.00	no vat	6.06%
S55G4	Placard / Poster Deposit for Political Parties	3 850.00	no vat	3 630.00	no vat	6.06%
S55H	Placard / Poster each	13.51	15.40	12.72	14.50	6.21%
S55I	Duplicate Account	6.75	7.70	6.32	7.20	6.80%
S55J	Section 62 of local Government: Systems Act: appeal deposit (refundable if appeal is upheld)	2 710.00	no vat	2 560.00	no vat	5.86%
S55K1A	Tender objection deposit (refundable if appeal is upheld)	2 710.00	no vat	2 560.00	no vat	5.86%
S55k1B	Tender objection deposit (partially upheld - refundable)	1 350.00	no vat	1 280.00	no vat	5.47%
S55K2	Tender documentation Administration Fee: (less than 20 pages)	27.19	31.00	25.44	29.00	6.88%
S55K3	Tender documentation Administration Fee: (more than 21 pages less than 50 pages)	146.49	167.00	138.60	158.00	5.69%
S55K4	Tender documentation Administration Fee: (more than 50 pages)	585.97	668.00	552.63	630.00	6.03%
S55L	Advertising Signs Auctioneers per 14days	416.67	475.00	392.98	448.00	6.03%
S55K1	Laminated Cost A3	5.26	6.00	4.83	5.50	9.02%
S55K2	Laminated Cost A4	2.63	3.00	2.46	2.80	6.91%
S60	SWIMMING POOL					
S60A	Daily Tariffs					
S60A1	Adults - per person per DAY or part of a day	8.77	10.00	7.90	9.00	11.08%
S60A2	Children (< 16years) per child per day or part of a day	No Charge	no vat	No Charge	no vat	
S60A4	Galas	85.96	97.99	80.70	92.00	6.52%
S60A5	Training sessions (Schools & Clubs) per season	135.09	154.00	127.19	145.00	6.21%
S60B	Peak time Tariffs (Hourly tariffs) (Western Cape December Holiday plus Easter Weekend)					
S60B1	Adults - per person per hour or part of a hour	0.88	1.00	0.97	1.10	-8.81%
S60B2	Children (< 16years) per child per day or part of a day	No Charge	no vat	No Charge	no vat	
S65	TOP MANAGEMENT CONSULTATIONS					
S65A1	Consultation Fee (Top Management) per hour	787.72	898.00	742.98	847.00	6.02%
S72	TOWN PLANNING: APPLICATION FEES					
S72A	Amendment of application and conditions and plans of submission	1 912.28	2 180.00	1 804.39	2 057.00	5.98%
S72B	Application for amendment of SDF	2 250.00	2 565.00	2 122.81	2 420.00	5.99%

OVERSTRAND MUNICIPALITY

SUNDRY TARIFF LIST

Tariff Code	Detail	2016/2017		2015/2016		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S72F	<u>Removal of Title Deed Restrictions</u>					
S72F1	Erven 300 m ² and smaller	418.42	477.00	394.74	450.00	6.00%
S72F2	Erven larger than 300 m ²	3 185.97	3 632.00	3 006.14	3 427.00	5.98%
S72G	<u>Consolidations</u>					
S72G1	Erven 300 m ² and smaller	394.74	450.00	371.93	424.00	6.13%
S72G2	Erven larger than 300 m ²	2 250.00	2 565.00	2 122.81	2 420.00	5.99%
S72H	<u>Subdivision (cumulative)</u>					
S72H1	up to 5 erven	4 387.72	5 002.00	4 139.48	4 719.00	6.00%
S72H2	6 to 10 erven	5 175.44	5 900.00	4 882.46	5 566.00	6.00%
S72H3	More than 10	7 313.16	8 337.00	6 899.12	7 865.00	6.00%
S72I1	Application for Consent Uses/Special Use/Occupational Use/Additional Consent	2 250.00	2 565.00	2 122.81	2 420.00	5.99%
S72I1	Application for Consent Uses/Special Consent (Erven 300m ² and smaller)	473.68	540.00	446.49	509.00	6.09%
S72J	<u>Application for Rezoning</u>					
S72J1	Erven 300 m ² and smaller	473.68	540.00	446.49	509.00	6.09%
S72J2	Erven between 301m ² and 5000 m ²	3 713.16	4 233.00	3 502.63	3 993.00	6.01%
S72J3	Erven larger than 5000 m ²	5 175.44	5 900.00	4 882.46	5 566.00	6.00%
S72K	<u>Departure</u>					
S72K1A	Application for Departure	2 250.00	2 565.00	2 122.81	2 420.00	5.99%
S72K1B	Application for Departure (Erven 300m ² and smaller)	371.93	424.00	371.93	424.00	0.00%
S72K2	<u>Application for Departure (Building Lines)</u>					
S72K2A	Erven 300 m ² and smaller	429.83	490.00	405.26	462.00	6.06%
S72L	<u>Appeal deposit in terms of Section 78(2) of the Bylaw on Municipal Land Use Planning (refundable if appeal is upheld)</u>					
S72L1	Erven 300 m ² and smaller	500.00	no VAT	new	new	
S72L2	Erven larger than 300m ²	2 700.00	no VAT			
S72M	Amendment of site development plan, Constitution/Architectural Guidelines	1 635.96	1 864.99	1 543.86	1 760.00	5.97%
S72N	<u>Determination of Zoning</u>					
S72N1	Erven 300m ² and smaller	473.68	540.00	446.49	509.00	6.09%
S72N2	Erven 301m ² - 5000m ²	3 713.16	4 233.00	3 502.63	3 993.00	6.01%
S72N3	Erven larger than 5000m ²	5 175.44	5 900.00	4 882.46	5 566.00	6.00%
S72N4	Disestablishment of HOA	2 250.00	2 565.00	2 122.81	2 420.00	5.99%
S72P	<u>Relaxation of Title Deed</u>					
S72P1	Erven 300m ² and smaller	393.86	449.00	371.93	424.00	5.90%
S72P2	Erven larger than 300m ²	2 239.47	2 553.00	2 122.81	2 420.00	5.50%
S72Q	<u>Permission in terms of Zoning Scheme</u>					
S72Q1	Erven 300m ² and smaller	392.98	448.00	371.93	424.00	5.66%
S72Q2	Erven between 300m ²	2 250.00	2 565.00	2 122.81	2 420.00	5.99%

OVERSTRAND MUNICIPALITY

SUNDRY TARIFF LIST

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

OVERSTRAND MUNICIPALITY

REFUSE (SOLID WASTE) TARIFFS

Tariff Code	Detail	2016/2017		2015/2016	
		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
	<u>DOMESTIC WASTE</u>				
SAN1A	Residential (All registered erven/unit with approved building plan) 1 x removal per week (R/Month)	146.26	166.74	137.99	157.30
SA1A2	Residential Indigent (All registered erven/unit with approved building plan) 1 x removal per week (R/Month)	146.26	166.74	137.99	157.30
	<u>BUSINESS WASTE</u>				
SAN1C	Commercial/Businesses (Hostels, Old Age Homes, Caravan Sites, Semi-permanent Resorts etc) (R/Month)	146.26	166.74	137.99	157.30
SA1N1	Bulk Container 240L (Wheeley bin) (R/Month) 1 X per week (if available)	146.26	166.74	137.99	157.30
SAN1N	Bulk Container 240L (Wheeley bin) (R/Month) 2 X per week (if available)	292.52	333.47	275.97	314.60
SA1N3	Bulk Container 240L (Wheeley bin) (R/Month) 3 X per week CBD (if available)	438.78	500.21	413.95	471.90
SA1N4	Bulk Container 240L (Wheeley bin) (R/Month) 4 X per week CBD (if available)	585.04	666.95	551.93	629.20
SA1N2	Bulk Container 240L (Wheeley bin) (R/Month) 5 X per week CBD (if available)	731.30	833.68	689.91	786.50
SAN1O	Camphill Route (R/Month) (If available)	1 149.26	1 310.16	1 084.21	1 236.00
SAN1P	Additional Removals per week on Saturday per Bin (R/Month) per removal	219.39	250.10	206.98	235.95
SA1P1	Additional Removals on request Central Town (CBD) per bin (R/Month) (Sunday or Public Holidays) per removal	292.52	333.47	275.97	314.60
SA1Q1	Caravan Sites, Chalets, Semi-permanent & Resorts (R/Month) (Uilenskraalmond Vakansieoord; Franskraal Vakansieoord; Pearly Beach Camp, Micheal Fuchs Guesthouse) NO REMOVAL (per unit/site)	47.01	53.59	44.35	50.56
SAN1R	Departmental Consumption (Municipal Consumption per removal site per month)	125.37	142.92	118.27	134.83
SAN1U	Schools (R/Month)	146.26	166.74	137.99	157.30
SAN1T	Removal outside service area (per removal per hour) (If available)	1 096.99	1 250.57	1 034.90	1 179.78
SAN1V	Single Quarters & Transit Camps per unit	47.01	53.59	44.35	50.56
SAN1W	Guesthouses, Bed & Breakfast (R/Month)	146.26	166.74	137.99	157.30
SAN1X	Removal of food waste for safe disposal (R/per Collection)	291.23	332.00	new tariff	new tariff
SAN2	<u>SELF DUMPING TRANSFER STATIONS & DUMPING SITES:</u>				
SA2A1	Vehicles up to 1 Ton per vehicle load capacity clean builders rubble admission to transfer station	no Charge	no Charge	no Charge	no Charge

OVERSTRAND MUNICIPALITY

REFUSE (SOLID WASTE) TARIFFS

Tariff Code	Detail	2016/2017		2015/2016		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
SA2A2	Vehicles up to 1 Ton per vehicle load capacity - mixed builders rubble NO ADMISSION to Transfer Station. Only to landfill as per tariff SA2B - SA2B11	applicable tariff	applicable VAT	applicable tariff	applicable VAT	
SA2B	Vehicles up to 1 Ton per vehicle load capacity	no Charge	no Charge	no Charge	no Charge	
SA2B1	Vehicles >1 & up to 2 Ton per vehicle load capacity	212.28	242.00	200.00	228.00	6.14%
SA2B2	Vehicles >2 & up to 3 Ton per vehicle load capacity	318.42	363.00	300.00	342.00	6.14%
SA2B3	Vehicles >3 & up to 4 Ton per vehicle load capacity	424.56	484.00	400.00	456.00	6.14%
SA2B4	Vehicles >4 & up to 5 Ton per vehicle load capacity	530.70	605.00	500.00	570.00	6.14%
SA2B5	Vehicles >5 & up to 6 Ton per vehicle load capacity (no admission to transfer station, only to dumping sites)	636.84	726.00	600.00	684.00	6.14%
SA2B6	Vehicles >6 & up to 7 Ton per vehicle load capacity (no admission to transfer station, only to dumping sites)	742.98	847.00	700.00	798.00	6.14%
SA2B7	Vehicles >7 & up to 8 Ton per vehicle load capacity (no admission to transfer station, only to dumping sites)	849.12	968.00	800.00	912.00	6.14%
SA2B8	Vehicles >8 & up to 9 Ton per vehicle load capacity (no admission to transfer station, only to dumping sites)	955.26	1 089.00	900.00	1 026.00	6.14%
SA2B9	Vehicles >9 & up to 10 Ton per vehicle load capacity (no admission to transfer station, only to dumping sites)	1 061.40	1 210.00	1 000.00	1 140.00	6.14%
SA2B11	Vehicles >10 Ton per vehicle load capacity (no admission to transfer station, only to dumping sites)	1 273.68	1 452.00	1 200.00	1 368.00	6.14%
SA2C	Dumping at Karwyderskraal Landfill Site by other municipalities and external parties, per Ton	128.95	147.00	122.00	139.08	5.70%
SAN3	<u>WEIGHT BRIDGE</u>					
SAN3A	As per tariff SA2B - SA2B11 per weighed load	applicable tariff	applicable VAT	new tariff	new tariff	
SAN4	<u>BASIC FEE REFUSE SERVICE (Erven without approved building plans)</u>					
SAN4A	All registered erven without approved building plans (R/Month)	73.12	83.36	68.98	78.64	6.00%
SAN5	<u>SUNDRIES</u>					
SAN5A	Rental of Bulk Container per day (including disposal)	77.37	88.20	72.99	83.21	6.00%
SAN5B	Deposit - rental of bulk containers per 4 bins or less	593.00	no vat	560.00	no vat	5.89%
SAN5C	Asbestos Sheet - per unit	55.39	63.14	52.26	59.57	6.00%
SAN5D	Baboon Resistant 240L Wheeley bin with lock delivered to homes - projects	789.47	900.00	818.06	932.58	-3.49%
THE REFUSE REMOVAL TARIFF IS MADE UP AS FOLLOWS: REMOVAL 40%, DISPOSAL 10% AND A BASIC FEE OF 50%						

OVERSTRAND MUNICIPALITY

SEWER TARIFFS

Tariff Code	Detail	2016/2017		2015/2016	
		Exclude VAT	Include VAT	Exclude VAT	Include VAT
SE7A	SEWERAGE - SINGLE AND INTERMEDIATE RESIDENTIAL Conventional Sewers, small bore sewers and conservancy tanks)	(Dwelling house and Duplex flats,			
SE7A1	0 - 35kl per kl (based on 70% of 50kl water usage) - per unit per month , Conservancy tank service only during office hours per month. For after hours service, refer to tariff SE9B.	11.53	13.14	10.88	12.40
	SEWERAGE - REGISTERED INDIGENT HOUSEHOLDS				
SE7A4	0 - 4.2 kl - subsidised	11.53	13.14	10.88	12.40
SE7A5	4.3 - 35kl per kl (based on 70% of 50kl water usage) - per unit per month , Conservancy tank service only during office hours per month. For after hours service, refer to tariff SE9B.	11.53	13.14	10.88	12.40
SE7B	SEWERAGE - GENERAL RESIDENTIAL (Blocks of flats and Residential Buildings)				
SE7B1	0 - 45kl per kl (based on 90% of 50kl water usage) per unit per month	11.53	13.14	10.88	12.40
SE7C	SEWERAGE - GUEST HOUSE; BED & BREAKFAST ESTABLISHMENTS				
SE7C1	per kl (based on 70% of water usage) per unit per month	11.53	13.14	10.88	12.40
SE7D	CONSUMPTION - ALL OTHER (Including Commercial, Industrial, School, Sport, etc)				
SE7D1	per kl (based on 90% of water usage) per unit per month - this percentage may be adjusted according to the Tariff Policy after investigation	11.53	13.14	10.88	12.40
SE7E	CONSUMPTION - DEPARTMENTAL				
SE7E1	0 - 35 kl per kl (based on 70% of 50kl water usage) per unit per month	11.53	13.14	10.88	12.40
SE8	BASIC CHARGE				
SE8A	Basic Monthly Charge Developed sites per erf/unit per month	102.40	116.74	96.61	110.13
SE8B	Basic Monthly Charge Undeveloped sites - can not connect to the network per erf/unit per month	68.99	78.65	65.09	74.20
SE8C	Basic Monthly Charge Undeveloped sites - can connect to the network per erf/unit per month	123.20	140.45	116.23	132.50
SE8D	Basic Monthly Charge Developed sites - with a septic Tank per erf/unit per month	68.99	78.65	65.09	74.20
SE8E	Basic Monthly Charge - Low Cost Housing & Single Quarters per erf/unit per month	68.99	78.65	65.09	74.20
	Infrastructure				
SE8F	Fixed Infrastructure Basic Charge per erf/unit per month	9.60	10.94	9.60	10.94
SE9	OTHER SEWERAGE CHARGES				
SE9A	Vacuum Tanker Service for users not paying tariffs SE7 above - PROVIDED ON REQUEST				
SE9A1	Vacuum Tanker Service provided on request < 6kl (per 6kl or part thereof)	471.13	537.09	444.46	506.68
SE9A2	Vacuum Tanker Service provided on request < 5kl (per 5kl or part thereof)	471.13	537.09	444.46	506.68
SE9A4	Vacuum Tanker Service provided on request > 6kl (per 6kl or part thereof)	471.13	537.09	444.46	506.68

OVERSTRAND MUNICIPALITY

SEWER TARIFFS

Tariff Code	Detail	2016/2017		2015/2016		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
SE9A5	Call out fee for Tank Service request but no service due to another defect	471.13	537.09	444.46	506.68	6.00%
SE9A6	More than 3 pipes an additional fee per pipe for users not paying tariff SE7 above	68.99	78.65	65.09	74.20	6.00%
SE9BA	<u>After Hours Vacuum Tanker Service - PROVIDED ON REQUEST</u>					
SE9B1	After Hours - per request < 6kl (per 6kl or part thereof)	942.26	1 074.18	888.92	1 013.36	6.00%
SE9B2	After Hours - per request > 6kl (per 6kl or part thereof)	942.26	1 074.18	888.92	1 013.36	6.00%
SE9B3	After Hours - per request < 5kl (per 5kl or part thereof)	942.26	1 074.18	888.92	1 013.36	6.00%
SE9B2	After Hours Businesses with Public Toilets per removal	282.86	322.46	266.85	304.21	6.00%
SE9C	<u>Vacuum Tanker Service outside urban areas - PROVIDED ON REQUEST</u>					
SE9C1	Normal Applicable Tariff (SE9A1 or SE9A2 or SE9A4) PLUS additional per hour PLUS SE9C2	282.86	322.46	266.85	304.21	6.00%
SE9C2	Normal Applicable Tariff (SE9A2) plus additional per km	13.80	15.73	13.02	14.84	5.99%
	<u>After Hours for Vacuum Tanker Service outside urban areas - PROVIDED ON REQUEST</u>					
SE9C6	After Hours Applicable Tariff (SE9B1 or SE9B2 or SE9B3) PLUS additional per hour PLUS SE9C7	282.86	322.46	266.85	304.21	6.00%
SE9C7	After Hours Applicable Tariff (SE9B2) plus additional per km	13.81	15.74	13.02	14.84	6.03%
SE10	SUNDRY CHARGES					
SE9D	<u>Testing and Connection Fees</u>					
SE9D1	Testing of the septic and conservancy tanks per test	1 225.51	1 397.08	1 156.14	1 318.00	6.00%
SE9D2	Smallbore sewerage connection fee + tank test	5 625.44	6 413.00	5 307.02	6 050.00	6.00%
SE9D3	Sewer Connection	4 214.91	4 805.00	3 976.32	4 533.00	6.00%
SE9E	<u>Disposal</u>					
SE9E1	Charge per kl or part thereof	61.37	69.96	57.90	66.00	6.00%
SE11	ILLEGAL CONNECTION / TAMPERING FEE					
SE11A	1st Offence	5 780.00	no vat	new	new	
SE11B	2 nd Offence (SE11A X 2)	11 560.00	no vat	new	new	
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.						
DC3	BULK SERVICES DEVELOPMENT FEES					
	Development Contributions will be determined as set out in the Annexure in respect of Development Contribution Policy and Tariffs					

OVERSTRAND MUNICIPALITY

ELECTRICITY TARIFFS

Tariff Code	Detail		2016/2017		2015/2016		
			Exclude VAT	Include VAT	Exclude VAT	Include VAT	
ED	CONSUMER DEPOSITS						
ED1	Large Power User Group tariff E5 (excluding Kleinmond)	R	0.00	no vat	0.00	no vat	1.0764
ED2	Large Power User Group tariff E5 Kleinmond 2 weeks highest average consumption	R	calculated	no vat	calculated	no vat	1.1220
ED3	Domestic & Commercial Single Phase Credit Meter (Two Part Tariff) Electricity	R	2 000.00	no vat	4 674.25	no vat	
ED4	Domestic Three Phase Credit Meter (Two Part Tariff)- Electricity	R	3 500.00	no vat	7 891.03	no vat	-57.21%
ED5	Commercial Three Phase Credit Meter (Two Part Tariff) - Electricity	R	8 000.00	no vat	9 227.33	no vat	-55.65%
ED6	Domestic & Commercial Single Phase Pre-paid (Two Part Tariff) - Electricity	R	460.00	no vat	449.44	no vat	-13.30%
ED7	Domestic & Commercial Three Phase Pre-paid (Two Part Tariff) - Electricity	R	920.00	no vat	1 382.24	no vat	2.35%
ED8	Deposit - Registered Indigent	R	150.00	no vat	146.28	no vat	-33.44%
EDD	Deposit Defaulters						2.54%
EDD1	Large Power User Group tariff E5 : Two Times average consumption during the preceding 12 months	R	calculated	no vat	calculated	no vat	
EDD2	Domestic & Commercial Single Phase Credit Meter (Two Part Tariff) Electricity : Two Times average consumption during the preceding 12 months	R	calculated	no vat	calculated	no vat	
EDD3	Domestic Three Phase Credit Meter (Two Part Tariff)- Electricity : Two Times average consumption during the preceding 12 months	R	calculated	no vat	calculated	no vat	
EDD4	Commercial Three Phase Credit Meter (Two Part Tariff) - Electricity : Two Times average consumption during the preceding 12 months	R	calculated	no vat	calculated	no vat	
EF	FIXED CHARGES						
EF1	Infrastructure Charge per Meter per month	R	16.65	18.98	16.65	18.98	0.00%
E1	SINGLE PHASE : DOMESTIC						
E1A	Two-Part Tariff: Credit meters up to 60 Amp (13.8 kVA BDMD) (Including Resorts)						
E1A1	Basic Monthly charge per meter	R	254.78	290.45	216.83	247.19	17.50%
	kWH Unit cost						
E1A2	IBT BLOCK 1 0 - 350 kWh	c	108.74	123.97	107.67	122.74	1.00%
E1A3	IBT BLOCK 2 351 - 600 kWh	c	157.02	179.00	145.88	166.30	7.64%
E1A4	IBT BLOCK 3 > 600 kWh	c	189.25	215.74	175.82	200.43	7.64%
E1B	Two-Part Tariff: Pre-paid up to 60 Amp (13.8 kVA BDMD) (Including Resorts)						
E1B1	Basic Monthly charge per meter	R	254.78	290.45	216.83	247.19	17.50%
	kWH Unit cost						
E1B2	IBT BLOCK 1 0 - 350 kWh	c	100.45	114.51	99.45	113.38	1.00%
E1B3	IBT BLOCK 2 351 - 600 kWh	c	147.96	168.68	137.46	156.71	7.64%
E1B4	IBT BLOCK 3 > 600 kWh	c	181.91	207.37	169.00	192.66	7.64%
E1C	SINGLE PHASE : COMMERCIAL						
E1C1	Basic Monthly charge per meter	R	254.78	290.45	216.83	247.19	17.50%
E1C2	kWH Unit cost - Credit Meters	c	158.42	180.60	149.45	170.37	6.00%
E1C3	kWH Unit cost - Pre-paid meters	c	149.28	170.18	140.83	160.55	6.00%
E1D	Life Line One part tariff (Pre-paid meters only) ≤ 30 Amp with Maximum consumption of 350 KWH with average measured over twelve month period. Only available to Informal dwellings						
	kWH Unit cost						
E1D1	IBT BLOCK 1 0 - 350 kWh	c	99.61	113.56	98.62	112.43	1.00%

OVERSTRAND MUNICIPALITY

ELECTRICITY TARIFFS

Tariff Code	Detail		2016/2017		2015/2016			
			Exclude VAT	Include VAT	Exclude VAT	Include VAT		
E1E	One part tariff (Pre-paid meters only) Local Economic Development Projects							
	kWH Unit cost							
E1E1	IBT BLOCK 1 0 - 350 kWh	c	172.09	196.18	170.39	194.24	1.00%	
E3	THREE PHASE: COMMERCIAL & DOMESTIC							
E3E	Two-Part Tariff: Credit up to 100A (70 kVA BDMD) DOMESTIC							
E3E1	Basic Monthly charge per meter	R	509.56	580.90	433.67	494.38	17.50%	
	kWH Unit cost							
E3E2	IBT BLOCK 1 0 - 350 kWh	c	108.74	123.97	107.67	122.74	1.00%	
E3E3	IBT BLOCK 2 351 - 600 kWh	c	157.02	179.00	145.88	166.30	7.64%	
E3E4	IBT BLOCK 3 > 600 kWh	c	189.25	215.74	175.82	200.43	7.64%	
E3E	Two-Part Tariff: Pre-paid up to 100A (70 kVA BDMD) DOMESTIC							
E3E5	Basic Monthly charge per meter	R	509.56	580.90	433.67	494.38	17.50%	
	kWH Unit cost							
E3E6	IBT BLOCK 1 0 - 350 kWh	c	100.45	114.51	99.45	113.38	1.00%	
E3E7	IBT BLOCK 2 351 - 600 kWh	c	147.96	168.68	137.46	156.71	7.64%	
E3E8	IBT BLOCK 3 > 600 kWh	c	181.91	207.37	169.00	192.66	7.64%	
E3E	Two-Part Tariff: Credit up to 100A (70 kVA BDMD) COMMERCIAL							
E3E9	Basic Monthly charge per meter	R	509.56	580.90	433.67	494.38	17.50%	
E3E10	kWH Unit cost	c	150.09	171.10	141.59	161.41	6.00%	
E3E	Two-Part Tariff: Pre-paid up to 100A (70 kVA BDMD) COMMERCIAL							
E3E11	Basic Monthly charge per meter	R	509.56	580.90	433.67	494.38	17.50%	
E3E12	kWH Unit cost	c	149.28	170.18	140.83	160.55	6.00%	
E3G	One-Part Tariff: Pre-paid only; up to 100A (70 kVA BDMD)							
E3G1	kWH Unit cost	c	190.26	216.90	176.76	201.51	7.64%	
E5	TIME OF USE TARIFF							
	Service Charge (per month) for MV and LV consumers							
E5A1	Administrative and Service Charge per month	R	2 513.96	2 865.91	2 335.53	2 662.50	7.64%	
E5A2	Network Demand Charge kVA: Utilised capacity	R	23.68	27.00	22.00	25.08	7.64%	
E5A3	Network Capacity Charge kVA: Notified Maximum Demand (NMD)	R	18.84	21.48	17.50	19.95	7.66%	
	Medium Voltage Metering Points (11000V) > 500kVA							
E5A4	Off Peak kWh Unit Charge	c	43.06	49.08	40.00	45.60	7.64%	
E5A5	Standard kWh Unit Charge	c	77.50	88.35	72.00	82.08	7.64%	
E5A6	Peak kWh Unit Charge	c	251.88	287.14	234.00	266.76	7.64%	
	Low Voltage Metering Points (400V) >70kVA ≤ 500kVA							
E5A7	Off Peak kWh Unit Charge	c	46.29	52.77	43.00	49.02	7.64%	
E5A8	Standard kWh Unit Charge	c	80.73	92.03	75.00	85.50	7.64%	
E5A9	Peak kWh Unit Charge	c	255.11	290.82	237.00	270.18	7.64%	
	Sundry Charges							
E5A10	Exceed NOTIFIED MAXIMUM DEMAND (NMD) per kVA Per month	R	907.90	1 035.00	860.45	980.91	5.51%	
E6	SUBSIDIZED TARIFFS: Grant to be shown separately							
E7	PUBLIC LIGHTING							

OVERSTRAND MUNICIPALITY

ELECTRICITY TARIFFS

Tariff Code	Detail		2016/2017		2015/2016		
			Exclude VAT	Include VAT	Exclude VAT	Include VAT	
E7A1	Streetlights (metered) per kWh	c	68.20	77.75	64.34	73.35	1.0764
E7A2	Streetlights (consumption) (R per 100watt /per month)	R	23.92	27.27	22.57	25.73	1.1220
E7A5	Illuminated street sign boards per month	R	23.92	27.27	22.57	25.73	6.00%
E8	CASUAL SUPPLIES						6.00%
E8A1	Per connection includes disconnection excluding hire of kiosk	R	912.28	1 040.00	865.04	986.15	5.46%
E8A2	Consumption per day/CB Ampere size (per amp) if not metered	R	6.68	7.61	6.20	7.07	7.64%
E8A3	Hire of temporary distribution kiosk, per kiosk, per occasion	R	357.02	407.00	337.72	385.00	5.71%
E8A4	Deposit (Usage will be subtracted)	R	1 230.00	no vat	1 166.00	no vat	5.49%
E8A5	One part tariff : Prepaid or Credit Casual Supply	c	187.37	213.60	NEW	NEW	
E9	AVAILABILITY CHARGES						
E9A1	Availability charge per vacant plot per month	R	254.78	290.45	216.83	247.19	17.50%
E9A2	Infrastructure per vacant plot per month	R	16.65	18.98	16.65	18.98	0.00%
E10	SUNDRY CHARGES						
E10A1	Call-out Fee - office hours (Based on 2 hours for electr & assist + 30km)	R	583.56	665.26	541.32	617.10	7.80%
E10A2	Call-out Fee - after hours: Weekdays & Saturdays (Based on 2 hrs (time and a half) for electr & assist + 30km)	R	819.08	933.75	817.28	931.70	0.22%
E10A3	Call-out Fee - after hours: Sundays & Public Holidays (Based on 2 hrs (double time) for electr & assist + 30km)	R	1 054.62	1 202.27	1 082.63	1 234.20	-2.59%
E10A4	MV. Switching on Council's equipment office hours (Based on 3 hours for superintendent & electr + 60km)	R	1 699.65	1 937.60	1 613.33	1 839.20	5.35%
E10A5	MV. Switching on Council's equipment -after hours: Weekdays & Saturdays (Based on 3 hours (time and a half) for a superintendent and an electrician plus 60km)	R	2 436.98	2 778.16	2 420.00	2 758.80	0.70%
E10A6	MV. Switching on Council's equipment -after hours: Sundays & Public holidays (Based on 3 hours (double time) for a superintendent and an electrician plus 60km)	R	3 174.30	3 618.70	3 226.67	3 678.40	-1.62%
E10A7	Contractor Inspection 2nd	R	571.05	651.00	541.32	617.10	5.49%
E10A8	Contractor Inspection 3rd	R	862.28	983.00	817.28	931.70	5.51%
E10A9	Change of Circuit Breaker - S/Phase(1/annum) contact Electricity Department for approval (Based on Circuit Breaker cost + 1 hour for an electrician and assistant + 30km)	R	456.18	520.05	456.40	520.30	-0.05%
E10A10	Change of Circuit Breaker - 3 Phase(1/annum) contact Electricity Department for approval (Based on Circuit Breaker cost + 1 hour for an electrician and assistant + 30km)	R	1 164.03	1 326.99	902.19	1 028.49	29.02%
E10A11	Disconnection	R	279.83	319.00	265.35	302.50	5.45%
E10A12	Reconnection	R	279.83	319.00	265.35	302.50	5.45%
E10A13	Verification of a Meter Reading	R	279.83	319.00	265.35	302.50	5.45%
E10A14	Administration fee - recalculation due to no meter access	R	145.61	166.00	137.98	157.30	5.53%
E10A15	Test of Meter: 1 & 3 Phase (Conditionally Refundable)	R	515.79	588.00	488.25	556.60	5.64%
E10A16	Test of Meter: All other Meters (Conditionally Refundable)	R	1 064.04	1 213.00	1 008.33	1 149.50	5.52%
E10A17	Tariff change - change between one part and two-part	R	190.35	217.00	180.44	205.70	5.49%
E10A18	Damage elect meter (based on meter cost + call out X 2)	R	1 914.23	2 182.22	1 695.00	1 932.30	12.93%
E10A19	Damage elect meter 3 phase (based on meter cost + call out X 2)	R	2 923.45	3 332.73	1 836.22	2 093.30	59.21%
E10A20	Replacement of CIU (Meter keypad) (Based on keypad cost and call out fee)		963.61	1 098.52	847.37	966.00	13.72%
E10A21	Damage of Bulk meter (Based on 3 hours for a superintendent and electrician + 60km + bulk meter cost + modern cost)	R	6 707.63	7 646.70	9 393.42	10 708.50	-28.59%
E10A22	Change from Bulk to Time of Use (with existing bulk meter) + Deposit on request of user	R	571.05	651.00	541.32	617.10	5.49%

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Tariff Code	Detail		2016/2017		2015/2016		
			Exclude VAT	Include VAT	Exclude VAT	Include VAT	
E10A23	Change from Bulk to Time of Use (without existing bulk meter) + Deposit	R	9 910.53	11 298.00	9 393.42	10 708.50	1.0764
E10A24	Commission of Bulk meter, supplied by customer (call out fee x 3)	R	1 750.68	1 995.78	1 634.56	1 863.40	1.1220
E10A25	Damage of HV Cable	R	cost + R31 914.00	Applicable Vat	cost + R30,250.00	Applicable Vat	5.50%
E10A26	Damage of MV Cable	R	cost + R 8 343.00	Applicable Vat	cost + R7,907.46	Applicable Vat	7.10%
E10A27	Damage of LV Cable	R	cost + R3,360.00	Applicable Vat	cost + R3,184.21	Applicable Vat	5.50%
E10A28	Damage of Service Connection Cable	R	cost + R840.00	Applicable Vat	cost + R796.05	Applicable Vat	5.51%
E10A29	Working without Way leave	R	4 306.14	4 909.00	4 081.00	4 652.34	5.52%
E10A30	Refundable Wayleave deposit for HV cables	R	61 507.00	no vat	58 300.00	no vat	5.52%
E10A31	Refundable Way leave deposit for MV cables	R	15 377.00	no vat	14 575.00	no vat	5.50%
E10A32	Refundable Way leave deposit for LV cables	R	3 322.00	no vat	3 148.20	no vat	5.52%
E10A33	Cancellation Fee of requested service	R	15% of Service Value	no vat	15% of Service Value	no vat	
E10A34	Erection and removal of Banners, signs & lights (per hour) (Vehicle cost + labour)	R	696.49	794.00	660.00	752.40	5.53%
E12	CONVERSION OF METERS						
E12A1	Convert Credit Meter to Pre-paid: SP (no cable work) (based on meter cost + call out)	R	1 330.67	1 516.96	934.03	1 064.80	42.47%
E12A2	Convert Credit Meter to Pre-paid: 3P (no cable work) (based on meter cost + call out)	R	2 339.89	2 667.47	2 220.00	2 530.80	5.40%
E12A3	Convert Credit Three Phase to Singe Phase Pre-paid meter	R	1 201.75	1 370.00	1 138.60	1 298.00	5.55%
E12A4	Convert Credit Three Phase to Single Phase Credit (Commercial only)	R	907.02	1 034.00	859.74	980.10	5.50%
E12A5	Convert Pre-paid Single Phase to Three Phase Pre-paid (based on tariff E13A8) cost includes cable to boundary	R	R8,724 + ext fee	Applicable Vat	R8,724 + ext fee	Applicable Vat	10.00%
E12A6	Convert pre-paid Three phase to Single phase pre-paid (based on meter cost + call out + CB)	R	1 481.27	1 688.65	1 167.54	1 331.00	26.87%
E12A7	Removal of Meter (based on call out fee)		583.56	665.26	541.32	617.10	7.80%
E12A8	Repositioning of Meter (excl. cable) (based on call out fee)	R	583.56	665.26	541.32	617.10	7.80%
E12A9	Repositioning of Meter (incl. cable) (based on call out fee + 30m cable)	R	1 926.96	2 196.73	1 326.75	1 512.50	45.24%
E13	SERVICE CONNECTIONS						
E13A1	Builders connection (plus applicable service connection tariff)	R	739.47	843.00	700.53	798.60	5.56%
E13A4	Single Phase (Credit - 60A) option for Commercial users only (Based on 30m cable + meter cost + average labour cost + 15% admin fee)	R	5 248.69	5 983.51	4 723.25	5 384.50	11.12%
E13A6	Single Phase - (Pre-paid meters - 60A) applicable to Domestic users (Network Permitted) (Based on: 30m cable + meter cost + average labour cost + 15% admin fee)	R	5 248.69	5 983.51	4 723.25	5 384.50	11.12%
E13A7	Three Phase : (Credit - 60A) Plus Extension fee : Extension fee not applicable to Industrial erven up to 60 Amp (Based on 30m (25mm) cable + meter cost + average labour +circuit breaker + 15% admin fee)	R	R9692.66 + ext fee	Applicable Vat	R8,724.74 + ext fee	Applicable Vat	5.50%
E13A8	Three Phase : (Pre-paid - 60A) Plus Extension fee : Extension fee not applicable to Industrial erven up to 60 Amp (Based on 30m (25mm) cable + meter cost + average labour +circuit breaker + 15% admin fee)	R	R9692.66 + ext fee	Applicable Vat	R8,724.74 + ext fee	Applicable Vat	5.50%
E13A9	Non Standard : Pre-paid 30 Amp Single phase (Sub economic connections) (Based on 30m (10mm) cable + meter cost + average labour cost + 15% admin fee)	R	4 873.68	5 556.00	2 865.79	3 267.00	70.06%
E13A10	Single Phase (Credit 60A- Developer install cable to boundary) option for Commercial users only (Based on meter cost + call out fee + 15% admin fee)	R	1 530.27	1 744.51	1 326.75	1 512.50	15.34%

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Tariff Code	Detail		2016/2017		2015/2016		
			Exclude VAT	Include VAT	Exclude VAT	Include VAT	
E13A11	Single Phase (Pre-paid 60A-Developer install cable to boundary) applicable to Domestic users (Network permitted) (Based on meter cost + call out fee + 15% admin fee)	R	1 530.27	1 744.51	1 231.22	1 403.60	1.0764
E13A12	Three Phase (Credit 60A- Developer install cable to boundary) : Extension fee not applicable to Industrial erven up to 60 Amp (Based on meter cost + call out fee + 15% admin fee)	R	R2690.87 + ext fee	Applicable Vat	R2,706.57 + ext fee	Applicable Vat	1.1220
E13A13	Three Phase (Pre-paid 60A-Developer install cable to boundary) : Extension fee not applicable to Industrial erven up to 60 Amp (Based on meter cost + call out fee + 15% admin fee)	R	R2690.87 + ext fee	Applicable Vat	R2,706.57 + ext fee	Applicable Vat	24.29%
E13A14	Any other none standard connections		cost + 15% admin	Applicable vat	cost + 15% admin	Applicable vat	
E14	ILLEGAL CONNECTION / TAMPERING FEE (Including damage or bypass of the DSM Hot Water Cylinder Control Unit)						
E14A1	1 st Offence	R	3 409.00	no vat	3 230.70	no vat	5.52%
E14A2	2 nd Offence (E14A1 X 2)	R	6 818.00	no vat	6 461.40	no vat	5.52%
E14A3	3 rd Offence and re-occurrence (Disconnection of service and remedial action fee = double previous offence fee)		Previous offence amount X 2	Applicable Vat	Previous offence amount X 2	Applicable Vat	
E14A4	Unsafe / Illegal leads (per visit) (reconnection fee included)	R	1 527.19	1 741.00	1 447.37	1 650.00	5.51%
E15	UPGRADING EXTENSION FEES (Network permitted : to be approved by Electricity Department)						
E15A1	Primary Cost p/kVA -include all HV Equipment UP to HV Substation or identified point of supply	R	1 227.19	1 399.00	1 162.98	1 325.80	5.52%
E15A2	Primary Cost p/kVA -include all MV. Equipment UP to Main Substation or identified point of supply excluding Dist. TF	R	3 363.16	3 834.00	3 187.61	3 633.88	5.51%
E15A3	Secondary Cost p/kVA -include all MV. Equipment UP to Main Substation or identified point of supply including Dist. TF	R	4 284.21	4 884.00	4 060.19	4 628.62	5.52%
E15A4	Secondary Cost p/kVA -include all MV. Equipment UP to Main Substation or identified point of supply including Dist. TF and Kiosk	R	5 589.47	6 372.00	5 297.86	6 039.56	5.50%
E15A5	Buying/Refund of spare capacity cost/kVA	R	100% of approved installation cost	Applicable VAT	% of approved installation	Applicable VAT	
E15A6	Investigation Fee	R	3 415.79	3 894.00	3 237.28	3 690.50	5.51%
E15A7	FACTOR OF 0,36 APPLICABLE ON DOMESTIC USERS : TARIFF : applicable on E15A3 AND E15A4 (Commercial /Business no factor apply)	R	Factor 0.36	Applicable VAT	Factor 0.36	Applicable VAT	
DC2	DEVELOPMENT CONTRIBUTIONS (Bulk Service Levies - BICL)						
DC2A	<u>Sub Division of existing erf</u>						
DC2A1	Single Phase 60 AMP (5 kVA) Domestic X Tariff E15A4 = P/ERF PLUS STANDARD CONNECTION FEES	R	26 489.30	30 197.80	26 489.30	30 197.80	0.00%
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	15 836.05	18 053.10	0.00%
DC2B2	Standard fee per Three Phase Domestic erf - infrastructure provide by developer (42kVA x E15A2x.36)	R	48 196.66	54 944.19	48 196.66	54 944.19	0.00%
DC2C	MV/LV Bulk Supply with metering point cost / kVA= Tariff E15A2	R	3 187.61	3 633.88	3 187.61	3 633.88	0.00%
DC2C1	LV Bulk Supply if capacity is available on existing TF cost / kVA = Tariff E15A3	R	4 060.19	4 628.62	4 060.19	4 628.62	0.00%
E17	WHEELING TARIFF						

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Tariff Code	Detail		2016/2017		2015/2016	
			Exclude VAT	Include VAT	Exclude VAT	Include VAT
E17A1	Firm network situation (network will not be interrupted under normal operations)	c	20.18	23.00	19.11	21.78
E17A2	Non-Firm network situation (Municipal networks may not always be available for transport of energy under normal operation per kWh)	c	12.28	14.00	11.67	13.30
E18	SMALL SCALE EMBEDDED GENERATION (SSEG)					
	This tariff is available only for approved SSEG connections, where the customers offset their small scale generation (kWh) against purchases from the Municipality, provided that their purchases exceed their generation (kWh). This tariff will only be implemented after NERSA's approved Guidelines have been received. The consumer will stay on his existing tariff and the following will also be applicable:					
E18A2	Feed-in Tariff	c	54.00	61.56	NEW	NEW

1.0764

1.1220

5.59%

5.22%

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WATER TARIFFS

Tariff Code	Detail	2016/2017		2015/2016		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
WD	CONSUMER DEPOSITS					
WD1	Domestic - Water	500.00	no vat	955.00	no vat	-47.64%
WD2	Commercial - Water - Consumption < 40kl	2 000.00	no vat	2 191.00	no vat	-8.72%
WD3	Commercial - Water - Consumption 40 - 100kl	7 000.00	no vat	7 722.00	no vat	-9.35%
WD4	Commercial - Water - Consumption 100 kl +	12 000.00	no vat	12 865.00	no vat	-6.72%
WD5	Domestic - Water RUE's	Applicable Rue's X WD1A	no vat	Applicable Rue's X WD1A	no vat	
WD6	Indigent - registered	160.00	no vat	150.00	no vat	6.67%
WDD	Deposit Defaulters					
WDD1	Domestic - Water - Two Times average consumption during the preceding 12 months (Defaulters)	calculated	no vat	calculated	no vat	
WDD2	Commercial - Water - Consumption < 40kl Two Times average consumption during the preceding 12 months (Defaulters)	calculated	no vat	calculated	no vat	
WDD3	Commercial - Water - Consumption 40 - 100kl Two Times average consumption during the preceding 12 months (Defaulters)	calculated	no vat	calculated	no vat	
WDD4	Commercial - Water - Consumption 100 kl + Two Times average consumption during the preceding 12 months (Defaulters)	calculated	no vat	calculated	no vat	
WDD5	Domestic - Water RUE's Two Times average consumption during the preceding 12 months (Defaulters)	calculated	no vat	calculated	no vat	
W1	BASIC CHARGE					
W1A1	Basic Monthly Charge per erf/unit per month	114.93	131.02	108.42	123.60	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>					
W1B	CONSUMPTION - HOUSEHOLDS					
	Normal Tariff					
W1B1	0 - 6 kl per kl	4.04	4.60	3.62	4.13	11.46%
W1B2	7 - 18 kl per kl	9.66	11.01	9.12	10.39	5.98%
W1B3	19 - 30 kl per kl	15.67	17.86	14.79	16.85	5.99%
W1B4	31 - 45 kl per kl	24.13	27.50	22.76	25.95	6.00%
W1B5	46 - 60 kl per kl	31.34	35.73	29.57	33.71	5.99%
W1B6	>60kl per kl	41.79	47.64	39.43	44.94	6.00%
	Restriction Tariff (level 1 restrictions)					
W1B7	0 - 6 kl per kl	4.04	4.60	4.71	5.37	-14.33%
W1B8	7 - 18 kl per kl	12.56	14.32	11.85	13.51	5.99%
W1B9	19 - 30 kl per kl	20.37	23.22	19.22	21.91	5.98%
W1B10	31 - 45 kl per kl	31.37	35.76	29.59	33.73	6.00%
W1B11	46 - 60 kl per kl	40.75	46.45	38.44	43.82	6.00%
W1B12	>60kl per kl	54.33	61.94	51.25	58.43	6.00%
	Restriction Tariff (level 2 restrictions)					
W1B13	0 - 6 kl per kl	4.04	4.60	5.80	6.61	-30.37%
W1B14	7 - 18 kl per kl	15.47	17.63	14.59	16.63	6.00%
W1B15	19 - 30 kl per kl	25.08	28.59	23.66	26.97	6.00%
W1B16	31 - 45 kl per kl	38.61	44.01	36.42	41.52	6.00%

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WATER TARIFFS

Tariff Code	Detail	2016/2017		2015/2016		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
W1B17	46 - 60 kl per kl	50.16	57.18	47.32	53.94	6.00%
W1B18	>60kl per kl	66.87	76.23	63.08	71.91	6.00%
	Restriction Tariff (level 3 restrictions)					
W1B19	0 - 6 kl per kl	4.04	4.60	7.25	8.27	-44.34%
W1B20	7 - 18 kl per kl	19.32	22.02	18.23	20.78	5.98%
W1B21	>18 kl per kl	83.58	95.28	78.85	89.89	6.00%
W1BI	CONSUMPTION - REGISTERED INDIGENT HOUSEHOLDS					
	Normal Tariff					
W1BI1	0 - 6 kl per kl - subsidised	4.04	4.60	3.62	4.13	11.46%
W1BI2	7 - 18 kl per kl	9.66	11.01	9.12	10.39	5.98%
W1BI3	19 - 30 kl per kl	15.67	17.86	14.79	16.85	5.99%
W1BI4	31 - 45 kl per kl	24.13	27.50	22.76	25.95	6.00%
W1BI5	46 - 60 kl per kl	31.34	35.73	29.57	33.71	5.99%
W1BI6	>60kl per kl	41.79	47.64	39.43	44.94	6.00%
	Restriction Tariff (level 1 restrictions)					
W1BI7	0 - 6 kl per kl - subsidised	4.04	4.60	4.71	5.37	-14.33%
W1BI8	7 - 18 kl per kl	12.56	14.32	11.85	13.51	5.99%
W1BI9	19 - 30 kl per kl	20.37	23.22	19.22	21.91	5.98%
W1BI10	31 - 45 kl per kl	31.37	35.76	29.59	33.73	6.00%
W1BI11	46 - 60 kl per kl	40.75	46.45	38.44	43.82	6.00%
W1BI12	>60kl per kl	54.33	61.94	51.25	58.43	6.00%
	Restriction Tariff (level 2 restrictions)					
W1BI13	0 - 6 kl per kl - subsidised	4.04	4.60	5.80	6.61	-30.37%
W1BI14	7 - 18 kl per kl	15.47	17.63	14.59	16.63	6.00%
W1BI15	19 - 30 kl per kl	25.08	28.59	23.66	26.97	6.00%
W1BI16	31 - 45 kl per kl	38.61	44.01	36.42	41.52	6.00%
W1BI17	46 - 60 kl per kl	50.16	57.18	47.32	53.94	6.00%
W1BI18	>60kl per kl	66.87	76.23	63.08	71.91	6.00%
	Restriction Tariff (level 3 restrictions)					
W1BI19	0 - 6 kl per kl - subsidised	4.04	4.60	7.25	8.27	-44.34%
W1BI20	7 - 18 kl per kl	19.32	22.02	18.23	20.78	5.98%
W1BI21	>18 kl per kl	83.58	95.28	78.85	89.89	6.00%
W1C	CONSUMPTION - ALL OTHER					
	Normal Tariff					
W1C1	0 - 18 kl per kl	10.69	12.19	9.59	10.93	11.47%
W1C2	19 - 30 kl per kl	15.67	17.86	14.79	16.85	5.99%
W1C3	31 - 45 kl per kl	24.13	27.50	22.76	25.95	6.00%
W1C4	46 - 60 kl per kl	31.34	35.73	29.57	33.71	5.99%
W1C5	>60 kl per kl	41.79	47.64	39.43	44.94	6.00%
	Restriction Tariff (level 1 restrictions)					
W1C6	0 - 18 kl per kl	13.90	15.84	12.47	14.21	11.47%
W1C7	19 - 30 kl per kl	20.37	23.22	19.22	21.91	5.98%

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WATER TARIFFS

Tariff Code	Detail	2016/2017		2015/2016		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
W1C8	31 - 45 kl per kl	31.37	35.76	29.59	33.73	6.00%
W1C9	46 - 60 kl per kl	40.75	46.46	38.45	43.83	6.00%
W1C10	>60 kl per kl	54.33	61.93	51.25	58.43	6.00%
	Restriction Tariff (level 2 restrictions)					
W1C11	0 - 18 kl per kl	17.11	19.50	15.34	17.49	11.49%
W1C12	19 - 30 kl per kl	25.08	28.59	23.66	26.97	6.00%
W1C13	31 - 45 kl per kl	38.61	44.01	36.42	41.52	6.00%
W1C14	46 - 60 kl per kl	50.16	57.18	47.32	53.94	6.00%
W1C15	>60 kl per kl	66.87	76.23	63.08	71.91	6.00%
	Restriction Tariff (level 3 restrictions)					
W1C16	0 - 10 kl per kl	21.38	24.37	19.18	21.86	11.48%
W1C17	>10 kl per kl	83.58	95.28	78.85	89.89	6.00%
W1D	OTHER CONSUMERS					
W1D1	Departmental per Kl	18.42	21.00	13.95	15.90	32.04%
W1D2	Fire Hoses: Basic per Month	146.26	166.74	137.99	157.30	6.00%
W1D3	Bulk usage (Unconnected to networks) per Kl	11.83	13.49	11.16	12.72	6.00%
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	18.42	21.00	13.95	15.90	32.04%
W1E	WET COMMERCIAL, SPORT, PARKS etc (must apply for this tariff)					
	Normal Tariff					
W1E1	0 - 500kl per kl	15.55	17.73	13.95	15.90	11.47%
W1E2	501 - 1000kl per kl	23.51	26.80	22.18	25.28	6.00%
W1E3	>1000kl per kl	31.35	35.73	29.57	33.71	6.00%
	Restriction Tariff (level 1 restrictions)					
W1E4	0 - 300kl per kl	20.23	23.06	18.14	20.68	11.49%
W1E5	301 - 700kl per kl	30.56	34.83	28.83	32.86	6.00%
W1E6	>700kl per kl	40.75	46.46	38.45	43.83	6.00%
	Restriction Tariff (level 2 restrictions)					
W1E7	0 - 250kl per kl	24.89	28.37	22.32	25.44	11.49%
W1E8	251 - 500kl per kl	37.61	42.88	35.48	40.45	6.00%
W1E9	>500kl per kl	50.16	57.18	47.32	53.94	6.00%
	Restriction Tariff (level 3 restrictions)					
W1E10	0 - 100kl per kl	31.11	35.46	27.90	31.81	11.49%
W1E11	>100 kl per kl	62.70	71.47	59.15	67.43	6.00%
W1F	WET INDUSTRY (Marine etc. must apply for this tariff) (Average of 100kl per day over previous 365 days)					
	Normal Tariff					
W1F1	0 - 5800kl per kl	16.20	18.47	14.53	16.56	11.51%
W1F2	> 5800kl per kl	31.35	35.73	29.57	33.71	5.99%
	Restriction Tariff (level 1 restrictions)					
W1F3	0 - 5800kl per kl	21.06	24.01	18.89	21.53	11.51%

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Tariff Code	Detail	2016/2017		2015/2016		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
W1F4	> 5800kl per kl	40.75	46.46	38.45	43.83	5.99%
	Restriction Tariff (level 2 restrictions)					
W1F5	0 - 5800kl per kl	25.92	29.55	23.25	26.50	11.51%
W1F6	> 5800kl per kl	50.16	57.18	47.32	53.94	5.99%
	Restriction Tariff (level 3 restrictions)					
W1F7	0 - 5 800kl per kl	32.40	36.94	29.06	33.12	11.51%
W1F8	>5 800 kl per kl	62.70	71.47	59.15	67.43	6.00%
W2A	AVAILABILITY CHARGES					
W2A1	Overstrand per month	114.93	131.02	108.42	123.60	6.00%
W2A2	Farms connected to water pipe line	114.93	131.02	108.42	123.60	6.00%
W2J	REBATES (This can be granted by the Municipal Manager after application) refer to Policy # 6.8.1					
W2J1	Kl above average - per kl	18.42	21.00	13.95	15.90	32.04%
W3A	IRRIGATION WATER ("LEI WATER") & RAW WATER					
W3A1	Use and pump water (80-90 min) per MONTH Stanford	35.09	40.00	225.72	257.32	-84.45%
W3A2	Pearly Beach Small Holdings: Basic	42.82	48.81	40.40	46.05	6.00%
W3A3	Pearly Beach Small Holdings: Consumption 0- 70 kl per kl	3.35	3.82	3.16	3.60	6.00%
W3A4	Pearly Beach Small Holdings: Consumption >70 kl per kl	7.83	8.93	7.39	8.42	5.98%
W3A5	Others	3.35	3.82	3.16	3.60	6.00%
W3A6	Farm 1/722 Stanford as per agreement 1.75% of raw water abstraction from municipal boreholes, maximum 8760 kl/a	0.00	0.00	0.00	0.00	0.00%
W3A7	Farm 586 Volmoed raw water from De Bos pipeline consumption 0 - 300 kl/month per kl	0.00	0.00	new tariff	new tariff	
W3A8	Farm 586 Volmoed raw water from De Bos pipeline consumption >300 kl/month per kl	3.33	3.80	new tariff	new tariff	
W3B	IRRIGATION WATER - (TREATED EFFLUENT)					
W3B2	Hermanus Golf Club per month	38 133.97	43 472.73	35 975.44	41 012.00	6.00%
W3B3	All other per kl	2.15	2.45	2.02	2.30	6.19%
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	2.15	2.45	2.02	2.30	6.19%
W4	SUNDRY CHARGES					
W4A1	Testing of a Meter (Call-out Fee incl)(Conditionally refundable)	767.54	875.00	723.68	825.00	6.06%
W4A2	Testing of a Meter (Ind/Bulk Meter)(Conditionally refundable) *Minimum charge of R500	Cost plus 15%	Applicable vat	new tariff	new tariff	
W4A3	Disconnection	348.25	397.00	328.07	374.00	6.15%
W4A4	Reconnection	348.25	397.00	328.07	374.00	6.15%
W4A5	Reconnection After Normal Working Hours	695.61	793.00	656.14	748.00	6.02%
W4A6	Administration fee - recalculation due to no meter access	135.97	155.00	128.07	146.00	6.16%
W4A7	Verification of a Meter Reading	190.35	217.00	179.83	205.00	5.85%
W4A8	Final and Special Readings	173.68	198.00	164.04	187.00	5.88%
W4A9	Call-out Fee - Normal Working Hours	347.37	396.00	328.07	374.00	5.88%
W4A10	Call-out Fee - After Hours	695.61	793.00	656.14	748.00	6.02%
W4A11	Registration of Borehole (Including inspection fee)	260.53	297.00	245.61	280.00	6.07%
W4A12	Repositioning of Meter (excl. pipe)	764.04	871.00	721.05	822.00	5.96%
W4A13	Convert to Water Flow Restrictor Meter	2 489.47	2 838.00	2 348.25	2 677.00	6.01%
W4A14	Temporary Connections - Deposit	6 551.00	no vat	6 180.00	no vat	6.00%

OVERSTRAND MUNICIPALITY

WATER TARIFFS

Tariff Code	Detail	2016/2017		2015/2016		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
W4A15	Temporary Connection - Usage per kl	12.28	14.00	11.58	13.20	6.02%
W4A16	Damage of Water Meter	Actual cost plus 15%	Applicable vat	Actual cost plus 15%	Applicable vat	
W4A17	Damage of Watermain	Actual cost plus R2,633.00	Applicable vat	Actual cost plus R2,495.24	Applicable vat	5.52%
W4A18	Damage of Service Connection (including water meter)	Actual cost plus R658.00	Applicable vat	Actual cost plus R623.81	Applicable vat	5.48%
W5	ILLEGAL CONNECTION / TAMPERING FEE					
W5A1	1st Offence	5 810.00	no vat	5 480.00	no vat	6.02%
W5A2	2nd Offence	Restricted access		Restricted access		
W6	CONNECTION FEE					
W6A1	20 mm Connection Conventional Meter	4 256.14	4 852.00	4 014.91	4 577.00	6.01%
W6A2	20 mm Connection Water Flow Restrictor Meter	5 054.39	5 762.00	4 768.42	5 436.00	6.00%
W6A3	Other Connections	Actual cost plus 15%	Applicable vat	Actual cost plus 15%	Applicable vat	
W6A4	Connections (Erf Boundary - by Developer)	1 106.14	1 261.00	1 043.86	1 190.00	5.97%
W7	BULK SERVICES DEVELOPMENT FEES					
	Development Contributions will be determined as set out in the Annexure in respect of Development Contribution Policy					

OVERSTRAND MUNICIPALITY

DEVELOPMENT CONTRIBUTION TARIFFS

Tariff Code	Detail	2016/2017		2015/16		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
		R	R	R	R	
DC1	WATER					
DC1A	Standard Fee per Equivalent Unit	18 859.65	21 500.00	21 799.12	24 851.00	-13.48%
DC2	ELECTRICITY					
DC2A	Sub Division of Existing Erf					
DC2A1	Single Phase 60 AMP (5 kVA) Domestic X Tariff E15A4 = P/ERF PLUS STANDARD CONNECTION FEES	26 489.30	30 197.80	26 489.30	30 197.80	0.00%
DC2B	New Developments					
DC2B1	Standard fee per Singel Phase Domestic erf - infrastructure provide by developer (13.8 kVA x E15A2 x.36)	15 836.05	18 053.10	15 836.05	18 053.10	0.00%
DC2B2	Standard fee per Three Phase Domestic erf - infrastructure provide by developer (42kVA x E15A2x.36)	48 196.66	54 944.19	48 196.66	54 944.19	0.00%
DC2C	MV/LV Bulk Supply with metering point cost / kVA= Tariff E15A2	3 187.61	3 633.88	3 187.61	3 633.88	0.00%
DC2C1	LV Bulk Supply if capacity is available on existing TF cost / kVA = Tariff E15A3	4 060.19	4 628.62	4 060.19	4 628.62	0.00%
DC3	SEWERAGE					
DC3A	Standard Fee per Equivalent Unit	12 715.79	14 496.00	17 495.61	19 945.00	-27.32%
DC4	ROADS					
DC4A	Standard Fee per Equivalent Unit	5 701.75	6 500.00	5 701.75	6 500.00	0.00%
DC5	STORMWATER					
DC5A	Standard Fee per Equivalent Unit	6 578.95	7 500.00	NEW	NEW	NEW
DC6	SOLID WASTE					
DC6A	Standard Fee per Equivalent Unit	1 140.35	1 300.00	NEW	NEW	NEW
DC7	OFF-GRID DEVELOPMENT/UNITS					
DC7A	As per signed agreement as recommended by the Director: Infrastructure and Planning and approval by the Municipal Manager	as per agreement	applicable VAT	as per agreement	applicable VAT	
DC8	EVALUATION/INVESTIGATION LEVIES are payable OVER and ABOVE the Bulk Service Levies					
DC8A	Water					
	No. of Equivalent units					
DC8A1	1 - 4	No Charge	No Charge	No Charge	No Charge	
DC8A2	5 - 10	6 250.00	7 125.00	6 250.00	7 125.00	0.00%
DC8A3	11 - 25	10 468.42	11 934.00	10 468.42	11 934.00	0.00%
DC8A4	26 - 50	14 685.97	16 742.00	14 685.97	16 742.00	0.00%
DC8A5	51 - 100	16 716.67	19 057.00	16 716.67	19 057.00	0.00%
DC8A6	101 - 250	18 735.09	21 358.00	18 735.09	21 358.00	0.00%
DC8A7	251 - 500	21 944.74	25 017.00	21 944.74	25 017.00	0.00%
DC8A8	501 - 2000	24 647.37	28 098.00	24 647.37	28 098.00	0.00%
DC8A9	2000 – 5000	29 537.72	33 673.00	29 537.72	33 673.00	0.00%
DC8A10	> 5001	33 756.14	38 482.00	33 756.14	38 482.00	0.00%

OVERSTRAND MUNICIPALITY

DEVELOPMENT CONTRIBUTION TARIFFS

Tariff Code	Detail	2016/2017		2015/16		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
DC8E	Sanitation					
	No. of Equivalent units					
DC8E1	1 - 4	No Charge	No Charge	No Charge	No Charge	
DC8E2	5 - 10	6 624.56	7 552.00	6 624.56	7 552.00	0.00%
DC8E3	11 - 25	11 096.49	12 650.00	11 096.49	12 650.00	0.00%
DC8E4	26 - 50	15 568.42	17 748.00	15 568.42	17 748.00	0.00%
DC8E5	51 - 100	17 719.30	20 200.00	17 719.30	20 200.00	0.00%
DC8E6	101 - 250	19 859.65	22 640.00	19 859.65	22 640.00	0.00%
DC8E7	251 - 500	23 261.40	26 518.00	23 261.40	26 518.00	0.00%
DC8E8	501 - 2000	26 126.32	29 784.00	26 126.32	29 784.00	0.00%
DC8E9	2000 – 5000	31 310.53	35 694.00	31 310.53	35 694.00	0.00%
DC8E10	> 5001	35 781.58	40 791.00	35 781.58	40 791.00	0.00%

OVERSTRAND MUNICIPALITY

ANNEXURE TO WATER TARIFFS

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

Clinics – Out patients	□ 1 RUE
Flats	□ 1 RUE per unit
Guest houses and B & B's	□ 1 RUE
Household related consumers that do not fall in one of the above household consumer categories	□ Upon application the Engineering & Financial Departments will assess the validity within the tariff's structural framework.
Old Age Homes, Hostels & Boarding School	□ 1 RUE per 7 Beds
Retirement Villages, Hospital & Hospice	□ 1 RUE per 1 residential unit □ 1 RUE per 7 Beds
Single Residential erven	□ 1 RUE
Townhouse and group developments	□ 1 RUE per unit

RUE = Residential Unit Equivalent

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

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

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

NOTE:

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

PALMIET & KLEINMOND CARAVAN PARKS							
SEASON	PERIOD	A Stands	B Stands	C Stands	A Stands	B Stands	C Stands
		2016/17			2015/2016		
		Per Day	Per Day	Per Day	Per Day	Per Day	Per Day
High Season	1 December – 31 January & Easter Weekend	R380.00	R305.00	R270.00	R363.00	R279.00	R255.00
Low Season	1 February – 30 November (Excluding Easter Weekend)	R210.00	R180.00	R165.00	R200.00	R170.00	R158.00
• Plus: All stands with the availability of electricity = R38.00 per stand per day. • The above tariffs include for up to four (4) persons and one vehicle with one trailer or caravan or small boat per day. • Additional persons up to a maximum of two (2)* = R55.00 per person per day. • Additional vehicle or small trailer or small boat to maximum of 2 units = R30.00 per unit per day. • Day visitors for campers up to a maximum of four (4)* = R55.00 per person per day and R42.00 for a vehicle. • (*) Special arrangements must be made with the Camp Manager to allow day visitors • Children under two (2) years are free and children under twelve (12) years at half price. • 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 R2,565.00 for a period of 30 days. • Gate Card / Key Deposit R140.00 per set (refundable). • Long Term rental R810.00 per month plus R185.00 per month for Electricity.							

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

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

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

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

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

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

GANSBAAI CARAVAN PARK									
SEASON	PERIOD	A+ Stands	A Stands	B Stands	C Stands	A+ Stands	A Stands	B Stands	C Stands
		2016/2017				2015/2016			
		Per Day	Per Day	Per Day	Per Day	Per Day	Per Day	Per Day	Per Day
High Season	1 December – 31 January & Easter Weekend	R300.00	R255.00	R210.00	R180.00	new	R242.00	R200.00	R170.00
Low Season	1 February – 30 November (Excluding Easter Weekend)	R230.00	R190.00	R180.00	R165.00	new	R182.00	R170.00	R158.00
- The above tariffs include for up to four (4) persons and one vehicle with one trailer or caravan or small boat. - Additional persons up to a maximum of two (2)* = R55.00 per person per day. - Additional vehicle or small trailer or small boat = R40.00 per unit per day. - Day visitors for campers up to a maximum of four (4) = R40.00 per person per day. - Children under two (2) years are free and children under twelve (12) years at half price. - Long Term Rental = R 7,530.00 pa. - Low Season: Pensioners, Caravan Clubs more than 10 caravans, Mobile Camper Vehicles & 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. - Gate Card / Key Deposit R140.00 per set (refundable).									

HAWSTON DAY CAMPING SITE				
ITEM	Low Season 01 February – 30 November (Excluding Easter Weekend)	High Season 01 December – 31 January & Easter Weekend	Low Season 01 February – 30 November (Excluding Easter Weekend)	High Season 01 December – 31 January & Easter Weekend
	2016/2017		2015/2016	
	Per Day	Per Day	Per Day	Per Day
Camping Sites	R98.00	R180.00	R92.00	R170.00
Parking Fees : Per Vehicle (excluding buses > 20 seats)	R13.00	R13.00	R12.00	R12.00
: Per Bus > 20 seats	R155.00	R155.00	R146.00	R146.00
Entrance Fee: Adults (per person)	R13.00	R13.00	R12.00	R12.00
: Children (per child < 12)	R4.00	R4.00	R3.50	R4.50
- The above tariffs include for up to six 6 persons and 1 vehicle with one trailer or caravan or small boat. - Additional vehicle or small trailer or small boat = R40.00 per unit per day. - Events – partial or whole day camp site, per day or portion of the day = R512.00 per day. - Events – community based – partial or whole day camp site, per day or portion of the day = R128.00. - Low Season: Pensioners, Caravan Clubs more than 10 caravans Mobile Camper Vehicles & 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).				

ANNEXURE D

TARIFF BASKETS

MONTHLY BASKET OF TARIFFS - SINGLE RESIDENTIAL 2016/17

Residential		Year	Year	Increase/Decrease	
<u>High Consumption with credit elect meter</u>		2015/2016	2016/2017	Amount	%
Valuation	R3 500 000				
Rates		1 016.60	1 089.80	73.20	7.20
Sewer	SE7A1+SE8A	477.41	505.95	28.54	5.98
Infrastructure Basic Charge Water, Electricity & Sewer		41.70	41.70	0.00	0.00
Refuse	1X Per Week	137.99	146.26	8.27	6.00
Water	50 kl	906.19	961.68	55.48	6.12
VAT		218.86	231.78	12.92	5.90
SUB TOTAL		2 798.74	2 977.16	178.42	6.38
Electricity Credit Meter	1500 kWh	2 540.70	2 731.16	190.46	7.50
VAT		355.70	382.36	26.66	7.50
TOTAL		5 695.14	6 090.68	395.55	6.95
<i>HPP if applicable</i>		101.66	108.98	7.32	7.20

<u>High Consumption with prepaid elect meter</u>		2015/2016	2016/2017	Amount	%
Valuation	R3 500 000				
Rates		1 016.60	1 089.80	73.20	7.20
Sewer	SE7A1+SE8A	477.41	505.95	28.54	5.98
Infrastructure Basic Charge Water, Electricity & Sewer		41.70	41.70	0.00	0.00
Refuse	1X Per Week	137.99	146.26	8.27	6.00
Water	50 kl	906.19	961.68	55.48	6.12
VAT		218.86	231.78	12.92	5.90
SUB TOTAL		2 798.74	2 977.16	178.42	6.38
Electricity Prepaid Meter	1500 kWh	2 429.52	2 613.41	183.89	7.57
VAT		340.13	365.88	25.74	7.57
TOTAL		5 568.39	5 956.45	388.05	6.97
<i>HPP if applicable</i>		101.66	108.98	7.32	7.20

<u>Medium Consumption with credit elect meter</u>		2015/2016	2016/2017	Amount	%
Valuation	R2 500 000				
Rates		721.93	773.91	51.98	7.20
Sewer	SE7A1+SE8A	287.01	304.18	17.17	5.98
Infrastructure Basic Charge Water, Electricity & Sewer		41.70	41.70	0.00	0.00
Refuse	1X Per Week	137.99	146.26	8.27	6.00
Water	25 kl	343.02	364.75	21.74	6.34
VAT		113.36	119.96	6.61	5.83
SUB TOTAL		1 645.00	1 750.76	105.76	6.43
Electricity Credit Meter	800 kWh	1 309.98	1 406.41	96.43	7.36
VAT		183.40	196.90	13.50	7.36
TOTAL		3 138.37	3 354.07	215.70	6.87
<i>HPP if applicable</i>		72.19	77.39	5.20	7.20

<u>Medium Consumption with prepaid elect meter</u>		2015/2016	2016/2017	Amount	%
Valuation	R2 500 000				
Rates		721.93	773.91	51.98	7.20
Sewer	SE7A1+SE8A	287.01	304.18	17.17	5.98
Infrastructure Basic Charge Water, Electricity & Sewer		41.70	41.70	0.00	0.00
Refuse	1X Per Week	137.99	146.26	8.27	6.00
Water	25 kl	343.02	364.75	21.74	6.34
VAT		113.36	119.96	6.61	5.83
SUB TOTAL		1 645.00	1 750.76	105.76	6.43
Electricity Prepaid Meter	800 kWh	1 246.55	1 340.06	93.51	7.50
VAT		174.52	187.61	13.09	7.50
TOTAL		3 066.07	3 278.43	212.36	6.93
<i>HPP if applicable</i>		72.19	77.39	5.20	7.20

OVERSTRAND MUNICIPALITY

Low Consumption with credit meter

Valuation R1 000 000

	2015/2016	2016/2017	Amount	%
Rates	279.93	300.09	20.16	7.20
Sewer SE7A1+SE8A	210.85	223.47	12.62	5.99
Infrastructure Basic Charge Water, Electricity & Sewer	41.70	41.70	0.00	0.00
Refuse 1X Per Week	137.99	146.26	8.27	6.00
Water 15 kl	212.18	226.08	13.91	6.55
VAT	84.38	89.25	4.87	5.77
SUB TOTAL	967.02	1 026.84	59.83	6.19
Electricity Credit Meter 600 kWh	958.34	1 027.91	69.57	7.26
VAT	134.17	143.91	9.74	7.26
TOTAL	2 059.53	2 198.66	139.13	6.76
<i>HPP if applicable</i>	27.99	30.01	2.02	7.20

Low Consumption with prepaid elect meter

Valuation R1 000 000

	2015/2016	2016/2017	Amount	%
Rates	279.93	300.09	20.16	7.20
Sewer SE7A1+SE8A	210.85	223.47	12.62	5.99
Infrastructure Basic Charge Water, Electricity & Sewer	41.70	41.70	0.00	0.00
Refuse 1X Per Week	137.99	146.26	8.27	6.00
Water 15 kl	212.18	226.08	13.91	6.55
VAT	84.38	89.25	4.87	5.77
TOTAL	967.02	1 026.84	59.83	6.19
Electricity Prepaid Meter 600 kWh	908.56	976.24	67.69	7.45
VAT	127.20	136.67	9.48	7.45
	2 002.78	2 139.76	136.99	6.84
<i>HPP if applicable</i>	27.99	30.01	2.02	7.20

Life-Line Consumption (ONE PART) (Indigent)

Valuation R50 000

	2015/2016	2016/2017	Amount	%
Rates	0.00	0.00	0.00	0.00
Sewer SE7A1	15.23	16.14	0.91	5.97
Infrastructure Basic Charge Water, Electricity & Sewer	41.70	41.70	0.00	0.00
Refuse 1X Per Week	0.00	0.00	0.00	0.00
Water 8 kl	18.23	19.32	1.09	5.98
VAT	10.52	10.80	0.28	2.66
SUB TOTAL	85.68	87.96	2.28	2.66
Electricity Pre-paid 300 kWh	295.86	298.82	2.96	1.00
VAT	41.42	41.83	0.41	1.00
TOTAL	422.97	428.62	5.65	1.34

Conservancy Tanks

If tariff SE7 is not applicable

	2015/2016	2016/2017	Amount	%
Smaller than 6kl	444.46	471.13	26.67	6.00
Greater than 6kl	444.46	471.13	26.67	6.00
Outside urban area Plus per km	13.02	13.80	0.78	5.99
Plus Per hour	266.86	282.86	16.00	6.00
After hours				
Smaller than 6kl	888.92	942.26	53.34	6.00
Greater than 6kl	888.92	942.26	53.34	6.00

Sub-Economic Consumption (Indigent)

Valuation R50 000

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

MONTHLY BASKET OF TARIFFS - BUSINESS 2016/2017

Bussiness - Large (Time of Use)

Valuation R35 000 000

	2015/2016	2016/2017	Amount	%
Rates	19 541.67	20 948.67	1 407.00	7.20
Sewer SE7D1+SE8A 30	7 402.47	7 845.42	442.95	5.98
Infrastructure Basic Charge Water, Electricity & Sewer	41.70	41.70	0.00	0.00
Refuse Bins 2X Per Week 30	8 279.10	8 775.60	496.50	6.00
Water 460 kl	17 013.41	18 043.37	1 029.96	6.05
VAT	4 583.14	4 858.85	275.72	6.02
SUB TOTAL	56 861.48	60 513.60	3 652.12	6.42
Electricity Credit Meter 108751 + 436kVA	154 412.26	166 209.35	11 797.09	7.64
VAT	21 617.72	23 269.31	1 651.59	7.64
TOTAL	232 891.46	249 992.27	17 100.81	7.34
HPP if applicable	1 954.17	2 094.87	140.70	7.20

Bussiness - Medium (Three Phase)

Valuation R3 200 000

	2015/2016	2016/2017	Amount	%
Rates	1 786.67	1 915.31	128.64	7.20
Sewer SE7D1+SE8A 1	488.29	517.48	29.20	5.98
Infrastructure Basic Charge Water, Electricity & Sewer	41.70	41.70	0.00	0.00
Refuse 1X Per Week 3	413.96	438.78	24.82	6.00
Water 40 kl	686.06	736.64	50.58	7.37
VAT	228.20	242.84	14.64	6.42
SUB TOTAL	3 644.87	3 892.75	247.88	6.80
Electricity Credit Meter 7000 kWh	10 344.97	11 015.54	670.57	6.48
VAT	1 448.30	1 542.18	93.88	6.48
TOTAL	15 438.13	16 450.47	1 012.33	6.56
HPP if applicable	178.67	191.53	12.86	7.20

Bussiness - Small (Three Phase)

Valuation R3 200 000

	2015/2016	2016/2017	Amount	%
Rates	1 786.67	1 915.31	128.64	7.20
Sewer SE7D1+SE8A 1	488.29	517.48	29.20	5.98
Infrastructure Basic Charge Water, Electricity & Sewer	41.70	41.70	0.00	0.00
Refuse 1X Per Week 2	275.97	292.52	16.55	6.00
Water 40 kl	686.06	736.64	50.58	7.37
VAT	208.88	222.37	13.49	6.46
SUB TOTAL	3 487.56	3 726.01	238.45	6.84
Electricity Credit Meter 4000 kWh	6 097.27	6 512.98	415.71	6.82
VAT	853.62	911.82	58.20	6.82
TOTAL	10 438.45	11 150.81	712.36	6.82
HPP if applicable	178.67	191.53	12.86	7.20

Bussiness - Small (Three Phase)

Valuation R3 200 000

	2015/2016	2016/2017	Amount	%
Rates	1 786.67	1 915.31	128.64	7.20
Sewer SE7D1+SE8A 1	488.29	517.48	29.20	5.98
Infrastructure Basic Charge Water, Electricity & Sewer	41.70	41.70	0.00	0.00
Refuse 1X Per Week 2	275.97	292.52	16.55	6.00
Water 40 kl	686.06	736.64	50.58	7.37
VAT	208.88	222.37	13.49	6.46
SUB TOTAL	3 487.56	3 726.01	238.45	6.84
Electricity Credit Meter 1000 kWh	1 849.57	2 010.42	160.85	8.70
VAT	258.94	281.46	22.52	8.70
TOTAL	5 596.07	6 017.89	421.82	7.54
HPP if applicable	178.67	191.53	12.86	7.20

Bussiness - Small (Three Phase)

Valuation R3 200 000

				2015/2016	2016/2017	Amount	%
Rates				1 786.67	1 915.31	128.64	7.20
Sewer	SE7D1+SE8A	1		488.29	517.48	29.20	5.98
Infrastructure Basic Charge Water, Electricity & Sewer				41.70	41.70	0.00	0.00
Refuse	1X Per Week	2		29.57	31.34	1.77	5.99
Water	40 kl			686.06	736.64	50.58	7.37
VAT				174.39	185.80	11.42	6.55
SUB TOTAL				3 206.67	3 428.27	221.60	6.91
Electricity Credit Meter	1000 kWh			1 841.97	2 002.36	160.39	8.71
VAT				257.88	280.33	22.45	8.71
TOTAL				5 306.51	5 710.96	404.45	7.62
HPP if applicable				178.67	191.53	12.86	7.20

MONTHLY BASKET OF TARIFFS - VACANT ERVEN 2016/2017					
<u>Valuation High</u>		2015/2016	2016/2017	Amount	%
	Valuation	R780 000			
Rates		393.25	421.56	28.31	7.20
Sewer can connect	Availability	116.23	123.20	6.97	6.00
Refuse	Availability	68.98	73.12	4.14	6.00
Electricity	Availability	216.83	254.78	37.95	17.50
Water	Availability	108.42	114.93	6.51	6.00
Infrastructure Basic Charge Water, Electricity & Sewer		41.70	41.70	0.00	0.00
VAT		77.30	85.08	7.78	10.06
TOTAL		1 022.71	1 114.38	91.66	8.96
HPP if applicable		39.33	42.16	2.83	7.20
<u>Valuation Average</u>		2015/2016	2016/2017	Amount	%
	Valuation	R250 000			
Rates		126.04	135.12	9.08	7.20
Sewer can connect	Availability	116.23	123.20	6.97	6.00
Refuse	Availability	68.98	73.12	4.14	6.00
Electricity	Availability	216.83	254.78	37.95	17.50
Water	Availability	108.42	114.93	6.51	6.00
Infrastructure Basic Charge Water, Electricity & Sewer		41.70	41.70	0.00	0.00
VAT		77.30	85.08	7.78	10.06
TOTAL		755.50	827.93	72.42	9.59
HPP if applicable		12.60	13.51	0.91	7.20
<u>Valuation Lower</u>		2015/2016	2016/2017	Amount	%
	Valuation	R110 000			
Rates		55.46	59.45	3.99	7.20
Sewer can connect	Availability	116.23	123.20	6.97	6.00
Refuse	Availability	68.98	73.12	4.14	6.00
Electricity	Availability	216.83	254.78	37.95	17.50
Water	Availability	108.42	114.93	6.51	6.00
Infrastructure Basic Charge Water, Electricity & Sewer		41.70	41.70	0.00	0.00
VAT		77.30	85.08	7.78	10.06
TOTAL		684.92	752.26	67.34	9.83
<u>Valuation Low</u>		2015/2016	2016/2017	Amount	%
	Valuation	R15 000			
Rates		7.56	8.11	0.54	7.20
Sewer can connect	Availability	116.23	123.20	6.97	6.00
Refuse	Availability	68.98	73.12	4.14	6.00
Electricity	Availability	216.83	254.78	37.95	17.50
Water	Availability	108.42	114.93	6.51	6.00
Infrastructure Basic Charge Water, Electricity & Sewer		41.70	41.70	0.00	0.00
VAT		77.30	85.08	7.78	10.06
TOTAL		637.02	700.92	63.89	10.03

ANNEXURE E

CAPITAL BUDGET, WARD PROJECTS & HOUSING PROGRAMME

CAPITAL BUDGET 2016/17 - 2018/19 MTREF

						2016/17 BUDGET			2017/18 BUDGET			2018/19 BUDGET		
Area	Local Area	Ward	Project Description	Project Manager	Funding Source	COUNCIL FUNDED	EXTERNAL (GRANTS)	TOTAL	COUNCIL FUNDED	EXTERNAL (GRANTS)	TOTAL	COUNCIL FUNDED	EXTERNAL (GRANTS)	TOTAL
			EXECUTIVE & COUNCIL			46 000		46 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :MAYOR'S OFFICE	D Arrison	Surplus	5 000		5 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :MUNICIPAL MANAGER,TOWN SECRETARY & CHIEF EXEC	F Myburgh	Surplus	16 000		16 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :MUNICIPAL MANAGER,TOWN SECRETARY & CHIEF EXEC	D Van Rhodie	Surplus	25 000		25 000						
			FINANCE AND ADMINISTRATION			809 000		809 000						
Overstrand	Overstrand	Overstrand	FLEET MANAGEMENT SOFTWARE	J van Asperen	Surplus	85 000		85 000						
Overstrand	Overstrand	Overstrand	CARAVAN PARK LICENSES FEES	J van Asperen	Surplus	20 000		20 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS -ICT OVERSTRAND WIDE	C Johnson	Surplus	200 000		200 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :COUNCIL SUPPORT SERVICES	D Kearney	Surplus	120 000		120 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :FINANCE	S Reyneke	Surplus	30 000		30 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :FLEET MANAGEMENT	M Bartman	Surplus	50 000		50 000						
Overstrand	Overstrand	Overstrand	VEHICLES -REFURBISHMENT/REBUILD ENGINES	M Bartman	Surplus	300 000		300 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS -PROPERTY SERVICES	A Kotze	Surplus	4 000		4 000						
			PLANNING AND DEVELOPMENT			183 100		183 100						
Overstrand	Overstrand	Overstrand	MINOR ASSETS:BUILDING REGULATIONS AND ENFORCEMENT	J Simson	Surplus	23 000		23 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :TOWN PLANNING; BUILDING REGULATIONS AND ENFORCEMENT	R Kuchar	Surplus	4 600		4 600						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :NATURE CONSERVATION	L De Villiers	Surplus	8 000		8 000						
Hermanus	Hermanus	Ward 03	BABOON FENCING PROJECT	L De Villiers	Operating cash -WSP	50 000		50 000						
Gansbaai	Masakhane	Ward 01	DEVELOPMENT OF OPEN SPACES/PLAY PARKS	F Myburgh	Operating cash -WSP	30 000		30 000						
Gansbaai	Gansbaai	Ward 02	UPGRADE OF MARKET SQUARE (CNR DIRKIE UYS/MARKET STREET)	F Myburgh	Operating cash -WSP	50 000		50 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS:ECONOMIC DEVELOPMENT/PLANNING	S Madikane	Surplus	15 000		15 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :GIS	G Stravidis	Surplus	2 500		2 500						
			PUBLIC SAFETY			1 080 080		1 080 080						
Overstrand	Overstrand	Overstrand	MINOR ASSETS:FIRE FIGHTING AND PROTECTION	L Smith	Surplus	60 000		60 000						
Gansbaai	Masakhane	Ward 01	FIRE HYDRANTS (PHASE I)	J De Villiers	Operating cash -WSP	100 000		100 000						
Kleinmond	Pringle Bay	Ward 10	COMPLETION OF FIRE STATION	D La Key	Operating cash -WSP	50 000		50 000						
Overstrand	Overstrand	Overstrand	VEHICLES-FIRE FLEET REFURBISHMENT	L Smith	Surplus-R/Over	570 080		570 080						
Overstrand	Overstrand	Overstrand	VEHICLES -FIRE	M Bartman	Surplus	200 000		200 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS:POLICE FORCES, TRAFFIC AND STREET PARKING CONTROL	R Fraser	Surplus	100 000		100 000						
			COMMUNITY AND SOCIAL SERVICES			945 000	1 000 000	1 945 000	4 500 000	4 500 000		1 500 000	1 500 000	
Hermanus	Hawston	Ward 08	EXTENSION OF THUSONG CENTRE	D Hendriks	MIG		1 000 000	1 000 000		4 500 000	4 500 000		1 500 000	1 500 000
Hermanus	Mount Pleasant	Ward 04	BUILDING OF DISABLED TOILET AT MOUNT PLEASANT SPORTS GROUND	B Plaatjies	Operating cash -WSP	50 000		50 000						
Hermanus	Westcliff	Ward 04	COMMONAGE IN WEST CLIFF	B Plaatjies	Operating cash -WSP	100 000		100 000						
Hermanus	Mount Pleasant	Ward 04	UPGRADING OF MOFFAT HALL	B Plaatjies	Operating cash -WSP	150 000		150 000						
Hermanus	Zwelihle	Ward 05	ZWELIHLE TAXI RANK-FENCING AND MAINTENANCE	B Plaatjies	Operating cash -WSP	100 000		100 000						
Hermanus	Zwelihle	Ward 05	UPGRADING OF MASIZAKHE CRÈCHE(FENCING,PURHASING AND FIXING PLAY PARK EQUIPMENT,EARTH WORKS,PAVING)	B Plaatjies	Operating cash -WSP	140 000		140 000						
Hermanus	Zwelihle	Ward 06	PA SYSTEM - ZWELIHLE COMMUNITY HALL	B Plaatjies	Operating cash -WSP	85 000		85 000						
Kleinmond	Kleinmond	Ward 09	CONSTRUCTION OF WOODEN RAILINGS AND STEPS IN 4TH STREET	D Van Rhodie	Operating cash -WSP	40 000		40 000						
Kleinmond	Proteadorp	Ward 10	EXTENSION AND BEAUTIFICATION OF BUS SHELTER OPPOSITE SIYABULELA CRÈC	D La Key	Operating cash -WSP	30 000		30 000						
Mooiuitsig	Mooiuitsig	Ward 10	EXTENSION/ALTERATIONS TO MOOIUISIG COMMUNITY HALL	D La Key	Operating cash -WSP	250 000		250 000						
			LIBRARIES				1 050 000	1 050 000						
Hermanus	Hawston	Ward 08	HAWSTON LIBRARY UPGRADE	D Kearney	Prov-Library Gr		1 000 000	1 000 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS -LIBRARIES AND ARCHIVES	D Kearney	Prov-Library Gr		50 000	50 000						
			SPORT & RECREATION			480 000	2 065 000	2 545 000	5 435 000	5 435 000		3 100 000	3 100 000	
Hermanus	Zwelihle	Ward 12	ARTIFICIAL TURF SOCCERFIELD	D Hendriks	MIG					4 435 000	4 435 000		3 000 000	3 000 000
Gansbaai	Blompark	Ward 02	PLAYPARK EQUIPMENT (REPLACEMENTS)	F Myburgh	Operating cash -WSP	20 000		20 000						
Hermanus	Zwelihle	Ward 05	PURCHASING OF PAVILLION (SITTING) & 2 SOCCER POLES	B Plaatjies	Operating cash -WSP	100 000		100 000						
Hermanus	Zwelihle	Ward 12	PLAY PARK- BETWEEN QHAYIYA & BAMBANANI STREET	B Plaatjies	Operating cash -WSP	75 000		75 000						
Hermanus	Zwelihle	Ward 12	PLAY PARK- SOPHUMELELE CORRIDOR	B Plaatjies	Operating cash -WSP	85 000		85 000						
Hermanus	Zwelihle	Ward 12	BOXING GYM AT JIKELEZA STREET (EARTH WORKS)	B Plaatjies	Operating cash -WSP	150 000		150 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :COMMUNITY PARK(INCL. NURSERIES)	F Myburgh	Surplus	11 000		11 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :COMMUNITY PARK(INCL. NURSERIES)	P Burger	Surplus	39 000		39 000						
Kleinmond	Kleinmond	Ward 10	OVERHILLS : KLEINMOND SOCCERFIELD	D Hendriks	MIG		1 265 000	1 265 000						
Overstrand	Overstrand	Overstrand	SPORT FACILITIES	D Hendriks	MIG		800 000	800 000		1 000 000	1 000 000		100 000	100 000

						2016/17 BUDGET			2017/18 BUDGET			2018/19 BUDGET		
Area	Local Area	Ward	Project Description	Project Manager	Funding Source	COUNCIL FUNDED	EXTERNAL (GRANTS)	TOTAL	COUNCIL FUNDED	EXTERNAL (GRANTS)	TOTAL	COUNCIL FUNDED	EXTERNAL (GRANTS)	TOTAL
			HOUSING				12 882 298	12 882 298		37 780 206	37 780 206		37 740 119	37 740 119
Gansbaai	Masakhane	Ward 01	MASAKHANE	B Louw	PROV-H		1 000 000	1 000 000		7 568 176	7 568 176		13 040 863	13 040 863
Gansbaai	Beverly Hills	Ward 02	BEVERLY HILLS PROJECT	B Louw	PROV-H		2 561 250	2 561 250		5 727 690	5 727 690			
Hermanus	Zwelihle	Ward 06	ZWELIHLE PROJECT -TRANSIT CAMP(166)	B Louw	PROV-H		1 000 000	1 000 000		6 241 916	6 241 916			
Hermanus	Zwelihle	Ward 06	MANDELA SQUARE/GARDEN SITE	B Louw	PROV-H		4 308 419	4 308 419						
Gansbaai	Buffeljagsbaai	Ward 11	BUFFELJAGSBAAI	B Louw	PROV-H								72 119	72 119
Hermanus	Hawston	Ward 08	HAWSTON PROJECT -IRDP	B Louw	PROV-H		2 399 745	2 399 745		9 372 600	9 372 600		9 140 923	9 140 923
Hermanus	Zwelihle	Ward 05	ZWELIHLE -TAMBO SQUARE PROJECT	B Louw	PROV-H					1 000 000	1 000 000		3 973 364	3 973 364
Hermanus	Zwelihle	Ward 06	ZWELIHLE :TSEPE -TSEPE PROJECT	B Louw	PROV-H								425 925	425 925
Stanford	Stanford	Ward 11	STANFORD IRDP	B Louw	PROV-H		1 612 884	1 612 884		6 543 900	6 543 900		6 093 900	6 093 900
Gansbaai	Blompark	Ward 02	BLOMPARK PROJECT	B Louw	PROV-H					1 325 925	1 325 925		4 993 025	4 993 025
			ROADS			2 395 000	10 354 500	12 749 500		6 858 784	6 858 784		13 605 000	13 605 000
Hermanus	Zwelihle	Ward 05	REHABILITATION OF EXISTING PAVE ROAD (LIC)	D Hendriks	MIG		2 000 000	2 000 000						
Hermanus	Zwelihle	Ward 05	REHABILITATION OF EXISTING PAVE ROAD (LIC) PH2	D Hendriks	MIG		7 000 000	7 000 000		4 395 784	4 395 784		3 000 000	3 000 000
Hermanus	Mount Pleasant	Ward 04	REHABILITATE ROADS AND UPGRADE STORMWATER	D Hendriks	MIG								2 500 000	2 500 000
Gansbaai	Blompark	Ward 02	REHABILITATE ROADS - BLOMPARK	D Hendriks	MIG		404 500	404 500		1 263 000	1 263 000		2 200 000	2 200 000
Gansbaai	Masakhane	Ward 01	TRAFFIC CALMING	J De Villiers	Operating cash -WSP	50 000		50 000						
Hermanus	Zwelihle	Ward 05	SPEED HUMPS-LANDA, JIKELEZA, NTLABATHI	B Plaattjies	Operating cash -WSP	60 000		60 000						
Hermanus	Zwelihle	Ward 06	SPEED HUMPS -TSHANDU STREET	B Plaattjies	Operating cash -WSP	30 000		30 000						
Hermanus	Zwelihle	Ward 06	SIDEWALKS -NAMA/KROZANI STREET	B Plaattjies	Operating cash -WSP	135 000		135 000						
Gansbaai	Blompark	Ward 02	NEW SIDEWALK - DAHLIA STREET	J De Villiers	Operating cash -WSP	80 000		80 000						
Gansbaai	Blompark	Ward 02	TARRING OF SIDEWALKS - MADELIEFIE STREET	J De Villiers	Operating cash -WSP	50 000		50 000						
Hermanus	Sandbaai	Ward 07	TARRING OF STREETS	D Kearney	Operating cash -WSP	400 000		400 000						
Hermanus	Hawston	Ward 08	HAWSTON -PAVING OF CIRCLES	D Kearney	Operating cash -WSP	100 000		100 000						
Hermanus	Hawston	Ward 08	HAWSTON - SIDEWALKS	D Kearney	Operating cash -WSP	100 000		100 000						
Kleinmond	Kleinmond	Ward 09	PAVING OF PARKING AREA - COR. 4TH STREET AND 15TH AVENUE	D Van Rhodie	Operating cash -WSP	30 000		30 000						
Kleinmond	Kleinmond	Ward 09	EXTENSION OF HEUNINGKLOOF FOOTPATH	D Van Rhodie	Operating cash -WSP	100 000		100 000						
Kleinmond	Proteadorp	Ward 09	EXTENSION OF PAVING OF SIDEWALK - SCHOOL STREET PROTEADORP	D Van Rhodie	Operating cash -WSP	70 000		70 000						
Gansbaai	B'bos	Ward 11	TARRING OF STRANDVELD STREET	J De Villiers	Operating cash -WSP	100 000		100 000						
Stanford	Stanford	Ward 11	DREYER STREET SIDEWALKS (FINAL PHASE)	J De Villiers	Operating cash -WSP	100 000		100 000						
Stanford	Stanford	Ward 11	REHABILITATE ROADS - STANFORD	D Hendriks	MIG		450 000	450 000		200 000	200 000		3 000 000	3 000 000
Hermanus	Onrus	Ward 13	ATLANTIC DRIVE WALKWAY	D Kearney	Operating cash -WSP	200 000		200 000						
Overstrand	Overstrand	Overstrand	VEHICLES -ROADS	M Bartman	Surplus	785 000		785 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :ROADS	P Burger	Surplus	5 000		5 000						
Gansbaai	Masakhane	Ward 01	REHABILITATE ROADS - MASAKHANE	D Hendriks	MIG		500 000	500 000		1 000 000	1 000 000		2 905 000	2 905 000
			ELECTRICITY			15 337 759	6 461 517	21 799 276	10 000 000	4 000 000	14 000 000	14 500 000	6 000 000	20 500 000
Gansbaai	Franskraal	Ward 01	FRANSKRAAL,KLEINBAAI & BIRKENHEAD: MV/LV AND MINISUB UPGRADE	D Maree	EL9								1 500 000	1 500 000
Gansbaai	Gansbaai	Ward 02	GANSBAAI: CCTV,SCADA,MINISUB AND MV/LV UPGRADE	D Maree	EL7/8/9	3 000 000		3 000 000	3 000 000		3 000 000		1 000 000	1 000 000
Stanford	Stanford	Ward 11	STANFORD: MV UPGRADE	D Maree	EL6 R/Over	1 686 100		1 686 100					1 000 000	1 000 000
Hermanus	Hermanus/Zwelihle	04,05,06	ELECTRIFICATION OF LOW COST HOUSING AREAS (INEP)	K d Plessis	INEP		5 000 000	5 000 000		4 000 000	4 000 000		6 000 000	6 000 000
Hermanus	Hermanus	Ward 03	HERMANUS: MV & LV UPGRADE/REPLACEMENT	K d Plessis	EL7/8/9	4 000 000		4 000 000	4 000 000		4 000 000		7 000 000	7 000 000
Kleinmond	Kleinmond	Ward 09	KLEINMOND: MV & LV NETWORK UPGRADE	K d Plessis	EL7/8/9	1 500 000		1 500 000	1 500 000		1 500 000		2 000 000	2 000 000
Hermanus	Hawston	Ward 08	HAWSTON: MV & LV UPGRADE/REPLACEMENT	K d Plessis	EL7/8/9	1 500 000		1 500 000	1 500 000		1 500 000		2 000 000	2 000 000
Overstrand	Overstrand	Overstrand	MINOR ASSETS :ELECTRICITY	K d Plessis	Surplus	15 000		15 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :ELECTRICITY	K d Plessis	Surplus	10 000		10 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :ELECTRICITY	K d Plessis	Surplus	6 000		6 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :ELECTRICITY	D Maree	Surplus	15 400		15 400						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :ELECTRICITY	D Maree	Surplus	11 500		11 500						
Gansbaai	Masakhane	Ward 01	STREETLIGHTS (MILKWOOD)	D Maree	Operating cash -WSP	20 000		20 000						
Kleinmond	Palmiet	Ward 10	STREET LIGHTS	K d Plessis	Operating cash -WSP	30 000		30 000						
Overstrand	Overstrand	Overstrand	VEHICLES -ELECTRICITY	M Bartman	Surplus	498 000		498 000						
Hermanus	Hawston	Ward 08	FLOODLIGHTS -HAWSTON SPORT GROUNDS	K d Plessis	Operating cash-WSP-R/Over	150 000		150 000						
Hermanus	Hawston	Ward 08	FLOODLIGHTS -HAWSTON SPORT GROUNDS	K d Plessis	Lotto -R/Over		500 000	500 000						
Hermanus	Zwelihle	Ward 05	FLOODLIGHTS -ZWELIHLE SPORT GROUNDS	K d Plessis	Operating cash-WSP-R/Over	100 000		100 000						
Hermanus	Zwelihle	Ward 05	FLOODLIGHTS -ZWELIHLE SPORT GROUNDS	K d Plessis	Lotto -R/Over		500 000	500 000						
Hermanus	Zwelihle	Ward 06	FLOODLIGHTS -ZWELIHLE SPORT GROUNDS	K d Plessis	Operating cash-WSP-R/Over	350 000		350 000						
Hermanus	Zwelihle	Ward 12	FLOODLIGHTS -ZWELIHLE SPORT GROUNDS	K d Plessis	Operating cash-WSP-R/Over	150 000		150 000						
Hermanus	Hermanus/Zwelihle	04,05,06	ELECTRIFICATION IN INFORMAL AREAS	K d Plessis	Solar rebate -R/Over		461 517	461 517						
Hermanus	Hermanus/Zwelihle	04,05,06	ELECTRIFICATION OF HOUSING PROJECTS	K d Plessis	Surplus-DContr-R/Over	2 049 759		2 049 759						
Overstrand	Overstrand	Overstrand	ELECTRICITY TRANSFORMERS(CAPITAL REPLACEMENT CONTINGENCY)	S Muller	EL6 R/Over	246 000		246 000						

						2016/17 BUDGET			2017/18 BUDGET			2018/19 BUDGET		
Area	Local Area	Ward	Project Description	Project Manager	Funding Source	COUNCIL FUNDED	EXTERNAL (GRANTS)	TOTAL	COUNCIL FUNDED	EXTERNAL (GRANTS)	TOTAL	COUNCIL FUNDED	EXTERNAL (GRANTS)	TOTAL
			WATER			11 411 315	3 610 000	15 021 315	10 000 000	2 800 000	12 800 000	13 500 000	3 326 000	16 826 000
Overstrand	Overstrand	Overstrand	REPLACEMENT OF OVERSTRAND WATER PIPES	H Blignaut	EL6-R/Over & EL8/9	283 237		283 237	3 800 000		3 800 000	3 800 000		3 800 000
Hermanus	Sandbaai	Ward 07	NEW BULK WATER RESERVOIR -SANDBAAI	H Blignaut	EL8/9				6 000 000		6 000 000	3 500 000		3 500 000
Gansbaai	Pearly Beach	Ward 11	PEARLY BEACH WTW PRE-TREATMENT	H Blignaut	EL7	400 000		400 000						
Gansbaai	Pearly Beach	Ward 11	PEARLY BEACH WTW PRE-TREATMENT	H Blignaut	EL6-R/Over	900 000		900 000						
Gansbaai	Kleinbaai	Ward 01	UPGRADING OF FRANSKRAAL-KLEINBAAI -GANSBAAI PIPELINES	H Blignaut	EL7	8 400 000		8 400 000						
Kleinmond	Kleinmond	Ward 09	REFURBISH BUFFELS RIVER DAM BRIDGE AND TOWER & PALMIET RIVER WEIR	H Blignaut	EL6-R/Over& EL9	709 078		709 078				1 200 000		1 200 000
Overstrand	Overstrand	Overstrand	WATER PUMPS (CONTINGENCY)	H Blignaut	EL7/8/9	200 000		200 000	200 000		200 000	200 000		200 000
Hermanus	Mount Pleasant	Ward 04	NEW 1 ML/S RESERVOIR OHW.B31	D Hendriks	EL7/MIG	500 000	3 110 000	3 610 000						
Hermanus	Hawston	Ward 08	HAWSTON: BULK WATER UPGRADE FOR HOUSING PROJECT	D Hendriks	MIG		500 000	500 000		2 800 000	2 800 000		3 326 000	3 326 000
Hermanus	Hermanus	Ward 04	UPGRADE HERMANUS WELL FIELDS PHASE 1	H Blignaut	EL9							4 000 000		4 000 000
Overstrand	Overstrand	Overstrand	MINOR ASSETS -WATER DISTRIBUTION	P Burger	Surplus	8 000		8 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS -WATER DISTRIBUTION	P Burger	Surplus	11 000		11 000						
Kleinmond	Betty's Bay	Ward 10	NEW VOORBERG BOOSTER PUMP STATION	H Blignaut	EL9							800 000		800 000
			SEWERAGE			10 500 000	6 000 500	16 500 500	10 000 000	1 441 216	11 441 216	12 000 000	1 000 000	13 000 000
Overstrand	Overstrand	Overstrand	UPGRADING OF PUMPSTATIONS	H Blignaut	EL7/9	5 588 072		5 588 072				4 000 000		4 000 000
Stanford	Stanford	Ward 11	STANFORD - SEWER NETWORK EXTENSION	H Blignaut	EL7	4 411 928		4 411 928						
Stanford	Stanford	Ward 11	WWTW UPGRADE STANFORD (ACIP)	H Blignaut	ACIP		3 500 000	3 500 000						
Overstrand	Overstrand	Overstrand	SEWERAGE PUMPS (CONTINGENCY)	H Blignaut	EL7/8/9	500 000		500 000	500 000		500 000	500 000		500 000
Kleinmond	Kleinmond	Ward 09	KLEINMOND - SEWER NETWORK EXTENSION	H Blignaut	EL8/9				3 600 000		3 600 000	1 500 000		1 500 000
Gansbaai	Gansbaai	Ward 02	GANSBAAI - CBD SEWER NETWORK EXTENSION	H Blignaut	EL8				3 560 000		3 560 000			
Hermanus	Onrus	Ward 13	UPGRADING OF KIDBROOKE PIPELINE	H Blignaut	EL9							1 800 000		1 800 000
Stanford	Stanford	Ward 11	WWTW UPGRADE - STANFORD	D Hendriks	EL8 &MIG				2 000 000	1 000 000	3 000 000		1 000 000	1 000 000
Hermanus	Zwellihle	Ward 12	BULK SEWERAGE OUTFALL LINE 525 MM Ø OHS13.2	D Hendriks	EL8 &MIG		2 500 500	2 500 500	340 000	441 216	781 216			
Hermanus	Zwellihle	Ward 12	PEACH HOUSE & WHALE ROCK P/S LINK WITH GENERATORS	H Blignaut	EL9							430 000		430 000
Kleinmond	Kleinmond	Ward 09	REHABILITATE MAIN BULK SEWER TO WWTW PH1	H Blignaut	EL9							3 770 000		3 770 000
			STORMWATER			230 000	1 500 000	1 730 000	1 415 000		1 415 000	1 000 000		1 000 000
Gansbaai	Masakhane	Ward 01	UPGRADE STORMWATER DRAINAGE	D Hendriks	MIG		1 500 000	1 500 000		1 415 000	1 415 000		1 000 000	1 000 000
Hermanus	Fisherhaven	Ward 08	FISHERHAVEN -STORMWATER	D Kearney	Operating cash -WSP	200 000		200 000						
	Rooi Els	Ward 10	CONSTRUCTION OF DRAINAGE DITCHES	D Van Rhodie	Operating cash -WSP	30 000		30 000						
			WASTE MANAGEMENT			15 000		15 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS:SOLID WASTE DISPOSAL	P Burger	Surplus	15 000		15 000						
GRAND TOTAL						43 432 254	44 923 815	88 356 069	30 000 000	64 230 206	94 230 206	40 000 000	67 271 119	107 271 119

FUNDING:														
EXTERNAL NAL LOAN 7/8/9 (GENERAL CAI	30 000 000				30 000 000			30 000 000			30 000 000		40 000 000	40 000 000
EL6-R/Over	3 824 415				3 824 415									
SURPLUS -R/Over	570 080				570 080									
SURPLUS CASH	2 698 000				2 698 000									
OPERATING -CASH-WSP	3 540 000				3 540 000									
OPERATING CASH-WSP-R/OVER	750 000				750 000									
SOLAR REBATE -R/OVER		461 517			461 517									
SURPLUS-DCONTR-R/OVER	2 049 759				2 049 759									
LOTTO -R/OVER		1 000 000			1 000 000									
ACIP		3 500 000			3 500 000									
INEP		5 000 000			5 000 000				4 000 000		4 000 000		6 000 000	6 000 000
MIG		21 030 000			21 030 000				22 450 000		22 450 000		23 531 000	23 531 000
PROV-HOUSING		12 882 298			12 882 298				37 780 206		37 780 206		37 740 119	37 740 119
PROV-LIBRARIES		1 050 000			1 050 000									

GRAND TOTAL	43 432 254	44 923 815	88 356 069	30 000 000	64 230 206	94 230 206	40 000 000	67 271 119	107 271 119

2016/2017 - WARD SPECIFIC PROJECTS

PROJECT MANAGER

Town	Local Area	Ward	Project Description	TOTAL
Gansbaai	Masakhane	01	Streetlights (Milkwood)	20 000
Gansbaai	Masakhane	01	Fire Hydrants (Phase I)	100 000
Gansbaai	Masakhane	01	Traffic calming	50 000
Gansbaai	Masakhane	01	Development of Open Spaces/Play Parks	30 000
Gansbaai	Franskraal	01	EIA - Alternative Stormwater Outlet (Uilenkraalsmond)	200 000
				400 000
Gansbaai	Gansbaai	02	Upgrade of Market Square (Cnr Dirkie Uys/Market Street)	50 000
Gansbaai	De Kelders	02	Dust Control (gravel roads)	200 000
Gansbaai	Blompark/Gb	02	Playpark equipment (Replacements)	20 000
Gansbaai	Blompark	02	New Sidewalk - Dahlia Street	80 000
Gansbaai	Blompark	02	Tarring of sidewalks - Madeliefie Street	50 000
				400 000
Hermanus	Hermanus	03	Public toilets (Fernkloof, CBD, cliff path)	120 000
Hermanus	Hermanus	03	Sidewalks	170 000
Hermanus	Hermanus	03	Cliff Path	60 000
Hermanus	Hermanus	03	Baboon Fencing Project	50 000
				400 000
Hermanus	Mount Pleasant	04	Building of disabled toilet at Mount Pleasant Sports Ground	50 000
Hermanus	Mount Pleasant	04	Rotary Park	100 000
Hermanus	Westcliff	04	Commonage in West Cliff	100 000
Hermanus	Mount Pleasant	04	Upgrading of Moffat Hall	150 000
				400 000
Hermanus	Zwelihle	05	Speed humps-Landa, Jikeleza, Ntlabathi	60 000
Hermanus	Zwelihle	05	Zwelihle Taxi rank-Fencing and maintenance	100 000
Hermanus	Zwelihle	05	Upgrading of Masizakhe Crèche(Fencing,Purhasing and fixing Play Park Equipment,Earth works,Paving)	140 000
Hermanus	Zwelihle	05	Purchasing of Pavillion (Sitting) & 2 Soccer Poles	100 000
				400 000
Hermanus	Zwelihle	06	Speed Humps -Tshandu street	30 000
Hermanus	Zwelihle	06	PA System - Zwelihle Community Hall	85 000
Hermanus	Zwelihle	06	Sidewalks -Nama/Krozani street	135 000
Hermanus	Zwelihle	06	Masibulele Creche Roof	150 000
				400 000
Hermanus	Sandbaai	07	Tarring of Streets	400 000
				400 000

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F Myburgh Operational

F Myburgh Capital
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F Myburgh Capital
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J de Villiers Capital

D Kearney Operational
D Kearney Operational
D Kearney Operational
L De Villiers Capital

B Plaatjies Capital
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B Plaatjies Capital
B Plaatjies Operational

D Kearney Capital

PROJECT MANAGER

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

D Kearney Capital
D Kearney Capital
D Kearney Capital

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D Lakey Capital

F Myburgh Operational
J de Villiers Capital
J de Villiers Capital
P Ferreira Operational

B Plaatjies Capital
B Plaatjies Capital
B Plaatjies Operational
B Plaatjies Operational
B Plaatjies Capital

D Kearney Capital
D Kearney Operational
D Kearney Operational
D Kearney Operational

REVISED HOUSING BUDGET -3 YEARS

Project	Vote number	Final Amended Budget 2015/2016	Proposed Reduced Budget 2016/2017	Proposed Budget 2017/2018	Proposed Budget 2018/2019
Top Structures PB	12990203280000	R 1 000.00	R 1 000.00		
Mount Pleasant TS (172)	12990203280000	R 20 314 265.00	R 344 000.00		
EHP	12990203280000	R 15 282.00	R 260 000.00	R 280 000.00	R 300 000.00
Hawston TS (60)				R 5 809 634.00	R 13 239 881.00
Swartdamweg TS (48 + 131)	12990203280000	R 7 258 069.00	R 13 850 956.00	R 170 300.00	
Site C2 TS (132)	12990203280000		R 13 306 060.00	R 2 343 860.00	
Zwelihle Admin Site (TRA)	12990203280000	R 1 120 939.00	R 10 088 446.00		
Garden Site TS (58)	12990203280000	R 660 487.00	R 5 944 379.00	R 116 000.00	
TOTAL OPEX		R 29 370 042.00	R 43 794 841.00	R 8 719 794.00	R 13 539 881.00

Mount Pleasant IRDP	5 02 5009 004 1	R 3 172 062.00			
Swartdamweg IRDP	5 05 5009 005 1	R 2 885 858.00			
Stanford IRDP	5 02 5009 006 1	R 654 318.00	R 1 612 884.00	R 6 543 900.00	R 6 093 900.00
Zwelihle Admin Site	5 02 5009 002 1	R 9 811 591.00			
Zwelihle Site C2	5 02 5009 003 1	R 9 178 761.00			
Masakhane			R 1 000 000.00	R 7 568 176.00	R 13 040 862.00
Blompark				R 1 325 925.00	R 4 993 025.00
Beverly Hills			R 2 561 250.00	R 5 727 690.00	
Hawston IRDP			R 2 399 745.00	R 9 372 599.00	R 9 140 923.00
Mandela Square /Garden Site	5 02 5009 001 1	R 377 229.00	R 4 308 419.00		
Transit Camp & Asazani (166)			R 1 000 000.00	R 6 241 916.00	
Tambo Square				R 1 000 000.00	R 3 973 364.00
Tsepe-Tsepe					R 425 926.00
Buffeljagsbaai					R 72 119.00
TOTAL CAPEX		R 26 079 819.00	R 12 882 298.00	R 37 780 206.00	R 37 740 119.00

GRAND TOTAL		R 55 449 861.00	R 56 677 139.00	R 46 500 000.00	R 51 280 000.00

ANNEXURE F

SERVICE LEVEL STANDARDS

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

Description	
Standard	Service Level 2016/2017
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
Sewerage Service	
Are your purification system effective enough to put water back in to the system after purification?	YES, effective to put water back into water resources in accordance with license conditions.
To what extend do you subsidize your indigent consumers?	Basic charge plus one after hour tanker service
How long does it take to restore sewerage breakages on average	
Severe overflow? (hours)	4.00
Sewer blocked pipes: Large pipes? (Hours)	4.00
Sewer blocked pipes: Small pipes? (Hours)	4.00
Spillage clean-up? (hours)	6.00
Replacement of manhole covers? (Hours)	4.00
Road Infrastructure Services	
Time taken to repair a single pothole on a major road? (Hours)	24.00
Time taken to repair a single pothole on a minor road? (Hours)	48.00
Time taken to repair a road following an open trench service crossing? (Hours)	48.00
Time taken to repair walkways? (Hours)	48.00
Property valuations	
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
Financial Management	
Is there any change in the situation of unauthorised and wasteful expenditure over time? (Decrease/Increase)	Decrease
Are the financial statement outsources? (Yes/No)	No
Are there Council adopted business process tsructuing the flow and managemet of documentation feeding to Trial Balalnce?	Standard Operating Procedures
How long does it take for an Tax/Invoice to be paid from the date it has been received?	24.83 days
Is there advance planning from SCM unit linking all departmental plans quaterly and annually including for the next two to three years procurement plans?	Partially (currently being developed)
Administration	
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	
Standard	Service Level 2016/2017
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
Community safety and licensing services	
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
Economic development	
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
Other Service delivery and communication	
Is a information package handed to the new customer? (Yes/No)	Yes - available on www.overstrand.gov.za
Does the municipality have training or information sessions to inform the community? (Yes/No)	Yes
Are customers treated in a professional and humanly manner? (Yes/No)	Yes

ANNEXURE G

WATER & WASTE WATER QUALITY

2014

Blue Drop Report



028_2012



water & sanitation

Department:
Water and Sanitation
REPUBLIC OF SOUTH AFRICA



blue drop
CERTIFICATION

drinking water quality
REGULATION

Blue Drop Requirements for 2014

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

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

	COMPLIANCE (5%)	- Excellent Compliance (93% for <100 000 population & 95% for >100 000 population) - Good Compliance (90% for <100 000 population & 93% for >100 000 population)
	BONUS (1): Aesthetic DWQ Compliance	The Aesthetic Quality of the water supply must comply with the Excellent Requirements set by the Blue Drop Programme for all aesthetic determinands listed in the 2014 Blue Drop Limits - Excellent Compliance (93% for <100 000 population & 95% for >100 000 population) - Good Compliance (90% for <100 000 population & 93% for >100 000 population)
	PENALTY (1): Data Difference	Should there be a difference between data available on BDS and that which is presented in hardcopy for verification the penalty will apply
	PENALTY (2): <11 Months' Data	Less than 11 months data available to assess Microbiological and Chemical compliance
	PENALTY (3): Notification of Failure	If there is any significant (sustained) failure with no evidence of a Water Quality Alert Notice (Boil Water Notice) being issued, this penalty will apply. NB! This may have an implication on qualification for certification
(4) MANAGEMENT, ACCOUNTABILITY, & LOCAL REGULATION 10%	(4.1) MANAGEMENT COMMITMENT (30%)	Management's commitment to effective Drinking Water Quality Operations & Management should be portrayed by Proof of signature approval of the: a) Water Safety Plan b) DWQ Monitoring Programme c) Water Treatment Plant Logbook d) Operations and Maintenance Budget e) Water Services Development Plan
	(4.2) PUBLICATION OF PERFORMANCE (25%)	Evidence should be provided on the various means of drinking water quality information made public to the constituencies supplied with drinking water from this specific water supply system Forms of Publication: >Newspaper publication >Municipal Billing >Community Radio >Annual Report >Posters & Pamphlets >Population and Promotion of "My Water" >Electronic Webpage Water Services Institutions must provide evidence of adequate marketing of Existing Blue Drop Certified water supply systems
	(4.3) SERVICE LEVEL AGREEMENT/ PERFORMANCE AGREEMENT (15%)	Should there be an institutional arrangement between the Water Services Authority and the Water Services Provider, then it is essential that the legislatively required contract (Section 19 of the Water Services Act) stipulate the Service Level Agreements between the two entities. A copy of this document is required, OR Should the Water Services Authority fulfil the function of Water Services Provider as per Section 78 arrangements, then it is required that the responsible manager (official) have a Performance Agreement (Workplan) in place which stipulates Drinking Water Quality Management Responsibilities
	(4.4) SUBMISSION OF DWQ DATA (30%)	a) 12 months of data had been submitted on the Blue Drop System (BDS) (DWA will only consider data available on the BDS) b) All compliance monitoring test results are required to be submitted c) As per a requirement of the Water Services Act, compliance data submission occurred monthly (Section 62 of the Water Services Act, Section 9 Regulations) (measured as BDS submission compliance)
	BONUS (1): Publication of Performance	Availing information on Drinking Water to relevant public in 3 or more forms listed
	BONUS (2):	Workplans of Process Controllers aligned to Operations and

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

2014 NO DROP REQUIREMENTS (Water use efficiency)

(6) WATER USE EFFICIENCY & WATER LOSS MANAGEMENT 3%	(6.1) WATER BALANCE (30%)	Provide MONTHLY and ANNUAL composite IWA water balance diagrams and supporting documents for the complete system as part of the water audit (as a component in the WSDP) as per Regulation 509 of 2001 Clause 10 of the Water Supply Regulations. Balance diagram to specify as a minimum the main components of the IWA balance including Water Losses broken down into: a) System input volumes b) Billed metered and unmetered usage c) Unbilled Authorised Consumption d) Water losses broken down into Real and Apparent Losses e) Free Basic Water, and f) Non Revenue Water and to be supported by a schematic showing bulk meters, zones and main infrastructure components Note: WSI's to ensure that units are clearly indicated against numeric values in water balance (e.g. 100 kl/annum, 50 m³/day, etc)																																							
	(6.2) WDM STRATEGY and BUSINESS PLAN and IMPLEMENTATION (30%)	a) Evidence must be provided of a Council approved WDM strategy and business plan consisting of at least the following: - Background and Context - Situation Assessment including a Needs Statement - Key Issues and Challenges - Focus Areas of Intervention - List of Proposed Interventions - Set targets for demand, NRW, commercial and real losses - Budget and Multi-year Implementation Timeline b) Provide evidence of implementation against the above Plan in terms of: - List of Interventions (Projects) - Movement against targets for demand, NRW, commercial and real losses - Budget and Multi-year Implementation Timeline (Reg 509 of 2001 Clause 10)																																							
	(6.3) COMPLIANCE and PERFORMANCE (40%)	a) Provide historic data in order to calculate the following: - Physical (real) water loss trend - Commercial water loss trend - Water use efficiency trend b) Provide the following data (grey cells only) with supporting documentation, in order to calculate the WSI baseline profile for: - Physical (real) water loss status - Commercial water loss status - Water use efficiency status <table><tr><td>Population number served:</td><td></td><td>SIV (System Input Volume) (kl/annum):</td><td></td><td>Average system pressure (m):</td><td></td></tr><tr><td>Households served:</td><td></td><td>Authorised, Billed and Metered (kl/annum):</td><td></td><td>Usage (l/cap/day):</td><td></td></tr><tr><td>Total connections:</td><td></td><td>Authorised, Billed and Unmetered (kl/annum):</td><td></td><td>Non-revenue (l/cap/day):</td><td></td></tr><tr><td>Metered connections:</td><td></td><td>Authorised and Unbilled (kl/annum):</td><td></td><td>Real losses (l/cap/day):</td><td></td></tr><tr><td>Unmetered connections:</td><td></td><td>Authorised Consumption (kl/annum):</td><td></td><td>% Metering</td><td></td></tr><tr><td>Households with deemed of flat rate billing:</td><td></td><td>Revenue water (kl/annum):</td><td></td><td rowspan="2">Efficiency =</td><td rowspan="2"></td></tr><tr><td>Number of metered</td><td></td><td>Non-revenue water</td><td></td></tr></table>	Population number served:		SIV (System Input Volume) (kl/annum):		Average system pressure (m):		Households served:		Authorised, Billed and Metered (kl/annum):		Usage (l/cap/day):		Total connections:		Authorised, Billed and Unmetered (kl/annum):		Non-revenue (l/cap/day):		Metered connections:		Authorised and Unbilled (kl/annum):		Real losses (l/cap/day):		Unmetered connections:		Authorised Consumption (kl/annum):		% Metering		Households with deemed of flat rate billing:		Revenue water (kl/annum):		Efficiency =		Number of metered		Non-revenue water
Population number served:		SIV (System Input Volume) (kl/annum):		Average system pressure (m):																																					
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Households with deemed of flat rate billing:		Revenue water (kl/annum):		Efficiency =																																					
Number of metered		Non-revenue water																																							

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

Quality of Drinking Water

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

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

Regulatory Impression

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Site Inspection Scores

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

Preekstoel WTW: 88%
Buffels River WTW: 90%

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

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



Flocculent dosing at point of high turbulence tanks



Bunded area for chemical storage tanks

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

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



Gravity flow dosing system of flocculent



Chemical tanks not banded



2013

GREEN DROP

REPORT

VOLUME 1:

MUNICIPAL AND PRIVATE
WASTEWATER SYSTEMS

FINAL DRAFT



water affairs

Department:
Water Affairs
REPUBLIC OF SOUTH AFRICA



green drop
CERTIFICATION
waste water service
REGULATION

Together committed to excellent Water Quality for the future

ACRONYMS

ACRONYMS	DESCRIPTION
ADWF	Average Dry Weather Flow
CFO	Chief Financial Officer
COD	Chemical Oxygen Demand
CRR	Cumulative Risk Rating
DPW	Department of Public Works
DWA	Department of Water Affairs
GA	General Authorisation
GDC	Green Drop Certification
GDS	Green Drop System (www.dwa.gov.za/greendrop)
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 ₂ 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
PROVINCES	
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	

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

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

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

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

Note: volumetric capacity refers to Average Dry Weather Flow

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

Plant is receiving 12% more wastewater compared to its original design capacity (ADWF)	
Effluent quality compliance to legislative standards carries a high (30%) weight in the GDC score	
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.

	BONUS (Process Control)	BONUS: 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
(2) Wastewater Monitoring Programme [15%]	(2.1) OPERATIONAL MONITORING	Details of Operational Monitoring: a) Proof of Operational Monitoring sites, determinands and frequency; 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> c) Determinands monitored; d) as per Authorisation / as per best practice per technology type; e) 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)
	(2.2) COMPLIANCE MONITORING	Details of Compliance Monitoring (For ALL Effluent Discharges). a) Sampling Sites as per Authorisation; b) Determinands as per Authorisation (This would include determinands not categorised as Microbiological, Chemical or Physical, e.g. SAR) ; c) 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.
	(2.3) LABORATORY USED	a) Name lab(s) for operational analysis (in-house or on-site) and lab for compliance analysis/checks (in-house or external) b) Provide the turnaround in laboratory analysis (in hours: from time of submission to time of results dissemination)
	(2.3) LABORATORY CREDIBILITY	a) Certificate of Accreditation for applicable methods, b) Or Z-scores results following participation a recognised Proficiency Testing Scheme ($-2 \geq z$ -score ≥ 2 are unacceptable) c) Or Proof of Intra- and Inter-laboratory proficiency (quality assurance as prescribed in Standard Methods)
	(2.4) PROCESS CONTROL / MONITORING RESULTS	a) 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>
(3) Submission of Wastewater Quality Results [5%]	(3.1) DATA SUBMISSION	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
	PENALTY (1): Data Not Captured OR	Penalty will apply should Wastewater results be available but not captured on GDS.
	PENALTY (2): 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.

(4) Wastewater Effluent Quality Compliance [30%]	(4.1) WATER USE AUTHORISATION	a) Copy of authorisation, detailing Effluent Quality Standards. NOTE: List Standards to comply with.
	(4.2) EFFLUENT QUALITY COMPLIANCE	a) 90% Microbiological Compliance (e.g. E Coli; Faecal Coliforms) b) 90% Chemical Compliance (e.g. COD, Ammonia, Nitrogen, Nitrate, Nitrite, Residual Chlorine, Ortho-Phosphates, Fluoride, Arsenic, Cadmium, Copper, Manganese, Iron, Selenium, Zinc, Boron, etc.) c) 90% Physical Compliance (e.g. pH, Suspended Solids, Electrical Conductivity, Soap, Oil or Grease, etc)
	BONUS (GDIP)	a) A practical Green Drop Improvement Plan (GDIP) in place – with baseline (current) score, tasks, responsible person, completion date, budget, target GDC score; b) Implementation evidence and proof of management of process
	PENALTY: (Sludge Management)	a) Sludge treatment not managed / monitored. (Monitoring records must be produced); b) In case of ponds systems, provide schedule for desludging of system.
(5) Wastewater Quality Risk Management [15%]	(5.1) WASTEWATER RISK ABATEMENT PLAN (W₂RAP)	a) A practical and site specific Wastewater Risk Abatement Plan (W ₂ RAP) is in place which identify and prioritise risks, with measures to mitigate inefficiencies/inadequacies that result in non-compliance b) Implementation evidence and proof of management commitment
	(5.2) INCIDENT REGISTER	a) Provide evidence of implementation of Protocol b) Wastewater Quality Failure Incident and Sewer Spillage Incident register.
	(5.3) WASTEWATER INCIDENT MANAGEMENT PROTOCOL	a) Evidence of a documented Wastewater Incident Management Protocol b) Protocol to specify alert levels, response times, required actions, roles & responsibilities and communication measures/vehicles. c) NB. Include Pumpstation failure (sewer collector system spillages)
	BONUS (Energy)	WSI is able to provide DWA with: a) Electricity consumption over last financial year (in KWh/day) and Rand value (R/year) of treatment plant; b) Energy demand projections over next >3 years (in KWh/day) and in Rand value (R/year); and c) Calculate cost of energy (KWh/kl wastewater treated)
(6) Local Regulation [5%]	(6.1) BYLAWS	Proof of the Bylaws providing for the regulation of: 1. <i>industrial (trade) influent (volumes & 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>
	(6.2) ENFORCEMENT	1. Proof of application of Bylaw clause in practice, supported by written notice/s to offender OR 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).

	PENALTY: (Industrial Monitoring)	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.
	BONUS (Publication)	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
(7) Wastewater Treatment Capacity [5%]	(7.1) DESIGN CAPACITY	a) Documented design capacity (hydraulic and organic) of the wastewater treatment facility 1. Design capacity as Average Dry Weather Flow (ADWF) and COD load to the plant and b) Documented daily receiving flows over the 12 months of assessed period (ideally $\leq$ than design capacity) 1. Evidence of daily flows and subsequent calculated averages. Measurement method to be explained 2. Evidence of peak wet weather flow to plant during rain events (record rain event and flow to plant) 3. Evidence of minimum night flow (minimum monitoring: monthly) 4. Water services institution is required to provide motivation/proof of accuracy of meter readings. c) Monitoring of outflow volumes (available records) - provide proof of verification system and/or calibration of meters)
	(7.2) WWTW CAPACITY PLANNING	Medium to long term planning to ensure sufficient capacity for treatment system and to ensure effluent quality compliance; 1. Detailed Work-plan which stipulates: i) <i>type of work,</i> ii) <i>associated budget,</i> iii) <i>projected timeframe</i> iv) <i>planned output of this work.</i>
	(7.3) COLLECTOR CAPACITY PLANNING	Medium to long term planning to ensure sufficient capacity for collecting system 1. Detailed Work-plan which stipulates: i) <i>type of work,</i> ii) <i>associated budget</i> iii) <i>projected timeframe</i> iv) <i>the planned output of this work</i> 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)
	PENALTY	Capacity Utilisation <40%, >90%, >100%
(8) Wastewater Asset Management [15%]	(8.1) PROCESS AUDIT	a) 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. b) Evidence/plan of implementation of findings during year following Audit Report required.
	(8.2) SEWER MAIN INSPECTION	c) 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. Note: both the process audit and sewer network report could serve as baseline to the W₂RAP (may run concurrently with "system description and risk identification/rating)

	(8.3) WASTEWATER ASSET REGISTER	d) Updated sanitation / wastewater Infrastructure Asset Register 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
	(8.4) O&M BUDGET & EXPENDITURE	e) Operation and maintenance budget and comparative expenditure detail for: 1. <i>wastewater treatment (in cents/m³), and</i> 2. <i>collection system (R/m³)</i> The assessor will require the WSI to explain how these figures compare or are benchmarked to determine whether budget is (in)sufficient NOTE: Indicate whether WSI could only provide global figures or system specific figures.
	(8.5) PUMPSTATION MAINTENANCE	Proof of maintenance work done on mechanical, electrical, civil per pumpstation
Additional Bonuses	(AB 1) CROSS-POLLINATION	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) STORMWATER MANAGEMENT	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) WATER DEMAND MANAGEMENT	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

2013 Municipal Green Drop Score	89.14% ↑
2011 Municipal Green Drop Score	88.80%
2009 Municipal Green Drop Score	63.00%

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
Green Drop Score (2013)		91.17%	90.03%	93.39%	91.76%
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%
Wastewater Risk Rating (2012)		34.70%	33.30%	44.40%	38.90%
Wastewater Risk Rating (2013)		45.45%	29.41%	29.41%	35.29%

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
Green Drop Score (2013)		77.61%
2011 Green Drop Score		82.50%

2009 Green Drop Score		66.00%
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%
Wastewater Risk Rating (2012)		44.40%
Wastewater Risk Rating (2013)		47.06%

Regulatory Impression

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

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

Overall, Overstrand has managed to produce a polished Green Drop Performance. Overstrand is also one of very few municipalities that were using the opportunity to score against all the bonus criteria. **Well done**. The absolute consistency displayed in keeping all systems in **low risk zones** using the W₂RAP 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-PO₄, SS/COD at some plants, given that ample capacity exist at all plants.

Site Inspection Report

Kleinmond

75%

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

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



ANNEXURE H

**NT & PT BUDGET CIRCULARS, WEB
BASED CSD, COST CONTAINMENT
MEASURES & FINANCIAL RATIOS AND
NORMS**



Municipal Budget Circular for the 2016/17 MTREF

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Introduction

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

1. 2016 Local Government Elections and the budget process

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

The following four risks need to be explicitly managed:

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

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

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

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

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

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

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

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

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

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

It is each municipal council's prerogative to decide when to approve its annual budget. However, to assist municipalities, National Treasury proposes that councils consider adopting the following approach for their 2016/17 budget process:

Outgoing council approves 2016/17 budget	
1.	Current Mayor prepares a budget schedule that brings the review of the IDP and the tabling of the budget forward to late February or the beginning of March 2016;
2.	Community consultations on the annual budget conducted in the remainder of March and early April 2016;
3.	Officials complete technical work on annual budget by mid-April 2016;
4.	Current council approves annual budget and reviewed IDP before the end of April 2016; and
5.	Council implements annual budget from 1 July 2016.
Benefits	
•	Minimises the risk of being without an approved budget at the start of the financial year;
•	Ensures continuity of operations; and
•	Safeguards the financial sustainability of the municipality by ensuring tariff increases are locked in before the start of the financial year.
Risks	
•	New council may not concur with the priorities set out in the annual budget approved by the outgoing council, and therefore they may be reluctant to be held accountable for the implementation thereof.
Mitigating factors	
•	New council should note the overlapping year of the last year of the IDP into the first year of new council; and
•	Note that MFMA section 28(6) does not allow for tariff increases during the financial year of implementation of the adopted budget.

2. Financial Implications of the demarcation process

According to section 21 of the Municipal Demarcation Act, 1998 (Act No 27 of 1998), the Municipal Demarcation Board (MDB) must determine municipal boundaries and may re-determine any municipal boundaries. In June 2011, the MDB began an intensive three year consultative process of reviewing municipal boundaries. This process was concluded in 2013, and resulted in 17 local municipalities being affected by major boundary redeterminations. As a result of these changes the total number of municipalities is reduced by 8 municipalities.

Following the 2013 cycle of municipal boundary redeterminations, the Minister of Cooperative Governance and Traditional Affairs (CoGTA) submitted additional proposals requesting the MDB to consider the re-configuration of boundaries of certain municipalities. These proposals were submitted to the MBD in January, February and April 2015 in terms of section 22(2) of the Act, which gives the Minister of CoGTA the right to request the MDB to consider specific boundary changes. The process of considering these applications was finalised in 2015, resulting in 32 local municipalities being affected. As a result of these changes the total number of municipalities is reduced by a further 13 municipalities.

In total there will be a net reduction of 21 municipalities resulting in a total number of 257 municipalities in the country. A list of affected municipalities is attached as Annexure B.

Implications for municipalities that are merging (if the election is held before 1 July 2015):

- The demarcation changes are only effective from the date of the local government elections, therefore each existing municipality must compile an individual budget for the 2016/17 MTREF;
- The individual budgets will be consolidated for the newly demarcated municipality after the local government elections, regardless of the new allocations that will be published in the 2016 Division of Revenue Bill;
- In order to ensure seamless consolidation of budgets after the elections, the merging municipalities are urged to start working as a team on the planning and technical processes; and
- During the period between the date of the election and the start of the new municipal financial year on 1 July 2016 the current arrangements for the payment of staff and creditors are required to be maintained.

In addition, municipalities should be aware of the role of the Change Management Committee (CMC) of overseeing joint planning between the municipalities in preparation for the consolidated budget after the local government elections.

National Treasury will provide further information on the implications of the mergers if the elections are after the start of the 2016/17 municipal financial year. This will be done in the second budget circular to be issued in March 2016. In this scenario the currently existing municipalities would continue to exist for the beginning of the 2016/17 financial year before the mergers come into effect on the date of the election. Existing councils will have to adopt budgets and municipalities will be eligible to receive a pro-rata portion of their equitable share and some grant allocations for the period prior to the new municipal boundaries coming into effect.

2.1 Support provided to municipalities

To support the newly amalgamated municipalities to undertake a smooth transition, the Municipal Demarcation Transition Grant (MDTG) was established with a time span of three years (2015/16 to 2017/18). The purpose of the grant is to subsidise the additional institutional and administrative costs arising from major boundary changes due to come into effect after the 2016 local government elections. The grant only subsidises additional administrative costs related to the mergers (such as merging and changing administrative systems and costs related to transferring staff). It does not provide for any infrastructure funding.

All affected municipalities are also being supported by provincial departments of cooperative governance. A Change Management Committee has been established for each re-demarcation, with representation from all of the affected municipalities and their respective district municipalities and the provinces. The Department of Cooperative Governance has also established a national Municipal Demarcation Transitional Committee with the aim of coordinating the various transitional measures that need to be put in place for the affected municipalities.

The 2016 DORA will set out the funding that will be provided to the affected municipalities, and these municipalities, CMCs and affected provinces must ensure that they adhere to the conditions attached to the MDTG. In particular, business plans must be timeously submitted to the Department of Cooperative Governance so as to ensure that transfers are done in accordance with the payment schedules.

2.2 Impact of demarcation changes on financial transfers to municipalities

Implications for Local Government Equitable Share (LGES) allocations

The LGES is allocated through a formula that takes account of several factors including the number of poor households and households in a municipality, their incomes and the ability of the municipality to raise its own revenue. In calculating municipalities' equitable share allocations for 2016/17 all of these indicators will be updated in line with the new municipal boundaries. The resultant changes in the affected municipalities' equitable share allocations will be implemented by National Treasury and details of the new allocations will be published in the 2016 Division of Revenue Bill.

Implications for Municipal Infrastructure Grant (MIG) allocations

The MIG is allocated through a formula in a similar manner to the LGES (the MIG formula is based on infrastructure backlogs). The MIG formula will also be updated with data reflecting the changed municipal boundaries. The resultant changes in the affected municipalities' MIG allocations will be implemented by National Treasury and details of the new allocations will be published in the 2016 Division of Revenue Bill.

Implications for other conditional grant allocations

Allocations of other conditional grants are made to municipalities by the responsible national departments, often on a project basis. Allocations for conditional grants are only made for one year and the amounts published for the outer years in the schedules of the Division of Revenue Act are published for indicative purposes only and are not guaranteed. Departments will make their allocations for the 2016/17 financial year based on the new boundaries of municipalities. For municipalities that have been merged this means that previous indicative allocations are likely to be made to the new municipality that incorporates the municipal area where a project was planned and indicative amounts were published, however there is no guarantee of this.

Preparations for each major boundary re-determination are being overseen by a Change Management Committee (CMC). These CMCs are expected to play a coordinating role and exercise oversight over the preparation of a joint budget as well as any business plans required for conditional grants. The business plans can then be approved by the new council as soon as it has been constituted.

Transfers to municipalities will be gazetted in terms of the new municipal boundaries for the 2016/17 financial year.

2.3 Implications for assets and liabilities of municipalities

The changes to municipal boundaries are published by the MECs for local government in provincial gazettes in terms of section 12 of the Municipal Structures Act, 1998 (Act No 117 of 1998)(LGMSA). Section 14 of this Act regulates the effects that changes to municipal boundaries will have on existing municipalities. It also stipulates that the section 12 notice issued by the MEC for local government must provide for:

- The disestablishment of a municipality (or part of a municipality);
- The vacation of office by councilors of the existing municipality;
- The transfer of staff from the existing municipality to the superseding municipality (this must be done in accordance with labour legislation);
- The transfer of assets, liabilities and administrative and other records from the existing municipality to the superseding municipality (creditors of the existing municipality must be paid by the new municipality); and
- The extent to which existing by-laws will still apply.

The 2016/17 municipal budget preparation must make provision for any changes contained in these section 12 notices. The outgoing Council will as a result still be responsible for the preparation and conclusion of the Annual Financial Statements and the audit process.

3. The South African economy and inflation targets

The 2015 Medium Term Budget Policy Statement notes that the global economic outlook has been weaker than anticipated. Growth in developing economies has moderated in response to lower commodity prices, subdued domestic demand and reduced capital inflows. Growth in some developed economies has offset this slowdown. The South African economy is expected to grow by 1.5 per cent in 2015, 1.7 per cent in 2016 and 2.6 per cent in 2017. Domestic inflation is lower, largely as a result of declining oil prices. However, the depreciation of the Rand and the current drought gripping many parts of the country, however, pose some risk to the inflation outlook. Furthermore the electricity supply shortages pose the largest domestic risk to growth.

Persistent high unemployment remains one of South Africa's most pressing challenges. Difficult trading conditions and low business confidence levels have limited hiring during 2015. The formal sector lost 76 000 jobs, with sharp declines in manufacturing and construction, as well as community, social and personal services.

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

Municipalities must take the following macro-economic forecasts into consideration when preparing their 2016/17 budgets and MTREF.

Table 1: Macroeconomic performance and projections, 2014 - 2018

Fiscal year	2014/15	2015/16	2016/17	2017/18	2018/19
	Actual	Estimate	Forecast		
CPI Inflation	5.6%	5.5%	6.0%	5.8%	5.8%

Source: Medium Term Budget Policy Statement 2015

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

4. Key focus areas for the 2016/17 budget process

4.1 Local government conditional grants and additional allocations

The purpose of the conditional grants is to deliver on national government priorities relating to service delivery. Additional funding is allocated in the form of unconditional allocations such as the equitable share and the sharing of the general fuel levy. The main purpose of the equitable share is to fund the provision of free basic services to the poor.

The 2015 Medium Term Budget Policy Statement indicates that over the 2016 MTEF period, transfers to local government total R350.6 billion, with 59.5 per cent transferred as unconditional allocations and the rest as conditional grants. The division of available funds to local government have increased to R106.9 billion or 9.2 per cent of the national revenue for 2016/17. These funds are expected to increase to R128.4 billion by 2018/19.

Municipalities are advised to use the indicative numbers as set out in the 2015 Division of Revenue Act to compile their 2016/17 MTREF. In terms of the outer year (2018/19 financial year), it is proposed that municipalities conservatively limit funding allocations to the indicative numbers as proposed in the 2015 Division of Revenue Act for 2017/18. The DoRA is available at <http://www.treasury.gov.za/legislation/acts/2015/Default.aspx>

It is imperative that municipalities reflect the conditional grant allocations as per the 2016 Division of Revenue Bill once available, and plan effectively to utilise these allocations appropriately so as to avoid requesting roll-overs.

Changes to local government allocations

- The *local government equitable share* is being increased by R6 billion over the MTEF to provide some relief for the impact of increasing costs of bulk water and electricity and rapid growth in households.
- The *municipal demarcation transition grant* allocation is being increased to subsidise the additional administrative costs in respect of the re-demarcations. This includes increased allocations for demarcations approved in 2013 and allocations for demarcations approved in 2015.
- The *municipal systems improvement grant* will become an indirect grant so that it can support more strategic capacity building interventions at municipalities. The initiatives funded from this grant will be aligned to the Back-to-Basics strategy and the Department of Cooperative Governance and the National Treasury will jointly decide on the details of how this programme will work.
- The *municipal human settlements capacity grant* was introduced in 2014/15 to facilitate the development of capacity to manage human settlements programmes in anticipation of the assignment of the housing function to cities. However, there is no longer a need for this standalone grant as the assignment process was subsequently suspended indefinitely. The grant will be terminated in 2016/17. Cities will be allowed to use 3 per cent of the *urban settlements development grant* to improve their capacity with regard to the built-environment functions.
- The indirect *bucket eradication programme grant* was due to end in 2015/16 but will be extended to 2016/17 to complete the eradication of bucket sanitation systems in formal residential areas. Sanitation upgrading and bucket system eradication in informal areas will continue to be funded through the *urban settlements development grant*, *human settlements development grant* and *municipal infrastructure grant*.

Reforms to local government fiscal framework

The second phase of the collaborative review of the local government infrastructure grant system led by the National Treasury has been concluded. Several changes will be introduced over the 2016 MTEF period to streamline these grants and improve the value and sustainability of associated investments. Proposed reforms to be introduced from 2016 include:

- Enabling the use of funds for the renewal, refurbishment and rehabilitation of existing infrastructure, alongside asset management systems to plan and prioritise maintenance;

- Reforming the public transport network grant to support financially sustainable transit networks in large cities by using a formula to allocate the grant, thereby giving cities a clear financial envelope within which to plan;
- Consolidating urban grants over the MTEF to tackle challenges in the built environment;
- Rationalising grants to reduce complexity and administrative burdens. Several water and sanitation grants are being merged;
 - The *municipal water infrastructure grant*, the *water services operating subsidy grant* and the *rural households infrastructure grant* will be merged into a single grant that will be targeted at reticulation and on-site-solutions in low capacity municipalities.
- Introducing greater differentiation between urban and rural areas. Secondary cities in particular will see changes to their planning requirements.

National Treasury has initiated a process of reviewing development charges. A national draft policy framework on development charges has been developed and processes are underway to consult on the policy. The consultations will convene early next year. More detailed information on these consultation processes will be provided in due course. For more information in this regard, you can contact Ms Judy Mboweni at Judy.Mboweni@treasury.gov.za or Ms Mmachuene Mpyana at Mmachuene.Mpyana@treasury.gov.za.

4.2 Reporting indicators

The National Treasury has engaged in a process of rationalising the reporting regime for the eight metropolitan municipalities with an aim to reduce the reporting burden whilst also creating a pool of indicators that will enable government to monitor progress on the outcomes and impact of municipal spending. This process has progressed significantly with regards to the outcomes and impact indicators whilst the rationalisation of the inputs, activities and output indicators is still undergoing rigorous consultations. The metropolitan outcomes and impact indicators are linked to the Built Environment Performance Plans (BEPPs) and therefore the Integrated City Development Grant (ICDG); whereas the inputs, outputs and activities indicators are linked directly to the Service Delivery Budget Implementation Plan (SDBIP) only as it relates to the built environment. When finalised, these indicators will assist the process of standardising the SDBIP.

The functional outcomes indicators are due to be finalised for the next budget cycle whilst the work on the input and output indicators is ongoing. Over time these reforms will also be extended to non-metropolitan municipalities.

4.3 Municipal Standard Chart of Accounts (*mSCOA*)¹

The *mSCOA* Regulations apply to all municipalities and municipal entities with effect from 1 July 2017 and only eleven months remain for preparation and implementation readiness as the 2017/18 MTREF budgets will all have to be aligned to *mSCOA*.

The implementation of *mSCOA* must be considered a business reform and it requires a significant change in municipal business processes; and it involves systems conversion and/

¹ The Minister of Finance promulgated the Municipal Regulations on a Standard Chart of Accounts in government gazette Notice No. 37577 on 22 April 2014.

or re-implementation. Further, *mSCOA* requires organisational change as it is not only a financial reform that is being introduced.

The 2016/17 tabled budget or consolidated budget must include an annexure containing the municipality's *mSCOA* project plan and progress to date.

National Treasury has a dedicated website to support municipalities with their *mSCOA* readiness efforts. The following information is available:

- The current *mSCOA* classification framework;
- The *mSCOA* Project Summary Document;
- All Municipal *SCOA* Circulars, providing hands-on support on how to undertake preparation and implementation;
- Integrated Consultative Forum (ICF) – documentation and presentations of the *mSCOA* piloting process; and
- The Frequently Asked Questions Database (FAQ Database) – where previously asked questions and responses can be accessed and new questions may be logged.

For more information on *mSCOA* and other benefits of the reform, visit: <http://mfma.treasury.gov.za/RegulationsandGazettes/MunicipalRegulationsOnAStandardChartOfAccountsFinal/Pages/default.aspx>

5. The revenue budget

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges at levels that reflect an appropriate balance between the interests of poor households, other customers and ensuring the financial sustainability of the municipality. For this reason municipalities ***must justify in their budget documentation all increases in excess of the 6.0 per cent*** projected inflation target in the budget narratives.

Municipalities are not maximising the revenue generation potential of their revenue base and this, together with the increasing unemployment and the decline in economic growth means that there is just not sufficient municipal own revenue to supplement the national funding sources to local government.

It is therefore necessary for municipalities to ensure that their tariffs are adequate to, at the minimum, cover the costs of bulk services and also to ensure that all properties are correctly billed for property rates and all services rendered.

5.1 Eskom bulk tariff increases

In terms of the Multi Year Price Determination (MYPD) for Eskom's tariffs approved by the National Energy Regulator of South Africa (NERSA), a tariff increase of 8 per cent has been approved for the 2016/17 financial year. However, Eskom has applied to NERSA to use tariff increases in 2016/17 to compensate for an under-recovery of R22.8 billion in 2013/14. Such an application is allowed in terms of the NERSA's methodology for calculating the MYPD. A similar Eskom application was approved by NERSA for 2015/16.

NERSA is now in the process of reviewing this application. Until a decision on Eskom's application is announced by NERSA, municipalities are advised to base their planning on the 8 per cent increase already approved by NERSA. However, municipalities should be aware that it is possible that a higher tariff increase could be approved and take this possibility into account in their planning for the 2016/17 MTREF. NERSA expects to make a decision on Eskom's application by February 2016.

Municipalities are urged to examine the cost structure of providing electricity services and to apply to NERSA for electricity tariff increases that reflect the total cost of providing the service so that they work towards achieving financial sustainability.

5.2 Water and sanitation tariff increases

Municipalities should consider the full cost of rendering the water and sanitation services when determining tariffs related to these two services. If the tariffs are low and result in the municipality not recovering their full costs, the municipality should develop a pricing strategy to phase-in the necessary tariff increases in a manner that spreads the impact on consumers over a period of time. Should this not be the case, municipalities will be required to clearly articulate the reasons and remedial actions to rectify this position in their budget document. It is expected that the tariffs will differ per municipality depending on the bulk water tariff increases charged by their respective water boards.

Municipalities are urged to design an Inclining Block Tariff (IBT) structure that is appropriate to its specific circumstances, and ensures an appropriate balance between 'low income customers' and other domestic, commercial and business customers, and the financial interests of the municipality. While considering this structure, municipalities are advised to evaluate if the IBT system will be beneficial to them depending on consumption patterns in their areas.

In light of the current drought being experienced across large parts of the country, and to mitigate the need for water tariff increases, municipalities must put in place appropriate strategies to limit water losses to acceptable levels. In this regard municipalities must ensure that water used by its own operations is charged to the relevant service, and not simply attributed to water losses.

6. Funding choices and management issues

Municipalities should carefully consider the costs associated with service delivery while keeping in mind affordability and inflation when setting revenue raising measures. Once again, approving tariffs that are far below levels representing cost of providing the services would negatively impact on the financial sustainability of municipalities.

Furthermore municipalities must consider the following when compiling their 2016/17 MTREF budgets:

- improving the effectiveness of revenue management processes and procedures; and
- pay special attention to cost containment measures by, amongst other things, controlling unnecessary spending on nice-to-have items and non-essential activities.

6.1 Employee related costs

The South African Local Government Bargaining Council recently entered into a three-year *Salary and Wage Collective Agreement* for the period 01 July 2015 to 30 June 2018. The agreement reached is as follows:

- 2015/16 Financial Year – 7 per cent
- 2016/17 Financial Year – average CPI (Feb 2015 – Jan 2016) + 1 per cent
- 2017/18 Financial Year – average CPI (Feb 2016 – Jan 2017) + 1 per cent

Municipalities are advised to use this Salary and Wage Agreement preparing their 2016/17 MTREF budgets.

6.2 Remuneration of councilors

Municipalities are advised to budget for the actual costs approved in accordance with the gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually by the Department of Cooperative Governance.

6.3 Service level standards

In spite of a broad guideline on the minimum service standards having been issued with MFMA Circular No. 75, many municipalities did not incorporate the service level standards in their respective budget documentation nor submit these to National Treasury. All municipalities are again advised to formulate service level standards which must form part of their 2016/17 MTREF tabled budget documentation. The said service level standards must, together with the budgets, tabled before their respective municipal councils by no later than 31 March 2016.

It is noted that the same service level standards do not apply across all municipalities. Therefore, the hereon provided outline is intended to guide municipalities with the development of their respective service level standards. The outline can be amended to suit the requirements of individual municipalities. Municipalities are advised to also consider other guideline documents issued by other institutions available on the link indicated below.

A framework was developed as an outline to assist municipalities in finalising their service level standards. The outline can be accessed on the link below:

<http://mfma.treasury.gov.za/Circulars/Documents/Forms/AllItems.aspx?RootFolder=/Circulars/Documents/Circular 75 - 2015 MTREF&FolderCTID=&View={06AB24E7-1C64-4A80-A0FA-273E6A829094}>

6.4 Outcomes of the Financial Management Capability Maturity Model (FMCMM)

In prioritising the upcoming MTREF decisions, municipalities should review the detailed analysis of the results of the FMCMM assessments with the results of the 32 financial ratios that provide a holistic picture of the financial capability and sustainability of the municipality. These reports have been communicated to all municipalities and should be read in conjunction with the most recent budget reviews and feedback provided by National Treasury and Provincial Treasuries. Key aspects requiring attention should be discussed with the municipal council and management so that they can be prioritised for resource allocation and implementation.

Comments on these assessments and any other related legislative advice on the MFMA can be submitted to the MFMA helpdesk facility at: MFMA@treasury.gov.za

6.5 Hand-over reports for the newly elected council

Each municipal manager, working together with the Chief Financial Officer (CFO) and senior managers, is encouraged to prepare a hand-over report that can be tabled at the first meeting of the newly elected council. The aim of this hand-over report is to provide the new councils important orientation information regarding the municipality, the state of its finances, service delivery and capital programme, as well as key issues that need to be addressed.

It is proposed that the hand-over report should include:

- An overview of the demographic and socio-economic characteristics of the municipality;

- An overview of the organisational structure of the municipality, with the names and numbers of senior managers;
- An overview of key municipal policies that councillors need to be aware of, and where they can obtain the full text of such policies;
- An overview of issues that still need to be addressed in relation to the municipality's turnaround strategy;
- An overview of the municipality's financial health, with specific reference to:
 - Its cash and investments, and its funding of commitments (Table A8);
 - Cash coverage of normal operations (see Supporting Table SA10);
 - Creditors outstanding for more than 30 days, along with reasons for delayed settlement;
 - Current collection levels and debtors outstanding for more than 30 days; and
 - Extent of existing loans, and associated finance and redemption payments.
- The municipality's 2014/15 audit outcome, and its strategy to address audit issues;
- An overview of the provision of basic services, including plans to address backlogs;
- An overview of the state of the municipality's assets, with particular reference to the asset management plan, and repairs and maintenance requirements;
- A list of the main infrastructure projects planned for the 2016/17 budget and MTREF;
- A list of key processes requiring council input over the next six months, e.g. revision of the IDP, approval of specific policies etc. and
- Any other information deemed to be important.

In addition to the hand-over report, each new councillor should be given the municipalities' revised IDP, the adopted 2016/17 budget (if already passed), the mid-year budget and performance assessment report for 2015/16, and the latest monthly financial statement, and the annual report for 2014/15.

Municipal managers should submit their municipality's hand-over report to the relevant provincial department responsible for local government, provincial treasuries, the Department of Co-operative Governance (DCoG) and to National Treasury.

7. Conditional Grant Transfers to Municipalities

7.1 Pledging of conditional grants

Read together with paragraph 4.5 of MFMA Circular No. 51, all conditions for the considerations of the conditional grant pledge should be aligned with the provisions of section 46 of the MFMA regarding long-term borrowing.

While pledging of conditional grants assists in accelerating capital projects, municipalities are cautioned that pledging will only be approved for projects that have gone through a proper planning process as well as meeting the criteria for pledging as per MFMA Circular No. 51.

8. The Municipal Budget and Reporting Regulations

National Treasury has released Version 2.8 of Schedule A1 (the Excel Formats). This version incorporates minor changes (see Annexure A). Therefore **ALL** municipalities **MUST** use this version for the preparation of their 2016/17 Budget and MTREF.

Download Version 2.8 of Schedule A1 by clicking [HERE](http://mfma.treasury.gov.za/RegulationsandGazettes/Pages/default.aspx)

The Municipal Budget and Reporting Regulations, formats and associated guides are available on National Treasury's website at:

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

8.1 Assistance with the compilation of budgets

If municipalities require advice with the compilation of their respective budgets, specifically the budget documents or Schedule A1, they should direct their enquiries to their respective provincial treasuries or to the following National Treasury official as follows:

	Responsible NT officials	Tel. No.	Email
Eastern Cape	Templeton Phogole Matjatji Mashoeshoe	012-315 5044 012-315 6567	Templeton.Phogole@treasury.gov.za Matjatji.Mashoeshoe@treasury.gov.za
Free State	Vincent Malepa Cethekile Moshane Katlego Mabiletsa	012-315 5539 012-315 5079 012-395 6742	Vincent.Malepa@treasury.gov.za Cethekile.moshane@treasury.gov.za Katlego.Mabiletsa@treasury.gov.za
Gauteng	Kgomotso Baloyi Nomxolisi Mawulana	012-315 5866 012-315 5460	Kgomotso.Baloyi@treasury.gov.za Nomxolisi.Mawulana@treasury.gov.za
KwaZulu-Natal	Bernard Mokgabodi Johan Botha	012-315 5936 012-315 5171	Bernard.Mokgabodi@treasury.gov.za Johan.Botha@treasury.gov.za
Limpopo	Una Rautenbach Sifiso Mabaso	012-315 5700 012-315 5952	Una.Rautenbach@treasury.gov.za Sifiso.Mabaso@treasury.gov.za
Mpumalanga	Jordan Maja Anthony Moseki	012-315 5663 012-315 5174	Jordan.Maja@treasury.gov.za Anthony.Moseki@treasury.gov.za
Northern Cape	Willem Voigt Mandla Gilimani	012-315 5830 012-315 5807	Willem.Voigt@treasury.gov.za Mandla.Gilimani@treasury.gov.za
North West	Sadesh Ramjathan Makgabo Mabotja	012-315 5101 012-315 5156	Sadesh.Ramjathan@treasury.gov.za Makgabo.Mabotja@treasury.gov.za
Western Cape	Vuyo Mbunge Kevin Bell	012-315 5661 012-315 5725	Vuyo.Mbunge@treasury.gov.za Kevin.Bell@treasury.gov.za
Technical issues with Excel formats	Elsabe Rossouw	012-315 5534	lqdataqueries@treasury.gov.za

National Treasury, together with the provincial treasuries, will undertake a compliance check and, where municipalities have not provided complete budget information, the municipal budgets will be returned to the mayors and municipal managers of the affected municipalities for the necessary corrections. Municipal managers are reminded that the annual budget must be accompanied by a 'quality certificate' in accordance with the format as set out in item 31 of Schedule A in the Municipal Budget and Reporting Regulations.

The National Treasury would like to emphasise that where municipalities have not adhered to the Municipal Budget and Reporting Regulations, ***those municipalities will be required to go back to the municipal council and table a complete budget document aligned to the requirement of the Municipal Budget and Reporting Regulations.***

Municipalities with municipal entities are once again reminded to prepare consolidated budgets and in-year reports for both the parent municipality and its entity or entities in that they to produce:

- An annual budget, adjustments budget and monthly financial reports for the parent municipality in the relevant formats; and
- A consolidated annual budget, adjustments budget and monthly financial reports for the parent municipality and all its municipal entities in the relevant formats.

The A Schedule that the municipality submits to National Treasury must be a consolidated budget for the municipality (plus entities) and not the budget of the parent municipality only.

9. Budget process and submissions for the 2016/17 MTREF

9.1 Submitting budget documentation and schedules for 2016/17 MTREF

To facilitate oversight of compliance with the Municipal Budget and Reporting Regulations, accounting officers are reminded that:

- Section 22(b)(i) of the MFMA requires that **immediately** after an annual budget is tabled in a municipal council, it must be submitted to the National Treasury and the relevant provincial treasury in both printed and electronic formats. If the annual budget is tabled to council on 31 March 2016, the final date of submission of the electronic budget documents and corresponding electronic returns is **Friday, 01 April 2016**. The deadline for submission of hard copies including council resolution is **Friday, 8 April 2016**.
- Section 24(3) of the MFMA, read together with regulation 20(1), requires that the approved annual budget must be submitted to both National Treasury and the relevant provincial treasury **within ten working days** after the council has approved the annual budget. If the council only approves the annual budget on 30 June 2016, the final date for such a submission is **Thursday, 14 July 2016**, otherwise an earlier date applies.

The municipal manager must submit:

- the budget documentation as set out in Schedule A (version 2.8) of the Municipal Budget and Reporting Regulations, including the main Tables (A1 - A10) and ALL the supporting tables (SA1 – SA37) in both printed and electronic formats;
- the draft service delivery and budget implementation plan in both printed and electronic format;
- the draft integrated development plan;
- the council resolution;
- signed Quality Certificate as prescribed in the Municipal Budget and Reporting Regulations; and
- schedules D, E and F specific for the entities.

Municipalities are required to send electronic versions of documents and the A1 schedule to lqdocuments@treasury.gov.za.

If the budget documents are too large to be sent via email (exceeds 4MB) please submit to lqbigfiles@gmail.com. Any problems experienced in this regard can be addressed with Elsabe Rossouw at Elsabe.Rossouw@treasury.gov.za.

Municipalities are required to send printed submissions of their budget documents and council resolution to:

For couriered documents

Ms Linda Kruger
National Treasury
40 Church Square
Pretoria, 0002

For posted documents

Ms Linda Kruger
National Treasury
Private Bag X115
Pretoria, 0001

In addition to the above mentioned budget documentation, metropolitan municipalities must submit the Built Environment Performance Plan (BEPP) tabled in council on 31 March 2016 to Yasmin.coovadia@treasury.gov.za. If the BEPP documents are too large to be sent via email (exceeds 4MB) please submit to yasmin.coovadia@gmail.com or send to Yasmin Coovadia via Dropbox; any problems experienced in this regard can be addressed with

Yasmin.Coovadia@treasury.gov.za. Hard copies of the BEPP may be sent to Yasmin Coovadia, National Treasury, 3rd floor 40 Church Square, Pretoria, 0002 or Private Bag X115, Pretoria, 0001.

9.2 Budget reform returns to the Local Government Database for publication

For publication purposes, municipalities are still required to use the Budget Reform Returns to upload budget and monthly expenditure to the National Treasury Local Government Database. All returns are to be sent to lgdatabase@treasury.gov.za. Municipalities are requested to submit returns for both the draft budget and the final adopted budget. This will assist the National and provincial treasuries with the annual benchmark process.

The aligned electronic returns may be downloaded from National Treasury's website at the following link: http://mfma.treasury.gov.za/Return_Forms/Pages/default.aspx.

9.3 Publication of budgets on municipal websites

In terms of section 75 of the MFMA, all municipalities are required to publish their tabled budgets, adopted budgets, annual reports (containing audited annual financial statements) and other relevant information on the municipality's website. This will aid in promoting public accountability and good governance.

All relevant documents mentioned in this circular are available on the National Treasury website, <http://mfma.treasury.gov.za/Pages/Default.aspx>. Municipalities are encouraged to visit it regularly as documents are regularly added / updated on the website.

Contact



Post Private Bag X115, Pretoria 0001
Phone 012 315 5009
Fax 012 395 6553
Website <http://www.treasury.gov.za/default.aspx>

JH Hattingh
Chief Director: Local Government Budget Analysis
07 December 2015

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

As noted above, National Treasury has released Version 2.8 of Schedule A1 (the Excel Formats). It incorporates the following changes:

No.	Sheet	Amendment	Reason
1	A10	Cost of free basic services	Improve reporting of cost of free basic services provided including in informal settlements.
2	SA1	Revenue foregone	Improve reporting on revenue foregone and cost of free basic services.
3	SA9	Provision of free basic services	To provide detailed breakdown of free basic services which links to A10.

Annexure B – Municipalities affected by redeterminations

Redeterminations Finalised by the MDB in 2013 and 2015

Province	Affected Local Municipalities	Impact
Redeterminations finalised in 2013		
Gauteng	Randfontein and Westonaria	Reduction of 1 Municipality
KwaZulu - Natal	Vulamehlo and Umdoni	Reduction of 1 Municipality
	Hlabisa and The Big 5 False Bay	Reduction of 1 Municipality
	Umtshezi and Imbabazane	Reduction of 1 Municipality
	Ezingoleni and Hibiscus Coast	Reduction of 1 Municipality
	Emnambithi/Ladysmith and Indaka	Reduction of 1 Municipality
	Kwa Sani and Ingwe	Reduction of 1 Municipality
	Ntambanana, Mthonjaneni and uMhlathuze	Reduction of 1 Municipality . (Ntambanana disestablished with 8 wards. Ward s1-4 incorporated into Mthonjaneni; wards 5-8 incorporated into uMhlathuze)
Redeterminations finalised in 2015		
KwaZulu - Natal	Mooi Mpofana and Umvoti	No reduction in number of Municipalities. Portion of Mooi Mpofana (Cadham voting district) incorporated into Umvoti.
Mpumalanga	Mbombela and Umjindi	Reduction of 1 Municipality
Free State	Mangaung and Naledi	Reduction of 1 Municipality
North West	Ventersdorp and Tlokwe	Reduction of 1 Municipality
Northern Cape	Mier and //Khara Hais	Reduction of 1 Municipality
Limpopo	Mutale, Thulamela, Makhado and Musina	Reduction of 1 Municipality (Mutale disestablished. Parts of Mutale are incorporated into Thulamela and Musina. Parts of Makhado and Thulamela are incorporated to form a new municipality .)
	New Municipality	Parts of Makhado and Thulamela are incorporated to form a new municipality .
	Aganang, Blouberg, Molemole and Polokwane	Reduction of 1 Municipality . (Aganang disestablished; parts of Aganang incorporated into Blouberg, Molemole and Polokwane).
	Fetakgomo and Greater Tubatse	Reduction of 1 Municipality
	Modimolle and Mookgopong	Reduction of 1 Municipality
Eastern Cape	Gariep and Maletswai	Reduction of 1 Municipality
	Nxuba and Nonkobe	Reduction of 1 Municipality
	Inkwanca, Tsolwana and Lukanji	Reduction of 2 Municipalities (all 3 amalgamated into 1)
	Camdeboo, Baviaans and Ikwezi	Reduction of 2 Municipalities (all 3 amalgamated into 1)

Annexure C – Previous MFMA Circulars

Budget management issues dealt with in previous MFMA Circulars

Municipalities are reminded to refer to MFMA Circulars 48, 51, 54, 55, 66, 67 and 70 with regards to the following issues:

1. Mayor's discretionary funds and similar discretionary budget allocation – National Treasury regards allocations that are not designated for a specific purpose to be bad practice and discourage them (refer to MFMA Circular 51).
2. Unallocated ward allocations – National Treasury does not regard this to be a good practice, because it means that the tabled budget does not reflect which ward projects are planned for purposes of public consultation and council approval (refer to MFMA Circular 51).
3. New office buildings – Municipalities are required to send detailed information to National Treasury if they are contemplating building new main office buildings (refer to MFMA Circular 51).
4. Virement policies of municipalities – Municipalities are reminded of the principles that must be incorporated into municipal virements policies (refer to MFMA Circular 51).
5. Providing clean water and managing waste water – Municipalities were reminded to include a section on 'Drinking water quality and waste water management' in their budget document (refer to MFMA Circular 54).
6. Renewal and repairs and maintenance of existing assets – Allocations to repairs and maintenance, and the renewal of existing infrastructure must be prioritised. Municipalities must provide detailed motivations in their budget documentation if allocations do not meet the required benchmarks set out in MFMA Circular 55 and 66.
7. Credit cards and debit cards linked to municipal bank accounts are not permitted – On 02 August 2011 National Treasury issued a directive to all banks informing them that as from 01 September 2011 they are not allowed to issue credit cards or debit cards linked to municipal bank accounts (refer to MFMA Circular 55).
8. Water and sanitation tariffs must be cost reflective - refer to MFMA Circular 66.
9. Solid waste tariffs – refer to MFMA Circular 70.
10. Variances between 4th Quarter section 71 results and annual financial statements – refer to Circular 67.
11. Additional In-Year reporting requirements – refer to MFMA Circular 67.
12. Appropriation statement (reconciliation: budget and in-year performance)- reference is made to circular 67. It came to the attention of National Treasury that a number of municipalities did not include the appropriation statement as part of their 2012/13 or 2013/14 annual financial statement. In terms of the Standards of GRAP 24 on the Presentation of Budget Information in Financial Statements, municipalities are required to present their original and adjusted budgets against actual outcome in the annual financial statements. This is considered an appropriation statement and the comparison between the budget and actual performance should be a mirror image of each other as it relates to the classification and grouping of revenue and expenditure as has been the case in a national and provincial context. This statement is subject to auditing and accordingly supporting documentation would be required to substantiate the compilation of this statement.
13. Eliminating non-priority spending – The 2013 MTBPS emphasised the need for government to step-up its efforts to combat waste, inefficiency and corruption (refer to MFMA circular 70).
14. Council oversight over the budget process – refer to MFMA Circular 70.

Conditional grant issues dealt with in previous MFMA Circulars

Municipalities are reminded to refer to MFMA Circulars 48, 51, 54, 55 and 67 with regards to the following issues:

1. Accounting treatment of conditional grants: Municipalities are reminded that in accordance with accrual accounting principles, conditional grants should only be treated as 'transfers recognized' revenue when the grant revenue has been 'earned' by incurring expenditure in accordance with the conditions of the grant.
2. VAT on conditional grants: SARS has issued a specific guide to assist municipalities meeting their VAT obligations – **VAT 419 Guide for Municipalities**. To assist municipalities accessing this guide it has been placed on the National Treasury website at: <http://mfma.treasury.gov.za/Guidelines/Pages/default.aspx>
3. Interest received and reclaimed VAT in respect of conditional grants: Municipalities are reminded that in MFMA Circular 48, National Treasury determined that:
 - Interest received on conditional grant funds must be treated as 'own revenue' and its use by the municipality is not subject to any special conditions; and
 - 'Reclaimed VAT' in respect of conditional grant expenditures must be treated as 'own revenue' and its use by the municipality is not subject to any special conditions.
4. Appropriation of conditional grants that are rolled over – As soon as a municipality receives written approval from National Treasury that its unspent conditional grants have been rolled-over it may proceed to spend such funds (refer to MFMA Circular 51 for other arrangements in this regard).
5. Pledging of conditional grant transfers – the 2015 Division of Revenue Bill contained a provision that allows municipalities to pledge their conditional grants. The end date for the pledges is extended to 2017/18. The process of application as set out in MFMA Circular 51 remains unchanged.
6. Separate reporting for conditional grant roll-overs – National Treasury has put in place a separate template for municipalities to report on the spending of conditional grant roll-overs. Municipalities are reminded that conditional grant funds can only be rolled-over once, so if they remain unspent in the year in which they were rolled-over they MUST revert to the National Revenue Fund.
7. Payment schedule – National Treasury has instituted an automated payment system of transfers to municipalities in order to ensure appropriate safety checks are put in place. Only the primary banking details verified by National Treasury will be used for effecting transfers.
8. Conditional grant transfers/payments, the responsibilities of transferring and receiving authorities and the criteria for the rollover of conditional grants – It is important that the transfers made to municipalities' are transparent, and properly captured in the municipalities' budgets. MFMA Circular no: 67 in this regard refers. The criterion for the rollover of conditional grants is stipulated in MFMA Circular no: 51.

MBRR issues dealt with in previous MFMA Circulars

Municipalities are reminded to refer to MFMA Circulars 48, 51, 54, 55 with regards to the following issues:

1. Budgeting for revenue and 'revenue foregone' – The 'realistically anticipated revenues to be collected' that must be reflected on the Budgeted Statement of Financial Performance (Tables A2, A3 and A4) must exclude 'revenue foregone'. The definition

of 'revenue foregone' and how it is distinguished from 'transfers and grants' is explained in MFMA Circular 51.

2. Preparing and amending budget related policies – Information on all budget related policies and any amendments to such policies must be included in the municipality's annual budget document (refer to MFMA Circular 54).
3. 2013/14 MTREF Funding Compliance Assessment – All municipalities were required to perform the funding compliance assessment outlined in *MFMA Funding Compliance Guideline* and to include the relevant information outlined in MFMA Circular 55 in their 2015/16 budgets (refer to MFMA Circular 55).
4. Tabling a funded budget - It is critical that municipalities adopt and implement funded budgets as per Section 18 of the MFMA. Tables A7 and A8 which if completed correctly by the municipality, it will provide most of the information required to evaluate whether a municipality's operating and capital budgets are **funded** or not.



Municipal Budget Circular for the 2016/17 MTREF

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Introduction

The budget circular is compiled annually to guide municipalities on how to prepare their budget inputs. This circular is a follow-up to the MFMA Budget Circular No.78 that focused on the preparation of the 2016/17 Medium Term Revenue and Expenditure Framework (MTREF). This guidance includes national policy imperatives that should be accommodated and other relevant information. The circular provides a summary of South Africa's economic outlook, inflationary targets, financial management issues and specific reference on how to give effect to National Treasury's Municipal Budget and Reporting Regulations (MBRR). The key focus of this circular is the impact of the date of the 2016 Local Government Elections on municipalities affected by re-demarcations and the changes to the local government grant allocations.

1. 2016 Local Government Elections and the budget process

1.1 Impact of Local Government Elections on demarcation changes

The date of the 2016 local government elections has not yet been declared, which means that it is also not yet known when the new demarcations will come into effect. The re-demarcation could take place before or after the start of the 2016/17 municipal financial year, which begins on 01 July 2016.

Allocations published in the 2016 Division of Revenue Bill are based on the new municipal boundaries because these new demarcations will be in effect for the majority of the 2016/17 municipal financial year. The following guidance was provided in the MFMA Budget Circular No. 78:

If the elections are held before 01 July 2016, merging municipalities will be expected to:

- Compile individual budgets for the 2016/17 MTREF and work as a team with other affected municipalities on the planning and technical processes in compiling the consolidated budget for the newly demarcated municipality; and
- Complete the remaining weeks of the financial year on their existing budget structures (and existing demarcations). The allocations published in the 2016 Division of Revenue Bill will then be transferred to the re-demarcated municipalities from 01 July 2016.

However, additional clauses have been added to section 38 of the 2016 Division of Revenue Bill to enable the National Treasury to gazette revised allocations if the elections take place after 01 July 2016.

If elections are held after 01 July 2016, the following is expected:

- Revised allocations to be transferred to the current 278 municipalities for the period between 01 July 2016 and the date of the elections (when the re-demarcated municipal boundaries will come into effect);
- The remaining allocations will be transferred to the re-demarcated municipalities after the elections;
- Merging municipalities to compile individual budgets for the 2016/17 MTREF and work as a team with other affected municipalities on the planning and technical processes in compiling the consolidated budget for the newly demarcated municipality; and
- Municipalities to implement the individual budgets until the new re-demarcations come into effect.

In areas affected by major re-demarcations the focus of the budget process for the 2016/17 MTREF should be on preparing the budget of the new municipalities that will come into effect

on the date of the 2016 local government elections. Public consultations and decisions regarding tariffs and spending priorities should be focused on how these new institutions will be funded and deliver services. As elections must be held by mid-August (in terms of the requirements of section 24 of the Municipal Structures Act) these new municipalities will be responsible for delivering services for the majority of the 2016/17 financial year and over the rest of the medium term period. Preparation of these budget documents should be led by the Change Management Committee established to manage the implications of re-demarcations in each area.

The councils of the pre-election municipalities affected by the boundary change must jointly consider the budget for the new municipality to be established to ensure that all the issues are addressed e.g. budget related policies. The draft budget prepared by the Change Management Committee and agreed to by the pre-election councils should then be adopted by the newly elected council as soon as possible after it is constituted. If there are changes to be made, they must be considered during the 2016/17 adjustments budget or the 2017/18 MTREF.

Municipalities that will be merged or disestablished on the date of the local government elections must also prepare 2016/17 MTREF budgets for their existing municipality. If the election is held after 01 July then expenditure and the collection of revenue will be done in terms of this budget until the budget of the new council is adopted. The budgets that these municipalities prepare must be aligned to the budget for the new municipality described above.

If two municipalities are merging then the total of the transfers they budget to receive should be equal to the total allocated to the new municipality in the 2016 Division of Revenue Bill. Municipalities can use the proportion of funds allocated to each municipality in terms of the 2015 Division of Revenue Act as a guide to how to apportion 2016/17 MTEF allocations between the existing municipalities. For example, if municipality 1 and municipality 2 are merging to form municipality 3 and municipality 1 received an equitable share twice as large as municipality 2 in 2015/16, then municipality 1 should prepare a 2016/17 MTREF budget based on receiving 66.6 per cent of the equitable share allocation published for municipality 3 in the 2016 Division of Revenue Bill.

If the local government election date is after 01 July 2016, National Treasury will gazette how much will be transferred to each pre-election municipality for the period between 01 July 2016 and Election Day. In terms of the requirements and process set out in section 38 of the 2016 Division of Revenue Bill, this gazette will be issued within 2 weeks after the election date is announced or the Bill is enacted (whichever date is later).

The changes to municipal boundaries result in some significant changes to municipal allocations in 2016/17. To cushion the impact of these changes, all municipalities will receive at least 95 per cent of the equitable share formula allocation indicatively allocated to them in 2016/17 in the 2015 Division of Revenue Act. For merged municipalities, this guarantee will be based on the sum of the equitable share allocations to the previously separate municipalities. In cases where a municipality has been split, the guarantee is applied to an area's share of the former municipality's equitable share, based on its portion of the population in the former municipality.

The role of the Change Management Committee is critical in ensuring that budget policies for the newly demarcated municipalities are developed. The MECs for local government have issued provincial gazettes in terms of section 14 of the Municipal Structures Act, 1998 (Act No 117 of 1998)(LGMSA) detailing the transitional process for municipalities affected by re-demarcations.

2. The South African economy and inflation targets

The 2016 Budget Review notes that since the tabling of the Medium Term Budget Policy Statement (MTBPS) in October 2015 the global economic crisis has deepened, exposing the depth of South Africa's external vulnerabilities and the internal constraints that limit its potential for growth. Global conditions have exposed South Africa's own economic weaknesses, with projected GDP growth revised down to 0.9 per cent for 2016 improving gradually to 1.7 per cent in 2017 and 2.4 per cent in 2018.

The weaker outlook is as a result of lower commodity prices, higher borrowing costs, drought and diminished business and consumer confidence. Constrained electricity supply continues to limit growth and deter fixed investment. Exchange rate depreciation is contributing to a higher inflation outlook during 2016.

These factors are expected to ease over the medium term. An upturn in global trade and investment, improved policy certainty, recovering consumer and business confidence, and greater availability and reliability of electricity in the outer years should support stronger growth.

Job creation remains one of the most pressing concerns for the economy. Headline employment grew by 3.7 per cent in the first three quarters of 2015. According to Statistics South Africa, 19 000 jobs were created in the formal sector and 273 000 in the informal sector in the first three quarters of 2015. The unemployment rate stood at 25.5 per cent in the third quarter of 2015, with the number of South Africans categorised as long-term unemployed 5.7 per cent higher than in 2014.

Higher inflation and weaker employment growth will impact on the ability of all municipalities to generate and collect revenue on services, to keep expenditures within budgeted allocations, and to borrow to fund capital expenditure programmes at affordable rates. Therefore it is critical for municipalities to review how they conduct their business to ensure value for money is obtained in all their expenditures, that revenue administration systems are operating effectively, that borrowing programmes are realistic, and that creditors (including bulk service providers) continue to be paid timeously and in full.

Municipalities must take the following macro-economic forecasts into consideration when preparing their 2016/17 budgets and MTREF.

Table 1: Macroeconomic performance and projections, 2014/15 – 2018/19

Fiscal year	2014/15	2015/16	2016/17	2017/18	2018/19
	Actual	Estimate	Forecast		
CPI Inflation	5.6%	5.4%	6.6%	6.2%	5.9%
Real GDP growth	1.6%	0.9%	1.2%	1.9%	2.5%

Source: 2016 Budget Review

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

3. Key focus areas for the 2016/17 budget process

3.1 Local government conditional grants and additional allocations

The purpose of the conditional grants is to deliver on national government priorities relating to service delivery. Additional funding is allocated in the form of unconditional allocations such as the equitable share and the sharing of the general fuel levy. The main purpose of the equitable share is to fund the provision of free basic services to the poor.

Over the 2016 MTEF period, R339.6 billion will be transferred directly to local government and a further R22.9 billion has been allocated to indirect grants. Direct transfers to local government over the 2016 MTEF period account for 9.1 per cent of national government's non-interest expenditure. The total spending on local government increases to 9.8 per cent of national non-interest expenditure when indirect transfers are added.

Direct transfers to local government grow at an annual average rate of 6.8 per cent over the 2016 MTEF period. Transfers to local government tabled in the 2016 MTEF have been reduced to make funding available for other government priorities. Over the MTEF period, local government allocations decrease by R967 million. Despite these reductions, total allocations to local government still grow at an annual average rate of 6.7 per cent over the MTEF period.

Municipalities are reminded that all allocations included in the budgets must correspond to the allocations listed in the Division of Revenue Bill. All the budget documentation can be located on the National Treasury website by clicking on the link below:
<http://www.treasury.gov.za/documents/national%20budget/2016/>

Changes to local government allocations

- The *local government equitable share* - the 2016 budget reduces the baseline allocation by R300 million, or 0.6 per cent, in 2016/17. In 2017/18 and 2018/19, R1.5 billion and R3 billion are added respectively to offset the rising costs of basic services. These amounts revise downwards the 2015 MTBPS medium-term projection of an additional R6 billion. This change is as a result of government's reprioritisation of expenditure.
- The *municipal demarcation transition grant* allocation – a total of R409.3 million has been allocated in 2016/17 and 2017/18 to fund the changes in municipal boundaries in affected municipalities.
- The *municipal systems improvement grant* has been reconfigured as an indirect grant from 2016/17 to help poorly performing municipalities with revenue collection, performance management and record keeping. Regional management support will also be provided to groups of municipalities facing common institutional weaknesses.
- A total of R350 million is added to the *bucket eradication programme grant* in 2016/17 to complete the eradication of bucket sanitation systems in formal residential areas. The *urban settlements development grant*, the *human settlements development grant* and the *municipal infrastructure grant* will continue to fund the upgrade of sanitation in informal settlements through various projects focused on improving these areas. An amount of R155 million is also reprioritised into the *regional bulk infrastructure grant*.
- There is also a small shift of funds from the *municipal infrastructure grant* to the *urban settlements development grant* to account for the absorption of Naledi Local Municipality (which receives the *municipal infrastructure grant*) into Mangaung Metropolitan Municipality (which receives the *urban settlements development grant*).

Reforms to local government infrastructure grants

The National Treasury, in collaboration with the Department of Cooperative Governance, the Department of Planning, Monitoring and Evaluation, SALGA and the FFC, has reviewed the system of local government infrastructure grants. Following an intergovernmental review of the local government infrastructure grant system, significant changes are being made to the way these grants are structured. The changes include:

- Allowing municipalities to use conditional grant funds to repair and refurbish existing infrastructure. Spending of grant funds on refurbishment should be focused on infrastructure serving the poor and does not remove the responsibility of municipalities to fund routine maintenance from the equitable share and own revenues. This will improve services and secure future revenue streams.
- Reducing the number of water and sanitation grants from four to two by merging of the previous *municipal water infrastructure grant*, the *water services operating subsidy grant* and the *rural household infrastructure grant* to create a new *water services infrastructure grant*. The regional bulk infrastructure grant is to fund large bulk-water and sanitation projects, and the water services infrastructure grant is to fund construction and refurbishment of reticulation schemes and on-site services in rural municipalities.
- A new formula to allocate the R6 billion per year set aside to upgrade public transport in 13 cities. The previous system incentivised cities to plan overly expensive systems in the hope of receiving more funding. The new formula provides greater certainty about the long-term support government will provide, and allows cities to plan affordable and sustainable infrastructure upgrades.

4. Revenue management

National Treasury continues to encourage municipalities to keep increases in property rates, tariffs for trading services and charges for other municipal own revenue sources within the parameters of the country's inflation rate. Furthermore, municipalities must adopt a tariff setting methodology that achieves an appropriate balance between the interests of poor households and other customers while ensuring financial sustainability of the municipality. Demand management is becoming increasingly necessary as the country faces water shortages and an unstable electricity supply. The approach to tariff setting should consider all these factors and strive to achieve an equitable balance.

It is anticipated that the cost of providing municipal services will grow at a faster rate than the transfers from national government. Resource scarcity will most likely increase the cost of bulk purchases in respect of water and electricity beyond the country's inflationary targets.

Furthermore, providing for free basic services in the case of poorer households must be carefully considered and, where some municipalities have opted to provide this benefit to ALL households, this may not be financially sustainable in the long-term. Where appropriate, a municipality should re-evaluate the costs and benefits of universal or targeted provision of free basic services subsidies, in order to protect their delivery to poor households in particular. At no point should the provision of these subsidies remove resources from programmes that will expand access to infrastructure services for presently un-served households.

Where municipalities do not have an adequate revenue base and where municipalities face a combination of challenges such as resource scarcity, high unemployment and slower than average economic growth, an aggressive approach to curbing non-core spending and improving operational efficiencies is strongly advised.

4.1 Tariff setting

There are several tools available and methodologies employed to determine the appropriate tariffs for water and electricity services. Municipalities may favour different approaches but the principles of tariff setting should be consistently applied.

Municipalities should consider the following practicalities when setting tariffs:

- Costs of bulk purchases and the fluctuation in the seasonal cost thereof;
- Consumption patterns to enable better demand planning and management; and
- In the event that municipalities have been under recovering costs, embark on a process to correct their tariff structures over a reasonable time period so that cost reflective tariffs are achieved.

The tariff setting process is reliant on sound baseline information such as the number of properties within the municipal area of jurisdiction, the values of these properties, the number of households identified as indigent or poor, the consumption patterns in respect of basic services and the growth patterns within the various geographic areas.

4.2 Eskom bulk tariff increases

In terms of the Multi Year Price Determination (MYPD) for Eskom's tariffs approved by the National Energy Regulator of South Africa (NERSA), a tariff increase of 9.4 per cent has been approved for the 2016/17 financial year. However NERSA has not yet approved and published guidelines on municipal electricity price increase for the 2016/17 financial year.

Municipalities are urged to examine the cost structure of providing electricity services and to apply to NERSA for electricity tariff increases that reflect the total cost of providing the service so that they work towards achieving financial sustainability.

5. Funding choices and management issues

Municipalities should carefully consider the costs associated with service delivery while keeping in mind affordability and inflation when setting revenue raising measures. Once again, approving tariffs that are far below levels representing the cost of providing the services would negatively impact on the financial sustainability of municipalities.

5.1 Employee related costs

The South African Local Government Bargaining Council recently entered into a three-year *Salary and Wage Collective Agreement* for the period 01 July 2015 to 30 June 2018. The agreement reached is as follows:

- 2015/16 Financial Year – 7 per cent
- 2016/17 Financial Year – average CPI (Feb 2015 – Jan 2016) + 1 per cent
- 2017/18 Financial Year – average CPI (Feb 2016 – Jan 2017) + 1 per cent

Municipalities are advised to use this Salary and Wage Agreement preparing their 2016/17 MTREF budgets.

5.2 Remuneration of councilors

Municipalities are advised to budget for the actual costs approved in accordance with the gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published on 21 December 2015 by the Department of Cooperative Governance.

5.3 Cost containment measures

In the 2016 State of the Nation Address by the President, the cost containment measures announced by the Minister of Finance in 2013 were re-emphasised. It was highlighted that excessive and wasteful expenditure has been reduced, but there is still more to be done to cut

wastage. In addition the President announced some new measures which include, amongst others:

- Curtailment of overseas trips and the submission of strong motivations by those requesting permission to travel i.e. the benefit to the country needs to be proved; and
- Institution of further restrictions on conferences, catering, entertainment and social functions.

The Minister of Finance announced further measures in his budget speech on 24 February 2016. The Mayors of municipalities were urged to join in eliminating wasteful expenditure in government.

The advice provided in MFMA Budget Circular (No. 58, 66, 70, 72, 74 and 75) on cost containment measures and elimination of non-priority spending is still applicable to municipalities. A separate MFMA Circular will be issued on cost containment measures. In addition National Treasury is firstly in a process of reviewing the National Treasury instruction on cost containment measures which was issued to accounting officers of departments and secondly, determining its applicability to local government. Once the process has been concluded, a Regulation on cost containment measures applicable to local government will be issued.

Municipalities were advised in MFMA Circular No. 70 to align their budgeting policies to the cost containment measures to the extent possible as approved by Cabinet in 2013. Municipalities are requested to table the cost containment measures in council and to submit evidence thereof to the National and Provincial Treasuries together with the budget documentation in terms of the MFMA.

5.4 2016/17 MTREF budget assessment

The National Treasury has continuously advised municipalities in previous budget circulars on financial management issues to be considered when compiling budgets. The 2016/17 MTREF budget assessment will critically consider the following:

- Cost reflective tariffs;
- Appropriateness of budget assumptions;
- Provision for asset renewal and maintenance;
- Credibility and level of funding of the budget (funded or not funded); and
- Alignment of the budgets to municipality's plans.

Therefore municipalities must ensure that their 2016/17 MTREF addresses the items listed above and further submit the methodology applied in setting tariffs when submitting budget documentation to the National Treasury in terms of the MFMA.

6. Conditional Grant Transfers to Municipalities

6.1 Overspending of conditional grants

Expenses incurred against conditional grants should be made in line with the allocations stated in the Division of Revenue Act (DoRA) as required by the Municipal Budget and Reporting Regulations (MBRR) in supporting tables SA 18 and 19. Municipalities must therefore adopt their annual budget in line with the allocations made in the DoRA.

In instances where municipalities overspent against their budgeted programmes, own revenue source should be used against such expenditure items. This implies that a debtor cannot be raised against the transferring national officer's future allocations.

6.2 Criteria for the rollover of conditional grant funds

The criteria published in MFMA Budget Circular No. 75 are still applicable when considering rollover requests. Municipalities must submit the required information or application to National Treasury by 31 August 2016, if not, the application will not be considered.

When considering rollover requests from municipalities, all unspent cash backed grants should be classified only as "Cash and cash equivalents". This number must also reconcile with the cash flow statements. All conditional grants must be spent in line with the conditions for which they are set for. They must not be invested.

6.3 Payment procedure on conditional grants

Conditional grants are paid in line with the approved payment schedule and are captured and authorised three days in advance. These payments include revised payment schedules, amended payment schedules, and withheld payments and rollovers credit payments.

7. The Municipal Budget and Reporting Regulations

National Treasury has released Version 2.8 of Schedule A1 (the Excel Formats). This version incorporates minor changes (see Annexure A). Therefore **ALL** municipalities **MUST** use this version for the preparation of their 2016/17 Budget and MTREF.

Download Version 2.8 of Schedule A1 by clicking [HERE](http://mfma.treasury.gov.za/RegulationsandGazettes/Pages/default.aspx)

The Municipal Budget and Reporting Regulations, formats and associated guides are available on National Treasury's website at:

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

7.1 Assistance with the compilation of budgets

If municipalities require advice with the compilation of their respective budgets, specifically the budget documents or Schedule A1, they should direct their enquiries to their respective provincial treasuries or to the following National Treasury official as follows:

	Responsible NT officials	Tel. No.	Email
Eastern Cape	Templeton Phogole	012-315 5044	Templeton.Phogole@treasury.gov.za
	Matjatji Mashoeshoe	012-315 6567	Matjatji.Mashoeshoe@treasury.gov.za
Free State	Vincent Malepa	012-315 5539	Vincent.Malepa@treasury.gov.za
	Cethekile Moshane	012-315 5079	Cethekile.moshane@treasury.gov.za
	Katlego Mabiletsa	012-395 6742	Katlego.Mabiletsa@treasury.gov.za
Gauteng	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
	Nomxolisi Mawulana	012-315 5460	Nomxolisi.Mawulana@treasury.gov.za
KwaZulu-Natal	Bernard Mokgabodi	012-315 5936	Bernard.Mokgabodi@treasury.gov.za
	Johan Botha	012-315 5171	Johan.Botha@treasury.gov.za
Limpopo	Una Rautenbach	012-315 5700	Una.Rautenbach@treasury.gov.za
	Sifiso Mabaso	012-315 5952	Sifiso.Mabaso@treasury.gov.za
Mpumalanga	Jordan Maja	012-315 5663	Jordan.Maja@treasury.gov.za
	Anthony Moseki	012-315 5174	Anthony.Moseki@treasury.gov.za
Northern Cape	Willem Voigt	012-315 5830	Willem.Voigt@treasury.gov.za
	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
North West	Sadesh Ramjathan	012-315 5101	Sadesh.Ramjathan@treasury.gov.za

	Makgabo Mabotja	012-315 5156	Makgabo.Mabotja@treasury.gov.za
Western Cape	Vuyo Mbunge	012-315 5661	Vuyo.Mbunge@treasury.gov.za
	Kevin Bell	012-315 5725	Kevin.Bell@treasury.gov.za
Technical issues with Excel formats	Elsabe Rossouw	012-315 5534	Iqdataqueries@treasury.gov.za

National Treasury, together with the provincial treasuries, will undertake a compliance check and, where municipalities have not provided complete budget information, the municipal budgets will be returned to the mayors and municipal managers of the affected municipalities for the necessary corrections. Municipal managers are reminded that the annual budget must be accompanied by a 'quality certificate' in accordance with the format as set out in item 31 of Schedule A in the Municipal Budget and Reporting Regulations.

The National Treasury needs to emphasise that where municipalities have not adhered to the Municipal Budget and Reporting Regulations, ***those municipalities will be required to go back to the municipal council and table a complete budget document aligned to the requirement of the Municipal Budget and Reporting Regulations.***

Municipalities with municipal entities are once again reminded to prepare consolidated budgets and in-year reports for both the parent municipality and its entity or entities in that they are to produce:

- An annual budget, adjustment budget and monthly financial statements for the parent municipality in the relevant formats; and
- A consolidated annual budget, adjustments budget and monthly financial statements for the parent municipality and all its municipal entities in the relevant formats.

The A Schedule that the municipality submits to National Treasury must be a consolidated budget for the municipality (plus entities) and not the budget of the parent municipality only.

8. Budget process and submissions for the 2016/17 MTREF

8.1 Submitting budget documentation and schedules for 2016/17 MTREF

To facilitate oversight of compliance with the Municipal Budget and Reporting Regulations, accounting officers are reminded that:

- Section 22(b)(i) of the MFMA requires that ***immediately*** after an annual budget is tabled in a municipal council, it must be submitted to the National Treasury and the relevant provincial treasury in both printed and electronic formats. If the annual budget is tabled to council on 31 March 2016, the final date of submission of the electronic budget documents and corresponding electronic returns is **Friday, 01 April 2016**. The deadline for submission of hard copies including council resolution is **Friday, 8 April 2016**.
- Section 24(3) of the MFMA, read together with regulation 20(1), requires that the approved annual budget must be submitted to both National Treasury and the relevant provincial treasury ***within ten working days*** after the council has approved the annual budget. If the council only approves the annual budget on 30 June 2016, the final date for such a submission is **Thursday, 14 July 2016**, otherwise an earlier date applies.

The municipal manager must submit:

- the budget documentation as set out in Schedule A (version 2.8) of the Municipal Budget and Reporting Regulations, including the main Tables (A1 - A10) and ALL the supporting tables (SA1 – SA37) in both printed and electronic formats;
- the draft service delivery and budget implementation plan in both printed and electronic format;
- the draft integrated development plan;
- the council resolution;
- signed Quality Certificate as prescribed in the Municipal Budget and Reporting Regulations;
- **schedules D, E and F specific for the entities;**
- signed budget locking certificate as found on the website;
- service level standards; and
- mSCOA implementation plan and progress to date.

Municipalities are required to send electronic versions of documents and the A1 schedule to lgdocuments@treasury.gov.za.

If the budget documents are too large to be sent via email (exceeds 4MB) please submit to lgbigfiles@gmail.com. Any problems experienced in this regard can be addressed with Elsabe Rossouw at Elsabe.Rossouw@treasury.gov.za.

All new municipalities must submit the 2016/17 MTREF as soon as it is adopted by the newly elected council.

Municipalities are required to send printed submissions of their budget documents and council resolution to:

For couriered documents

Ms Linda Kruger
National Treasury
40 Church Square
Pretoria, 0002

For posted documents

Ms Linda Kruger
National Treasury
Private Bag X115
Pretoria, 0001

In addition to the above mentioned budget documentation, metropolitan municipalities must submit the Built Environment Performance Plan (BEPP) tabled in council on 31 May 2016 to Yasmin.coovadia@treasury.gov.za. If the BEPP documents are too large to be sent via email (exceeds 4MB) please submit to yasmin.coovadia@gmail.com or send to Yasmin Coovadia via Dropbox; any problems experienced in this regard can be addressed with Yasmin.Coovadia@treasury.gov.za. Hard copies of the BEPP may be sent to Yasmin Coovadia, National Treasury, 3rd floor 40 Church Square, Pretoria, 0002 or Private Bag X115, Pretoria, 0001.

8.2 Budget reform returns to the Local Government Database for publication

For publication purposes, municipalities are still required to use the Budget Reform Returns to upload budget and monthly expenditure to the National Treasury Local Government Database. All returns are to be sent to lgdatabase@treasury.gov.za.

Municipalities are requested to submit returns for both the draft budget and the final adopted budget.

This will assist the National and provincial treasuries with the annual benchmark process. The aligned electronic returns may be downloaded from National Treasury's website at the following link: http://mfma.treasury.gov.za/Return_Forms/Pages/default.aspx.

8.3 Municipal Standard Chart of Accounts (*mSCOA*)¹

The *mSCOA* Regulations apply to all municipalities and municipal entities with effect from 1 July 2017 and only seven months remain for preparation and implementation readiness as the 2017/18 MTREF budgets will all have to be aligned to *mSCOA*. It is critical for municipalities to start budgeting on *mSCOA* by September 2016 to go live on 01 July 2017.

Municipalities are reminded that the current reporting requirements will remain in place until the National Treasury considers the implementation of the *mSCOA* and the new reporting reforms are no longer a risk. Those who do not adhere to the prescribed reporting according to the MBRR and the submission of the Budget reform returns to the National Treasury Local Government database will be regarded as non-compliant for publication purposes (refer to paragraph 8.2).

Municipalities that are implementing the *mSCOA* must use the latest version of the *mSCOA* classification framework at the link below when compiling the 2016/17 MTREF.

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

The MBRR Schedules will remain as is until further notice.

8.4 General

Municipalities use external service providers' e-mails as a result of weak or poor Information and Communication Technology (ICT). The affected municipalities are urged to use official e-mail addresses linked to the institution; therefore they must address the ICT challenges experienced.

Contact



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

07 March 2016

¹ The Minister of Finance promulgated the Municipal Regulations on a Standard Chart of Accounts in government gazette Notice No. 37577 on 22 April 2014.

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

As noted above, National Treasury has released Version 2.8 of Schedule A1 (the Excel Formats). It incorporates the following changes:

No.	Sheet/ Table	Amendment	Reason
1	A10	Cost of free basic services	Improve reporting of services provided including informal settlements.
2	SA1	Revenue foregone	Improve reporting on revenue foregone and cost of free basic services.
3	SA9	Provision of free basic services	To provide detailed breakdown of free basic services which links to A10.

Annexure B – Previous MFMA Circulars

Budget management issues dealt with in previous MFMA Circulars

Municipalities are reminded to refer to MFMA Circulars 48, 51, 54, 55, 66, 67 and 70 with regards to the following issues:

1. Mayor's discretionary funds and similar discretionary budget allocation – National Treasury regards allocations that are not designated for a specific purpose to be bad practice and discourage them (refer to MFMA Circular 51).
2. Unallocated ward allocations – National Treasury does not regard this to be a good practice, because it means that the tabled budget does not reflect which ward projects are planned for purposes of public consultation and council approval (refer to MFMA Circular 51).
3. New office buildings – Municipalities are required to send detailed information to National Treasury if they are contemplating building new main office buildings (refer to MFMA Circular 51).
4. Virement policies of municipalities – Municipalities are reminded of the principles that must be incorporated into municipal virements policies (refer to MFMA Circular 51).
5. Providing clean water and managing waste water – Municipalities were reminded to include a section on 'Drinking water quality and waste water management' in their budget document (refer to MFMA Circular 54).
6. Renewal and repairs and maintenance of existing assets – Allocations to repairs and maintenance, and the renewal of existing infrastructure must be prioritised. Municipalities must provide detailed motivations in their budget documentation if allocations do not meet the required benchmarks set out in MFMA Circular 55 and 66.
7. Credit cards and debit cards linked to municipal bank accounts are not permitted – On 02 August 2011 National Treasury issued a directive to all banks informing them that as from 01 September 2011 they are not allowed to issue credit cards or debit cards linked to municipal bank accounts (refer to MFMA Circular 55).
8. Water and sanitation tariffs must be cost reflective - refer to MFMA Circular 66.
9. Solid waste tariffs – refer to MFMA Circular 70.
10. Variances between 4th Quarter section 71 results and annual financial statements – refer to Circular 67.
11. Additional In-Year reporting requirements – refer to MFMA Circular 67.
12. Appropriation statement (reconciliation: budget and in-year performance)- reference is made to circular 67. It came to the attention of National Treasury that a number of municipalities did not include the appropriation statement as part of their 2012/13 or 2013/14 annual financial statement. In terms of the Standards of GRAP 24 on the Presentation of Budget Information in Financial Statements, municipalities are required to present their original and adjusted budgets against actual outcome in the annual financial statements. This is considered an appropriation statement and the comparison between the budget and actual performance should be a mirror image of each other as it relates to the classification and grouping of revenue and expenditure as has been the case in a national and provincial context. This statement is subject to auditing and accordingly supporting documentation would be required to substantiate the compilation of this statement.
13. Eliminating non-priority spending – The 2013 MTBPS emphasised the need for government to step-up its efforts to combat waste, inefficiency and corruption (refer to MFMA circular 70).
14. Council oversight over the budget process – refer to MFMA Circular 70.

Conditional grant issues dealt with in previous MFMA Circulars

Municipalities are reminded to refer to MFMA Circulars 48, 51, 54, 55 and 67 with regards to the following issues:

1. Accounting treatment of conditional grants: Municipalities are reminded that in accordance with accrual accounting principles, conditional grants should only be treated as 'transfers recognized' revenue when the grant revenue has been 'earned' by incurring expenditure in accordance with the conditions of the grant.
2. VAT on conditional grants: SARS has issued a specific guide to assist municipalities meeting their VAT obligations – **VAT 419 Guide for Municipalities**. To assist municipalities accessing this guide it has been placed on the National Treasury website at: <http://mfma.treasury.gov.za/Guidelines/Pages/default.aspx>
3. Interest received and reclaimed VAT in respect of conditional grants: Municipalities are reminded that in MFMA Circular 48, National Treasury determined that:
 - Interest received on conditional grant funds must be treated as 'own revenue' and its use by the municipality is not subject to any special conditions; and
 - 'Reclaimed VAT' in respect of conditional grant expenditures must be treated as 'own revenue' and its use by the municipality is not subject to any special conditions.
4. Appropriation of conditional grants that are rolled over – As soon as a municipality receives written approval from National Treasury that its unspent conditional grants have been rolled-over it may proceed to spend such funds (refer to MFMA Circular 51 for other arrangements in this regard).
5. Pledging of conditional grant transfers – the 2015 Division of Revenue Bill contained a provision that allows municipalities to pledge their conditional grants. The end date for the pledges is extended to 2017/18. The process of application as set out in MFMA Circular 51 remains unchanged.
6. Separate reporting for conditional grant roll-overs – National Treasury has put in place a separate template for municipalities to report on the spending of conditional grant roll-overs. Municipalities are reminded that conditional grant funds can only be rolled-over once, so if they remain unspent in the year in which they were rolled-over they MUST revert to the National Revenue Fund.
7. Payment schedule – National Treasury has instituted an automated payment system of transfers to municipalities in order to ensure appropriate safety checks are put in place. Only the primary banking details verified by National Treasury will be used for effecting transfers.
8. Conditional grant transfers/payments, the responsibilities of transferring and receiving authorities and the criteria for the rollover of conditional grants – It is important that the transfers made to municipalities' are transparent, and properly captured in the municipalities' budgets. MFMA Circular no: 67 in this regard refers. The criterion for the rollover of conditional grants is stipulated in MFMA Circular no: 51.

MBRR issues dealt with in previous MFMA Circulars

Municipalities are reminded to refer to MFMA Circulars 48, 51, 54, 55 with regards to the following issues:

1. Budgeting for revenue and 'revenue foregone' – The 'realistically anticipated revenues to be collected' that must be reflected on the Budgeted Statement of Financial Performance (Tables A2, A3 and A4) must exclude 'revenue foregone'. The definition

of 'revenue foregone' and how it is distinguished from 'transfers and grants' is explained in MFMA Circular 51.

2. Preparing and amending budget related policies – Information on all budget related policies and any amendments to such policies must be included in the municipality's annual budget document (refer to MFMA Circular 54).
3. 2013/14 MTREF Funding Compliance Assessment – All municipalities were required to perform the funding compliance assessment outlined in *MFMA Funding Compliance Guideline* and to include the relevant information outlined in MFMA Circular 55 in their 2015/16 budgets (refer to MFMA Circular 55).
4. Tabling a funded budget - It is critical that municipalities adopt and implement funded budgets as per Section 18 of the MFMA. Tables A7 and A8 which if completed correctly by the municipality, it will provide most of the information required to evaluate whether a municipality's operating and capital budgets are **funded** or not.



Web Based Central Supplier Database (CSD)

Purpose

The purpose of this Circular is to inform municipalities and municipal entities of the web based Central Supplier Database (CSD) for the registration of prospective suppliers to assist in performing validation functions of key supplier information.

This Circular furthermore aims to raise awareness of the CSD solution which was launched on 01 September 2015. The system will become fully effective on 1 April 2016 for all national departments and public entities listed in Schedule 2 and 3 of the Public Finance Management Act.

The transitional period for local government is from 1 April 2016 to 30 June 2016. The CSD will therefore be fully effective for municipalities and municipal entities from 1 July 2016.

Background

It is imperative that municipalities operate effective financial systems to enable presentation of credible information on a timely basis for internal and external use and in this regard to also avoid possible contravention of Section 217 of the Constitution.

Section 5 of the Municipal Finance Management Act (MFMA) enables the National Treasury to investigate any system of financial management and internal control in a municipality or municipal entity and recommend appropriate improvements. This relates to all financial applications, including those used for revenue, expenditure, supply chain management, assets and liability management, payroll and accounting, etc.

On 12 November 2014, Cabinet resolved that the Office of the Chief Procurement Officer (OCPO) should accelerate SCM reforms by modernising the procurement function, which includes, among others:

- Finalising the alignment of the legal framework with appropriate reforms;
- Simplifying, standardising and automating procurement activities across all spheres of government;
- Modernising SCM technology and up-scaling the use thereof.

The problems experienced with current decentralised and fragmented procurement systems have been identified, among others, as follows:

- Not realising the benefits from leveraging on economies of scale;
- Multiple policy objectives;
- High cost of doing business- burden to SMME;
- Fraudulent Tax Clearance and BBBEE Certificates;

- Poor supply chain performance;
- Not achieving value for money;
- High cost of procurement;
- Misaligned organisational structures;
- Limited SCM capability and capacity;
- High rates of movement and staff vacancies;
- Pervasive corruption;
- Weak procurement systems;
- A lack of oversight and good governance practices;
- Increasing irregular expenditure;
- Inadequate internal controls;
- Non-compliance

Engagement with Stakeholders

Over the past eighteen months the national and provincial treasuries have undertaken extensive stakeholder consultation as part of raising awareness of the CSD. Various stakeholder engagements have been held as well as a meeting between the Chief Procurement Officer and the South African Local Government Association (SALGA) Municipal Finance Working Group Structures to discuss the public sector supply chain management reforms including explaining the benefits of the web based CSD.

In November 2015, the National Treasury undertook engagements with system vendors to determine their system compatibility to integrate with the CSD to avoid interruption to institutions of government. Further engagements were held in February 2016, where all service providers were requested to share progress and discuss challenges in relation to integration and system simulation to ensure seamless integration.

Training of Service Providers and Supply Chain Practitioners

The National Treasury in partnership with the Provincial Treasuries have developed and facilitated online self-registration training for service providers and user search for supply chain officials. The table below provides a list of provincial training sessions that are underway. Further training will be provided upon request.

DATES	PROVINCES
07-08 March	Eastern Cape
08-09 March	Gauteng
09-10 March	Free State
14-15 March	North West
14-15 March	Limpopo
14-15 March	Mpumalanga
17-18 March	Kwazulu Natal
29 March	Northern Cape

Transitional Period

During the transitional period of 1 April 2016 to 30 June 2016, Accounting Officers of municipalities and municipal entities are required to encourage their respective local suppliers to register on the CSD. Suppliers can use the following link to register: www.csd.gov.za.

Secondly, municipalities and municipal entities are encouraged to meet with and request their respective system vendors to ensure that they follow the National Treasury Integration Job Aid file which will ensure that the municipal financial system are integrating with the CSD. Obtainable from the following http://ocpo.treasury.gov.za/Buyers_Area/Pages/Supplier-Management.aspx

Thirdly, Accounting Officers of municipalities and municipal entities should ensure that their supply chain management and other officials utilize the CSD online search engine. This will be arranged by the provincial treasuries.

Submission of Documents by Bidders

With effect from 1 July 2016, Municipalities and Municipal Entities must use the CSD supplier number starting with (MAAA) which is auto generated by the Central Database System after successful registration and validation of the prospective provider as mandatory requirement as part of listing criteria for accrediting prospective provider in line with Section 14(1)(b) of the Municipal Supply Chain Management Regulations.

The CSD will automatically validate the following registration documents for Municipalities and Municipalities;

- Confirmation and status of Business Registration Documents
- Proof of Bank Account Registration
- Tax compliance status
- Employee in the service of state as defined in the Municipal SCM Regulations with information only available in the PERSAL system at this time, namely National and Provincial officials
- Identity Documentation
- Tender defaulters and restrictions status

The following aspects are work-in-progress and further information will be provided once systems have been upgraded after consultation with relevant stakeholders:

- BBBEE Status (not yet available, municipalities are required to continue with their current and existing process)
- CIDB (not yet available, municipalities are required to continue with their current and existing process)
- Municipal Account status (not yet available, municipalities are required to continue with their current and existing process)

It is the responsibility of the Municipality to continue with verification of other listing criteria which are not currently validated by CSD, for instance, proof of municipal accounts.

Conclusion

This MFMA circular provides details of the SCM reforms underway and is applicable to all municipalities and municipal entities.

It is the responsibility of the Accounting Officers to bring the contents of this circular to the attention of the Municipal Council, Chief Financial Officer, Supply Chain Management officials and other stakeholders, including suppliers. The Office of the Auditor-General has been informed of these reforms.

Enquiries relating to this Circular may be directed to:

Office of the Chief Procurement Officer

For attention: SCM - ICT Local Government

Phone: 012 315 5863

Email: maleke.matolong@treasury.gov.za



**National
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TV PILLAY

Chief Director: MFMA Implementation

18 March 2016



Cost Containment Measures

Purpose

Section 62(1)(a) of the Municipal Finance Management Act No. 56 of 2003 (MFMA) stipulates that the accounting officer of a municipality is responsible for managing the financial administration of a municipality and must for this purpose take all reasonable steps to ensure that the resources of the municipality are used effectively, efficiently and economically.

In terms of the legal framework, the elected councils and accounting officers are required to institute appropriate measures to ensure that the limited resources and public funds are appropriately utilized to ensure value for money is achieved.

The purpose of this Circular is to guide municipalities and municipal entities on cost containment measures that must be implemented in an effort to address the impact of the country's economic challenges and to promote growth, address unemployment and equality, amongst others.

Background

The national government has been aware of the need to contain costs and Cabinet resolved that all spheres of government, including municipalities and municipal entities must implement measures to contain operational costs and eliminate all non-essential expenditure.

In the 2016 State of the Nation Address, cost containment measures were re-emphasised. It was highlighted that excessive and wasteful expenditure has to be reduced, and that increased action be taken to manage unnecessary expenditure. The following measures were among those announced:

- Curtailment of overseas trips;
- The submission of strong motivation to MM's, Mayors and, where necessary, oversight mechanisms at local, provincial and national spheres of Government by those requesting permission to travel either locally or abroad: i.e. their detailed report including research which argues the necessity of the trip and the benefit the country will achieve in undertaking the journey;
- The institutionalization of further restrictions on conferences, catering, entertainment and social functions.

In reinforcing the above, the Minister of Finance also announced further cost containment measures in his budget speech on 24 February 2016, and urged Mayors of municipalities to exercise and oversee the elimination of wasteful expenditure in

government. SALGA supported the call for cost containment measures to be implemented in municipalities as per the Budget Forum engagements and commitments.

Municipalities must make clear and quantified commitments in this regard when tabling their upcoming budgets, and to reference these commitments when submitting budget documentation to the National and Provincial Treasuries, as required by the MFMA.

Annexure A of this circular presents cost containment measures that accounting officers and chief finance officers must consider in order to contain operational costs and eliminate non-essential expenditure. In addition, municipalities are advised to refer to MFMA Budget Circular No. 70 and other relevant Circulars on the elimination of non-priority spending. (<http://mfma.treasury.gov.za/Circulars/Pages/default.aspx>).

Enforcement of cost containment measures

SALGA recently expressed concern over the lack of enforcement of such measures and municipal councils are herewith reminded of Section 171(1) of the MFMA whereby the accounting officer of a municipality commits an act of financial misconduct if that accounting officer deliberately or negligently contravenes a provision of the Act, or fails to comply with a duty imposed by the Act on the accounting officer of the municipality.

Failure to fulfill the duty outlined in section 62(1) (a) of the MFMA may result in the accounting officer committing an act of financial misconduct and that disciplinary or criminal proceedings are instituted against any official who has allegedly committed an act of financial misconduct or an offence in terms of chapter 15. The accounting officer also has a duty to ensure that unauthorized, irregular or fruitless and wasteful expenditure and other losses are prevented.

In addition, section 167 of the MFMA provides that a municipality may only remunerate its office bearers within the parameters set out in that section. In particular, sub-section 167(2) provides that any benefit paid that is outside the parameters set out in subsection (1) is irregular expenditure and must be recovered from the political office-bearer concerned.

Details of precisely what a municipality may pay or remunerate its political office bearers are set out in the Notices issued in terms of the Political Office Bearers Act by the Minister of Cooperative Governance and Traditional Affairs.

Municipalities are reminded that the National Treasury will soon be conducting municipal budget benchmark engagements with non-delegated municipalities during which all municipal budgets will be assessed against the cost containment measures outlined in this Circular. Provincial Treasuries will be conducting similar engagements and budget assessments with delegated municipalities.

Consideration has been given to the lack of enforcement measures and therefore it is envisaged that regulations will be issued to align these measures with financial misconduct regulations. Disclosure of cost containment measures applied by the municipality and entity must be included in the Municipal Budget and Annual Report. Measures implemented and regular reports must be submitted to the Municipal Public

Accounts Committee for review and recommendations to Council on additional measures to be taken.

The contents of this Circular has been shared with the office of the Auditor-General for their application, scrutiny and assessment.

Conclusion

It is important that the accounting officer ensures that the content of this Circular is brought to the attention of the Municipal Council and all other relevant officials within municipalities and municipal entities. It is recommended that:

- Municipalities adopt this Circular together with their annual budgets;
- Municipalities are advised to review other finance related policies to ensure consistency with this Circular;
- Municipalities implement the circular by creating the appropriate oversight mechanisms to monitor cost containment measures;
- Implementation of such measures will assist in ensuring that the provisions of sections 62 and 167 of the MFMA are complied with to ensure that reasonable steps are taken for public resources to be used effectively, efficiently, economically and in the best interests of the local community.

Any queries relating to municipalities preparation of municipal budgets in line with the cost containment measures should be directed to the respective National or Provincial Treasury official responsible for monitoring the municipality's budget. The names of these officials can be obtained from MFMA Circular 79 and / or other related MFMA Circulars. This Circular must be tabled before the municipal council for adoption together with the 2016/17 MTREF budget.

Issued on behalf of:

Malijeng Ngqaleni
Intergovernmental Relations

Kenneth Brown
Chief Procurement Officer

Jayce Nair
Acting Accountant-General

Contact



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Fax	012 315 5230
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Website	www.treasury.gov.za/mfma

TV PILLAY
CHIEF DIRECTOR: MFMA IMPLEMENTATION
30 MARCH 2016

Annexure A – Cost Containment Measures

Cabinet resolved, on 23 October 2013 that cost containment measures must be implemented to eliminate wasteful expenditure, reprioritize spending and ensure savings on the following focus areas among others; engagement of consultants, travel and subsistence costs, issuing of credit cards, accommodation costs, office furnishing costs, advertising or sponsorship costs, catering and events related costs.

It is prudent that Municipalities consider consultation with its employees and through public participation to obtain input and consideration from affected stakeholders such as communities, ratepayers, businesses, and so on which may prove to be beneficial when facilitating the implementation of cost containment policies and actions.

Municipalities are advised to ensure appropriate monitoring and reporting on such cost saving measures is instituted for ease of reporting to management and council on progress on a regular basis. The internal audit unit of municipalities must be copied with such reports.

1. Engagement of Consultants

- Accounting Officers must only contract with consultants after a gap analysis report has confirmed that the municipality does not have the requisite skills or resources in its permanent employment to perform the services required.
- Evidence of acute planning of the project must be visible to all relevant persons including the administration and political oversight mechanisms in place at the municipality.
- Consultants, including construction and infrastructure related services, must only be remunerated at the rates equal to or below those:
 - determined in the “Guidelines on fees for audits done on behalf of the Auditor-General South Africa”, issued by the South African Institute of Chartered Accountants (SAICA);
 - set out in the “Guide on Hourly Fee Rates for Consultants”, by the Department of Public Service and Administration (DPSA); or
 - Prescribed by the body regulating the profession of the consultant.
- Ensure an exacting “specification” of the work to be accomplished accompanies the tender and is used as a monitoring tool, are appropriately recorded and monitored.
- Ensure that contracts for consultants include retention and penalty clauses for poor performance and in this regard against the above specification, accounting officers must invoke such clauses, where deemed necessary.
- It is mandatory that accounting officers of municipalities and municipal entities conclude on the best “value for money”, i.e. matching fees against quality and against benchmarked practices.
- Accounting officers of municipalities and municipal entities must appoint consultants on a time and cost basis with specific start and end dates.
- Travel and subsistence costs for the appointment of consultants must be in accordance with the travel policy of government and the contract price specifies all travel & subsistence costs.

- If travel and subsistence costs for appointed consultants are exclusive of the contract, the costs must be in accordance with the following provisions:
 - a) Hotel accommodation may not exceed the amount mentioned in this Circular;
 - b) Only economy class air tickets may be purchased for flights;
 - c) Only group B vehicles or lower may be hired for engagements, as mentioned in this Circular;
 - d) Kilometres claimed for the use of private vehicles may not exceed the rates approved by the National Department of Transport, as updated from time to time.
- Municipalities are urged to develop consultancy reduction plans.
- Undertake all engagements of consultants in accordance with the SCM Regulations and the municipality's SCM policy.

2. Travel and subsistence

The National Treasury, on behalf of all three spheres of government, has negotiated improved upfront discounts for flights as well as discounted accommodation rates. Therefore municipalities and municipal entities are requested to utilize these agreements to assist in their respective cost containment measures, unless they can negotiate lower air travel rates or utilize other service providers that offer lower rates.

Net and Non-Commissionable Rates

All rates offered to Government as of 1 April 2016 will be net and non-commissionable. This will include the informal accommodation market e.g. Guest Houses and Bed & Breakfast establishments.

Rebates, Overrides, Volume based income

In the spirit of transparency, the OCPO is taking a firm position on rebates, overrides or any volume driven target incentives being paid by suppliers to Travel Management Company (TMC). As of 1 April 2016 these payments and the practice of overrides is to discontinue for Government business.

2.1 National Travel Policy

The Treasury will implement a Government Travel Policy as of 1 April 2016. This will be available on the OCPO's website:

(http://ocpo.treasury.gov.za/Buyers_Area/Legislation/Pages/default.aspx)

2.2 Air Travel

- Treasury has negotiated with the two "Full Service Carriers", i.e. SAA and BA for discounted rates for government officials for domestic air travel. (These rates are not applicable for International Air Travel.).
- For SAA, the discounts range from 5% (L class) up to 30% (Y Class) for Economy Class tickets; and 10% (D Class) up to 26% (C Class) for Business Class tickets. Please note that business class is not encouraged, however where a single flight exceed 5 hours, consideration may be applied.

- For BA the discounts range from 10% (O, Q class) up to 25% (Y Class) for Economy Class tickets; and 20% (J Class) for Business Class tickets. Please note that business class is not encouraged, however where a single flight exceed 5 hours, consideration may be applied.
- Treasury will be entering into a short-term Corporate Agreement from 1 April 2016 to 30 September 2016 in the interim, where after the agreements will be reviewed with a view of longer term applicability.
- The premise of Best Fare on the Day will be implemented making full use of the negotiated Government Corporate Agreements with SAA and BA Comair. Quotations are to be obtained from at least SAA and BA Comair before issue. Other Low Cost Carriers may also be requested for quotations. Please note that all discounted rates are subject to class availability.
- Corporate agreements with SAA and BA/Comair will be made available to TMCs that are currently contracted to Government. Should the municipal TMC have not been contacted by the full service carrier representative, they are to inform National Treasury with the agents name; physical address, contact name, email address and IATA number. Upon receipt of the information, the representatives of the full service carriers will ensure that the TMC is given access to the deal code. The TMC must have an authenticated IATA number.
- Accounting officers of municipalities and municipal entities are advised to include a clause in their respective documents that travel agencies are only permitted to make booking arrangements on behalf of municipalities and municipal entities in line with this Circular. Current arrangements need to be updated and amended to reflect these changes.
- Disabled persons can be accommodated in economy class, however, in extremely exceptional and rare cases an Accounting Officer may approve, with evidence, other than economy class air travel.

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National Treasury has negotiated maximum allowable rates with four hotel groups. A non-exclusive MOU is being entered into with the hotels over a period of six months from 1 April to 30 September 2016 while National Treasury prepares for an open bid process. The hotels are as follows, Premier Group, Protea Hotels, City Lodge and Tsogo Sun. The instruction to travel agents must be to obtain quotes from each of the four hotels; however it is not necessarily limited to them as accommodation depends on availability, locality and rates, which could be lower. Competition and cost effectiveness must remain a key principle.

Table 1: Rates set for Domestic Hotel Accommodation

Accommodation Grid			
Voucher Includes	BAND 1	BAND 2	BAND 3
	Room Only Tourism Levy VAT	Bed & Breakfast Tourism Levy VAT	Dinner, Bed and Breakfast Tourism Levy VAT 2 x soft Drink at Dinner
Graded Hotel	BAND 1	BAND 2	BAND 3
1 Star property	R580.00	R710.00	R855.00
2 Star property	R900.00	R1 030.00	R1 230.00
3 Star property	R1,100.00	R1,200.00	R1,400.00
4 Star property	R1,250.00	R1,350.00	R1,550.00
5 Star property	R2,100.00	R2,200.00	R2,500.00
Bed & Breakfast or Guest house	BAND 1	BAND 2	BAND 3
1 Star property	-	R180.00	R270.00
2 Star property	-	R250.00	R350.00
3 Star property	-	R400.00	R520.00
4 Star property	-	R600.00	R750.00
5 Star property	-	R800.00	R975.00
S&T Allowance	BAND 1	BAND 2	BAND 3
Breakfast	R120.00	-	-
Lunch	R120.00	R120.00	-
Dinner	R150.00	R150.00	-
Total as per TP	R390.00	R270.00	-
S&T Claims accepted based on Travel Policy, detail include Parking, Laundry and Wi Fi			
Important Note: All other costs incurred are for the individuals account.			
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- Accounting officers must ensure that overnight accommodation is limited to instances where the distance travelled by road by the employee exceeds 500 kilometres to and from the destination (return journey).

2.4 Vehicle Hire

- Municipalities are encouraged to continue considering their own fleet first, where viable, prior to hiring of vehicles;
- Notwithstanding the provisions above, all employees must make use of shuttle services if the cost of such a service is below the cost of hiring a vehicle.
- Accounting officers must also consider making use of shuttle services if the cost of kilometres claimable by the employee and the cost of parking are higher than the shuttle services.
- Ensure the hiring of vehicles from a category below Group B or an equivalent class. Accounting officers may permit employees to accept up-graded group of

hired vehicles if such an up-grade is offered for free or at a lower charge than Group B.

- Vehicle travel claims by employees of municipalities and municipal entities must be restricted to the actual distance travelled in excess of the normal distance from the employee's residence to his or her place of work or as may be negotiated using a motor vehicle allowance scheme.

3 Credit Cards

The use of credit and debit cards was addressed in an earlier MFMA Circular.

A bank, or any other institution, may not issue credit cards or debit cards linked to a bank account of a municipality or a municipal entity to any councillors, entity board members, municipal or entity officials or any other person. The issuing and use of such cards be it for official purposes:

- contravenes section 11 and 85 of the MFMA as there is no way of ensuring that all purchases made on the card are in accordance with the items listed in the sections or as prescribed;
- contravenes section 167 of the MFMA which provides that any bursary, loan, advance or other benefit paid to a municipal councillor otherwise than in accordance with the provisions of the Remuneration of Public Office Bearers Act constitutes irregular expenditure;
- contravening section 15 of the MFMA by incurring expenditure not authorised in an approved budget;
- non-compliance with section 164 of the MFMA which provides that no municipality or municipal entity may make loans to councillors or officials of the municipality, directors or officials of the entity or members of the public;
- non-compliance with the supply chain management regulations; and
- undermines efforts to safeguard municipal funds, combat fraud and corruption, as well as other irregular practices.

While the use of petrol cards or garage cards for municipal vehicles is permitted, it must be utilised in accordance with an appropriate policy and related procedures to avoid misuse thereof. Cost containment measures should be applied in managing and planning trips.

Where officials or councillors incur expenses in relation to official municipal activities, they should use their personal credit cards or cash, and request reimbursement from the municipality in accordance with the relevant municipal policy and processes. Alternatively, the municipality should make arrangements with the service provider that the expenditure be settled directly by the municipality.

4 Catering costs

- Do not incur catering expenses for any meetings where only municipal officials are in attendance. Notwithstanding the above, the accounting officer may incur catering expenses for the following, provided that such lasts for five (5) continuous hours or more:
 - a) The hosting of conferences, workshops, courses, forums, recruitment interviews, training courses, hearings;

- b) Meetings related to commissions or committees of inquiry; or
- c) Meetings hosted by the board of directors of municipal entities, including governance committee meetings.
- Ensure that entertainment allowances of qualifying officials do not exceed two thousand rand (R2 000) per person per financial year. The National Treasury may periodically review this amount.
- Do not incur expenses on alcoholic beverages.
- Ensure that team building and social functions, including year-end functions, are not financed from the municipal budgets or by any suppliers or sponsors.
- Notwithstanding the above, accounting officers may incur no more than the petty cash allocation or limitations on expenditure from their respective budgets to host farewell functions to employees who are either:
 - (a) proceeding on retirement due to ill health; or
 - (b) proceeding on retirement after reaching the qualifying age limit of a minimum of ten (10) or more years working for the public service.
- Accounting officers and accounting authorities may **not** host farewell functions for employees who have:
 - (a) been dismissed;
 - (b) elected to resign or leave by accepting severance packages; or
 - (c) Approached the end of their contractual term.

5 Events, advertising and sponsorships

- Eliminate wasteful expenditure on events, advertising in magazines, television, newspapers etc. where the municipality can use other cost effective means such as websites to market the institution or properly publicise the matters or events under consideration.
- Memorabilia, gifts and other novelties should be of token value only and should only be offered by municipalities and municipal entities in order to acknowledge support or a visit or attendance by a dignitary in connection with a benefit to the local community; to reciprocate the giving of a similar token gift by another organisation; or similar but in all cases there must be an identifiable benefit to the community.
- Limit or stop all unnecessary expenditure on matters such as printing of shirts, hosting of sporting events, festivals and other associated events, cruises, lavish functions, and extraordinary costs associated with visits of dignitaries or induction of new councillors.

6 Conferences, meetings, study tours, etc.

- Employees of municipalities and municipal entities may attend conferences hosted by professional bodies or non-governmental institutions (external conferences) held within the borders of South Africa provided that expenses related to their attendance do not exceed two thousand five hundred rand (R2 500) per person per day. The number of municipal officials attending such conferences and workshops must be limited, see below. The National Treasury may periodically review this amount.

- Employees must make every effort to take advantage of early registration discounts by seeking the required approvals to attend well in advance of the conference as it relates to their area of work. No late registration is acceptable.
- Conferences abroad must be limited to its ultimate minimum or none at all.
- Utilise municipal and/or provincial office facilities for conferences, meetings, strategic planning sessions etc. where an appropriate venue exists within the municipal jurisdiction.
- Limit or stop overseas trips and the delegations going on such trips unless a tangible and clear benefit to the local community and performance of essential service provision can be established beforehand.
- The number of employees travelling to conferences or meetings on official duty for the same matter is limited to three (3) employees, unless otherwise approved in advance by the relevant accounting officer, having due regard to the cost containment measures.
- Similar to the above, the number of employees travelling by air to other centres to attend an official engagement on the same matter is also limited to three (3) employees, unless otherwise approved in advance by the relevant accounting officer, having due regard to the cost containment measures.

7 Office furnishing

- Municipalities should exercise due precaution in refurbishing offices, purchasing equipment, etc. especially when new persons are elected or appointed. Use of existing facilities and equipment is encouraged.
- Office furnishing, when required, should be contained to minimal costs, avoiding elaborate and expensive furniture or equipment.

8 Staff study, perks and suspension costs

- Training attended by employees and councillors of municipalities and municipal entities may only be attended at pre-approved service providers to ensure sufficient quality of training and obtain value for money.
- Expenditure associated with overseas study tours by councillors or officials must be reduced and preferably stopped.
- Encourage staff to take time off to make up for overtime worked.
- Planned overtime must be submitted to management for consideration on a monthly basis.
- Unplanned overtime worked must be motivated and approved by management.
- Costs associated with long-standing staff suspensions and legal costs associated with not following due processes when suspending and dismissing staff must be eliminated.
- Constant management of staff, improvements in productivity levels and feedback must be provided to all staff.

9 Cost containment on other related expenditure items

- Accounting officers of municipalities and municipal entities are advised to ensure that all commodities and products that the National Treasury designated as transversal contracts are utilised to benefit from savings where lower prices or rates have been negotiated.

- Periodic or quarterly threat assessments against councillors and key officials should be undertaken by the appropriate authority (SAPS) and reported to the Speakers Office. Approval for security measures must be informed by such reports, if paid for from municipal funds. The use of metropolitan traffic officers for such purposes should be avoided.
- Municipal funds may not be used to fund election campaign activities, including the provision of supporting material, clothing, food, inducements to vote either as part of, or during election rallies.
- Printing of documents should carefully considered be back-to-back and use of colour printing for graphs only, while use of electronic means should be preferred.
- Review and introduce limits on municipal staff telephones and limiting private call to a reasonable amount.
- Every effort must be made to recover debt from consumers before write-off. Municipalities to avoid the excessive usage of debt collectors and improve its internal capacity for debt collection.
- Ensure synergy between municipal divisions or departments to avoid duplication of processes and efforts.
- Where possible the warranties on vehicle and computer equipment should be extended instead of procuring new ones.
- Labour saving devices should be shared to optimize the capacity utilization of each device.
- Purchasing of newspapers and other publications for municipal employees to limited and stopped.
- Municipalities should ensure that awareness is raised with municipal staff so that a high degree of energy saving measures can be introduced, e.g. air-conditioning and lights in buildings are switched off at night and when offices are not in use.
- All other cost containment measures introduced by council are also encouraged and supported.

OVERSTRAND MUNICIPALITY – COMMENTS:

**NATIONAL TREASURY MFMA Circular No. 82 Municipal Finance Management Act No. 56 of 2003
Cost Containment Measures (30 March 2016)**

MAY 2016

This document presents to council the status regarding cost containment measures in terms of MFMA Circular No. 82 Cost Containment Measures.

Purpose

Section 62(1)(a) of the Municipal Finance Management Act No. 56 of 2003 (MFMA) stipulates that the accounting officer of a municipality is responsible for managing the financial administration of a municipality and must for this purpose take all reasonable steps to ensure that the resources of the municipality are used effectively, efficiently and economically.

In terms of the legal framework, the elected councils and accounting officers are required to institute appropriate measures to ensure that the limited resources and public funds are appropriately utilized to ensure value for money is achieved.

The purpose of this Circular is to guide municipalities and municipal entities on cost containment measures that must be implemented in an effort to address the impact of the country's economic challenges and to promote growth, address unemployment and equality, amongst others.

Background

The national government has been aware of the need to contain costs and Cabinet resolved that all spheres of government, including municipalities and municipal entities must implement measures to contain operational costs and eliminate all non-essential expenditure.

In the 2016 State of the Nation Address, cost containment measures were re-emphasised. It was highlighted that excessive and wasteful expenditure has to be reduced, and that increased action be taken to manage unnecessary expenditure. The following measures were among those announced:

- **Curtailment of overseas trips;**
- The submission of strong motivation to MM's, Mayors and, where necessary, oversight mechanisms at local, provincial and national spheres of Government by those requesting **permission to travel either locally or abroad:** i.e. their detailed report including research which argues the necessity of the trip and the benefit the country will achieve in undertaking the journey;
- The institutionalization of **further restrictions on conferences, catering, entertainment and social functions.**

In reinforcing the above, the Minister of Finance also announced further cost containment measures in his budget speech on 24 February 2016, and urged Mayors of municipalities to exercise and oversee the elimination of wasteful expenditure in government. SALGA supported the call for cost containment measures to be implemented in municipalities as per the Budget Forum engagements and commitments.

Municipalities must make clear and quantified commitments in this regard when tabling their upcoming budgets, and to reference these commitments when submitting budget documentation to the National and Provincial Treasuries, as required by the MFMA.

Annexure A of this circular presents cost containment measures that accounting officers and chief finance officers must consider, in order to contain operational costs and eliminate non-essential expenditure. In addition, **municipalities are advised to refer to MFMA Budget Circular No. 70 and other relevant Circulars on the elimination of non-priority spending.** (<http://mfma.treasury.gov.za/Circulars/Pages/default.aspx>).

Enforcement of cost containment measures

SALGA recently expressed concern over the lack of enforcement of such measures and municipal councils are herewith reminded of Section 171(1) of the MFMA whereby the accounting officer of a municipality commits an act of financial misconduct if that accounting officer deliberately or negligently contravenes a provision of the Act, or fails to comply with a duty imposed by the Act on the accounting officer of the municipality.

Failure to fulfill the duty outlined in section 62(1) (a) of the MFMA may result in the accounting officer committing an act of financial misconduct and that disciplinary or criminal proceedings are instituted against any official who has allegedly committed an act of financial misconduct or an offence in terms of chapter 15. The accounting officer also has a duty to ensure that unauthorized, irregular or fruitless and wasteful expenditure and other losses are prevented.

Reference in Circular 82	Overstrand Mun Response
In addition, section 167 of the MFMA provides that a municipality may only remunerate its office bearers within the parameters set out in that section. In particular, sub-section 167(2) provides that any benefit paid that is outside the parameters set out in subsection (1) is irregular expenditure and must be recovered from the political office-bearer concerned. Details of precisely what a municipality may pay or remunerate its political office bearers are set out in the Notices issued in terms of the Political Office Bearers Act by the Minister of Cooperative Governance and Traditional Affairs.	Comply. 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).

Municipalities are reminded that the National Treasury will soon be conducting municipal budget benchmark engagements with non-delegated municipalities during which **all municipal budgets will be assessed against the cost containment measures outlined in this Circular. Provincial Treasuries will be conducting similar engagements and budget assessments with delegated municipalities.**

Consideration has been given to the lack of enforcement measures and therefore it is envisaged that regulations will be issued to align these measures with financial misconduct regulations. Disclosure of cost containment measures applied by the municipality and entity must be included in the Municipal Budget and Annual Report. Measures implemented and regular reports must be submitted to the Municipal Public Accounts Committee for review and recommendations to Council on additional measures to be taken.

The contents of this Circular has been shared with the office of the Auditor-General for their application, scrutiny and assessment.

Conclusion

It is important that the accounting officer ensures that the content of this Circular is brought to the attention of the Municipal Council and all other relevant officials within municipalities and municipal entities. It is recommended that:

Reference in Circular 82	Overstrand Mun Comments
• Municipalities adopt this Circular together with their annual budgets;	• The Circular will be included in the budget documentation to Council end of May 2016
• Municipalities are advised to review other finance related policies to ensure consistency with this Circular;	• The Circular will be included in the final 2016/2017 Budget documentation to serve before Council on 25 May 2016
• Municipalities implement the circular by creating the appropriate oversight mechanisms to monitor cost containment measures; • Implementation of such measures will assist in ensuring that the provisions of sections 62 and 167 of the MFMA are complied with to ensure that reasonable steps are taken for public resources to be used effectively, efficiently, economically and in the best interests of the local community.	• This document to be included in the quarterly budget report to Council.

Any queries relating to municipalities preparation of municipal budgets in line with the cost containment measures should be directed to the respective National or Provincial Treasury official responsible for monitoring the municipality's budget. The names of these officials can be obtained from MFMA Circular 79 and / or other related MFMA Circulars. This Circular must be tabled before the municipal council for adoption together with the 2016/17 MTREF budget.

Issued on behalf of:

Malijeng Ngqaleni Kenneth Brown Jayce Nair

Intergovernmental Relations Chief Procurement Officer Acting Accountant-General

TV PILLAY

CHIEF DIRECTOR: MFMA IMPLEMENTATION

30 MARCH 2016

Annexure A – Cost Containment Measures (Overstrand Municipality comments noted in the second column):

Cabinet resolved, on 23 October 2013 that cost containment measures must be implemented to eliminate wasteful expenditure, reprioritize spending and ensure savings on the following focus areas among others;

engagement of consultants, travel and subsistence costs, issuing of credit cards, accommodation costs, office furnishing costs, advertising or sponsorship costs, catering and events related costs.

It is prudent that Municipalities consider consultation with its -

- employees and - through public participation to obtain input and consideration from affected stakeholders such as communities, ratepayers, businesses, and so on which may prove to be beneficial when facilitating the implementation of cost containment policies and actions.	- Noted - The Circular will be included in the budget documentation to Council end of May 2016; - The cost containment measures referred to in Circular 70 of 4 December 2013 was addressed and included as Annexure H (Budget Circulars), in the Draft Budget as tabled and made available for public participation and comments.

Municipalities are advised to ensure appropriate monitoring and reporting on such cost saving measures is instituted for ease of reporting to

- management and council on progress on a regular basis.
- The internal audit unit of municipalities must be copied with such reports.

1. Engagement of Consultants

- Accounting Officers must only contract with consultants after a gap analysis report has confirmed that the municipality does not have the requisite skills or resources in its permanent employment to perform the services required. - Evidence of acute planning of the project must be visible to all relevant persons including the administration and political oversight mechanisms in place at the municipality. - Consultants, including construction and infrastructure related services, must only be remunerated at the rates equal to or below those: - determined in the “Guidelines on fees for audits done on behalf of the Auditor-General South Africa”, issued by the South African Institute of Chartered Accountants (SAICA);	Contents of the circular are noted; Appointment of consultants in terms of services required and listed.

- o set out in the “Guide on Hourly Fee Rates for Consultants”, by the Department of Public Service and Administration (DPSA); or - o Prescribed by the body regulating the profession of the consultant. • Ensure an exacting “specification” of the work to be accomplished accompanies the tender and is used as a monitoring tool, are appropriately recorded and monitored. • Ensure that contracts for consultants include retention and penalty clauses for poor performance and in this regard against the above specification, accounting officers must invoke such clauses, where deemed necessary. • It is mandatory that accounting officers of municipalities and municipal entities conclude on the best “value for money”, i.e. matching fees against quality and against benchmarked practices. • Accounting officers of municipalities and municipal entities must appoint consultants on a time and cost basis with specific start and end dates. • Travel and subsistence costs for the appointment of consultants must be in accordance with the travel policy of government and the contract price specifies all travel & subsistence costs. • If travel and subsistence costs for appointed consultants are exclusive of the contract, the costs must be in accordance with the following provisions: a) Hotel accommodation may not exceed the amount mentioned in this Circular; b) Only economy class air tickets may be purchased for flights; c) Only group B vehicles or lower may be hired for engagements, as mentioned in this Circular; d) Kilometres claimed for the use of private vehicles may not exceed the rates approved by the National Department of Transport, as updated from time to time. • Municipalities are urged to develop consultancy reduction plans. • Undertake all engagements of consultants in accordance with the SCM Regulations and the municipality’s SCM policy.	

2. Travel and subsistence

The National Treasury, on behalf of all three spheres of government, has negotiated improved upfront discounts for flights as well as discounted accommodation rates. Therefore municipalities and municipal entities are requested to utilize these agreements to assist in their respective cost containment measures, unless they can negotiate lower air travel rates or utilize other service providers that offer lower rates. <u>Net and Non-Commissionable Rates</u> All rates offered to Government as of 1 April 2016 will be net and non-commissionable. This will include the informal accommodation market e.g. Guest Houses and Bed & Breakfast establishments. <u>Rebates, Overrides, Volume based income</u>	The Overstrand Municipality Travel and subsistence Policy is developed and guided by the following: • South African Revenue Services (SARS) • Municipal Finance Management Act, 2003 (Act No. 56 of 2003) • South African Local Government Association (SALGA) • Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998) • Income Tax Act, 1962 (Act No. 58 of 1962).

In the spirit of transparency, the OCPO is taking a firm position on rebates, overrides or any volume driven target incentives being paid by suppliers to Travel Management Company (TMC). As of 1 April 2016 these payments and the practice of overrides is to discontinue for Government business.

This Policy must be read in conjunction with any of the Municipality's approved related policies, practices and standard operating procedures addressing specific issues essential for a full understanding of this Policy and which are not dealt with adequately herein.

2.1 National Travel Policy

The Treasury will implement a Government Travel Policy as of 1 April 2016. This will be available on the OCPO's website:

(http://ocpo.treasury.gov.za/Buyers_Area/Legislation/Pages/default.aspx)

2.2 Air Travel

- Treasury has negotiated with the two "Full Service Carriers", i.e. SAA and BA for discounted rates for government officials for domestic air travel. (These rates are not applicable for International Air Travel.).
- For SAA, the discounts range from 5% (L class) up to 30% (Y Class) for Economy Class tickets; and 10% (D Class) up to 26% (C Class) for Business Class tickets. Please note that business class is not encouraged, however where a single flight exceed 5 hours, consideration may be applied.
- For BA the discounts range from 10% (O, Q class) up to 25% (Y Class) for Economy Class tickets; and 20% (J Class) for Business Class tickets. Please note that business class is not encouraged, however where a single flight exceed 5 hours, consideration may be applied.
- Treasury will be entering into a short-term Corporate Agreement from 1 April 2016 to 30 September 2016 in the interim, where after the agreements will be reviewed with a view of longer term applicability.
- The premise of Best Fare on the Day will be implemented making full use of the negotiated Government Corporate Agreements with SAA and BA Comair. Quotations are to be obtained from at least SAA and BA Comair before issue. Other Low Cost Carriers may also be requested for quotations. Please note that all discounted rates are subject to class availability.
- Corporate agreements with SAA and BA/Comair will be made available to TMCs that are currently contracted to Government. Should the municipal TMC have not been contacted by the full service carrier representative, they are to inform National Treasury with the agents name; physical address, contact name, email address and IATA number. Upon receipt of the information, the representatives of the full service carriers will ensure that the TMC is given access to the deal code. The TMC must have an authenticated IATA number.

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2.4 Vehicle Hire

• Municipalities are encouraged to continue considering their own fleet first, where viable, prior to hiring of vehicles; • Notwithstanding the provisions above, all employees must make use of shuttle services if the cost of such a service is below the cost of hiring a vehicle. • Accounting officers must also consider making use of shuttle services if the cost of kilometres claimable by the employee and the cost of parking are higher than the shuttle services. • Ensure the hiring of vehicles from a category below Group B or an equivalent class. Accounting officers may permit employees to accept up-graded group of hired vehicles if such an up-grade is offered for free or at a lower charge than Group B. • Vehicle travel claims by employees of municipalities and municipal entities must be restricted to the actual distance travelled in excess of the normal distance from the employee's residence to his or her place of work or as may be negotiated using a motor vehicle allowance scheme.	The Overstrand Municipality Travel and subsistence Policy is developed and guided by the following: • South African Revenue Services (SARS) • Municipal Finance Management Act, 2003 (Act No. 56 of 2003) • South African Local Government Association (SALGA) • Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998) • Income Tax Act, 1962 (Act No. 58 of 1962). This Policy must be read in conjunction with any of the Municipality's approved related policies, practices and standard operating procedures addressing specific issues essential for a full understanding of this Policy and which are not dealt with adequately herein.

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A bank, or any other institution, may not issue credit cards or debit cards linked to a bank account of a municipality or a municipal entity to any councillors, entity board members, municipal or entity officials or any other person. The issuing and use of such cards be it for official purposes: • contravenes section 11 and 85 of the MFMA as there is no way of ensuring that all purchases made on the card are in accordance with the items listed in the sections or as prescribed; • contravenes section 167 of the MFMA which provides that any bursary, loan, advance or other benefit paid to a municipal councillor otherwise than in accordance with the provisions of the Remuneration of Public Office Bearers Act constitutes irregular expenditure; • contravening section 15 of the MFMA by incurring expenditure not authorised in an approved budget; • non-compliance with section 164 of the MFMA which provides that no municipality or municipal entity may make loans to councillors or officials of the municipality, directors or officials of the entity or members of the public; • non-compliance with the supply chain management regulations; and • undermines efforts to safeguard municipal funds, combat fraud and corruption, as well as other irregular practices.	• Overstrand Municipality does not allow the use of credit and debit cards.

While the use of petrol cards or garage cards for municipal vehicles is permitted, it must be utilised in accordance with an appropriate policy and related procedures to avoid misuse thereof. Cost containment measures should be applied in managing and planning trips.	• Noted
Where officials or councillors incur expenses in relation to official municipal activities, they should use their personal credit cards or cash, and request reimbursement from the municipality in accordance with the relevant municipal policy and processes. Alternatively, the municipality should make arrangements with the service provider that the expenditure be settled directly by the municipality.	• Noted

4 Catering costs

• Do not incur catering expenses for any meetings where only municipal officials are in attendance. Notwithstanding the above, the accounting officer may incur catering expenses for the following, provided that such lasts for five (5) continuous hours or more: a) The hosting of conferences, workshops, courses, forums, recruitment interviews, training courses, hearings; b) Meetings related to commissions or committees of inquiry; or c) Meetings hosted by the board of directors of municipal entities, including governance committee meetings. • Ensure that entertainment allowances of qualifying officials do not exceed two thousand rand (R2 000) per person per financial year. The National Treasury may periodically review this amount. • Do not incur expenses on alcoholic beverages. • Ensure that team building and social functions, including year-end functions, are not financed from the municipal budgets or by any suppliers or sponsors. • Notwithstanding the above, accounting officers may incur no more than the petty cash allocation or limitations on expenditure from their respective budgets to host farewell functions to employees who are either: (a) proceeding on retirement due to ill health; or (b) proceeding on retirement after reaching the qualifying age limit of a minimum of ten (10) or more years working for the public service. • Accounting officers and accounting authorities may not host farewell functions for employees who have: (a) been dismissed; (b) elected to resign or leave by accepting severance packages; or (c) Approached the end of their contractual term.	• Noted. Expenditure in this regard only approved after consideration being given to cost containment measures.

5 Events, advertising and sponsorships

• Eliminate wasteful expenditure on events, advertising in magazines, television, newspapers etc. where the municipality can use other cost effective means such as websites to market the institution or properly publicise the matters or events under consideration. • Memorabilia, gifts and other novelties should be of token value only and should only be offered by municipalities and municipal entities in order to acknowledge support or a visit or attendance by a dignitary in connection with a benefit to the local community; to reciprocate the giving of a similar token gift by another organisation; or similar but in all cases there must be an identifiable benefit to the community. • Limit or stop all unnecessary expenditure on matters such as printing of shirts, hosting of sporting events, festivals and other associated events, cruises, lavish functions, and extraordinary costs associated with visits of dignitaries or induction of new councillors.	• Noted. Expenditure in this regard only approved after consideration being given to cost containment measures.

6 Conferences, meetings, study tours, etc.

• Employees of municipalities and municipal entities may attend conferences hosted by professional bodies or non-governmental institutions (external conferences) held within the borders of South Africa provided that expenses related to their attendance do not exceed two thousand five hundred rand (R2 500) per person per day. The number of municipal officials attending such conferences and workshops must be limited, see below. The National Treasury may periodically review this amount. • Employees must make every effort to take advantage of early registration discounts by seeking the required approvals to attend well in advance of the conference as it relates to their area of work. No late registration is acceptable. • Conferences abroad must be limited to its ultimate minimum or none at all. • Utilise municipal and/or provincial office facilities for conferences, meetings, strategic planning sessions etc. where an appropriate venue exists within the municipal jurisdiction. • Limit or stop overseas trips and the delegations going on such trips unless a tangible and clear benefit to the local community and performance of essential service provision can be established beforehand. • The number of employees travelling to conferences or meetings on official duty for the same matter is limited to three (3) employees, unless otherwise approved in advance by the relevant accounting officer, having due regard to the cost containment measures. • Similar to the above, the number of employees travelling by air to other centres to attend an official engagement on the same matter is also limited to three (3) employees, unless otherwise approved in advance by the relevant accounting officer, having due regard to the cost containment measures.	Noted. Expenditure in this regard only approved after consideration being given to cost containment measures

7 Office furnishing

• Municipalities should exercise due precaution in refurbishing offices, purchasing equipment, etc. especially when new persons are elected or appointed. Use of existing facilities and equipment is encouraged. • Office furnishing, when required, should be contained to minimal costs, avoiding elaborate and expensive furniture or equipment.	• Noted. Expenditure in this regard only approved after consideration being given to cost containment measures.

8 Staff study, perks and suspension costs

• Training attended by employees and councillors of municipalities and municipal entities may only be attended at pre-approved service providers to ensure sufficient quality of training and obtain value for money. • Expenditure associated with overseas study tours by councillors or officials must be reduced and preferably stopped. • Encourage staff to take time off to make up for overtime worked. • Planned overtime must be submitted to management for consideration on a monthly basis. • Unplanned overtime worked must be motivated and approved by management. • Costs associated with long-standing staff suspensions and legal costs associated with not following due processes when suspending and dismissing staff must be eliminated. • Constant management of staff, improvements in productivity levels and feedback must be provided to all staff.	• Noted. Expenditure in this regard only approved after consideration being given to cost containment measures.

9 Cost containment on other related expenditure items

• Accounting officers of municipalities and municipal entities are advised to ensure that all commodities and products that the National Treasury designated as transversal contracts are utilised to benefit from savings where lower prices or rates have been negotiated.	• Consideration as part of strategic sourcing.

• Periodic or quarterly threat assessments against councillors and key officials should be undertaken by the appropriate authority (SAPS) and reported to the Speakers Office. Approval for security measures must be informed by such reports, if paid for from municipal funds. The use of metropolitan traffic officers for such purposes should be avoided. • Municipal funds may not be used to fund election campaign activities, including the provision of supporting material, clothing, food, inducements to vote either as part of, or during election rallies. • Printing of documents should carefully considered be back-to-back and use of colour printing for graphs only, while use of electronic means should be preferred. • Review and introduce limits on municipal staff telephones and limiting private call to a reasonable amount. • Every effort must be made to recover debt from consumers before write-off. Municipalities to avoid the excessive usage of debt collectors and improve its internal capacity for debt collection. • Ensure synergy between municipal divisions or departments to avoid duplication of processes and efforts. • Where possible the warranties on vehicle and computer equipment should be extended instead of procuring new ones. • Labour saving devices should be shared to optimize the capacity utilization of each device. • Purchasing of newspapers and other publications for municipal employees to limited and stopped. • Municipalities should ensure that awareness is raised with municipal staff so that a high degree of energy saving measures can be introduced, e.g. air-conditioning and lights in buildings are switched off at night and when offices are not in use. • All other cost containment measures introduced by council are also encouraged and supported.	• Noted and in compliance, with constant consideration of opportunities to ensure cost containment.

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Cost containment measures

Cabinet resolved, on 23 October 2013 that cost containment measures must be implemented to eliminate waste, reprioritise spending and ensure savings on six focus areas namely, consultancy fees, no credit cards, travel and related costs, advertising, catering and events costs as well as costs for accommodation. These measures would be applicable to all national and provincial departments, constitutional institutions and all public entities with effect from 1 December 2013.

While local government is autonomous in its strategy formulation (IDP) and budget appropriations, it remains a sphere of government. In pursuing value for money and curtailing unnecessary costs ***municipalities are strongly urged*** to take cognisance of the cost containment measures as approved by Cabinet and align their budgeting policies to these guidelines to the maximum extent possible.

Eliminating non-priority spending

The *2013 Medium-term Budget Policy Statement* (MTBPS) highlighted the need for resource allocation to be prioritised in expanding public-sector investment. The MTBPS further emphasises the need for government to step up its efforts to combat waste, inefficiency and corruption. Municipalities must therefore pay special attention to cost containing measures and controlling unnecessary spending on nice-to-have items and non-essential activities.

The following additional examples of non-priority expenditure have been observed, and municipalities are reminded that they need to be eliminated as well:

NON PRIORITY SPENDING	COMMENTS
i. excessive sponsorship of music festivals, beauty pageants and sporting events, including the purchase of tickets to events for councillors and/or officials;	Only R300 000 allocated for all festivals and events
ii. public relations projects and activities that are not centred on actual service delivery or are not a municipal function (e.g. celebrations; gala dinners; commemorations, advertising and voter education);	None
iii. LED projects that serve the narrow interests of only a small number of beneficiaries or fall within the mandates of other government departments such as the Department of Agriculture;	None
iv. excessive catering for meetings and other events, including the use of public funds to buy alcoholic beverages;	No excessive catering. Budget baseline limited to zero or decrease in % compared to previous budget
v. arranging workshops and events at expensive private venues, especially ones outside the municipality (as opposed to using the municipality's own venues);	Strictly own available venues or procurement of venues via SCM processes. No venues outside the municipal area.
vi. excessive printing costs (instead of maximising the use of the municipality's website, including providing facilities for the public to access the website);	Electronic council agendas & minutes implemented across the organisation where applicable.
vii. excessive luxurious office accommodation and office furnishings;	Standard options for office accommodation and furnishings
viii. foreign travel by mayors, councillors and officials, particularly 'study tours';	Professional work related instances only
ix. excessive councillor and staff perks such as luxurious mayoral cars and houses, notebooks, IPADS and cell-phone allowances; travel and subsistence allowances. Municipalities are reminded that in terms of section 7(1) of the Remuneration of	No excessive councillor and staff perks. No mayoral cars and houses, notebooks, IPADS are provided.

Public Office-bearers Act, 1998 (Act No.20 of 1998) the Minister for Cooperative Governance and Traditional Affairs must determine the limit of salaries and allowances of the different members of municipal councils and any budget provision may not be outside this framework;	
x. excessive staff in the office of the mayor – particularly the appointment of political ‘advisors’ and ‘spokespersons’;	Only one PRO in the office of the executive mayor
xi. all donations to individuals that are not made in terms of the municipality’s indigent policy or a bursary scheme; for instance donations to cover funeral costs (other than pauper burials which is a district municipality function);	None
xii. costs associated with long-standing staff suspensions and the legal costs associated with not following due process when suspending or dismissing staff, as well as payment of severance packages or ‘golden handshakes’;	None
xiii. the use of consultants to perform routine management tasks, and the payment of excessive fees to consultants;	Consultancy services are only procured and utilised for the provision of specialised professional services where this cannot be maintained in-house
xiv. excessive unnecessary spending on personal bodyguards and security to political office bearers; and	None
xv. Excessive overtime.	Shift system instituted in Protection Services directorate.



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.

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.



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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%		7.61%	Please refer to page 2 of MFMA Circular No.71	Maximum capital accommodated according to resources
					Total Operating Expenditure	1 072 995 227		
					Taxation Expense	-		
					Total Capital Expenditure	88 356 069		
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	3 084 987 105		
					Investment at carrying value	159 760 500		
					Intangible Assets at carrying value	4 178 816		
3	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)	Total Repairs and Maintenance Expenditure/ Property, Plant and Equipment and Investment Property (Carrying value) x 100	Statement of Financial Position, Statement of Financial Performance, IDP, Budgets and In-Year Reports	8%		4%	Please refer to page 4 of MFMA Circular No. 71	Repais & maintenance comprises 11.26% of total expenditure. Asset value was enhanced with the introduction of GRAP i.r.o. Depreciated Replacement Cost.
					Total Repairs and Maintenance Expenditure	120 795 471		
					PPE at carrying value	3 084 987 105		
					Investment Property at Carrying value	159 760 500		
B. Debtors Management								
1	Collection Rate	(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance - Bad Debts Written Off)/Billed Revenue x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget , In-Year Reports, IDP and AR	95%		98%	Please refer to page 5 of MFMA Circular No. 71	
					Gross Debtors closing balance	84 040 215		
					Gross Debtors opening balance	67 774 367		
					Bad debts written Off	500 000		
					Billed Revenue	787 645 176		
2	Bad Debts Written-off as % of Provision for Bad Debt	Bad Debts Written-off/Provision for Bad debts x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	100%		46%	Please refer to page 5 of MFMA Circular No. 71	
					Consumer Debtors Bad debts written off	500 000		
					Consumer Debtors Current bad debt Provision	1 096 302		
3	Net Debtors Days	((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue)) × 365	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	30 days		31 days	Please refer to page 6 of MFMA Circular No. 71	In line with the norm
					Gross debtors	84 040 215		
					Bad debts Provision	17 096 302		
					Billed Revenue	787 645 176		

RATIO		FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION	MUNICIPAL COMMENTS (#)
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		1 Month	Please refer to page 7 of MFMA Circular No. 71	
					Cash and cash equivalents	114 126 977		
					Unspent Conditional Grants	-		
					Overdraft	-		
					Short Term Investments	-		
					Total Annual Operational Expenditure	931 416 772		
2	Current Ratio	Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1		1.30	Please refer to page 7 of MFMA Circular No. 71	The current ratio has floated in the range between 1 and 1,5 for approx. 6 years. Additional cash generation vs affordability by the consumers is being considered. Expected to reach 1.6 by 2018/19
					Current Assets	238 961 736		
					Current Liabilities	183 981 195		
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%		7%	Please refer to page 8 of MFMA Circular No. 71	
					Interest Paid	46 421 043		
					Redemption	26 841 420		
					Total Operating Expenditure	1 072 995 227		
					Taxation Expense	-		
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%		47%	Please refer to page 9 of MFMA Circular No. 71	Higher gearing due to much needed infrastructure investment over the past decade. Reduction policy in place. Reduces to 42% over MTREF.
					Total Debt	441 666 534		
					Total Operating Revenue	993 174 733		
					Operational Conditional Grants	53 362 841		
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%		6737%	Please refer to page 9 of MFMA Circular No. 71	
					Cash and cash Equivalents	114 126 977		
					Bank Overdraft	-		
					Short Term Investment	-		
					Long Term Investment	35 327 750		
					Unspent Grants	-		
					Net Assets	2 703 149 693		
					Share Premium	-		
					Share Capital	-		
					Revaluation Reserve	-		
					Fair Value Adjustment Reserve	-		
					Accumulated Surplus	2 700 931 271		
2. FINANCIAL PERFORMANCE								
A. Efficiency								
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%		-8%	Please refer to page 10 of MFMA Circular No. 71	With the introduction of GRAP assets were assessed at DRC, which included assets already depreciated but adjusted because of useful remaining life. Due to increased depreciation this indicator is not a true reflection of cash backed revenue surplus to expenditure.
					Total Operating Revenue	993 174 733		
					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	1 072 995 227		
					Taxation Expense	-		
2	Net Surplus /Deficit Electricity	Total Electricity Revenue less Total Electricity Expenditure/Total Electricity Revenue x 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	0% - 15%		9%	Please refer to page 10 of MFMA Circular No. 71	See costing of services in budget report - Table 5
					Total Electricity Revenue	357 878 081		
					Total Electricity Expenditure	323 891 217		

RATIO		FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION	MUNICIPAL COMMENTS (#)
3	Net Surplus /Deficit Water	Total Water Revenue less Total Water Expenditure/Total Water Revenue × 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%		10%	Please refer to page 11 of MFMA Circular No. 71	See costing of services in budget report - Table 5
					Total Water Revenue	111 888 684		
					Total Water Expenditure	101 189 970		
4	Net Surplus /Deficit Refuse	Total Refuse Revenue less Total Refuse Expenditure/Total Refuse Revenue × 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%		-3%	Please refer to page 12 of MFMA Circular No. 71	See costing of services in budget report - Table 5
					Total Refuse Revenue	65 570 200		
					Total Refuse Expenditure	67 478 126		
5	Net Surplus /Deficit Sanitation and Waste Water	Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water Expenditure/Total Sanitation and Waste Water Revenue × 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	= or > 0%		1%	Please refer to page 12 of MFMA Circular No. 71	See costing of services in budget report - Table 5
					Total Sanitation and Water Waste Revenue	72 530 100		
					Total Sanitation and Water Waste Expenditure	72 071 951		
B. Distribution Losses								
1	Electricity Distribution Losses (Percentage)	(Number of Electricity Units Purchased and/or Generated - Number of units sold) / Number of Electricity Units Purchased and/or generated) × 100	Annual Report, Audit Report and Notes to Annual Financial Statements	7% - 10%		6%	Please refer to page 13 of MFMA Circular No. 71	SA8
					Number of units purchased and/or generated	230 200 000		
					Number of units sold	216 330 000		
2	Water Distribution Losses (Percentage)	(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified × 100	Annual Report, Audit Report and Notes to Annual Financial Statements	15% - 30%		19%	Please refer to page 13 of MFMA Circular No. 71	
					Number of kilolitres purchased and/or purified	7 146 903		
					Number of kilolitres sold	5 807 357		
C. Revenue Management								
1	Growth in Number of Active Consumer Accounts	(Period under review's number of Active Debtor Accounts - previous period's number of Active Debtor Accounts)/ previous number of Active Debtor Accounts x 100	Debtors System	None		1%	Please refer to page 14 of MFMA Circular No. 71	
					Number of Active Debtors Accounts (Previous)	45 128		
					Number of Active Debtors Accounts (Current)	45 426		
2	Revenue Growth (%)	(Period under review's Total Revenue - previous period's Total Revenue)/ previous period's Total Revenue) x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= CPI		6%	Please refer to page 15 of MFMA Circular No. 71	
					CPI	5%		
					Total Revenue (Previous)	974 834 107		
					Total Revenue (Current)	1 037 637 031		
3	Revenue Growth (%) - Excluding capital grants	(Period under review's Total Revenue Excluding capital grants- previous period's Total Revenue excluding capital grants)/ previous period's Total Revenue excluding capital grants) x 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	= CPI		9%	Please refer to page 15 of MFMA Circular No. 71	
					CPI	5%		
					Total Revenue Exl.Capital (Previous)	913 073 288		
					Total Revenue Exl.Capital (Current)	993 174 733		
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 Annual Financial Statements	30 days		24 days	Please refer to page 16 of MFMA Circular No.71	
					Trade Creditors	34 115 446		
					Contracted Services	122 222 972		
					Repairs and Maintenance	70 534 008		
					General expenses	29 134 134		
					Bulk Purchases	210 763 340		
					Capital Credit Purchases (Capital Credit Purchases refers to additions of Investment Property and Property,Plant and Equipment)	88 356 069		
2	Irregular, Fruitless and Wasteful and Unauthorised Expenditure /	(Irregular, Fruitless and Wasteful and Unauthorised Expenditure) / (Total Operating Expenditure) x100	Statement Financial Performance, Notes to Annual Financial Statements	0%	Irregular, Fruitless and Wasteful and Unauthorised Expenditure	#DIV/0!	Please refer to page 16 of MFMA Circular No. 71	N/A

RATIO		FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION	MUNICIPAL COMMENTS (#)
	Total Operating Expenditure	Expenditure) / Total Operating Expenditure x100	and AR		Total Operating Expenditure		MFMA Circular No. 71	
					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%		30%	Please refer to page 17 of MFMA Circular No. 71	
					Employee/personnel related cost	314 203 985		
					Councillors Remuneration	9 110 256		
					Total Operating Expenditure	1 072 995 227		
					Taxation Expense			
4	Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	2% - 5%		15%	Please refer to page 17 of MFMA Circular No. 71	Cost analysis conducted to deliver cost effective services.
					Contracted Services	158 367 671		
					Total Operating Expenditure	1 072 995 227		
					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		49%	Please refer to page 18 of MFMA Circular No. 71	
					Internally generated funds	9 607 839		
					Borrowings	33 824 415		
					Total Capital Expenditure	88 356 069		
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		11%	Please refer to page 18 of MFMA Circular No. 71	
					Internally generated funds	9 607 839		
					Total Capital Expenditure	88 356 069		
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		90%	Please refer to page 18 of MFMA Circular No. 71	
					Total Revenue	993 174 733		
					Government grant and subsidies	126 312 841		
					Public contributions and Donations	4 500 000		
					Capital Grants	39 962 298		
3. BUDGET IMPLEMENTATION								
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%		88%	Please refer to page 19 of MFMA Circular No. 71	2014/2015 Audited
					Actual Capital Expenditure	108 490 072		
					Budget Capital Expenditure	122 784 671		
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%		98%	Please refer to page 20 of MFMA Circular No. 71	2014/2015 Audited
					Actual Operating Expenditure	914 639 069		
					Budget Operating Expenditure	933 322 337		
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%		100%	Please refer to page 20 of MFMA Circular No. 71	2014/2015 Audited
					Actual Operating Revenue	808 024 466		
					Budget Operating Revenue	810 350 925		
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%		99%	Please refer to page 21 of MFMA Circular No. 71	2014/2015 Audited
					Actual Service Charges and Property Rates Revenue	673 262 149		
					Budget Service Charges and Property Rates Revenue	679 075 344		



**Western Cape
Government**

Provincial Treasury

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Local Government Budget Office

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Reference: RCS/5.C

TREASURY CIRCULAR MUN NO. 8/2016

THE MAYOR, CITY OF CAPE TOWN: MS P DE LILLE
THE MAYOR, WEST COAST DISTRICT MUNICIPALITY: MR JH CLEOPHAS
THE MAYOR, MATZIKAMA MUNICIPALITY: MR P BOK
THE MAYOR, CEDERBERG MUNICIPALITY: MR J MULLER
THE MAYOR, BERGRIVIER MUNICIPALITY: MR EB MANUEL
THE MAYOR, SALDANHA BAY MUNICIPALITY: MR F SCHIPPERS
THE MAYOR, SWARTLAND MUNICIPALITY: MR T VAN ESSEN
THE MAYOR, CAPE WINELANDS DISTRICT MUNICIPALITY: MR N DE BRUYN
THE MAYOR, WITZENBERG MUNICIPALITY: MR B KLAASEN
THE MAYOR, DRAKENSTEIN MUNICIPALITY: MS G VAN DEVENTER
THE MAYOR, STELLENBOSCH MUNICIPALITY: MR CJ SIDEGO
THE MAYOR, BREEDE VALLEY MUNICIPALITY: MS A STEYN
THE MAYOR, LANGEBERG MUNICIPALITY: MS D GAGIANO
THE MAYOR, OVERBERG DISTRICT MUNICIPALITY: MR L DE BRUYN
THE MAYOR, THEEWATERSKLOOF MUNICIPALITY: MR CB PUNT
THE MAYOR, OVERSTRAND MUNICIPALITY: MS N BOTHA-GUTHRIE
THE MAYOR, CAPE AGULHAS MUNICIPALITY: MR R MITCHELL
THE MAYOR, SWELLENDAAM MUNICIPALITY: MR N MYBURGH
THE MAYOR, EDEN DISTRICT MUNICIPALITY: MR L ESAU (ACTING)
THE MAYOR, KANNALAND MUNICIPALITY: MR J DONSON
THE MAYOR, HESSEQUA MUNICIPALITY: MS E NEL
THE MAYOR, MOSSEL BAY MUNICIPALITY: MS M FERREIRA
THE MAYOR, GEORGE MUNICIPALITY: MR C STANDERS
THE MAYOR, OUDTSHOORN MUNICIPALITY: MR IV VAN DER WESTHUIZEN
THE MAYOR, BITOU MUNICIPALITY: MR M BOOYSEN
THE MAYOR, KNYSNA MUNICIPALITY: MS J WOLMARANS
THE MAYOR, CENTRAL KAROO DISTRICT MUNICIPALITY: MR E NJADU
THE MAYOR, LAINGSBURG MUNICIPALITY: MR W THERON
THE MAYOR, PRINCE ALBERT MUNICIPALITY: MR G LOTTERING
THE MAYOR, BEAUFORT WEST MUNICIPALITY: MR HT PRINCE

THE MUNICIPAL MANAGER, CITY OF CAPE TOWN: MR A EBRAHIM
THE MUNICIPAL MANAGER, WEST COAST DISTRICT MUNICIPALITY: MR H PRINS
THE MUNICIPAL MANAGER, MATZIKAMA MUNICIPALITY: MR M BOLTON (ACTING)
THE MUNICIPAL MANAGER, CEDERBERG MUNICIPALITY: MR G MATTHYSE
THE MUNICIPAL MANAGER, BERGRIVIER MUNICIPALITY: ADV H LINDE
THE MUNICIPAL MANAGER, SALDANHA BAY MUNICIPALITY: MR L SCHEEPERS
THE MUNICIPAL MANAGER, SWARTLAND MUNICIPALITY: MR J SCHOLTZ
THE MUNICIPAL MANAGER, CAPE WINELANDS DISTRICT MUNICIPALITY: MR M MGAJO
THE MUNICIPAL MANAGER, WITZENBERG MUNICIPALITY: MR D NASSON
THE MUNICIPAL MANAGER, DRAKENSTEIN MUNICIPALITY: MR J CARSTENS (ACTING)
THE MUNICIPAL MANAGER, STELLENBOSCH MUNICIPALITY: MR R BOSMAN (ACTING)
THE MUNICIPAL MANAGER, BREEDE VALLEY MUNICIPALITY: MR D McTHOMAS (ACTING)
THE MUNICIPAL MANAGER, LANGEBERG MUNICIPALITY: MR SA MOKWENI
THE MUNICIPAL MANAGER, OVERBERG DISTRICT MUNICIPALITY: MR D BERETTI
THE MUNICIPAL MANAGER, THEEWATERSKLOOF MUNICIPALITY: MR HSD WALLACE
THE MUNICIPAL MANAGER, OVERSTRAND MUNICIPALITY: MR C GROENEWALD
THE MUNICIPAL MANAGER, CAPE AGULHAS MUNICIPALITY: MR D O'NEILL
THE MUNICIPAL MANAGER, SWELLENDAAM MUNICIPALITY: MR CM AFRICA
THE MUNICIPAL MANAGER, EDEN DISTRICT MUNICIPALITY: MR GW LOUW
THE MUNICIPAL MANAGER, KANNALAND MUNICIPALITY: MR M HOOGBAARD
THE MUNICIPAL MANAGER, HESSEQUA MUNICIPALITY: MR J JACOBS
THE MUNICIPAL MANAGER, MOSSEL BAY MUNICIPALITY: DR M GRATZ

THE MUNICIPAL MANAGER, GEORGE MUNICIPALITY: MR T BOTHA
 THE MUNICIPAL MANAGER, OUDTSHOORN MUNICIPALITY: MR A PAULSE (ACTING)
 THE MUNICIPAL MANAGER, BITOU MUNICIPALITY: MR A PAULSE
 THE MUNICIPAL MANAGER, KNYSNA MUNICIPALITY: MR G EASTON
 THE MUNICIPAL MANAGER, CENTRAL KAROO DISTRICT MUNICIPALITY: MR S JOOSTE
 THE MUNICIPAL MANAGER, LAINGSBURG MUNICIPALITY: MR P WILLIAMS
 THE MUNICIPAL MANAGER, PRINCE ALBERT MUNICIPALITY: MR H METTLER
 THE MUNICIPAL MANAGER, BEAUFORT WEST MUNICIPALITY: MR J BOOYSEN

THE CHIEF FINANCIAL OFFICER, CITY OF CAPE TOWN: MR K JACOBY
 THE CHIEF FINANCIAL OFFICER, WEST COAST DISTRICT MUNICIPALITY: MR J KOEKEMOER
 THE CHIEF FINANCIAL OFFICER, MATZIKAMA MUNICIPALITY: MR M BOLTON
 THE CHIEF FINANCIAL OFFICER, CEDERBERG MUNICIPALITY: MR E ALFRED
 THE CHIEF FINANCIAL OFFICER, BERGRIVIER MUNICIPALITY: MR JA VAN NIEKERK
 THE CHIEF FINANCIAL OFFICER, SALDANHA BAY MUNICIPALITY: MR S VORSTER
 THE CHIEF FINANCIAL OFFICER, SWARTLAND MUNICIPALITY: MR K COOPER
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 THE CHIEF FINANCIAL OFFICER, DRAKENSTEIN MUNICIPALITY: MR J CARSTENS
 THE CHIEF FINANCIAL OFFICER, STELLENBOSCH MUNICIPALITY: MR M WÜST
 THE CHIEF FINANCIAL OFFICER, BREED VALLEY MUNICIPALITY: MR R ONTONG (ACTING)
 THE CHIEF FINANCIAL OFFICER, LANGEBERG MUNICIPALITY: MR CF HOFFMANN
 THE CHIEF FINANCIAL OFFICER, OVERBERG DISTRICT MUNICIPALITY: MR J TESSELAAR
 THE CHIEF FINANCIAL OFFICER, THEEWATERSKLOOF MUNICIPALITY: MR D LOUW
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 THE CHIEF FINANCIAL OFFICER, SWELLENDAM MUNICIPALITY: MR H SCHLEBUSCH
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 THE CHIEF FINANCIAL OFFICER, KANNALAND MUNICIPALITY: MR N DELO
 THE CHIEF FINANCIAL OFFICER, HESSEQUA MUNICIPALITY: MS HJ VILJOEN
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 THE CHIEF FINANCIAL OFFICER, CENTRAL KAROO DISTRICT MUNICIPALITY: MR N NORTJE
 THE CHIEF FINANCIAL OFFICER, LAINGSBURG MUNICIPALITY: MS A GROENEWALD
 THE CHIEF FINANCIAL OFFICER, PRINCE ALBERT MUNICIPALITY: MR J NEETHLING
 THE CHIEF FINANCIAL OFFICER, BEAUFORT WEST MUNICIPALITY: MR F SABBAT

THE HEAD OFFICIAL: PROVINCIAL TREASURY (MR Z HOOSAIN)
 THE DEPUTY DIRECTOR GENERAL: FISCAL AND ECONOMIC SERVICES (MR H MALILA)
 THE DEPUTY DIRECTOR GENERAL: GOVERNANCE AND ASSET MANAGEMENT (MR A HARDIEN)
 THE CHIEF DIRECTOR: PUBLIC POLICY SERVICES (MS M KORSTEN)
 THE CHIEF DIRECTOR: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MS JD GANTANA)
 THE CHIEF DIRECTOR: LOCAL GOVERNMENT PUBLIC FINANCE (MR M SIGABI) (ACTING)
 THE CHIEF DIRECTOR: ASSET MANAGEMENT (MR IG SMITH)
 THE CHIEF DIRECTOR: FINANCIAL GOVERNANCE AND ACCOUNTING (MR A HARDIEN) (PRO TEM)
 THE CHIEF FINANCIAL OFFICER (MR A GILDENHUYS)
 THE HEAD: OFFICE OF THE FINANCE MINISTRY (ADV E PRETORIUS)
 THE DIRECTOR: BUSINESS INFORMATION AND DATA MANAGEMENT (MR PP PIENAAR)
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 THE DIRECTOR: INFRASTRUCTURE (MR P CHANDAKA)
 THE DIRECTOR: LOCAL GOVERNMENT ACCOUNTING (MS MG FORTUIN) (ACTING)
 THE DIRECTOR: LOCAL GOVERNMENT BUDGET OFFICE (MR ML BOOYSEN)
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP ONE) (MR H MALILA) (PRO TEM)
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP TWO) (MR Z ZONYANE) (ACTING)
 THE DIRECTOR: PROVINCIAL GOVERNMENT BUDGET OFFICE (MS R SLINGER)

THE PROVINCIAL AUDITOR

MASTER RECORDS OFFICIAL: BUSINESS INFORMATION AND DATA MANAGEMENT

THE HEAD OF DEPARTMENT: LOCAL GOVERNMENT

THE CHIEF DIRECTOR: LOCAL GOVERNMENT BUDGET ANALYSIS – NATIONAL TREASURY (MR J HATTINGH)

THE CHIEF DIRECTOR: MFMA IMPLEMENTATION – NATIONAL TREASURY (MR TV PILLAY)

MUNICIPAL BUDGET CIRCULAR FOR THE 2016/17 MTREF

1. PURPOSE

- 1.1 The purpose of this Circular is to brief municipalities on the 2016 Local Government Medium Term Expenditure Committee Process (i.e. LG MTEC) and related matters.

2. BACKGROUND

- 2.1 The Western Cape Provincial Government has institutionalised the 'LG MTEC' process in fulfilment of its obligations under:
- 2.1.1 Section 22 and 23 of the Local Government: Municipal Finance Management Act (MFMA), Act No. 56 of 2003; and
- 2.1.2 Chapter 5 of the Local Government: Municipal Systems Act (Act No. 32 of 2000) [MSA].
- 2.2 The 2016 process will build on the 2015 process in order to strengthen alignment between municipal and provincial planning and budgeting.

3. TOWARD AN INTEGRATED APPROACH

- 3.1 Against the backdrop of a constrained economic and fiscal environment, work has begun to adopt a more coordinated, integrated and strategic approach to planning, budgeting and implementation in the Western Cape Government. This process has been institutionalised under the auspices of the Provincial Strategic Goal (PSG) 5: Integrated Management Work Group (Work Group 4), which seeks to improve service delivery through improved coordination while creating maximum socio-economic impact.
- 3.2 Work Group 4 under the umbrella of PSG 5 leads the process of co-creating Integrated Management across key processes of the Western Cape Government. The responsibilities of the participants can be summarised as follows:
- Department of the Premier is to ensure strategic policy alignment; and Province-wide Monitoring & Evaluation and Intergovernmental Reporting;
 - Provincial Treasury is to ensure integrated financial governance, planning and budgeting;
 - The Department of Local Government is to facilitate integrated joint planning between the Provincial and Municipal spheres of Government;

- The Department of Environmental Affairs and Development Planning, is responsible for driving spatial governance, alignment and performance management; and
- The Economic Development Partnership (EDP) will facilitate partnerships and partnering for development.

3.3 Coordination efforts between these Departments will take place between spheres of government and within the provincial sphere (vertical and horizontal integration) and include an iterative process of alignment of policy-making, planning and budgeting systems and processes. The principles which will drive Integrated Management include policy consistency; accountability and responsibility; continuous learning, improvement and capacity building all with the objective of broad ownership and coordinated action.

4. **KEY DATES/ PROCESSES**

4.1 Municipalities are advised to take note of the following key dates/processes:

4.1.1 Municipal Budget Day

According to sections 16(2) and 17(3)(d) of the MFMA, the Mayor of a municipality must table the annual budget accompanied by any proposed amendments to the municipality's Integrated Development Plan (IDP) following the annual review of the IDP in terms of section 34 of the Municipal Systems Act, at a council meeting at least 90 days (i.e. by 31 March each year) before the start of the budget year.

Municipalities are kindly requested to indicate any changes to the confirmed tabling dates as per **Appendix A** with the Provincial Treasury as it is crucial for the collection of the budget documentation and the assessment process leading up to the LG MTEC engagements. Municipalities are requested to indicate any changes to the confirmed tabling dates to Tania.Bosser@westerncape.gov.za by **04 March 2016**.

4.1.2 Adoption of Municipal Budgets

According to section 24(1) of the MFMA, the municipal council must at least 30 days before the start of the budget year consider approval of the annual budget and any changes to the municipality's IDP. Furthermore, an annual budget must be approved by the municipal council before the start of the budget year in line with section 24(2) of the MFMA.

4.1.3 The 2016 Local Government Elections

The 2016 Local Government Elections are likely to be scheduled between May and August 2016, the exact date is yet to be determined. Although it is each municipal council's prerogative to decide when to approve its annual budget, municipalities are advised to align its budget tabling, consultation and adoption stages so that the annual budget, budget policies and tariffs are approved within the timeframes as set out in section 16, 22, 23 and 24 of the MFMA. Failure to approve the annual budget before the start of the budget year may result in a section 139 intervention in terms of the Constitution.

Municipalities are also cautioned against the tabling of election friendly budgets which may not be credible, affordable or sustainable.

5. **TABLING OF BUDGET DOCUMENTS**

- 5.1 When an annual budget is tabled in council by the Mayor it must be accompanied by the documents and information as set out in terms of section 17(3)(a-m) of the MFMA:
 - 5.1.1 The draft Budget Documentation as set out in Schedule A of the Municipal Budget and Reporting Regulations **[Version 2.8]**, including:
 - The main Tables (A1 - A10); and
 - The supporting tables (SA1 - SA37).
 - 5.1.2 Draft Budget Resolution.
 - 5.1.3 Any proposed changes to the municipality's draft Integrated Development Plan.
 - 5.1.4 Draft Service Delivery and Budget Implementation Plan (SDBIP).
 - 5.1.5 Draft Service Level Standards.
 - 5.1.6 Signed Quality Certificate as prescribed in the Municipal Budget and Reporting Regulations.
- 5.2 Municipalities with one or more municipal entity(ies) are also required to produce a **consolidated annual budget** for the parent municipality and all its municipal entities in the prescribed formats.
- 5.3 The Provincial Treasury has previously requested municipalities to submit a draft SDBIP with the tabling of the annual budgets in order to aid the "responsiveness" assessment of the tabled budget and IDP. In this regard, municipalities are reminded of regulation 14(2) of the MBRR which reads, "When complying with section 68 of the Act (MFMA), the municipal manager must submit the draft municipal service delivery and budget implementation plan to the mayor together

with the annual budget to be considered by the mayor for tabling in terms of section 16(2) of the Act". Furthermore, regulation 14(4) of the MBRR reads, "For effective planning and implementation of the annual budget, the draft service delivery and budget implementation plan may form part of the budget documentation and be tabled in the municipal council if so recommended by the budget steering committee".

6. SUBMISSION OF BUDGET DOCUMENTS

- 6.1 Section 22(b)(i) of the MFMA requires that immediately after an annual budget is tabled in a municipal council it must be submitted to the National Treasury and the relevant provincial treasury in both printed and electronic formats.
- 6.2 The Western Cape Provincial Treasury requires the budget documents on the tabling date in order to start with the assessment process. In order to facilitate this, the Provincial Treasury will again deploy officials to attend the budget tabling proceedings and collect the tabled budget documentation.
- 6.3 The Chief Financial Officers (or representative) must ensure that a set of these documents is prepared in both hard and electronic copy, except for the budget policies which is only required in electronic copy. The Chief Financial Officer (or representative) needs to co-sign the accompanying checklist (see **Appendix B**) as confirmation that the set of budget documents have been submitted.
- 6.4 **Please ensure that** (as per MFMA Circular 72) **each page of the hard copy of the budget documentation** as set out in Schedule A of the Municipal Budget and Reporting Regulations, including the main Tables (A1 - A10) and all the supporting Tables (SA1 – SA37) and prescribed minimum narrative information that is submitted to Provincial Treasury (and National Treasury) **has been stamped and signed** by the secretariat responsible for ensuring accurate records of council decisions.

7. LG MTEC ENGAGEMENTS

- 7.1 The LG MTEC engagements are proposed to take place from 14 April 2016 to 11 May 2016. The proposed schedule of the LG MTEC engagements is attached as **Appendix C**.

Municipalities are kindly requested to confirm if the proposed LG MTEC engagement dates are suitable. In setting up the engagement dates we have had to take into account the National Treasury engagement with the City as well as the public holidays over this period. It will be appreciated if you can confirm suitability of the proposed LG MTEC engagement date (together with the tabling date) in writing to Tania.Bosser@westerncape.gov.za by **04 March 2016**. Your

timeous feedback in this regard will greatly assist in finalising logistical arrangements and will be appreciated.

7.2 The assessment of the tabled budget and IDP will be submitted to the municipality 5 working days prior to the engagements.

7.3 The structure of the assessment will be as follows:

SECTION 1: EXECUTIVE SUMMARY

SECTION 2: PREVIOUS UNRESOLVED LG MTEC FINDINGS

SECTION 3: COMPLIANCE REVIEW

SECTION 4: INTEGRATED PLANNING

SECTION 5: ENVIRONMENTAL AND SPATIAL ANALYSIS

SECTION 6: ASSESSMENT OF BUDGET RESPONSIVENESS

SECTION 7: CREDIBILITY AND SUSTAINABILITY

SECTION 8: MAIN POINTS AND RISKS/ RECOMMENDATIONS

7.4 Technical engagements may be set up with the Provincial Government prior to the LG MTEC engagement, depending on the need and where it is logistically possible. It will however be the prerogative of the municipality to make contact with the Provincial Treasury to request such an engagement. Municipalities should note that if such an engagement is requested, it may need to take place at the Provincial offices in Cape Town.

7.5 The discussions at the engagements will be pitched at a strategic level. Hence, the representation at the LG MTEC engagements between the province and municipalities will be as follows:

- The Provincial Government - senior officials from the Provincial Treasury, Department of Local Government, Department of Environmental Affairs and Development Planning and the Department of the Premier. An invitation will also be extended to the Economic Development Partnership to attend the engagements.
- Municipalities - Municipal Manager, section 56 Managers, Budget and Treasury officials, IDP Manager/officials and Planning officials.

7.6 There will be a joint presentation by Provincial Government on key issues for discussion.

7.7 Municipalities will be required to make presentations at the LG MTEC engagements in response to the Provincial Government's budget and IDP assessment. An agenda and guiding template for this presentation will be sent to municipalities prior to the engagements.

8. NATIONAL AND PROVINCIAL TREASURY GUIDELINES

8.1 Municipalities are advised to include the National and Provincial Treasury Budget Circulars as part of the source documents consulted in the preparation of the 2016/17 MTREF Budget documents and to table it as part of the budget documentation in the Municipal Council.

8.2 Municipalities are advised to consult MFMA Circular 78 and incorporate those guidelines and any other guidelines issued by National and Provincial Treasury in preparing budget documentation for tabling. The following are highlights and explanatory notes from MFMA Circular 78:

8.2.1 The three key focus areas of Circular 78 are the following:

- *The 2016 local government elections;*
- *The financial implications of the demarcation process; and*
- *Changes to the local government grant allocations.*

Highlights and explanatory notes to MFMA Circular 78	Circular section
NOT APPLICABLE TO WESTERN CAPE MUNICIPALITIES	
<i>Financial implications of the demarcation process</i> There are minimal implications due to small changes in household numbers for a few of the Western Cape municipalities.	Section 2
NEW ISSUES	
<i>2016 Local government elections and the budget process</i> <i>The 2016 local government elections</i> - Local government elections are likely to be scheduled between May and August 2016, the exact date is yet to be determined. Although it is each municipal council's prerogative to decide when to approve its annual budget, National Treasury proposes that councils consider adopting the approach for their 2016/17 budget process:	Section 1

Highlights and explanatory notes to MFMA Circular 78	Circular section								
<table><tr><td>Outgoing council approves 2016/17 budget</td></tr><tr><td> 1. Current Mayor prepares a budget schedule that brings the review of the IDP and the tabling of the budget forward to late February or the beginning of March 2016; 2. Community consultations on the annual budget conducted in the remainder of March and early April 2016; 3. Officials complete technical work on annual budget by mid-April 2016; 4. Current council approves annual budget and reviewed IDP before the end of April 2016; and 5. Council implements annual budget from 1 July 2016. </td></tr><tr><td>Benefits</td></tr><tr><td> • Minimises the risk of being without an approved budget at the start of the financial year; • Ensures continuity of operations; and • Safeguards the financial sustainability of the municipality by ensuring tariff increases are locked in before the start of the financial year. </td></tr><tr><td>Risks</td></tr><tr><td> • New council may not concur with the priorities set out in the annual budget approved by the outgoing council, and therefore they may be reluctant to be held accountable for the implementation thereof. </td></tr><tr><td>Mitigating factors</td></tr><tr><td> • New council should note the overlapping year of the last year of the IDP into the first year of new council; and • Note that MFMA section 28(6) does not allow for tariff increases during the financial year of implementation of the adopted budget. </td></tr></table> • Municipalities are advised to align its budget tabling, consultation and adoption stages so that the annual budget, budget policies and tariffs are approved within the timeframes as set out in section 16, 22, 23 and 24 of the MFMA. Failure to approve the annual budget before the start of the budget year may result in a section 139 intervention in terms of the Constitution. • Municipalities are also cautioned against the tabling of election friendly budgets which may not be credible, affordable or sustainable.	Outgoing council approves 2016/17 budget	1. Current Mayor prepares a budget schedule that brings the review of the IDP and the tabling of the budget forward to late February or the beginning of March 2016; 2. Community consultations on the annual budget conducted in the remainder of March and early April 2016; 3. Officials complete technical work on annual budget by mid-April 2016; 4. Current council approves annual budget and reviewed IDP before the end of April 2016; and 5. Council implements annual budget from 1 July 2016.	Benefits	• Minimises the risk of being without an approved budget at the start of the financial year; • Ensures continuity of operations; and • Safeguards the financial sustainability of the municipality by ensuring tariff increases are locked in before the start of the financial year.	Risks	• New council may not concur with the priorities set out in the annual budget approved by the outgoing council, and therefore they may be reluctant to be held accountable for the implementation thereof.	Mitigating factors	• New council should note the overlapping year of the last year of the IDP into the first year of new council; and • Note that MFMA section 28(6) does not allow for tariff increases during the financial year of implementation of the adopted budget.	
Outgoing council approves 2016/17 budget									
1. Current Mayor prepares a budget schedule that brings the review of the IDP and the tabling of the budget forward to late February or the beginning of March 2016; 2. Community consultations on the annual budget conducted in the remainder of March and early April 2016; 3. Officials complete technical work on annual budget by mid-April 2016; 4. Current council approves annual budget and reviewed IDP before the end of April 2016; and 5. Council implements annual budget from 1 July 2016.									
Benefits									
• Minimises the risk of being without an approved budget at the start of the financial year; • Ensures continuity of operations; and • Safeguards the financial sustainability of the municipality by ensuring tariff increases are locked in before the start of the financial year.									
Risks									
• New council may not concur with the priorities set out in the annual budget approved by the outgoing council, and therefore they may be reluctant to be held accountable for the implementation thereof.									
Mitigating factors									
• New council should note the overlapping year of the last year of the IDP into the first year of new council; and • Note that MFMA section 28(6) does not allow for tariff increases during the financial year of implementation of the adopted budget.									
Municipal Standard Chart of Accounts (mSCOA) • The 2016/17 tabled budget must include an annexure containing the municipality's mSCOA project plan and progress to date.	Section 4.3								
Outcomes of the Financial Management Capability Maturity Model (FMCMM) • Municipalities are advised to consult the FMCMM reports for the results of the 32 financial ratios contained in the reports. • Any comments on these assessment can submitted to: MFMA@treasury.gov.za	Section 6.4								

Highlights and explanatory notes to MFMA Circular 78	Circular section
Hand-over reports for the newly elected council • This is an important requirement to ensure a smooth transition from outgoing councils to the new elected councils. • The reports should also be submitted to the relevant provincial department, provincial treasuries, the Department of Co-operative Governance (DCOG) and National Treasury.	Section 6.5
RECURRING ISSUES	
The South African economy and inflation targets • Given the weaker than anticipated global economic outlook, a conservation approach is advised for projecting revenue. • In the 2016 budget, National Treasury has revised its growth forecast downwards to 0.9 per cent for 2016, 1.7 per cent for 2017 and 2.4 per cent for 2018. • Inflationary forecasts that should be incorporated for the 2016/17 MTREF budget have been provided. • This has also been revised with the national budget with the CPI inflation rate revised to an estimated 4.6 per cent for 2015, and forecasted at 6.8, 6.3 and 5.9 per cent for 2016, 2017 and 2018 respectively.	Section 3
Local Government conditional grants and additional allocations • The 2016/17 MTREF allocations became available on national budget day on 24 February. • Municipalities are advised to consult the 2016 Division of Revenue Bill to compile the budgets, available from: http://www.treasury.gov.za/legislation/bills/2016/bills2016_bill02-2016.pdf • The main changes to the local government allocations include increases in the LGES demarcation transition grant, reclassification of the municipal systems improvement grant, and the extension of the indirect bucket eradication programme.	Section 4.1
Reporting indicators • This section is currently only relevant to metropolitan municipalities. • In future, these reforms will also be extended to non-metropolitan municipalities to aid in standardising SDBIPs	Section 4.2
Eskom bulk tariff increases • A tariff increase of 8 per cent has been approved by NERSA for 2016/17. • Eskom has applied to NERSA to compensate for under-recovery of R22.8 billion in 2013/14. The application is under review and a decision is expected by February 2016. Until then, municipalities are advised to base planning on the 8 per cent already approved by NERSA.	Section 5.1
Water and sanitation increases • Municipalities should consider the full cost of rendering water and sanitation services when determining tariffs related to these services. • To mitigate the need for water tariff increases as a result of the current	Section 5.2

Highlights and explanatory notes to MFMA Circular 78	Circular section
drought across a large part of the country, municipalities must put in place appropriate strategies to limit water losses to acceptable levels.	
Employee related costs - The South African Local Government Bargaining Council entered into a three-year salary and wage collective agreement for period 01 July 2015 to 30 June 2018 where the following agreement was reached: 2015/16 Financial Year – 7 per cent; 2016/17 Financial Year – average CPI (Feb 2015 – Jan 2016) + 1 per cent; and 2017/18 Financial Year – average CPI (Feb 2016 – Jan 2017) + 1 per cent.	Section 6.1
Remuneration of councillors Municipalities are advised to budget for actual costs approved in accordance with the gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually by the Department of Cooperative Governance.	Section 6.2
Service level standards - Although this is a recurring issue, very few of the Western Cape municipalities have for the 2015/16 budget, tabled service level standards. - All municipalities are required to submit the service level standards as part of the 2016/17 tabled budget documentation. - A framework was developed as an outline to assist municipalities in finalising their standards. - A link to this framework is available on the NT website, at: http://mfma.treasury.gov.za/Circulars/Documents/Forms/AllItems.aspx?RootFolder=/Circulars/Documents/Circular%2075%20-%202015%20MTREF&Folder CTID=&View={06AB24E7-1C64-4A80-A0FA-273E6A829094}	Section 6.3
Pledging of conditional grants - All conditions for considerations of the conditional grant pledge should be aligned with the provisions of section 46 of the MFMA regarding long term borrowing. - Municipalities are cautioned that pledging will only be approved for projects that have gone through a proper planning process as well as meeting the criteria for pledging as per MFMA Circular 51.	Section 7.1
Assistance with the compilation of budgets All municipalities should note that version 2.8 of the A schedules should be used when compiling the budget. Version 2.8 contains changes to main schedule A10 and supporting schedules SA1 and SA9 when compared with the previous version (2.7.1).	Section 8.1

Highlights and explanatory notes to MFMA Circular 78	Circular section
Submitting budget documentation and schedules for 2016/17 MTREF - Budget documentation must be submitted to NT and PT immediately after tabling, in both hard and electronic formats. - NT electronic documents should be submitted to: lgdocuments@treasury.gov.za or if too large (exceeds 4 MB) via lgbigfiles@gmail.com. - PT electronic documents should be submitted to: MFMA.MFMA@westerncape.gov.za or if too large (exceeds 3 MB) must be submitted via the lift server function (http://lift.pgwc.gov.za/).	Section 9.1
Budget reform returns to the local government database for publication Budget reform returns to be submitted to: lgdatabase@treasury.gov.za. Metropolitan municipalities should submit BEPP to: Yasmin.coovadia@treasury.gov.za.	Section 9.2
Publication of budgets on municipal websites In terms of MFMA section 75, the budget documentation must be placed on the municipal website not later than 5 days after its tabling date in council.	Section 9.3

9. CONCLUSION

The Provincial Government wishes you well with the preparation of your Annual Budget, IDP, SDBIP and related documents and look forward to the LG MTEC engagement with your Municipality.

Please direct any queries regarding this circular to Kim.Engel@westerncape.gov.za.



MR ML BOOYSEN

pp CHIEF DIRECTOR: PUBLIC POLICY SERVICES

DATE: 01 March 2016

CONFIRMED 2016 BUDGET TABLING DATES

Municipality	Confirmed date
City of Cape Town	31 March 2016, Thursday
Matzikama	29 March 2016, Tuesday
Cederberg	29 March 2016, Tuesday
Bergrivier	29 March 2016, Tuesday
Saldanha Bay	23 March 2016, Wednesday
Swartland	31 March 2016, Thursday
West Coast DM	30 March 2016, Wednesday
Witzenberg	30 March 2016, Wednesday
Drakenstein	31 March 2016, Thursday
Stellenbosch	24 March 2016, Thursday
Breede Valley	30 March 2016, Wednesday
Langeberg	29 March 2016, Tuesday
Cape Winelands DM	25 February 2016, Thursday
Theewaterskloof	30 March 2016, Wednesday
Overstrand	30 March 2016, Wednesday
Cape Agulhas	09 March 2016, Wednesday
Swellendam	23 March 2016, Wednesday
Overberg DM	22 February 2016, Monday
Kannaland	23 March 2016, Wednesday
Hessequa	31 March 2016, Thursday
Mossel Bay	17 March 2016, Thursday
George	30 March 2016, Wednesday
Oudtshoorn	31 March 2016, Thursday
Bitou	31 March 2016, Thursday
Knysna	24 March 2016, Thursday
Eden DM	29 March 2016, Tuesday
Laingsburg	31 March 2016, Thursday
Prince Albert	29 March 2016, Tuesday
Beaufort West	31 March 2016, Thursday
Central Karoo DM	31 March 2016, Thursday

LG MTEC: 2016/17 CHECKLIST SUBMISSION OF TABLED BUDGET DOCUMENTATION

MUNICIPALITY: _____

The Budget Document as set out in Schedule A1 of the Municipal Budget and Reporting Regulations, including the main Tables (A1 - A10), version 2.8 of Schedule A1 (the Excel Formats) and the supporting Tables (SA1 - SA37).

- **Please ensure that** (as per MFMA Circular 72) **each page of the hard copy of the budget documentation** as set out in Schedule A of the Municipal Budget and Reporting Regulations, including the main Tables (A1 - A10) and all the supporting Tables (SA1 – SA37) and prescribed minimum narrative information that is submitted to Provincial Treasury (and National Treasury) **has been stamped and signed** by the secretariat responsible for ensuring accurate records of council decisions.

The IDP Document as set out in section 26, 32 and 34 of the Local Government: Municipal Systems Act, No 32 of 2000 and Regulations (MSA) and section 21 of the Local Government Municipal Finance Management Act 56 of 2003 (MFMA).

The Spatial Development Framework, Disaster Management Framework and additional documents that must be submitted as required in terms of budget circulars.

Budget Documentation	Hard Copy			Soft Copy (correlates with hard copy)		
	Yes	No	N/A	Yes	No	N/A
Council Resolution in terms of the Budget						
Draft Service Delivery and Budget Implementation Plan						
Draft Service Level Standards						
Signed Quality Certificate as prescribed in the MBRR						
Prescribed Minimum Budget Narrative Information	Stamped and Signed Hard Copy Budget Narrative					
Budget Narrative						
Municipal Budget Tables: Tables A1 to A10	Stamped and Signed Hard Copy A1 – A10					
Table A1: Budget Summary						
Table A2: Budgeted Financial Performance (revenue and expenditure by standard classification)						
Table A2A: Budgeted Financial Performance (revenue and expenditure by standard classification)						
Table A3: Budgeted Financial Performance (revenue and expenditure by municipal vote)						
Table A3A: Budgeted Financial Performance (revenue and expenditure by municipal vote)						
Table A4: Budgeted Financial Performance (revenue and expenditure)						
Table A5: Budgeted Capital Expenditure by vote, standard classification & funding source)						
Table A5A: Budgeted Capital Expenditure by vote, standard classification & funding source)						
Table A6: Budgeted Financial Position						
Table A7: Budgeted Cash Flow						
Table A8: Cash backed reserves/accumulated surplus reconciliation						
Table A9: Asset Management						
Table A10: Basic service delivery measurement						

Budget Documentation	Hard Copy			Soft Copy (correlates with hard copy)		
	Yes	No	N/A	Yes	No	N/A
Municipal Budget Supporting Tables: Supporting Tables SA1 to SA37	Stamped and Signed Hard Copy SA1 – SA37					
SA1: Supporting Detail to Budgeted Financial Performance						
SA2: Matrix Financial Performance Budget (revenue source/expenditure type and dept.)						
SA3: Supporting detail to Budgeted Financial Position						
SA4: Reconciliation of IDP strategic objectives and budget (revenue)						
SA5: Reconciliation of IDP strategic objectives and budget (operating expenditure)						
SA6: Reconciliation of IDP strategic objectives and budget (capital expenditure)						
SA7: Measurable performance objectives						
SA8: Performance Indicators and benchmarks						
SA9: Social, economic and demographic statistics and assumptions						
SA10: Funding measurement						
SA11: Property rates summary						
SA12a: Property rates by category (current year)						
SA12b: Property rates by category (budget year)						
SA13a: Service Tariffs by category						
SA13b: Service Tariffs by category (explanatory)						
SA 14: Household bills						
SA15: Investment particulars by type						
SA16: Investment particulars by type						
SA17: Borrowing						
SA18: Transfers and grant receipts						
SA19: Expenditure on transfers and grant programme						
SA20: Reconciliation of transfers, grant receipts and Unspent funds						
SA21: Transfers and grants made by the municipality						

Budget Documentation	Hard Copy			Soft Copy (correlates with hard copy)		
	Yes	No	N/A	Yes	No	N/A
SA22: Summary councillor and staff benefits						
SA23: Salaries, allowances and benefits (political office bearers/councillors/senior managers)						
SA24: Summary of personnel numbers						
SA25: Budgeted monthly revenue and expenditure						
SA26: Budgeted monthly revenue and expenditure (municipal vote)						
SA27: Budgeted monthly revenue and expenditure (standard classification)						
SA28: Budgeted monthly capital expenditure (municipal vote)						
SA29: Budgeted monthly capital expenditure (standard classification)						
SA30: Budgeted monthly cash flow						
SA31: Aggregated entity budget (where applicable)						
SA32: List of external mechanisms						
SA33: Contracts having future budgetary Implications						
SA34a: Capital expenditure on new assets by asset class						
SA34b: Capital expenditure on the renewal of existing assets by asset class						
SA34c: Repairs and maintenance expenditure by asset class						
SA34d: Depreciation by assets class						
SA35: Future Financial implications of the capital budget						
SA36: Detail capital budget						
SA37: Projects delayed from previous financial years						
Budget Related Policies						
Information on any amendments to budget related policies						
Suite of budget related policies	(Only soft copies)					

Budget Documentation	Hard Copy			Soft Copy (correlates with hard copy)		
	Yes	No	N/A	Yes	No	N/A
IDP Documentation						
Council Resolution in terms of the IDP (optional for tabling of IDP but compulsory for approval of IDP)						
Draft Integrated Development Plan						
Document outlining amendments to the Integrated Development Plan						
Process Plan according to section 32(1)(b) of the MSA read in conjunction with section 21(b) of the MFMA						
Spatial Development Framework						
Status of the SDF and the applicable council resolution number						
Draft or adopted Spatial Development Framework (where applicable)						
Applicable Disaster Management Framework						
Council Resolution in terms of the adoption of the Disaster Management Framework						
Financial Plan						
A financial Plan – including a budget projection of at least the next three years as a core component of the IDP as per section 26 of the MSA						
A statement clarifying compliance with section 34 of the MSA						
Key performance indicators and performance targets determined in terms of section 41 of the MSA						
mSCOA						
mSCOA project plan and progress to date						

MUNICIPAL REPRESENTATIVE

Name: _____

Signature: _____

Date: _____

PROVINCIAL REPRESENTATIVE

Name: _____

Signature: _____

Date: _____

2016 PROPOSED LG MTEC BUDGET & IDP VISITATION SCHEDULE

GROUP 1				GROUP 2			
REGION	MUNICIPALITY	DAY OF VISIT	TIME	REGION	MUNICIPALITY	DAY OF VISIT	TIME
OD	OVERBERG DISTRICT	14 April 2016, Thursday	09H00 - 12H00		NO SCHEDULED ENGAGEMENTS	14 April 2016, Thursday	
OD	CAPE AGULHAS	14 April 2016, Thursday	13H00 - 16H00		NO SCHEDULED ENGAGEMENTS	14 April 2016, Thursday	
	NO SCHEDULED ENGAGEMENTS	15 April 2016, Friday		CWD	CAPE WINELANDS DISTRICT	15 April 2016, Friday	09H00 - 12H00
		16 April 2016, Saturday				16 April 2016, Saturday	
		17 April 2016, Sunday				17 April 2016, Sunday	
CoCT	CITY OF CAPE TOWN	18 April 2016, Monday	08H30 - 11H30		NO SCHEDULED ENGAGEMENTS	18 April 2016, Monday	
	NO SCHEDULED ENGAGEMENTS	18 April 2016, Monday			NO SCHEDULED ENGAGEMENTS	18 April 2016, Monday	
	NO SCHEDULED ENGAGEMENTS	19 April 2016, Tuesday			NO SCHEDULED ENGAGEMENTS	19 April 2016, Tuesday	
	NO SCHEDULED ENGAGEMENTS	19 April 2016, Tuesday			NO SCHEDULED ENGAGEMENTS	19 April 2016, Tuesday	
	CITY - NT ENGAGEMENT	20 April 2016, Wednesday			CITY - NT ENGAGEMENT	20 April 2016, Wednesday	
	CITY - NT ENGAGEMENT	21 April 2016, Thursday			CITY - NT ENGAGEMENT	21 April 2016, Thursday	
	NO SCHEDULED ENGAGEMENTS	22 April 2016, Friday			NO SCHEDULED ENGAGEMENTS	22 April 2016, Friday	
	NO SCHEDULED ENGAGEMENTS	22 April 2016, Friday			NO SCHEDULED ENGAGEMENTS	22 April 2016, Friday	
		23 April 2016, Saturday				23 April 2016, Saturday	
		24 April 2016, Sunday				24 April 2016, Sunday	
CWD	DRAKENSTEIN	25 April 2016, Monday	08H30 - 11H30	CWD	BREEDE VALLEY	25 April 2016, Monday	09H00 - 12H00
CWD	STELLENBOSCH	25 April 2016, Monday	14H00 - 17H00	CWD	LANGEBERG	25 April 2016, Monday	14H00 - 17H00
	NO SCHEDULED ENGAGEMENTS	26 April 2016, Tuesday		CWD	WITZENBERG	26 April 2016, Tuesday	09H30 - 12H30
	NO SCHEDULED ENGAGEMENTS	26 April 2016, Tuesday			NO SCHEDULED ENGAGEMENTS	26 April 2016, Tuesday	
	FREEDOM DAY	27 April 2016, Wednesday			FREEDOM DAY	27 April 2016, Wednesday	
	NO SCHEDULED ENGAGEMENTS	28 April 2016, Thursday			NO SCHEDULED ENGAGEMENTS	28 April 2016, Thursday	
	NO SCHEDULED ENGAGEMENTS	29 April 2016, Friday			NO SCHEDULED ENGAGEMENTS	29 April 2016, Friday	
		30 April 2016, Saturday				30 April 2016, Saturday	
	WORKERS DAY	01 May 2016, Sunday			WORKERS DAY	01 May 2016, Sunday	
	WORKERS DAY OBSERVED	02 May 2016, Monday			WORKERS DAY OBSERVED	02 May 2016, Monday	
ED	HESSEQUA	03 May 2016, Tuesday	11H00 - 14H00	ED	KANNALAND	03 May 2016, Tuesday	11H00 - 14H00
	NO SCHEDULED ENGAGEMENTS	03 May 2016, Tuesday			NO SCHEDULED ENGAGEMENTS	03 May 2016, Tuesday	
ED	BITOU	04 May 2016, Wednesday	08H30 - 11H30	ED	OUTDSHOORN	04 May 2016, Wednesday	08H30 - 11H30
ED	KNYSNA	04 May 2016, Wednesday	13H00 - 16H00	CKD	PRINCE ALBERT	04 May 2016, Wednesday	14H00 - 17H00
ED	GEORGE	05 May 2016, Thursday	08H30 - 11H30	CKD	BEAUFORT WEST	05 May 2016, Thursday	10H00 - 13H00
ED	EDEN	05 May 2016, Thursday	13H00 - 16H00	CKD	CENTRAL KAROO DISTRICT	05 May 2016, Thursday	14H00 - 17H00
ED	MOSSEL BAY	06 May 2016, Friday	08H30 - 11H30	CKD	LAINGSBURG	06 May 2016, Friday	10H30 - 13H30
		06 May 2016, Friday				06 May 2016, Friday	
		07 May 2016, Saturday				07 May 2016, Saturday	
		08 May 2016, Sunday				08 May 2016, Sunday	
WCD	SALDANHA BAY	09 May 2016, Monday	09H00 - 12H00	WCD	WEST COAST DISTRICT	09 May 2016, Monday	09h00 - 12h00
WCD	SWARTLAND	09 May 2016, Monday	14H00 - 17H00	WCD	BERGRIVIER	09 May 2016, Monday	14h00 - 17h00
OD	OVERSTRAND	10 May 2016, Tuesday	09H00 - 12H00	WCD	MATZKAMA	10 May 2016, Tuesday	08h30 - 11h30
OD	THEEWATERSKLOOF	10 May 2016, Tuesday	14H00 - 17H00	WCD	CEDERBERG	10 May 2016, Tuesday	13h00 - 16h00
	NO SCHEDULED ENGAGEMENTS	11 May 2016, Wednesday		OD	SWELLENDAAM	11 May 2016, Wednesday	10h30 - 13h30
	NO SCHEDULED ENGAGEMENTS				NO SCHEDULED ENGAGEMENTS		

ANNEXURE I

mSCOA IMPLEMENTATION



mSCOA STATUS REPORT

DATE / DATUM:

18 MARCH / MAART 2016

In collaboration with Bytes Universal Systems, Overstrand has taken a three-phased approach to the system development and piloting processes. Two further phases have been adopted in order to implement the mSCOA regulations by 01 July 2017.

Phase 1 – Budgeting Module

Phase 2 – Transactional Posting Levels

Phase 3 – Reporting Modules

Phase 4 – mSCOA Piloting Implementation

Phase 5 – Full mSCOA Operational Compliance

Phase 1 – Budgeting Module

All actions listed on the implementation has been completed and signed off by the responsible officials inclusive of the following milestones:

- Development of the budget module was completed, tested and deployed to the user acceptance testing (UAT) environment by Bytes during March 2015;
- User acceptance training and testing took place during April 2015;
- The budget virement module has been finalised June 2015;
- The mSCOA operational and capital budgets are fully operational;
- Various budget reports have been tested and amended;
- 2015/16 Budget is based on the mSCOA Framework (version 5.3);

To be noted that the functionality to link the Project Segment to the IDP, is envisaged to be implemented within the next month (Budget Portal). The costing segment was implemented, however, development in terms of full scope for mSCOA compliance, is still outstanding. Also refer - **Progress made after implementation on 01/01/ 2015.**

Phase 2 – Transactional Posting Levels

- Development of the transactional modules was completed, tested and deployed to the user acceptance testing (UAT) environment by Bytes April 2015;
- Transactional training and UAT testing took place during April, May and June 2015;
- Dry run UAT testing as if in the 2015 financial year and in the mSCOA environment took place on 10, 15 and 22 June 2015;
- Expenditure, vehicle & job costing, billing, purchasing, stores, main ledger and bank reconciliation modules have been signed off for implementation by 30 June 2015;
- Seamless integration and cost allocation between PAYDAY and SAMRAS was finalised during August 2015.

Phase 3 – Reporting Modules

- A reporting portal was developed to facilitate mSCOA reporting to National Treasury.
- Submission of reports to the National Treasury Portal has been tested successfully.
- Further enhancements to the reporting module are due for development.

Phase 4 – mSCOA Piloting Implementation

Change Management and Implementation Plan

- Overstrand's mSCOA project implementation plan is continuously reviewed, updated and amended in consultation with Bytes;
- mSCOA Information session with about 400 users took place on 11 June 2015; and

- A communication newsletter was circulated and an Intranet site has been set up for communication purposes.
- An mSCOA video has been placed on the intranet giving background to the purpose of the mSCOA Regulations.
- mSCOA help desk was operational from 1 to 3 July 2015.
- Further awareness and consultation with budget holders to budget from a project perspective was performed during the 2016/17 budget cycle in the form of workshops.

Risk Management

Overstrand mSCOA RISK register has been developed.

The following high-level risks have been identified and are being managed through the execution of the implementation plan and risk register:

1. System not functioning as intended on 1 July 2015
 - Organisation not understanding the mSCOA requirements and therefore incorrect data capturing
 - Readiness of the solution to actually cope with transactional processing
 - mSCOA project not meeting the needs of internal and external stakeholders
2. Inadequate assurance reviews - Independent assessment that system meets minimum mSCOA requirements and is fully compliant
3. Version changes and related impact on business processes and resources - Ability to influence and interpret new mSCOA versions that will be issued on a regular basis, requiring changes and/or need for clarification
4. ICT Network capacity - Capital budget availability to ensure appropriate hardware infrastructure for mSCOA implementation and to accommodate the "web-based" system required to effectively run the SCOA compliant solution. User licences and Web environment, Disk Space
5. Human resource capacity constraints – human resources available to effectively implement the mSCOA regulations
6. mSCOA budgets prepared and finalised on spreadsheets before importing into the system
7. Projects are considered for capital, maintenance and other limited operational projects.

Progress made after implementation on 01 July 2015

A successful engagement was held with National Treasury on 28 July 2015 relating to progress made thus far by Overstrand with mSCOA piloting. A self-assessment on the level of piloting was performed and indicated that while we are not yet fully compliant, we are well on the way to achieving compliance by 01 July 2017.

The following issues were raised as matters needing attention:

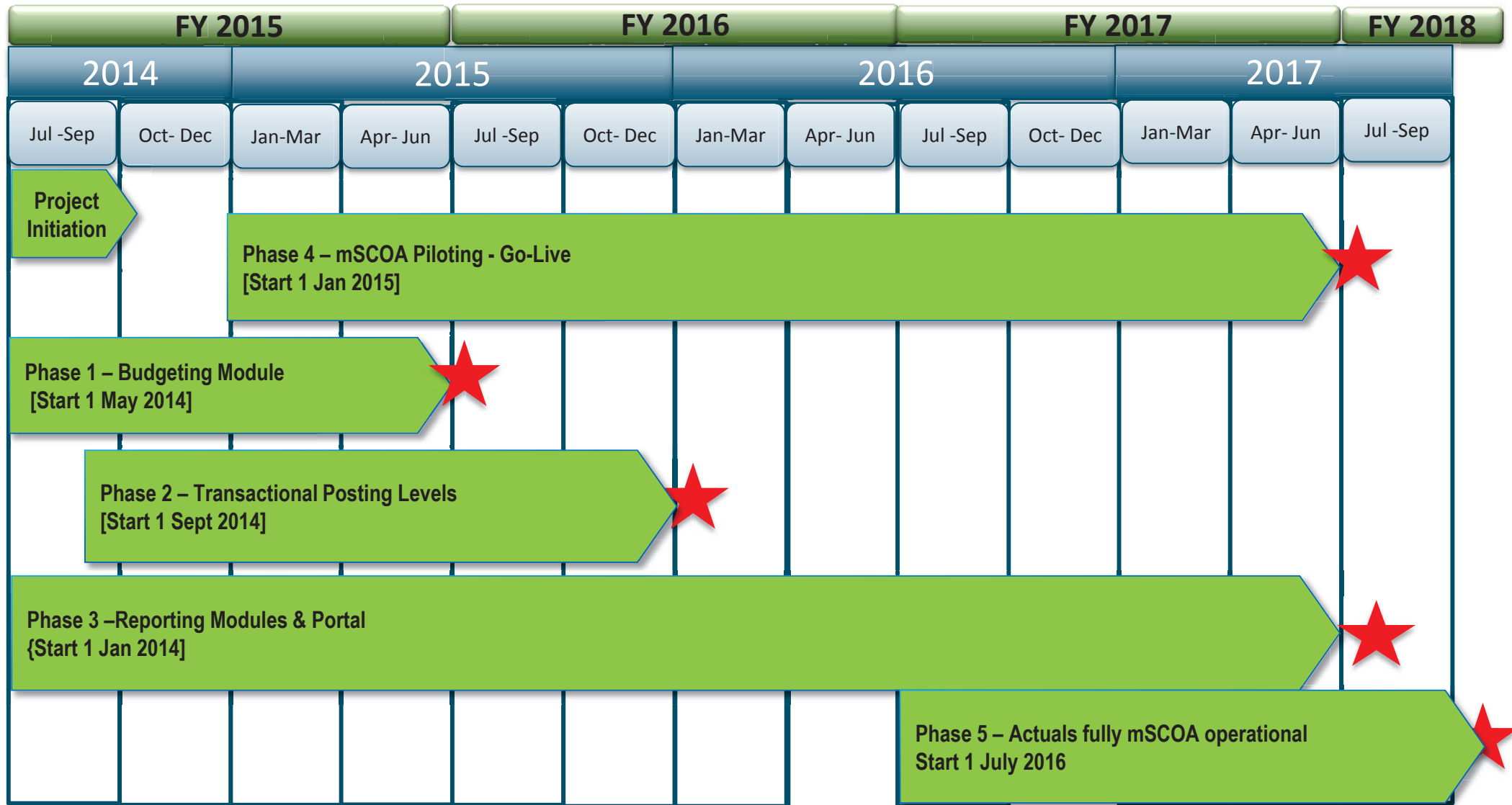
1. Opening balances sign-off;
All opening balances were transferred to the 2015/16 GL by December 2015.
Further unbundling of Capital assets, consumer debtors and trade creditors is to be finalised by 31 May 2016.
2. 3rd party integration, with specific reference to Syntell pre-paid vending system;
The issue was raised on the mSCOA FAQ database. Engagements were held with National Treasury and the vendor. There are double VAT invoice implications that need to be addressed. Awaiting feedback from NT before further enhancements can be effected.
3. The 2015/16 budget was prepared from the item and not the project perspective as required by National Treasury;
4. Budgeting in excel and not on the system from budget holder inputs to finalisation of the budget;
5. The integrated development plan must directly inform the formulation of the budget. In an mSCOA perspective, this requires budget formulation from a project level. Consequently the Project Segment is considered the departure point in formulating budgets across all seven segments. An IDP module needs to be developed and implemented to facilitate this and further entrench the accountability cycle.

The vendor was instructed to further develop the budget module to address the concerns raised by NT in points 3-5 above. Target date for deployment and testing was agreed to be 25 November 2015. To date no fully functional system has been deployed at Overstrand to facilitate project based budgeting. As a result, the 2016/17 draft budget has been prepared on the same basis as the 2015/16 budget.

Engagements with National Treasury, Provincial Treasury, the Auditor-General, all pilot municipalities and other municipalities in the Western Cape early adopting mSCOA was facilitated during February 2016 to consider the impact of piloting on audit outcomes and the scope of an mSCOA audit.

A request was submitted to Provincial Treasury to facilitate a uniform approach to the reporting of comparative information in the annual financial statements during the first year of mSCOA implementation.

mSCOA Project Timeline



High Level Scope - Project Plan

SCOA Pilot Phase 1 – Budgeting Module & Phase 2 – Transactional Posting Levels

SCOA Pilot Phase 3 - Reporting Modules & Phase 4 – Go Live

Full SCOA Operational compliance

Phase 1	Phase 2	Phase 3	Phase 4	Phase 4	Phase 5
Start-May 2014	Start-Sep 2015	Start-Jan 2014	Start-Jan 2015	End-June 2017	Start-July 2016
• Phase 1 - Budgeting Module • Develop Budget modules • Testing by SAMRAS • SAMRAS key roll-out of programmes • User Acceptance Testing • User Training • Start Transacting and handholding – Go-live Phase 1	• Phase 2 – Transactional Posting Levels • Development of all posting levels • Testing by SAMRAS • SAMRAS key roll-out of programmes • User Acceptance Testing • User Training • Start transacting and handholding	• Phase 3 - Reporting Modules • Development of web portal & reporting modules • Testing by SAMRAS • SAMRAS key roll-out of programmes • User Acceptance Testing • User Training • Start Transacting and handholding	• Phase 4 - mSCOA Piloting - Go-Live • Alignment of Data on Payroll • Cleanup of data on Billing • Aligning tariffs to requirements • Billing Parameters • All parameters & votes/accounts final verification • Initiate piloting phase	• Phase 4 – mSCOA Piloting • Change management • Further enhancements to the system and business processes • Compile AFS reporting formats aligned to SCOA • SCOA internal controls • Budgets fully aligned with SCOA classification framework	• Phase 5 – mSCOA Operational Compliance • Actuals fully aligned with SCOA classification framework
End-June 2015	End-Dec 2015	End-June 2017			End-June 2018

Project management & governance

Pilot progress management, evaluation & issue resolution

Continuous business process changes

Change Management & training

Continuous feedback to NT & Overstrand SteerCom

High level scope - Requirements



SYSTEM:

- New General Ledger Accounts
- Changes to budgeting & planning system
- Changes and developments to SAMRAS system
- New reports for National Treasury
- System master data updates
- System portal access for National Treasury
- Accommodate for system data growth



PROCESS:

- Changes to Business Processes
- Changes to Budget Guidelines
- Changes to General Ledger Account definitions



PEOPLE:

- Change Management
- Training
- Knowledge sharing
- Consistent interpretation of SCOA regulations



ANNEXURE J

COMMENTS ON THE DRAFT BUDGET

COMMENTS ON DRAFT 2016/2017 BUDGET									
#	ORGANISATION	LODGED BY:	DATE	WATER & ELEC	SEWER	REFUSE	RATES	REMUNERATION	OTHER (SPECIFIED)
1	Fynbospark	Jurie Hamman	14-Apr-16			Objection against the current refuse policy			

Response w.r.t. Refuse Removal tariffs -

Comments relate to the same objection received on the 2015/2016 Draft Budget, response to this objection confirmed again as follows - 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.

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.

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.

COMMENTS ON DRAFT 2016/2017 BUDGET									
#	ORGANISATION	LODGED BY:	DATE	WATER & ELEC	SEWER	REFUSE	RATES	REMUNERATION	OTHER (SPECIFIED)
2	Individual	Tommy Snibbe Kleinmond	21-Apr-16	Free electricity meters			Various comments regarding the increase in property rates	Various comments regarding salaries w.r.t appointment of contractors, savings on salary budget, taking a stand against unions, surplus staff.	* Decrease in Capital Budget * Concern about the whole budget process

Response: Property Rates – Allegation of misleading the public -

The actual increase in Property Rates approved for residential properties, in comparison with the official CPI since 2006/2007, up to the current budget (2015/2016) respectively, is as follows:

Budget Year	Approved Property Rates increase	Official Inflation
2006/2007	4.50%	4.70%
2007/2008	6.00%	7.10%
2008/2009	3.30% effectively	11.50%
2009/2010	4.00%	7.10%
2010/2011	8.00%	4.30%
2011/2012	5.00%	5.00%
2012/2013	6.00%	5.60%
2013/2014	4.05%	5.70%
2014/2015	15.00%	6.10%
2015/2016	6.85%	4.60%

Before-mentioned historical information confirms that the following statement in the 2016/2017 Budget Report is indeed correct and in no way misleading the public:

"The increase in property rates has been set at 7,2% notwithstanding the lagging of property rates increases below inflation over previous years before 2014/15."

The reader of the Budget Report should also take into account the explicit reference on the same page of the Budget Report, of the intent to decrease the level of cross subsidisation of other services by the electricity service.

Response: Tariff Increases above 6.6% – Allegation that the Budget Steering Committee (BSC) did not adhere to the indication for tariff increases, referred to by the Mayor in her presentation to OMAF

Tariff increases (except for Electricity increases which do not fall under the control of municipalities) are on average in line with 6.6%, as per the Basket of Services which information can be confirmed in Annexure D of the budget documentation.

Furthermore, in terms of the following framework dictated by legislation, it is clear that the comment is based on a misperception of the functioning of the BSC as a structure established by the Mayor:

Section 53 of the Local Government: Municipal Financial Management Act, 2003 (Act 56 of 2003)(MFMA) requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Member of Mayoral Committee (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.

Response: Various comments regarding salaries w.r.t appointment of contractors, savings on salary budget, taking a stand against unions, surplus staff.

The following extracts from the Budget Report refer in response:

A new three year collective South African Local Government Bargaining Council (SALGBC) salary agreement came into effect on 1 July 2015. Salary increases, according to the agreement, have been determined at 6% for the 2016/17 financial year, based on the average inflation for the period February 2015 to January 2016, with a minimum inflation rate of 5% plus 1%. This salary determination and annual notch increases for qualifying personnel have been factored into the budget for the 2016/17 financial year as well as the two outer years of the MTREF.

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

Contracted services have been identified as an area for the municipality to implement efficiencies. As part of the compilation of the 2016/17 MTREF this group of expenditure was critically evaluated and operational efficiencies are being enforced. In the 2016/17 financial year, this group of expenditure totals R158,7m. The introduction and reclassification resulting from mSCOA has caused a shift in expenditure previously classified and budgeted under general expenses.

Response: Status of the Capital Budget, replacement of vehicles, equipment

The following extracts from the Budget Report refer, in response:

As previously noted, the Municipality had reached its prudential limits for borrowing in 2012 – hence the planned borrowing to finance the capital budget does not result in finance charges increasing as a percentage of operational expenditure – rather it decreases to 3,96 per cent over the MTREF. The reduction in own funding (borrowing) is largely due to cost containment.

The Municipality had reached its planned outer borrowing limit of 60% of operational revenue in 2012. This was a result of much needed investment in infrastructure during the period from 2009 to 2012, after which the municipality embarked on a strategy to manage this rate down by at least 10% over a ten year period. In January 2014 National Treasury published the first norms and standards circular in which it recommended an upper limit of 45% to revenue. At the current borrowing programme this rate will be managed down to 42% by 2018/19 in this MTREF.

As a result there is limited scope to increase these borrowing levels over the medium-term. The repayment of capital and interest (debt services costs) had increased over the previous four years as a result of the aggressive capital infrastructure programme implemented over those four years. The repayment of capital and interest (debt services costs) remains within the acceptable norms. Consequently, the capital budget remains relatively flat over the medium-term.

The municipality utilized any surpluses as they become available in the past number of years to replace vehicles, IT infrastructure and equipment as prioritised.

Response: Free electricity meters

The costs involved to replace conventional meters with pre-paid meters will be in the region of R17m. The collection rate of the municipality indicates effective debt collection, regardless the type of meter installed.

Response: Budget Process

The Overstrand Municipality complies in all aspects with legislation in this regard –

As previously informed, administrative meetings, e.g. Budget Steering Committee meetings are necessary to enable the administration to do their work and can thus not be regarded or earmarked as meetings for the public to attend and to provide inputs – the very important processes of public participation and submission of comments are specifically provided for, as referred to the next paragraph and Process Plan.

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.

Key dates applicable to the process, inclusive of public participation as prescribed are as follows:

- **September 2015** – Collate draft capital budget and wish lists with reference to the 2016/2017 MTREF and distribute to ward committees to consider priorities and draft ward specific projects;
- **1 & 21 October 2015** – Joint strategic planning session of the Mayoral Committee and Executive Management. Aim: to review past performance trends of the capital and operating budgets, the economic realities and to set the prioritisation criteria for the compilation of the 2016/17 MTREF;
- **October 2015** – Top management meeting to discuss budget proposals and affordability;
- **28 October 2015** – Mayoral directional IDP/Budget speech;
- **November 2015** – Submission of tariff proposals and tariff workshops;
- **November 2015** – Workshop on tariffs and tariff related policies;
- **November/December 2015** – Review of all budget related policies;
- **November/December 2015** – Extensive public participation IDP consultation sessions were held in each of the thirteen wards, which included members of the public, the ward committees and other broader stakeholders (service organisations, etc.), to provide feedback on IDP delivery for the past three financial years (2012/13 to 2014/15) and to gather information on the “community needs” per ward;
- **December 2015** – Mid-year review by the BSC of the 2015/2016 progress and review of 2016-2019 draft operational expenditure including financial forecasting and scenario considerations;
- **January 2016** – Tariff finalisation, consider budget related policies changes and overview of draft 2016/2017 Capex & Opex;
- **22 January 2016** - Council considered the 2016/2016 Mid-year Review;
- **28 January 2016** – Final tariffs and adjustments budget review;
- **1-12 February 2016** – Finalisation of adjustments budget;
- **9 February 2016** – BSC finalises draft Capex/Opex;
- **23 February 2016** – OMAF;
- **March 2016** – Budget office finalises budget report;
- **30 March 2016** - Tabling in Council of the draft 2016/17 IDP, SDBIP and 2016/17 MTREF for public consultation;
- **31 March - 29 April 2016** – Draft Budget available to the public and any other stakeholders for perusal and the submission of comments and representations;
- **April 2016** – Public consultation – Public meetings to be held in all thirteen wards in the municipal area to present the draft budget to the community;
- **29 April 2016** - Closing date for written comments;
- **3 to 13 May 2016** – finalisation of the 2016/17 IDP and 2016/17 MTREF, taking into consideration comments received from the public, comments from NT & PT and updated information from the most recent DoRA and financial framework;
- **3-13 May 2016** – Budget Office compiles final report and schedules;
- **10 May 2016** – LG MTEC3 engagement;
- **12 May 2016** – Re-advertise further budget proposals, if applicable;
- **16-18 May 2016** – Final review of budget report and schedules;
- **19-20 May 2016** – Final budget distribution; and
- **25 May 2016** - Tabling of the 2016/17 MTREF in Council for consideration and approval.

COMMENTS ON DRAFT 2016/2017 BUDGET									
#	ORGANISATION	LODGED BY:	DATE	WATER & ELEC	SEWER	REFUSE	RATES	REMUNERATION	OTHER (SPECIFIED)
3	Hermanus Ratepayers Association	Bob Stanway	28-Apr-16						Draft Special Rating Area Policy and By Law

Response w.r.t. comments related to Draft Special Rating Area Policy:

The following confirmations are provided –

- The Special Rating Area (SRA) by-law must give effect to the Municipality's policy and will commencing with the public participation process for adoption of the by-law thus follow.
- A term budget refers to the budget of the management body, which could be for a period of 5 years, or a lesser period, if so determined in terms of the policy.
- 5.2.1 It is important that the purpose and objective of special rating areas are only to supplement or top - up existing municipal services - the Municipal Systems Act clearly defines a municipal service as a service that the Municipality in terms of its powers and functions can provide for the benefit of the community, and where a fee, charge or tariff is levied for such a service.
- 6.5 & 6.6 The differentiation in percentages applied relates to the sensitivity levels of household budgets in comparison with business properties. Generally speaking, expenses are passed on to clients in the business environment.
- 9.2 & 9.2.1 The draft by – law will stipulate that a non - profit company with members must be established. This is specifically important to ensure that management meetings take place with designated clarity on the members of the special rating area.
- Reference to 8.2.6 and 8.2.5 corrected to read 9.2.6 and 9.2.5
- 9.2.5 A Councillor/Director will have observer/representative status, to attend and to participate at meetings of the management body, but will have no vote at these meetings.
- 10.1 The initiation phase will be included in the identification of services to be improved/upgraded.
- 10.1.9 Urban management survey refers to a perception survey amongst property owners of the proposed area in order to receive comments and concerns.
- 10.6.3.1 – Paragraph 10.6.3.2 also refers to an alternative to implement the original business plan, if 10.6.3.1. will not be realistic/viable.

COMMENTS ON DRAFT 2016/2017 BUDGET									
#	ORGANISATION	LODGED BY:	DATE	WATER & ELEC	SEWER	REFUSE	RATES	REMUNERATION	OTHER (SPECIFIED)
4	Individual	Morag Swanepoel	29-Apr-16						1. Objections to the IDP and Budget, 2. Unfair and Unjust Budget 3. Budget Process and Public Participation 4. Performance Management 5. Accountability for none delivery of previous plans and Municipal Assets not used 6. Basic Service Delivery to Townships is unacceptable 7. Land and Housing 8. Housing Budget Unacceptable 9. Capital Expenditure Employment at the Municipality 10.Appointment of Municipal Manager needs to be explained

Response w.r.t. IDP and Budget/Unfair and Unjust Budget/Budget Process and Public Participation:

The suggested addition of a sixth goal is noted. The strategic direction for the next 5 year IDP cycle (2017/18 – 2021/22) is the prerogative of the new incoming Council to be established after the August 2016 LG elections.

The concerns raised by Me Swanepoel at the Onrus meeting regarding the time scheduling of the April public meetings were addressed by the Executive Mayor.

The dates of the public meetings were advertised in the local media, and broadcasted on Whale Coast FM.

The Overstrand Municipality website is www.overstrand.gov.za The Overberg District Municipality website was incorrectly accessed to obtain information, according to the budget comment received.

Overstrand Municipality is active on social media since May 2016. As this is work in progress the Municipality intends using social media to reach a larger audience in our communication efforts.

The comment on the structure of the public meetings is noted for future planning of said engagements.

It is furthermore stated that the Overstrand Municipality complies in all aspects with legislation in this regard –

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.

Key dates applicable to the process, inclusive of public participation as prescribed are as follows:

- **September 2015** – Collate draft capital budget and wish lists with reference to the 2016/2017 MTREF and distribute to ward committees to consider priorities and draft ward specific projects;
- **1 & 21 October 2015** – Joint strategic planning session of the Mayoral Committee and Executive Management. Aim: to review past performance trends of the capital and operating budgets, the economic realities and to set the prioritisation criteria for the compilation of the 2016/17 MTREF;
- **October 2015** – Top management meeting to discuss budget proposals and affordability;
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- **November/December 2015** – Review of all budget related policies;
- **November/December 2015** – Extensive public participation IDP consultation sessions were held in each of the thirteen wards, which included members of the public, the ward

- committees and other broader stakeholders (service organisations, etc.), to provide feedback on IDP delivery for the past three financial years (2012/13 to 2014/15) and to gather information on the “community needs” per ward;
- **December 2015** – Mid-year review by the BSC of the 2015/2016 progress and review of 2016-2019 draft operational expenditure including financial forecasting and scenario considerations;
 - **January 2016** – Tariff finalisation, consider budget related policies changes and overview of draft 2016/2017 Capex & Opex;
 - **22 January 2016** - Council considered the 2016/2016 Mid-year Review;
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 - **31 March - 29 April 2016** – Draft Budget available to the public and any other stakeholders for perusal and the submission of comments and representations;
 - **April 2016** – Public consultation – Public meetings to be held in all thirteen wards in the municipal area to present the draft budget to the community;
 - **29 April 2016** - Closing date for written comments;
 - **3 to 13 May 2016** – finalisation of the 2016/17 IDP and 2016/17 MTREF, taking into consideration comments received from the public, comments from NT & PT and updated information from the most recent DoRA and financial framework;
 - **3-13 May 2016** – Budget Office compiles final report and schedules;
 - **10 May 2016** – LG MTEC3 engagement;
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 - **16-18 May 2016** – Final review of budget report and schedules;
 - **19-20 May 2016** – Final budget distribution; and
 - **25 May 2016** - Tabling of the 2016/17 MTREF in Council for consideration and approval.

Response w.r.t. Performance Management / Accountability for Non Delivery of previous plans and Municipal Assets not used -

Regarding Me Swanepoel's allegations on page [5]* and [6]* regarding the non-availability of certain commercial buildings in Zwelihle and Swartdam Road, Councillors are reminded of discussions between Councillors and the Administration regarding the Municipality's dilemma whether stores and shops developed in a former disadvantaged area with funding received from the Neighbourhood Development Programme run by National Treasury can be leased or permits be given exclusively to persons who are residents of such a particular local area. It was the Municipality's intention, following the aforementioned programme, to put the stores out to tender with one of the conditions to state that only residents of Zwelihle could tender for the lease of the businesses and stores. The objective was the economic development and upliftment of these areas and to stimulate job creation as well as to ensure the local community's support. Some objections have been voiced by certain individuals to stores and businesses being rented exclusively to locals and it has been claimed that the approach was both discriminatory and unfair. What follows was a very difficult and time consuming process. Council had in particular to consider whether such an approach would be unfair, inequitable, anti-competitive and discriminatory. For purposes of the aforementioned any number of investigations into practices at other municipalities was conducted and a legal opinion was eventually obtained. The legal opinion had to take into consideration the provisions of the Constitution of the Republic of South Africa, 1996 regarding the objects of local government, the development duties of municipalities, the Constitutional rights of *inter alia* individuals and the provisions of *inter alia* the Promotion of

Equality and Prevention of Unfair Discrimination Act, No 4 of 2000. Concomitant with the aforementioned any number of case law had to be studied and considered. In view of the jurisprudence and the questions raised during the consultation/investigation processes, it was difficult to conclude with any degree of certainty how a court may decide a challenge to the Municipality's envisaged approach. The advocate advised that, depending on the facts, it was not inconceivable for a Court to find that the total exclusion of non-locals constituted unfair discrimination that cannot be justified. In view however of the difficulty of predicting with any degree of certainty what the outcome of a court case could be, the advocate recommended certain measures to be taken by the Municipality and the Municipality's relevant policies to be amended accordingly. This in fact we did. The commercial building in Zwelihle is thus now leased following a tender process whilst the buildings in Swartdam Road are being renovated following the finalisation of a time consuming Sasria insurance claim.

The aforementioned has been explained to Ms Swanepoel on more than one occasion.

Response w.r.t. Basic Service Delivery to the Townships is Unacceptable / Response w.r.t. Land and Housing and lack of planning- short supply especially to Townships / Housing budgeted for is unacceptable -

Chapter 4 of the draft IDP document addresses the concerns raised comprehensively. The following comment was also placed on the municipal website, to point stakeholders to the relevant information/documentation available in this regard:

"The 2016/17 draft budget and draft Integrated Development Plan (IDP review) for Overstrand Municipality seeks to continue with a legacy of providing improved service delivery to better the lives of all communities in the Overstrand. The affordability of tariff increases are of great importance to the municipality and the level of services versus the associated cost is a constant consideration.

Therefore, the Overstrand Municipality is inviting everyone to get involved and give their input into the 2016/2017 Municipal Draft Budget and IDP review.

Residents can peruse copies of the draft budget and draft Integrated Development Plan (IDP review) at the offices of all area managers, libraries within the municipality, or download it from Overstrand Municipality's website at www.overstrand.gov.za. The closing date for written representations from the public is set for Friday, 29 April."

With regard to the allegation by Ms Morag Swanepoel regarding "missing funds from Zwe land sale (for Beach Club development) – sold in 1997" – it should be noted that the Overstrand Municipality was established in 2000. The accumulated surpluses (as a nett amount of any funds, inclusive of funds on the sale of assets, up to 2000) of the former municipalities within the Overstrand area were consolidated into one accumulated surplus, and was as such reflected in the Statement of Financial Performance.

The land sales as referred to by Ms Morag took place 20 years ago, in 1997.

It is furthermore important to note that the Annual Financial Statements had been audited annually and there were no findings by the Auditor-General.

Response w.r.t. Capital Expenditure -

Addressed in response to the comments received.

Response w.r.t. Employment at the Municipality –

The following extracts from the Budget Report refer in response:

A new three year collective South African Local Government Bargaining Council (SALGBC) salary agreement came into effect on 1 July 2015. Salary increases, according to the agreement, have been determined at 6% for the 2016/17 financial year, based on the average inflation for the period February 2015 to January 2016, with a minimum inflation rate of 5% plus 1%. This salary determination and annual notch increases for qualifying personnel have been factored into the budget for the 2016/17 financial year as well as the two outer years of the MTREF.

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

Response w.r.t. the appointment of the Municipal Manager -

With regard to Me Swanepoel's comments on pages [9]* and [12]* regarding the so-called housing court cases it is suffice to invite Councillors' attention to the legal opinion dated 22 January 2008 obtained from a senior advocate of the Cape Town Bar (see annexure "1")*. Said opinion was followed to the letter. The aforementioned lead to two court cases, to wit M5 Developments (Cape) (Pty) Ltd v Groenewald NO and Others (6277/08) [2009] ZAWCHC 3 (12 February 2009), (see annexure "2")* and CC Groenewald v M5 Developments (28309) [2010] ZASCA 47 (31 March 2010) (see annexure "3")*. The content of the aforementioned documents speaks for itself and Councillors are advised to judge the comments of Me Swanepoel and that of the article attached to her comments and which appeared in the Monitor, a local weekly newspaper which had a very short lifespan during 2012, with the aforementioned documents in mind. Lastly, Councillors' attention is invited to the fact that the costs regarding the case in the Supreme Court of Appeal of South Africa was born by the third appellant in the matter, to wit ASLA DEVCO (Pty) Ltd.

#	ORGANISATION	LODGED BY:	DATE	WATER & ELEC	SEWER	REFUSE	RATES	REMUNERATION	OTHER (SPECIFIED)
5	Business Chamber Hermanus	Bobby von Doring	29-Apr-16						Draft Special Rating Area Policy and By Law

Response w.r.t. comments related to the draft Special Rating Area Policy -

- The Special Rating Area (SRA) by-law must give effect to the Municipality's policy and will commencing with the public participation process for adoption of the by-law thus follow.
- The Special Rating Area Policy thus to be tabled on 25 May 2016, for the council's consideration and approval.
- Please also refer to additional notes related to this matter, listed under Hermanus Ratepayers Association.

Introduction

1. Consultant is the Overstrand Municipality.
2. At the beginning of 2007 Consultant invited tenders for the appointment of an implementation agent for housing projects within its area of jurisdiction.
3. Consultant received five tenders. A report in regard to the tenders served before Consultant's tender evaluation committee on 11 April 2007. The item and recommendation of the evaluation committee then served before Consultant's tender adjudication committee on 13 April 2007,
4. On 20 April 2007 Consultant addressed a letter to the successful tenderer, M5 Development (Cape) (Proprietary) Limited ("M5"), advising it that it had been successful and that a contractual relationship would be established upon completion and signature of the formal contract.
5. Also on 20 April 2007, Consultant addressed letters to the unsuccessful tenderers, advising them of this fact and of their right to lodge an appeal in terms of section 62 of the Local Government: Municipal Systems Act 32 of 2000 ("the Systems Act") within 21 days. Two of the unsuccessful tenderers were ASLA Devco (Proprietary) Limited ("Asla") and Blue Whale Property Projects CC ("Blue Whale").

Chambers
Cape Town

Ex parte:

OVERSTRAND MUNICIPALITY

In re:

TENDER APPEAL

OPINION

6. On 10 May 2007, i.e. within the 21-day period allowed therefor, Blue Whale lodged an appeal. The notice of appeal contains effectively only two grounds: first, that Consultant failed to adhere to its own policy of preferring local contractors over others; and secondly, that in so far as the decision might have been based on the fact that M5 had built the Kwasa-Kwasa RDP houses, Blue Whale had been treated unfairly in not having been given a fair opportunity to compete with M5.

7. On 28 May 2007 (at the earliest) Asla lodged an appeal. It did so on the basis that Mr Pieter Engelbrecht of the engineering firm that had assisted Consultant in evaluating the tender had been improperly influenced by Consultant's housing manager, Mr Bobby von Doring, in awarding points to the various tenderers. Whilst it recognised that its appeal was lodged out of time, Asla said, first, that the fact on which it relied had only come to its attention after the appeal period had terminated, and secondly, that the appeal of Blue Whale was still pending.

8. Consultant's acting municipal manager, Mr Coenie Groenewald, is the appeal authority. He has discussed the allegation of Asla with Messrs Engelbrecht and Von Doring, who deny its correctness. I am advised by Mr Groenewald that there is no merit in the appeal of Blue Whale, but that Blue Whale has not yet been told that its appeal is being turned down.

9. In the course of his investigations, Mr Groenewald however discovered that the points allocation in terms of which the tender was decided was incorrect, and that instead of M5 having obtained the highest points by a margin of 0,6 points over Asla, Asla should have been awarded a score that is 0,1 points higher than that of M5.

10. I am instructed, as a matter of considerable urgency, to advise Consultant on the following:

10.1 whether the appeal authority is entitled to consider Asla's appeal, notwithstanding the fact that it was lodged out of time;

10.2 what the appeal authority should do in respect of the knowledge he has acquired concerning the incorrect scoring of Asla and M5;

10.3 assuming that the appeal authority were to find on appeal that Asla is the successful tender, whether M5 can raise as an objection to that finding the fact that the decision was not taken timeously in terms of the Systems Act;

10.4 whether any rights have been accrued by M5; and

- 10.5 whether the appeal authority can in the circumstances decide that new tenders should be invited.

Asla's appeal

11. Section 62(1) of the Systems Act places an absolute restriction on Consultant's ability to determine appeals. The only basis on which an appeal can proceed, is if written notice of the appeal and reasons have been given to the municipal manager within 21 days of the date of the notification of the decision.

12. The Systems Act gives Consultant no authority to condone the late lodgement of an appeal, and such authority is not a necessary concomitant of the appeal power that Consultant does have.

13. In the circumstances, Asla's appeal is out of time and cannot be considered. The 21-day period is not extended for other potential appellants merely because one of the unsuccessful tenderers did appeal within the prescribed period. Nor is it relevant that the necessary information only came to Asla's attention after the 21-day period had elapsed: that would be a fact that has a bearing on condonation only, for which no power exists.

Incorrect scoring

14. The issue as to what Consultant should do in regard to its knowledge of incorrect scoring, notwithstanding the fact that no appeal on that basis is before is, is not without complexity. On a careful consideration of the matter, though, it seems to me that there is a clear answer.

15. Let us consider first what the purpose of an internal appeal is. Baxter *Administrative Law* p 255 puts it thus:

A right of appeal is an invaluable safeguard. It provides an aggrieved individual with the assurance that the decision will be *reconsidered* by a second decision-maker. The appellate body is able to exercise a calmer, more objective and reflective judgement. Detached from the 'dust of the arena', as it were, and the immediacy of the initial decision, the second decision-maker is in a better position to discern a *faulty reasoning process* and, in particular, to evaluate facts. This assumes special importance in the case of a discretionary decision since much of that decision is likely to depend on the *inferences* ('ultimate facts') drawn from the raw evidence ('basic facts'). In the end the final decision will have been the subject of more careful scrutiny, prolonged debate and sober reflection.

16. Now let us consider the nature of the appeal. It seems to me that it is a wide appeal, in the sense that the appeal authority is entitled to have regard to additional evidence or information. That is the usual nature of an internal appeal (Baxter *op cit* p 257; see also *Tikly and others v Johannesburg NO and others* 1963 (2) SA 588 (T) at 590F-592E; *Hoexter Administrative Law in South Africa* pp 66-67). Since the purpose of an internal appeal is

ultimately for the administrative body, the organ of state, in question to make a correct determination, it is sensible that the appeal should ordinarily be a wide one. There is nothing in the wording of section 62 that would cause one to consider that the appeal should be limited in this instance to what was before the adjudication committee. In any event, even were the appeal to be limited in that way, it seems that the scoring of the evaluation committee was wrong on the evidence before it, which is also evidence now before the appeal authority: the appeal authority has not in fact elicited new evidence.

17. Once one understands the position of the appeal authority to be that of ensuring that the tender is correctly awarded by Consultant, it follows that any knowledge in his possession relevant to that issue should be applied to his determination on appeal. Consultant is at the end of the day obliged to act lawfully. That means, amongst other things, that in terms of section 2(1)(f) of the Preferential Procurement Policy Framework Act 5 of 2000 the contract must be awarded to the tenderer who scores the highest points, unless objective criteria exist justifying an award to a different tenderer; and that in terms of section 217(1) of the Constitution of the Republic of South Africa, 1996, Consultant must follow a process that is fair, equitable, transparent, competitive and cost-effective (see also paragraph 2(1) of Consultant's supply chain management policy). Furthermore, there is a general duty on Consultant to act in the best interests of the local

community (section 4(2)(a) of the Systems Act), which is presumptively a duty best achieved – all other things being equal – by awarding the tender to the tenderer who scores the highest number of points.

18. Asla has not appealed timeously, and in its appeal did not raise as a complaint the fact that it was incorrectly scored in one crucial respect. Asla clearly is unaware of this mistake. The appeal authority is however aware of it, and is seized of the matter of the award of the tender generally by virtue of the appeal of Blue Whale. I do not think that it would be proper for the appeal authority to close his eyes to the true facts. Instead, he should use the opportunity presented by the appeal process – subject to what I advise below regarding how the process should be conducted and the delay in completing the appeal process – to correct the scoring, which will in all probability have the result (since there is no other reason, as far as I am aware, why Asla would not be a suitable contractor) of the tender being awarded to Asla rather than to M5.

19. I would however suggest to Consultant that the appeal authority follow a process. He should address correspondence to both M5 and Asla – not to the other tenderers, for none of them is affected by this matter – advising them of what he has discovered regarding the scoring of M5 and Asla. He should then invite both of them to make written representations regarding this finding. Since the appeal process has already been delayed

considerably (an aspect with which I shall deal below), it would be advisable to keep them to short time periods. The appeal authority will be able to decide whether he should give M5 and Asla a further opportunity to comment on one another's representations, either again in writing or orally, once he has considered them himself.

20. I find nothing in section 62 of the Systems Act or in Consultant's supply chain management policy that precludes the appeal authority from following such a procedure. It seems to me sensible and appropriate that he should do so. His decision is one of considerable financial significance, and a fair process of this kind will enable him to understand better why the initial scoring was apparently incorrect. It would also be the correct thing to do vis-à-vis M5, which has at least a legitimate expectation at this stage of being heard on the question of whether the tender awarded to it should instead be awarded to Asla.

The delay in the appeal process

21. In terms of section 62(5) of the Systems Act, the appeal authority must commence with an appeal within six weeks and decide the appeal within a reasonable period. It is not apparent that the appeal authority did either of these things. (I must add that the acting municipal manager was only

appointed in that position with effect from 1 November 2007, so that the delay was not caused by him.)

22. It is now a somewhat remarkable eight months since Blue Whale lodged its appeal. The probabilities are considerable that the appeal authority did not commence the appeal process within six weeks from 10 May 2007. In any event, it is to my mind inconceivable, given the limited nature and the lack of substance of Blue Whale's appeal, that eight months could be considered anything but an unreasonable period in which to decide the appeal.

23. It does not however follow from this that the appeal authority now can no longer come to a decision on appeal. Section 6(3)(b) of the Promotion of Administrative Justice Act 3 of 2000 envisages that where an administrative official has failed to take a decision within the period prescribed by law, proceedings for judicial review may be instituted "on the ground that the administrator has a duty to take the decision notwithstanding the expiration of that period". This gives effect to the common-law position, according to which it has always been possible to obtain a *mandamus* compelling a slow or reluctant administrator to take action or make a decision (Currie and Klaaren *The Promotion of Administrative Justice Act Benchbook* p 168).

24. I am therefore of the view that the appeal authority should continue with the appeal, notwithstanding the rather inordinate delay to date. Indeed, it would be inappropriate for the appeal authority not to do so. If his determination of the appeal is out of time, that is a point to be taken by a dissatisfied tenderer on review in due course, not by the appeal authority *mero motu*. The appeal authority is seized of the appeal, and should determine it.

Rights accrued by M5

25. In the judgment of Cleaver J in *Jicama 17 (Pty) Ltd v West Coast District Municipality* 2006 (1) SA 116 (C) the Court held that a binding agreement came into force upon the acceptance of a tender, notwithstanding the fact that a formal contract still remained to be signed (at 121B-D). What the Court found, was that in the event of such a contract not being signed, the successful tenderer would nevertheless be entitled to rely on the acceptance of its tender as constituting a binding agreement.

26. There is one fact in the present matter which may serve to take it outside of the ambit of the *Jicama* judgment, namely that the letter by which Consultant informed M5 of its success in the tendering process expressly stated that a binding contract would be constituted by the completion and signing of the formal contract. That was not the situation in the *Jicama*

case. I am however of the view that that difference is probably insufficient to result in a finding contrary to that in the judgment. The letter to M5 commences by advising it that "your enterprise has been appointed as the successful tenderer to the provision of abovementioned service".

27. The fact that M5 may have acquired rights makes no difference to the question of what Consultant is to do on appeal, though. On the reasoning of Cleaver J, it will almost invariably be so that on award of a tender, rights accrue – subject, however, to the outcome of the appeal process for which legislative provision is made.

Whether the appeal authority can decide that new tenders should be invited

28. The appeal authority's power is limited to the determination of the appeal. He cannot invite new tenders. He can only make a finding on the basis of the existing tender process, aimed at ensuring that the ultimate decision of Consultant is the correct one.

Chambers
Cape Town
22 January 2008



Republic of South Africa

**IN THE HIGH COURT OF SOUTH AFRICA
(CAPE OF GOOD HOPE PROVINCIAL DIVISION)**

In the matter between:

M5 DEVELOPMENTS (CAPE) (PTY) LTD

Applicant

and

CC GROENEWALD N.O

OVERSTRAND MUNICIPALITY

ASLA DEVCO (PTY) LIMITED

BLUE WHALE PROPERTY PROJECTS CC

First Respondent

Second Respondent

Third Respondent

Fourth Respondent

JUDGMENT: 12 FEBRUARY 2009

Le Grange J:

[1] In this matter the Applicant (M5) seeks an order reviewing and setting aside a decision by First Respondent (Groenewald), the acting municipal manager, that a tender (SC055/2007) of Second Respondent (the Municipality), which was allocated by the Tender Adjudication Committee of Second Respondent to the Applicant, be re-allocated to Third Respondent (Asla).

[2] M5 furthermore seeks a declaratory order that a valid and binding contract came into existence between the Municipality and itself, pursuant to the allocation of the tender to M5, alternatively that Applicant is entitled to enter into such contract, thereby giving effect to the allocation of the tender.

[3] The factual matrix is mainly common cause between the parties in this matter.

[4] The Municipality, in the first quarter of 2007, published an invitation to tender for services that had to be rendered as the implementing agent for housing projects in the Overstrand Municipal Area.

[5] M5 duly submitted its tender documents and from the 16 tender documents that were received by the Municipality, only 5 tenders were regarded as *bona fide*, from *inter alia* M5, Asla and Blue Whale (Fourth Respondent).

[6] The Municipality thereafter appointed an independent consultant firm, namely ICE Group (Pty) Ltd ("ICE"), who recommended that the tender be allocated to M5.

[7] The Municipality's Tender Evaluation Committee, pursuant to the recommendation of ICE, made a formal recommendation that the tender be allocated to M5.

[8] At a subsequent meeting of the Municipality's Tender Adjudication Committee held in April 2007, a resolution was adopted whereby the tender was allocated to M5 in

accordance with the aforementioned recommendation.

- [9] M5 was informed of the allocation of the tender to it by means of a letter dated 28 April 2007. The letter records the following relevant information:-

"It is our pleasure to inform you that your tender for the provision of the abovementioned service has successfully complied with the conditions and specifications of the tender as set by the Municipality and that your enterprise has been appointed as the successful tenderer for the provision of abovementioned service."

Upon completion and signature of the formal Contract and upon the issuing of this letter of acceptance by the Municipality a binding contract will be established between your enterprise and the Municipality for the above mentioned service.

You are advised that all the terms and conditions of tender as well as the tender specifications and requirements continue to apply to the contract for the duration thereof, and that any variation or failure to comply with the tender specifications and requirements, will amount to a breach of contract, unless approved in writing by the Municipality.

Please be informed that the unsuccessful tenderers have a right of appeal in terms of Section 62 of the Local Government Municipal Systems Act, 2000 (Act 32 of 2000) against the decision taken by the Tender Committee, which right of appeal must be exercised within 21 days from date of this letter.

After expiry of the appeal period, you will be required to sign the service contract before the implementation date."

- [10] Letters were also forwarded to the unsuccessful tenderers, in which it was stated that they are afforded 21 days in which to lodge appeals in terms of Section 62 of the Local Government: Municipal Systems Act, No 32 of 2000 ("the Systems Act") against

the allocation of the tender.

- [11] Blue Whale lodged an appeal timeously. Asla failed to lodge an appeal within the prescribed time period, but filed a notice of an appeal after the expiry date. From May 2007 to January 2008, no steps were taken by any official of the Municipality to finalize the appeal. Groenewald, who has been employed by the Municipality in various positions, was the acting municipal manager between the periods 1 November 2007 to 31 March 2008. The previous municipal manager had resigned and a new municipal manager was appointed with effect from 1 April 2008.

- [12] In February 2008, Groenewald dismissed the appeal of Blue Whale and in a letter dated 12 February 2008 recorded the reason for the decision as follows: *"I have considered your representations and have to inform you that your appeal had to be rejected as no fault could be found regarding the adjudication process."*

- [13] Groenewald however, whilst considering the appeal lodged by Blue Whale, discovered that there were certain differences between the evaluation done by ICE and the information submitted to the Municipality's Tender Adjudication Committee by the Tender Evaluation Committee. According to Groenewald, in the category (empowerment of workforce/development of human resources), certain points were awarded incorrectly to M5 and Asla. In a letter dated 29 January 2008, M5 was informed about this. The letter also records the rescoring of the points of the category in question and Asla as the bid winner by 0.1 point.

[14] M5 was invited to make written representations to Groenewald regarding all the matters raised in the letter, within a period of one week. M5 was also requested to submit, along with the written representations, further information and documentation, including a confirmatory letter by M5's chartered accountants relating to the points claimed in the category in question in terms of which the tender was evaluated.

[15] In a further letter dated 7 February 2008, Groenewald indicated that if he did not receive anything from M5 by 11 February 2008, he would assume that M5 intends not to avail itself of the opportunity to participate in the appeal process to assist the appeal authority reaching a correct decision.

[16] M5's attorneys responded on 11 February 2008 with a request that M5 be afforded an extension of time as it was advised by its auditors that it would take approximately 14 days from that date, to provide and furnish First Respondent with the relevant information and documentation. M5's attorneys also made reference in the letter that 1 point was awarded under a particular heading "Local Content" to M5, when in fact it qualifies for the full 3 points and the rights of M5 were reserved in that regard.

[17] Groenewald, notwithstanding this requests, informed M5 on 12 February 2008 that as the duly appointed appeal authority, he came to the conclusion that in the category (empowerment of workforce/development of human resources) certain points were incorrectly scored and are to be awarded to M5 and Asla. As a result of the rescoring, M5 achieved 92.3 points and Asla 92.4 points. Groenewald re-allocated the

tender to Asla and informed M5 that its tender was unsuccessful.

[18] Against this background M5, on an urgent basis, launched these proceedings. The founding affidavit filed on behalf of M5 relies upon a number of review grounds. As a result of my view of the matter, I deem it unnecessary to deal with all of these grounds.

[19] The main attack against Groenewald's decision is firstly, the Municipality has failed to adopt and implement a Supply Chain Management Policy, and for that reason Groenewald as appeal authority, was not authorized in terms of the empowering provisions of either the Local Government: Municipal Systems Act 32 of 2000, the Preferential Procurement Policy Framework Act No 5 of 2000: Municipal Finance Management Act No. 56 of 2003 (MFMA), or the Municipal Supply Chain Management Regulations (The Regulations) as published in terms of Section 168 of the MFMA, to make the decision to re-allocate the tender to Asla. Secondly, the appeal of Asla was time barred and therefore Groenewald could not have considered their appeal. Lastly, Groenewald, as appeal authority failed to apply the *audi alteram partem* rule. Moreover, Groenewald became *functus officio* when he advised Blue Whale that its appeal had been dismissed and acted *ultra vires* in re-allocating the tender to Asla.

[20] Mr. J.W. Olivier (SC) assisted by Mr. R.B. Engela appeared on behalf of M5. Mr. E Fagan appeared for Groenewald and the Municipality and Mr. H.C Schreuder for Asla. Blue Whale did not oppose the Application.

[21] Mr. Olivier and Mr. Fagan addressed me extensively on the relevant legislation pertaining to matters relating to tenders. Reference was also made to decided cases, including Reader and Another v Ikin and Another 2008 (2) SA 582 (C) and Syntell(Pty) Ltd v The City of Cape Town and Another (CPD case no 17780/07). See also: The Municipality of the City of Cape Town v Reader and Another (719/2007) [2008] ZASCA 130 dated 14 November 2008.

[22] The principal submissions by Mr. Olivier are firstly, that the purported exercise of the power in terms of the provisions of section 62 of the Systems Act, was unlawful and illegitimate as the decision *in casu*, was not taken by a staff member in terms of a power or duty delegated in terms of section 59 of Part 3 of the Systems Act, but by the Bid Adjudication Committee in accordance with a committee system and accordingly there was no right of appeal for Blue Whale. Moreover, Second Respondent's failure to comply with the express provisions of the MFM Act and the prescribed regulatory framework could not have provided Groenewald with an appeal authority in terms of the Systems Act. Secondly, even if Groenewald was vested with an appeal authority, he failed to apply the *audi alteram partem* rule and the decision to re-allocate the tender to Asla was irrational as he dismissed the appeal of Blue Whale that was before him and became *functus officio*.

[23] The submissions by Mr. Fagan, briefly stated, are that the Acting Municipal Manager was the relevant appeal authority in terms of the provisions of section 62 (4) of the Systems Act, and therefore had the necessary authority to hear an appeal and did not act *ultra vires*. He also contended that there is no validity in the argument that

Groenewald should have applied the Supplied Chain Management Policy as the provisions of section 62 of the Systems Act makes adequate provisions for Groenewald to hear an appeal, which process is separate from the tender evaluation and adjudication process. The legal validity thereof must, according to Mr. Fagan, be judged on its own terms. With regard to the attack by M5 on the procedural fairness of the process, it was argued on behalf of Groenewald and Asla that M5 was given an opportunity to be heard, but did not avail itself of such opportunity. It was also argued that Groenewald was not *functus officio* when he advised Blue Whale that its appeal had been dismissed. Furthermore, the appeal process had not come to an end and Groenewald was within his rights to re-allocate the tender to Asla, as no rights accrued to M5.

[24] Mr H.C Schreuder agreed mainly with the submissions made by Mr. Fagan, and contended that unless there are certain objective criteria that justify the award to another tenderer, the contract should be awarded to the tenderer who scored the highest point, which was Asla.

[25] It is a fundamental principle of the Rule of Law that the exercise of a public power is only legitimate where it is lawful. It is central to our constitutional order that the legislature and the executive are in every sphere constrained by the principle that they may exercise no power and perform no function beyond those conferred on them by law. In this regard see Fedsure Life Assurance v Greater Johannesburg TMC 1999(1) SA 374 (CC) at para's 56 and 58 and Minister of Local Government, Housing and Traditional Affairs, KwaZulu-Natal v Umlambo Trading 29 CC and Others 2008 (1) SA

396 (SCA) at 401 H.

[26] Section 217 (1) of the Constitution provides that when an organ of state, in the local sphere of government, in contracts for goods or services, it must be done in accordance with a system which is fair, equitable, transparent, competitive and cost effective. National legislation has to prescribe a framework in which the policy, referred to in section 217 of the Constitution, must be implemented. See also: Darson Construction (Pty) Ltd v City of Cape Town 2007 (4) SA 488 (C) at page 498 D-E.

[27] This principle is confirmed in section 112(1) of the Local Government: Municipal Finance Management Act, No. 56 of 2003 (the MFM Act) which, *inter alia*, provides that the supply chain policy of a municipality or municipal entity must be fair, equitable, transparent, competitive and cost-effective and comply with a prescribed regulatory framework for municipal supply chain management.

[28] The MFM Act mainly deals with the financial affairs of municipalities and other institutions in the local spheres of government to secure sound and sustainable management. Section 3 (2) thereof provides that in the event of any inconsistency between a provision of the MFM Act and any other legislation in force, then the MFM Act takes effect, and which regulates any aspect of the physical and financial affairs of municipalities or municipal entities, a provision of the MFM Act prevails.

[29] Part 1 of chapter 11 of the MFM Act deals with Supply Chain Management with regard to the procurement of goods and services. In terms of Section 111, each

municipality must have, and implement a Supply Chain Management Policy which gives effect to the provisions of Part 1.

[30] It is not in dispute that the Municipality did not adopt and implement a Supply Chain Management Policy at the time that Groenewald took the decision to re-allocate the tender to Asla.

[31] Section 112 of the MFMA likewise provides that the Supply Chain Management Policy of a municipality or a municipal entity must be fair, equitable, transparent, competitive, cost-effective and comply with the prescribed regulatory framework for Municipal Supply Chain Management. In terms of the provisions of section 83 and 85 of the Municipal Systems Act, 32 of 2000, detailed requirements are stipulated for the procurement of services through agreements with non-public sector providers. The purpose of the prescribed regulatory framework is to ensure a fair and transparent service to avoid corruption and fraud within the system and to preserve ethics to any service that is delivered by the Municipality. It also highlights oversight and accountability and ensures that municipal managers abide by these ethical rules.

[32] Returning to the undisputed facts of this matter, the decision by the Municipality to award the tender to M5 was made by its Tender Adjudication Committee. The members of this committee were the Chief Financial Officer (the Chairperson), the Director of Infrastructure, the Director of Community Services, the Director of Economic Development and the Head of Management Services. These persons are all staff members of the Municipality and three members constitute a quorum. From the

composition of this committee, all of whom are staff members, it is evident that the decision on the tender was taken by staff members other than the municipal manager.

[33] The argument that the Tender Adjudication Committee lacked the necessary written delegation as it did not form part of the record provided to M5 by Groenewald and the Municipality, is in my view without merit. This issue was raised for the first time by M5 in its replying papers. According to the answering affidavit filed by Groenewald, the composition of the Tender Adjudication Committee had been determined by the council of the Municipality. There is therefore no basis to come to the conclusion that the Committee lacked the necessary written delegation. The argument therefore that the decision in question was not taken by a staff member in terms of a power or duty delegated by section 59 of Part 3 of the Systems Act is therefore without substance. I am satisfied that, in terms of the provisions of section 62 (4) of the Systems Act, the municipal manager is the appeal authority.

[34] It is further common cause that the Municipal Supply Chain Policy was not officially implemented, although the policy was applied in the process of this matter. Groenewald, however, relied on the provisions of the Systems Act to consider the appeal of Blue Whale. The contention on behalf of M5 that Groenewald acted *ultra vires* as the legislator could never have intended a further general appeal procedure in terms of section 62 of the Systems Act if a specific appeal procedure has been set out in regulation 49 and 15 of the Supply Chain Management System, is misconceived.

[35] Despite the provisions of Section 111 of the MFMA which stipulates that each municipality must have and implement a supply chain management policy, the legislature clearly envisage a period, after the enactment of the MFMA, that municipalities will not have a supply chain management policy in place. It will be untenable in law, that during these periods no internal appeals could be heard. Section 62 of the Systems Act, is therefore in my view, the operative provision.

[36] In *casu*, the tender was awarded to M5 on condition that the unsuccessful tenderers have a right of appeal against the decision taken by the tender committee, which must be exercised within 21 days. Blue Whale exercised its rights and Asla filed a notice of appeal outside the 21-day time limit.

[37] Groenewald, in my view, correctly considered the appeal of Blue Whale as the tender awarded to M5 by the Municipality, was conditional and subject to a 21-day appeal process. See also Syntell *supra* at paragraph 58.

[38] The issue that needs closer scrutiny is whether Groenewald acted within his authority as outlined in the Municipal Systems Act and complied with lawful administrative action when he dismissed the Blue Whale's appeal, and *mero muto*, revoked the decision to allocate the tender to M5 and re-allocate it to Asla. In this regard see Logbo Properties CC v Bedderson N.O. and Others 2003 (2) SA 460 (SCA) at 465 F; Transnet LTD v Goodman Brothers (PTY) LTD 2001 (1) SA 853 (SCA); Metro Projects CC v Klerksdorp Local Municipalities 2004 (1) SA 16 (SCA) at 21 B-D and Promotion of Administrative Justice Act of 2000, section 6 (2)(a)(i) and 6 (2)(i).

[39] The relevant provisions of section 62 of the Systems Act provide as follows:-

"(1) A person whose rights are affected by a decision taken by a political structure, political office bearer, councillor or staff member of a municipality in terms of a power or duty delegated or sub delegated by a delegating authority to the political structure, political office bearer, councillor or staff member, may appeal against that decision by giving written notice of the appeal and reasons to the municipal manager within 21 days of the date of the notification of the decision.

(2) The municipal manager must promptly submit the appeal to the appropriate appeal authority mentioned in subsection (4).

(3) The appeal authority must consider the appeal and confirm, vary or revoke the decision, but no such variation or revocation of a decision may detract from any rights that may have accrued as a result of the decision.

(4) When the appeal is against a decision taken by-

(a) a staff member other than the municipal manager, the municipal manager is the appeal authority;

(b).....

(c).....

(5).....

6) The provisions of this section do not detract from any appropriate appeal

procedure provided for in any other applicable law."

[40] It is common cause on the papers filed, that Groenewald only considered the appeal of Blue Whale and after due consideration dismissed it on the basis that no fault could be found regarding the adjudication process. The contention by Mr Fagan that Asla was essentially the unintended beneficiary of the appeal, lodged timeously by Blue Whale, is in my view misconceived.

[41] I am in agreement with counsel for the respective parties that an appeal in terms of section 62 of the Systems Act is a wide appeal. But the re-hearing and or fresh determination by the appeal authority must rationally be relevant to the subject of the appeal. See Deville, Judicial Review of Administrative Actions in South Africa, Lexis Nexis Butterworths, 2003, at pages 384 – 389; Baxter, Administrative Law, Juta & Co Limited 1984 at page 256 and Tikly and Others v Johannesburg N.O and Others 1963 (2) SA 588 (T) at 591 G. Moreover, it can only be the parties involved in the appeal that can adduce new or further evidence and no one else. The following dictum in the matter of The Municipality of the City of Cape Town v Reader and Another (719/2007 [2008] ZASCA 130 (14 November 2008) at para 31, is in my view instructive:-

"[31]..... the purpose of section 62 as a whole is to give to the dissatisfied applicant for permission – and to no one else – an opportunity for the matter to be reheard by a higher authority within the municipality."

[42] The contention that Groenewald was in law obliged to, upon discovering an alleged scoring error whilst considering Blue Whale's appeal, make a decision on the

correct scoring and re-allocate the tender to Asla, is misconceived.

[43] The dissatisfied entity was Blue Whale who lodged its appeal timeously. The subject of the appeal which had to be considered was whether a correct decision was taken by the Municipality not to award the tender to Blue Whale. Section 62(3) clearly stipulates that the appeal authority must consider the appeal and confirm, vary or revoke the decision, on condition that no such variation or revocation may detract from any rights that may have accrued as a result of the decision.

[44] In considering the decision not to award the tender to Blue Whale, and coming to the conclusion that the appeal should be dismissed, the authority of Groenewald in terms of the provisions of section 62 was complete and his decision final. The contention that Groenewald was not *functus officio*, as he informed the relevant parties on the same day of his decision, is without merit. The letter to Blue Whale dated 12 February 2008, records the following:

".....I have considered your representations and have to inform you that your appeal had to be rejected as no fault could be found regarding the adjudication process. Regarding your questions, I have to advise that all the tenders were evaluated on the same basis. In terms of this evaluation, (my underlining) the tender was awarded to the bidder with the highest points which was far higher than your tender, even with preferential points awarded to you..."

[45] The facts speak for itself, Groenewald could only have dismissed Blue Whale's appeal first before re-allocating the tender to Asla.

[46] Groenewald, in my view, erred and committed a serious misdirection to re-allocate the tender to Asla. There was no valid appeal before him from Asla. Once the appeal was dismissed, Groenewald's authority in terms of the provisions of section 62 had lapsed and he became *functus officio*. Moreover, pursuant to the lapse of the 21 days appeal period and in the absence of a successful appeal, rights in my view, accrued to M5 and Groenewald was incapable of varying or revoking a decision as provided in terms of s 62(3).

[47] Even if Groenewald was entitled to re-allocate the tender to Asla when dismissing the appeal of Blue Whale, the administrative process followed, was in my view grossly unfair and fundamentally flawed. On that basis alone, the decision of Groenewald needs to be set aside.

[48] The provisions of PAJA provide that fair administrative procedure depends on the circumstance of each case. Section 3(3) of PAJA stipulates that in order to give effect to the right to procedurally fair administrative action, an administrator may, in his or her discretion, also give a person an opportunity to obtain assistance and, in serious or complex cases, legal representations, present and dispute information and arguments and appear in person. Procedural fairness in terms of our common law also demands that the rules of natural justice, which embodies two fundamental principles, the right to be heard (*audi alteram partem*) and the rule against bias (*nemo iudex in sua causa*), should be adhered to. The right to be heard on appeal is not only consonant with the fundamental right to lawful and fair administrative action as entrenched in s 217 of the

Constitution, but also accorded with the common principles of natural justice, fairness and reasonableness. See further: Logbo Properties CC, supra at 472 B.

[49] The contention that Groenewald regarded it as important to determine the appeal as soon as reasonably possible and his decision not to afford M5 a further extension of time, to furnish him with the relevant information, was not procedurally unfair, is misconceived.

[50] M5 was alerted by Groenewald on 29 January 2008, by letter, of his concerns and sought the further information as requested. M5 immediately responded stating that legal advice was sought and its attorneys would make formal representations on their behalf. On Wednesday 6 February 2008, M5's attorneys responded and raised their clients concerns. Groenewald replied the next day stating *inter alia*, that the appeal was not time-barred as the unsuccessful tenderer lodged its appeal timeously. M5 was also urged to participate in the appeal process failing which it would be assumed by close of business on the Monday (11 February 2008), that M5 did not want to avail itself of this opportunity. On Monday, before close of business, M5 requested a further extension of time for 14 days. They also mentioned their concerns with regard to the particular heading "*Local Content*". According to M5 it qualified for the full 3 points instead of the 1 point that was awarded to it and their rights are reserved in this regard.

[51] The request for an extension of time by M5 cannot be regarded as unreasonable having regard to the time frame in which the appeal was dealt with. Procedural fairness, on the facts of this case, demanded that Groenewald at least granted M5 the extension

of time within which to furnish the necessary documentation, especially as the chartered accountants of M5 needed to confirm some of the information requested. There could also have been no prejudice suffered by the respective parties if an extension of time was granted. Moreover, M5 alerted Groenewald of a particular heading in which they disputed the points allocated to them. Groenewald, re-hearing the matter, should have at least allowed M5 to provide him with the necessary information or evidence as to their complaint. His failure to do so is in my view a gross irregularity.

[52] Inasmuch as Groenewald was of the view that the decision to award the tender to M5 was flawed, in dismissing the appeal of Blue Whale, the Municipality is bound by its decision to award the tender to M5 unless and until they are set aside by a court of law. See: Qudekraal Estates (Pty) Ltd v City of Cape Town and Others 2004 (6) SA 222 at paragraph 26.

[53] For the reasons stated I am satisfied that the First Respondent's decision falls to be set aside.

[54] In the Result the following order is made:

1. The First Respondent's decision to re-allocate the tender is reviewed and set aside. The Applicant is entitled to enter into a contract with Second Respondent pursuant to the allocation of tender SC055/2007.

2. The costs of this application be paid by First, Second and Third Respondents jointly and severally. The costs include the costs of two counsel.



LE GRANGE, J.

JUDGMENT

THE SUPREME COURT OF APPEAL OF SOUTH AFRICA

JUDGMENT

Case no: 283/09

In the matter between:

CC GROENEWALD NO

First Appellant

**OVERSTRAND MUNICIPALITY
ASLA DEVCO (PTY) LTD**Second Appellant
Third Appellant

and

M5 DEVELOPMENTS (CAPE) (PTY) LTD

Respondent

Neutral citation: *CC Groenewald v M5 Developments* (283/09) [2010] ZASCA 47
(31 March 2010)**Coram:** NAVSA, CLOETE, LEWIS, MHLANTLA and LEACH JJA**Heard:** 12 March 2010**Delivered:** 31 March 2010**Summary:** Local authority – municipal tender – unsuccessful tenderer having a right of appeal under s 62 of the Local Government: Municipal Systems Act 32 of 2000 – appeal authority not entitled to award tender to another unsuccessful tenderer who did not appeal.

ORDER

On appeal from: Western Cape High Court, Cape Town (Le Grange J sitting as a court of first instance).

The appeal is dismissed with costs, such costs to include the costs of two counsel.

LEACH JA (NAVSA, CLOETE, LEWIS and MHLANTLA JJA concurring)

[1] As this court has recently observed, awards of tenders in the public sector are a fruitful source of litigation which has led to courts being swamped with cases concerning complaints about the award of contracts.¹ This is yet another such case. It arises out of the award of a municipal contract by the second appellant, the Overstrand Municipality, to one of several entities who had tendered for it.

[2] As I shall set out more fully below, the tender of the respondent ('M5') was initially accepted but, pursuant to an appeal, the first appellant, Mr CC Groenewald, who was at the time the acting municipal manager, reversed that decision and awarded the contract to the third appellant ('ASLA'). This led to M5 initiating review proceedings in the Western Cape High Court, Cape Town which set aside the municipal manager's decision to award of the contract to ASLA and declared M5 to be 'entitled to enter into a contract with (the municipality) pursuant to the allocation of (the tender)'. With leave of the court a quo, the first appellant, the municipality and ASLA now appeal to this court, contending that the review ought to have been dismissed.

[3] Section 217(1) of the Constitution requires organs of state, including municipalities, to contract for goods and services in accordance with a 'fair, equitable, competitive and cost-effective' system. The Local Government: Municipal

¹ Per Harms DP in *Moseme Road Construction CC & others v King Civil Engineering Contractors*

Systems Act 32 of 2000 (the Systems Act) and the Local Government: Municipal Finance Management Act 56 of 2003 (the Finance Management Act) were designed to ensure compliance with this obligation.² At the same time, s 217(2) of the Constitution further provides that this obligation does not prevent an organ of state from implementing a procurement policy by providing for 'categories of preference in the allocation of contracts' and 'the protection or advancement of persons, or categories of persons, disadvantaged by unfair discrimination'. In order to comply with s 217(3) of the Constitution which requires national legislation to prescribe a framework within which the policy in s 217(2) is to be implemented, the Preferential Procurement Policy Framework Act 5 of 2000 (the PPPF Act) was passed, s 5 of which empowers the Minister of Finance to make regulations to provide a framework for the implementation of a procurement process.

[4] In order to achieve a fair, equitable, competitive and cost-effective system for the procurement of municipal services, a municipality is obliged by s 111 of the Finance Management Act to have and implement a supply chain management policy which, under s 112 of that Act, must comply with a prescribed regulatory framework. That framework³ also requires goods and services above a transaction sum of R200 000 to be procured by way of a competitive bidding process.⁴ In addition, the regulations promulgated under the PPPF Act (the 'preferential procurement regulations') which, with some justification, have been criticised both in regard to their clarity as well as their content,⁵ provide for the use of a formula for the

(Pty) Ltd & another [2010] ZASCA 13 para 1.

² See *Municipal Manager: Quakeni Local Municipality & another v FV General Trading CC* 2010 (1) SA 356 (SCA) [2009] ZASCA 66 para 11.

³ Promulgated in GN R 868 in GG 27636 of 30 May 2005.

⁴ Quakeni paras 12 and 13.

⁵ See eg *Hydro-Tech Systems (Pty) Ltd v City of Cape Town & others* 2010 (1) SA 483 (C) [2009]

evaluation of tenders in which points are awarded in respect of various criteria.

[5] In February 2007, the municipality intended to develop some 3 000 low-cost houses. In order to facilitate this project and to comply with its constitutional and statutory obligations, it published an advertisement inviting tenders for the appointment of an 'implementation agent' for its housing projects. The advertisement specifically stated that the municipality did not bind itself to accept the lowest or any tender and that tenders would be 'subject to the Standard Conditions of Tender, the Preferential Procurement Regulations of 2001 and (its) Supply Chain Management Policy'.

[6] This advertisement was misleading as in fact the municipality had not adopted a supply chain management policy, but nothing turns on its failure to do so. What is important is that the advertisement led to 16 tenders being received by the municipality, five of which were considered to be acceptable. These included tenders from M5, ASLA and a close corporation known as Blue Whale Property CC ('Blue Whale').

[7] The municipality employed a firm of consulting engineers, ICE Group (Pty) Ltd ('ICE'), to evaluate these tenders. This it did in detail, scoring each in terms of the applicable formula prescribed by the preferential procurement regulations. It is unnecessary to set out the formula in question, it being sufficient for present purposes to record that it involved scoring each tender out of a maximum of 100 points, ten of which (so-called 'PPPFA' points) related to those goals set out in s

2(1)(d) of the PPPF Act.

[8] Having evaluated the tenders, ICE compiled a written report to the municipality dated 23 March 2007 in which it stated that the two tenders most worthy of consideration were those of M5, which it had scored at 91.6 points, and ASLA, which had been awarded 91 points. The difference between the two related to the scores allocated in respect of the ten PPPFA points, M5 having been given a single point and ASLA 0.6 points in that regard – their scores otherwise having been identical. The other three tenders lagged far behind in the scoring stakes. Those in third and fourth places were scored at 78.94 and 40.25 points respectively, while that of Blue Whale languished in a very distant last place with but 17.25 points. Based solely on its slightly higher score, ICE recommended that M5 should be appointed rather than ASLA.

[9] ICE's report was placed before the municipality's tender evaluation committee. It also decided to recommend to the municipality's tender adjudication committee that M5 should be awarded the contract.

[10] On 13 April 2007 the municipality's tender adjudication committee met and accepted the recommendations of ICE and the evaluation committee that M5 should be awarded the contract. Consequently, on 20 April 2007 M5 was informed that its tender had been successful. The four unsuccessful tenderers were simultaneously informed in writing of the outcome and that they had 21 days to lodge an appeal under s 62 of the Municipal Systems Act.

[11] Unhappy that it had been unsuccessful, Blue Whale decided to appeal, and lodged a notice within the stipulated period. ASLA also filed a notice of appeal in which it contended that the evaluation report of ICE had not been independent. But it did so only on 31 May 2007, almost three weeks out of time. Since the only appeal lodged in time was that of Blue Whale, and since it clearly had no prospect of success, it is surprising to say the least that it took some nine months to finalise the appeal.

[12] In the meantime, the municipal manager when the appeal was launched, Mr Koekemoer, had been replaced by Groenewald, who was acting as municipal manager, and it was he who eventually determined the appeal and awarded the contract to ASLA. This he did despite being of the view that ASLA's appeal could not be considered and that of Blue Whale had to be dismissed.

[13] Groenewald explained how this somewhat surprising result came about. After he had been appointed to the post in November 2007, he went through the available documentation, including the reports of ICE and the evaluation committee, and was initially somewhat confused by the differences in the scoring. He discussed the matter with the chairperson of the tender evaluation committee, Ms La Cook, who advised him that the evaluation committee had received certain information relevant to the PPPFA points which contradicted that accepted by ICE, and that because it perceived that ICE had also erred in other respects of the scoring in regard to those points, it had re-assessed the tenders, increased the score of M5 to 94.3 points and that of ASLA to 93.4 points, but reduced Blue Whale's score to 15.25 points. None of this appears in the minutes of the tender evaluation committee or in its

recommendation to the tender adjudication committee. Nevertheless, according to La Cock, as M5 still retained a slight lead over ASLA, the evaluation committee had also decided to recommend M5.

[14] On considering this information, and although he accepted the validity of the criticism of ICE's scoring, Groenewald concluded that the evaluation committee had itself also incorrectly scored the tenders. Doing his own scoring exercise, he decided that ASLA ought to have been awarded 92.4 points, fractionally more than M5 to which he gave 92.3 points. As in his opinion ASLA had outscored M5, albeit by a minimal margin, he concluded that it and not M5 ought to have been awarded the contract.

[15] In the light of this, Groenewald considered himself to be on the horns of a dilemma. On the one hand, he thought that ASLA's appeal could not be entertained as it had been filed out of time while that of Blue Whale was devoid of merit and had to be dismissed. On the other, he felt it would be irregular, improper and, indeed, unconstitutional for M5 to be awarded a contract which the tender adjudication committee, on his scoring, ought to have awarded to ASLA.

[16] Finding himself in a quandary, Groenewald took legal advice. Having done so, and as part of what he viewed to be the overall appeal process, he wrote to both M5 and ASLA on 29 January 2008, informing them that he had difficulty in respect of the scoring and inviting them to make written representations on certain issues on or before 6 February 2008. At the same time he made it quite clear to ASLA that its appeal could not be considered as it had been lodged out of time and that, in any

event, there was no merit in its allegation as to ICE's lack of impartiality.

[17] Although ASLA responded swiftly to Groenewald's request to provide further information, M5 did not: and so the municipal manager wrote to it on 7 February 2008, extending the period for its response to 11 February 2008. In reply, however, attorneys acting for M5 wrote to him, stating that M5 could not provide the information requested in the time available and requesting a further extension of 14 days. Groenewald was not prepared to agree and, taking into account the fresh information furnished by ASLA, he increased its score to 92.4 points, a total slightly higher than the 91.6 points he had awarded M5. In the light of this, he felt duty bound to award the contract to ASLA. It was this decision that was the subject matter of M5's application for review which, in due course, was upheld in the court a quo.

[18] Although a plethora of issues was raised in the papers, the ambit of the dispute narrowed and only four issues were ventilated before this court of which only two need to be determined. The first is whether an appeal against the adjudication committee's award of the contract lay under s 62(1) of the Systems Act which provides:

'A person whose rights are affected by a decision taken by a political structure, political office bearer, councillor or staff member of a municipality in terms of a power or duty delegated or sub-delegated by a delegating authority to the political structure, political office bearer, councillor or staff member, may appeal against that decision by giving written notice of the appeal and reasons to the municipal manager within 21 days of the date of the notification of the decision.'

[19] In *City of Cape Town v Reader & others*⁶ the issue arose whether a landowner had a right under s 62 to appeal against the approval of certain building plans for the

⁶ 2009 (1) SA 555 (SCA) [2008] ZASCA 130.

erection of a structure on its neighbour's property. The majority held that s 62 gives no general right to appeal to those who object to a municipal planning permission or decision and that a neighbour, who was not a party to the application for the approval of the building plans, did not have a right directly affected by a decision on the application and thus had no right to appeal under s 62. The question whether an unsuccessful tenderer would have a right to appeal against the acceptance of the tender of another was specifically left open.

[20] In its papers in the application a quo, as well as in its heads of argument filed in this court, M5 argued both that ASLA was not a party to the appeal due to its notice of appeal having been filed late and that, as an unsuccessful tenderer, it did not have clearly defined rights adversely affected by the decision of the tender adjudication committee. Relying upon the majority decision in *Reader* it therefore contended that neither ASLA (nor Blue Whale for that matter) had enjoyed a right to appeal under s 62 and that, on this basis alone, it ought not to have been awarded the contract. In argument, however, counsel for M5 stated that for purposes of the appeal he conceded that both ASLA and Blue Whale had enjoyed a right of appeal under s 62.

[21] This concession was correctly made. As I have mentioned, the decision of the majority in *Reader* was based on the reasoning that a neighbour could not be considered as a person whose rights were affected by the municipality's decision in regard to building plans approved for a neighbouring property as it had not been a party to the application process relating to those plans. In the present case, of course, the unsuccessful tenderers, together with M5, were all parties to the tender approval process. I therefore have no difficulty in concluding that both ASLA and

Blue Whale were entitled to appeal under s 62.

[22] That brings me to the next issue, namely, whether Groenewald, as appeal authority, was entitled to award a contract to an unsuccessful tenderer who had not appealed against the initial decision to award it to another. Arguing that Groenewald had been perfectly entitled to do so, counsel for the appellants, as a starting point, contended that an appeal in terms of s 62 is a so-called 'wide appeal'⁷ involving a re-hearing of the issues. From that base, they argued that the award of a municipal contract was a matter falling within the public domain, involving a decision which had to be taken in the public interest in the light of the various constitutional and statutory imperatives I have already mentioned, including the necessity to advance those goals identified in the PPPF Act. The award of the contract therefore had to be considered in this constitutional and statutory context, and it was necessary for a municipality to act lawfully in doing so. In these circumstances, so the argument went, a municipal manager was bound in his re-hearing of the matter to award the contract to the party to whom it should have been awarded in the first place, even if that party had not appealed.

[23] Counsel for M5 conceded that s 62 involved an appeal in the wide sense and, for present purposes, I intend to accept that he was correct in doing so. But that does not mean that such an appeal requires the re-evaluation of each submitted tender. If that were so, administrative anarchy would result. In a simple case such as this involving the re-consideration of but three tenders, the appeal process took nine months and I shudder to think how long it would have taken had it been necessary to

⁷ Compare eg *Tikly & others v Johannes NO & others* 1963 (2) SA 588 (T) at 590F-591A; *Nichol &*

deal with, say, 50 tenders just because one unsuccessful tenderer had decided to appeal.

[24] The obvious fallacy in the appellants' argument is found on an examination of the section under which the appeal authority is empowered to act. Section 62(1) allows a person to appeal by giving 'written notice of the appeal and reasons' to the municipal manager who, under s 62(2) has then to submit 'the appeal' – obviously the notice of appeal and the reasons lodged therewith under s 62(1) – to the appeal authority for it to consider 'the appeal' under s 62(3). Although in terms of this latter subsection the appeal authority is empowered to 'confirm, vary or revoke the decision' it exercises that power in the context of hearing 'the appeal' viz the appeal and the reasons lodged by the aggrieved person under s 62(1). That defines the ambit of the appeal, the sole issue being whether that aggrieved person should succeed for the reasons it has advanced. It is not for the appeal authority to reconsider all the tenders that had been submitted. If that had been the legislature's intention, it would have said so. It did not, and for obvious reasons. There is a need in matters of this nature for decisions to be made without unreasonable delay. If each and every tender had to be revisited it could easily become an administrative nightmare with the appeal authority having to hear representations from all parties who tendered, some of whom might have no realistic prospect of success, in regard to a myriad of issues, many of which might in due course be proved to be wholly irrelevant. This could never have been the legislature's intention. It is inconsistent with the requirement that a person aggrieved must file a notice of appeal with reasons within a fairly short period.

another v Registrar of Pension Funds & others [2006] 1 All SA 589 (C) paras 19-22; *Cora Hoexter*

[25] Thus while I accept that the appeal is a wide one in the sense of a re-hearing, it is a re-hearing related to the limited issue of whether the party appealing should have been successful. In the context of a municipal tender, an appeal by a person whose tender was unsuccessful therefore does not entitle the appeal authority to reconsider all the tenders that were lodged and to decide whether the committee which adjudicated upon the tender ought to have awarded the contract to a person whose tender was not accepted, but who did not appeal against that decision (and who might no longer have any interest in being awarded the contract). In the present case, the appeal related solely to whether the contract should have been awarded to Blue Whale rather than M5 and, having concluded that issue against Blue Whale and declining to consider ASLA's appeal, the appeal should merely have been dismissed and the adjudication committee's decision left undisturbed.

[26] Furthermore, while Groenewald may have had concerns about the legality of the award of the tender, it is important to bear in mind that those concerns were based on his perceptions flowing from his own investigations on issues identified by him and that his conclusions were challenged by M5.

[27] It was suggested during argument that if Groenewald had not been empowered to award the contract to ASLA, the court a quo should have referred the matter back to the adjudication committee to enable it to reconsider the award, and that this court should therefore make such an order. There seems to me to be no merit in this suggestion. Groenewald's power under s 62(3) was to 'consider the appeal, and confirm, vary or revoke the decision'. He had no power to refer the matter back to the adjudication committee for reconsideration. That being so, the court a quo could not have made an order on review that Groenewald could not have

Administrative Law in South Africa pp 66-68.

made, and neither can this court.

[28] The conclusion that Groenewald should merely have dismissed the appeal under s 62 renders it unnecessary to deal with any of the other questions raised on appeal. In regard to the question of costs, it is clear that the matter is of substantial importance and the parties were correctly agreed that costs should follow the event and that the employment of two counsel was justified.

[29] In the result, the following order is made:

‘The appeal is dismissed with costs, such costs to include the costs of two counsel’.

L E LEACH
JUDGE OF APPEAL

APPEARANCES	
1 st & 2 nd APPELLANTS:	E W Fagan SC
3 rd APPELLANT:	H C Schreuder
1 st APPELLANT & 2 ND APPELLANT	Instructed by Fairbridges Attorneys, Cape Town; McIntyre & Van der Post, Bloemfontein.
3 rd APPELLANT	Instructed by Louw du Plessis Inc, Somerset West; McIntyre & Van der Post, Bloemfontein.
RESPONDENT:	J W Olivier SC (with him R B Engela) Instructed by Malan Laàs & Scholtz Inc, Durbanville;
	Webbers, Bloemfontein.

Mr CC Groenewald
Municipal Manager
Overstrand Municipality (OSM)
Hermanus, Western Cape, 7200

RCV10 14/4/16
(Jurie Hamman)

1

Dear Sir,

We have noticed with disappointment that the Draft Budget for 2016/2017 contains the same refuse policy as adopted in the 2013/2014 financial year. We are aware that our complaint lodged with the Public Protector (PP) is still under investigation. As such, we are obliged to once again object to the current Refuse Policy as contained in the Draft Budget for 2016/2017.

All objections in our complaint as first lodged against the Draft Budget of 2013/2014, as well as the years 2014/2015 and 2015/2016 still stand and form the basis for our current objection against the Refuse Policy.

The reasons for our objections have been clearly set out year after year. We have also requested documentation from OSM which have been denied us throughout. This documentation include the following:

1. Document compiled by the OSM consultant, as quoted from by Mr Ben Solomon during the meeting in the Mayoral Office on 2013-08-27.

(NOTE: Documents 2 and 3 below only came to our attention in July 2015 after OSM submission to PP.)

2. Letter from Mr Jan Palm, dated 2015-06-23 to Mr C Groenewald, Overstrand Municipality regarding: "Refuse Tariff Calculation".
3. Minutes of OSM Meeting dated 2013-01-23, attended by Mr Jan Palm, discussing:
 - a) Group Housing and Gated Villages counted as four dwellings per unit;
 - b) Other residential dwellings count as one dwelling per unit;

It is the meeting on which Mr Jan Palm indicated by means of calculation that in terms of the then Refuse Policy, a standard residential dwelling ("erf", I presume) was subsidising residential dwellings in Group Housing (I assume it included Sectional Title Schemes) and Gated Villages. He apparently based his remark on the principle that:

"two people living in an apartment in a security village will generate the same volume of waste per week as two people living in a free standing suburban dwelling".

According to the minutes: *"After the discussion it was unanimously agreed that all residents must receive a similar weekly service for the same tariff, regardless of where their dwelling is located."*

Clearly, the refuse policy based on the above is wrong on three counts:

Firstly, the OSM policy of charging all "erfen"/"units" an identical tariff implies that all "erfen"/"units" have the same number of people, which is clearly not the case. If OSM wanted to base its policy on the number of people in a dwelling (house) or apartment (flat), the tariff should have been proportional to the number of people. Instead, OSM based its policy on "erf"/"unit" without any consideration to number of people. Please note we do not think basing the policy on number of people residing on "erf"/"unit" is practical. We still believe the number of 240 litre Wheeley Bins is a practical and equitable unit of measure.

Secondly, OSM forgot, or deliberately ignored, the fact that OSM policy allows two dwellings per erf. This effectively is a 50% discount for refuse removal for every owner of an erf with two dwellings. This is clearly not equitable. NOTE: We have no problem with the two dwellings per erf policy as it encourages higher density living. Higher density living was one of the main motivational factors in passing the Sectional Titles Act no 95 of 1986 (as amended from time to time).

Thirdly, it does not comply with Local Government Municipal Systems Act no 32 of 2000, sections 74 (2) (b) and (d) that requires proportionality. The current policy as adopted in 2013/2014 is based on a constant charge on every erf/dwelling.

JJ Hamman

for and on behalf of Fynbos Park Body Corporate
and supporting Body Corporates
Cell: 082-45-333-26 / Office: 028-312-4409
juriehamman@gmail.com fynbospark@gmail.com

CFO - Re: OSM Draft Budget 2016-2017 Objection

From: CFO
To: juriehamman@gmail.com
Date: 14-Apr-16 11:04 AM
Subject: Re: OSM Draft Budget 2016-2017 Objection
Cc: Elize Verrij; fynbosspark@gmail.com; Gerrie Labuschagne; Coenie Groene...
Bc: CFO

Dear Mr Hamman

We acknowledge receipt of your email dated 14 April 2016.

All comments and contributions related to the Draft Budget 2016/2017, as tabled to the Overstrand Municipal Council on 30 March 2016, will be considered for the final budget report to be tabled to Council in May 2015.

Yours sincerely,

RITA LE ROUX

PA to Mrs Santie Reyneke-Naude
Director: Finance / Chief Financial Officer
Overstrand Municipality, PO Box 20, Hermanus, 7200

Vriendelike groete / Kind regards,

Santie Reyneke-Naude

Direkteur: Finansies / Director: Finance
Overstrand Munisipaliteit / Municipality
Tel : 028 313 8040
Faks / Fax : 028 313 8128
Sel / Mobile : 082 551 4499
E-pos/E-mail: cfo@overstrand.gov.za

>>> "Jurie Hamman" <juriehamman@gmail.com> 14-Apr-16 7:24 AM >>>
Mr CC Groenewald
Municipal Manager
Overstrand Municipality

Jurie

Jurie Hamman
082-45-333-26
juriehamman@gmail.com
151/152 Fynbos Park
Kerkstraat Posbus 7
HERMANUS, 7200 HERMANUS, 7200

CFO - OSM Draft Budget 2016-2017 Objection

From: "Jurie Hamman" <juriehamman@gmail.com>
To: <cgroenewald@overstrand.gov.za>, <nbotha-guthrie@overstrand.gov.za>, <du...>
Date: 14-Apr-16 07:24 AM
Subject: OSM Draft Budget 2016-2017 Objection
Cc: "'Elize Verrij'" <everrijh@overstrand.gov.za>, <fynbospark@gmail.com>, "...
Attachments: OSM Draft Budget 2016-2017 Objection.pdf

Mr CC Groenewald
Municipal Manager
Overstrand Municipality

Jurie

Jurie Hamman
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151/152 Fynbos Park
Kerkstraat
HERMANUS, 7200

Posbus 7
HERMANUS, 7200

(T. Snibbe)

2

From: CFO <cfo@overstrand.gov.za>
To: Bernard King; "Groenewald, Coenie"; "Coetzee, Dudley"; Rita Ieroux
Date: 22-Apr-16 12:46 PM
Subject: Fwd: BEGROTING INLIGTINGSVERGADERING KLEINMOND

Beste Bernard,

Voorsien my asb dringend teen Dinsdag van jou insette en terugvoer, ten opsigte van alle historiese inligting na verwys/punte gestel, soos van toepassing op vorige begrotings en verhogings.

Vriendelike groete

Santie Reyneke-Naude
Direkteur: Finansies
Overstrand Munisipaliteit
Sent from my ALCATEL ONETOUCH POP C7

----- Original Message -----

Subject: Fwd: BEGROTING INLIGTINGSVERGADERING KLEINMOND
From: Dudley Coetzee <dcoetzee@overstrand.gov.za>
To: Bernard King <bking@overstrand.gov.za>, CFO <CFO@overstrand.gov.za>
CC: Coenie Groenewald <cgroenewald@overstrand.gov.za>, Nicolette Botha-Guthrie <nbotha-guthrie@overstrand.gov.za>

>>> "Dudley Coetzee" <dcoetzee@overstrand.gov.za> 04/22/2016 09:22 >>>

Dear Santie

We expected something along this line, please ignore the attack on my character, that I simply accept from whence it comes, but prepare answers to the questions as best you can.

Regards

Dudley

>>> Tommy Snibbe <tommysnibbe@gmail.com> 2016/04/21 10:51 AM >>>
Agbare Raadslid Coetzee,

Ek verwys na die bogemelde vergadering wat op 19 April 2016 in die Kleinmond Stadsaal gehou is. Dit is met teleurstelling dat ek hier my sterkste afkeur teenoor u wil uitspreek vir die wyse waarop u my afgejak het. Uit u optrede is dit baie duidelik dat u weinig, indien enige respek vir my het. Dit is egter u keuse of u my wil respekteer aldan nie. Hierdie situasie is inderdaad betreurenswaardig aangesien ek u nog nooit, sover my kennis strek, in enige opsig benadeel het nie. Dit was dus totaal en al ongevraagd en ek is redelik seker daarvan dat u beeld nie baie daarby gebaat het nie.

Dit is na my mening nie die manier waarop u 'n lid van die publiek, wie nie oor 'n punt in die begroting met u saamstem nie, behoort te behandel nie. As iets onduidelik is, het ek tog seker die reg om vrae te vra ten einde die onduidelikheid uit die weg te ruim! Met u optrede, voel ek, het u nie net uself nie, maar ook die Raad in oneer gebring.

As verteenwoordiger van die Raad het u my, na my mening, die reg op publieke deelname ontsê en daardeur my Grondwetlike reg aangetas.

U het, deur u optrede, my totaal ontmoedig om enige verdere vrae te vra. Ek rig derhalwe hierdie skrywe aan u met die versoek dat u sonder versuim op die volgende vrae sal antwoord. Eerlik en op die man af sonder om jakkalsdraaie te gooi om op die manier moeilike vrae of argumente te probeer ontduik.

Aangesien ek nou my vrae kan vra sonder dat u my in die rede val, hoop en vertrou ek dat die vrae nou vir u meer sin sal maak.

Dit is nie nodig om kwaad te word omdat ek 'n vraag vra oor 'n punt waarvoor ek meer duidelikheid wil hê of waar ek van u verskil nie. Dit was ook nie nodig om alle vrae uit die vuur te beantwoord nie. Ek was heel tevrede daarmee dat u die sake sou ondersoek en later na my sou terugkom met 'n antwoord. U kan per slot van rekening tog nie al die jare se begrotings in u kop rondraai nie, Daar was egter nog vrae wat relevant was tot die onderwerp wat ek wou stel ten einde my in staat te stel om 'n vollediger prentjie te kry maar wat ek liefds daar gelaat het om verdere onaangenaamheid en vernedering te voorkom.

Mag ek hier aan die hand doen dat u een van die personele van die OM vra om in die toekoms notas van die vrae te maak wat u nie kan beantwoord nie en dan die publiek kans te gee om hulle saak te stel en toe te laat dat hulle sonder inmenging hul punt kan maak. In plaas daarvan om iemand af te jak, luister eerder na wat hy te sê het. U kan dit moontlik later handig gebruik in die opstel van 'n toekomstige begroting.

Alhoewel ek tot in my diepste wese gegrief voel oor die minderwaardige wyse waarop u my behandel het, gaan ek tog hierdie geleentheid gebruik om ook vrae te stel wat nie op my agenda gelys was nie. Ek vertrou dat dit u goedkeuring sal wegdra.

Ek aanvaar dat my navrae en kommentaar nie altyd in 'n goeie gees aanvaar word nie maar ek wil u verseker dat dit goed bedoel word. As belastingbetaler is ek verplig om te betaal wat die Staat en Overstrand Munisipaliteit (OM) van my eis. Teen die Staat kan ek nie in opstand kom nie maar Wetgewing bied my genadiglik nog die geleentheid om vrae te vra en kommentaar op die OM begroting te kan lewer in die skrale hoop dat iemand op een of ander stadium 'n simpatieke oor na my sal draai. Daar is mense in Kleinmond woonagtig wat op 'n pensioen aangewese is vir oorlewing wat eenvoudig net te klein is om van te oorleef. As die belastingbetalers in die verlede nie teen onregverdigde verhogings in die begroting beswaar gemaak het nie, wonder ek waar sou ons Munisipale rekenings vandag gestaan het.

Indien die agtergrond wat ek probeer skets u verveel kan u dit seker maar oorslaan. Ek wil egter aanbeveel dat u dit noukeurig deurlees aangesien u moontlik dan beter begrip kan hê vir my siening / motivering van 'n spesifieke punt. Ons kyk nie almal met dieselfde oog na 'n begroting nie maar dit is nie te sê dat die mense wie van my verskil verkeerd is nie. Met wederydse begrip kan ons dalk net saamwerk om die wa deur die drif te kry. Ongelukkig kom sommige van my vrae al oor jare met my saam en niemand kan of wil antwoorde daarop verskaf nie. Hierdie frustrasie egter nou maar daar gelaat. Ek sal dit opreg waardeur indien u op my volgende vrae kan antwoord:

EIENDOMSBELASTING:

Laat my ten eerste toe om die volgende aanhalings weereens onder u aandag te bring:

BEGROTING 2014/15:

(Par. 3 Bls. 6):

"The increase in property rates has been necessitated largely due to the lagging of rates increases below inflation over the past years".

BEGROTING 2015/16:

(Par. 3 Bls. 7):

"The increase in property rates has been limited to only 6,85% notwithstanding the lagging of rates increases below inflation over the previous years before 2014/15"

BEGROTING 2016/17:

(Par. 2 Bls. 8):

"The increase in property rates has been set at 7.2% notwithstanding the lagging of property rates increases below inflation over the years before 2014/15" en

(Par 10 Bls.3):

"Tariffs and property rates increases should aim to be affordable. The rate of increases in property rates has lagged in the past years".

Wat sê die aanhalings uit die begrotings vir my as belastingbetaler? Onder andere net die volgende:

- Dat die OM voor 2014 belastingverhogings van minder as die inflasiekoers gehef het. Om watter rede maak nie saak nie.
- Dat die OM besig is om hierdie bedrae wat ons klaarblyklik "agterstallig" is te verhaal.
- Dat die OM die inflasie koers as basis vir sy berekenings gebruik.
- Dat daar nog verhogings bo die inflasiekoers op ons wag in die komende jaar of twee of dalk selfs langer.

Aangesien ek nie met hierdie beleid van die OM saamstem nie, het ek in die vergadering navraag gedoen oor die termyn waaroor hierdie berekenings gemaak is. As ek berekenings maak oor 'n periode van 5 jaar en die OM maak hul berekenings oor 'n tydperk van 30 jaar gaan die syfer op geen manier ooreenstem nie. Ons kan dus in wees vir 'n baie groot ontnugtering. Ek vertrou dat u nou begrip sal hê vir hierdie vraag wat ek gevra het.

Ter inligting meld ek verder dat ek die volgende berekenings gemaak het:

In 2012/13 is die belasting verhoog na 0.00346. 'n Verhoging van 6.13% en sowat 0.38% bo inflasie.
In 2013/14 is die belasting verhoog na 0.00360. 'n Verhoging van 4.05% en sowat 1.72% onder inflasie.
In 2014/15 is die belasting verhoog na 0.00414. 'n Verhoging van 15% en sowat 8.87% bo inflasie.
In 2015/16 is die belasting verhoog na 0.00442. 'n Verhoging van 6.85% en sowat 2.34% bo inflasie.
In 2016/17 word die belasting verhoog na 0.00474. 'n Verhoging van 7.2% en sowat 1% bo inflasie.

Sou ons nou 'n berekening oor die bogemelde 5 jaar periode maak, wil dit voorkom asof die belastingbetaler in die omgewing van 10,87% meer as die inflasiekoers moes opdok. Ons is dus, volgens my, vooruit betaal!

In die lig van die voorafgaande wil ek my stelling herhaal dat die OM, na my mening, die publiek mislei en onder 'n wanindruk bring deur voor te gee dat ons oor jare agter geraak het met die belasting en nou moet inhaal.

Dit bring my dan by die volgende punte:

- Indien die OM hulleself die reg toe-eien om die belasting wat die publiek na bewering minder as inflasie betaal het, te verhaal, dan het die publiek ook mos nou die reg om die gedeelte van die belasting wat hulle vooruit betaal het terug te eis. Ons gebruik dan nou die inflasiekoers as basis - en dit is nie ek wat so sê nie Agbare Raadslid, dit kom van die OM se begrotings af!
- Enige verhogings bo inflasie, om hierdie situasie "reg te stel", is na my mening verkeerd en totaal en al onregverdig. Dit word deur die OM geregverdig deur die publiek onder 'n wanindruk te bring en grens derhalwe na my mening aan bedrog!

As ek 'n stoel by 'n meubelwinkel gaan koop en ek kry 10% afslag gaan die bestuurder van die winkel nie die prys van die stoel met 10% opwaarts aanpas as ek die volgende dag weer 'n soortgelyke stoel by dieselfde winkel gaan koop nie. U sal moontlik nou sê dat die belasting nie met die aankoop van 'n stoel vergelyk kan word nie. Die beginsel bly egter dieselfde. Afslag wat vandag toegestaan is, kan nie more weer verhaal word nie!

Raadslid Coetzee, hiermee sluit ek my argument rakende die "ongeregverdigde" verhoging in die

eiendomsbelasting af met 'n finale versoek:

Met die voorafgaande in gedagte versoek ek nie net dat u die vrae hierbo gevra sal beantwoord nie maar dat u my ook sal voorsien van die berekenings van die OM waarop hierdie stellings (sien die uittreksels hierbo), gegrond is. Ek weier dus om die stellings wat die OM gemaak het sonder voorlegging van bewyse van wanneer en hoeveel belasting ons as belastingbetalers oor die jare agter geraak het, te aanvaar. U kan sover terugwerk as wat dit u pas.

TARIEFVERHOGINGS BO 6,6%:

Laat my asseblief toe om u weereens te verveel met 'n aanhaling. Ek gee egter hierdie aanhaling deur sodat u nie nodig het om tyd te mors deur die Bulletin te gaan soek en seker te maak dat die aanhaling korrek is nie. U sal heel moontlik die situasie nog onthou aangesien u self ook op die meegaande foto teenwoordig was.

BRON: Overstrand Munisipaliteit Bulletin, Desember 2015, Bls. A1, berig onder die opskrif: "RAAD ONTVANG MINISTER VAN FINANSIES" Par. 3:

"Op haar beurt het Uitvoerende Burgemeester Nicolette Botha-Guthrie in haar voorlegging van die hersiene 2016/17-GOP tydens dieselfde Raadsvergadering gewaarsku dat die begrotingsbeheerkomitee streng opdrag het om 'n begroting vir dieselfde tydsraamwerk op te stel wat nie inflasie oorskry nie, 'n syfer wat tans op rondom 5% staan"

Ons weet almal dat die inflasiekoers toe nie op 5% gebly het nie. Die SA reserwebank het noodgedwonge 'n opwaartse aanpassing gemaak. Daarom pla die verhogings by 5% my nie en word dit nie eers genome nie.

Die volgende tariewe is egter bo die amptelike inflasiekoer verhoog:

- Eiendomsbelasting: 7,2%
- Basiese heffing - elektrisiteit: 17,5%
- Water 0-6kl: 11,46%

Ten spyte van die verklaring deur ons Agbare Burgemeester is hierdie tariewe nogtans direk in teenstelling met haar opdrag deurgevoer. Dit wil dus voorkom of die begrotingsbeheerkomitee hom nie werklik aan haar wens gesteur het nie.

Ek aanvaar dat hulle nie hul perke oorskry het nie, anders sou sy hulle tog seker voor stok gekry het. Dit sal egter interessant wees om te weet hoe hulle die oorskrydings gemotiveer het.

SALARISSE:

Kontrakteurs word jaar op jaar aangestel om sekere pligte van die OM te vervul, teen 'n koste. Ten spyte hiervan wil dit voorkom of daar nie werklik 'n besparing in die Salaris rekening te bespeur is nie. 'n Verduideliking ten opsigte hiervan sal waardeur word.

Dit wil voorkom of die OM die werknemers eerder in diens hou omdat die vakbonde dit eis. Het dit nie tyd geword dat die OM standpunt teen die vakbonde inneem en die surplus personeel ontslaan nie? Dit wil op die oog af voorkom of die OM die werkers beskerm ten koste van die belastingbetalers. Die OM beskerm dus sy uitgewes maar steur hom nie aan die uitbuiting van sy inkomste bronne nie. Is my aanname korrek?

KAPITAAL BEGROTING:

Dit is kommerwekkend dat die Kapitaal begroting vanaf die 2011/12 begroting voortdurend gedaal het. Word daar dan nie geld benodig vir enige kapitaal projekte en/of die aankoop of vervanging van enige voertuie en toerusting nie? Dit is my beskeie mening dat hierdie traak my nie agtige houding van die OM ons in die toekoms duur te staan gaan kom.

In par. 2 Bls. 5 erken die Agbare Burgemeester dat die OM die 7de grootste bevolkingsgroei in die land het. Tog begroot u vir 'n toename in huishoudings wat bv. water gaan benodig van slegs 2,5% en 2,6% in die twee jaar volgende hierdie begroting. Ek sal graag wil weet hoe die vurk in die hef steek.

As ons begroot vir 'n groei in huishoudings van slegs 2,5% en die werklike groei is 10% kom die begroting as geheel mos onder druk. Die Kapitaal begroting omdat daar infra struktuur benodig word waarvoor daar nie begroot is nie en die Operasionele begroting omdat daar dienste gelewer moet word waarvoor hulle ook nie begroot het nie. Hoe nou gemaak? Loop ons die Bank storm vir 'n lening? Dit kan moontlik 'n oplossing wees maar beslis ongewens in die lig van die huidige skuld posissie van die OM.

ELEKTRISITEITS METERS:

Hierdie vraag gaan oor die vervanging van elektrisiteitsmeters met spesifieke verwysing na verbruikers wie vanaf die ou rekening stelsel na die vooraf betaal stelsel oorskakel. Daar word van hierdie mense verwag om X bedrag te betaal waarvan baie naby aan die helfte gaan vir die aankoop van die nuwe meter. Hou in gedagte dat daar reeds 'n meter aan die betrokke eiendom gekoppel is wat klaar betaal is. Nuwe ontwikkelings word dus hierby uitgesluit. Na installasie van die vooraf betaal meter bly dit steeds die eiendom van die OM ten spyte daarvan dat die verbruiker die volle koopprijs van die meter moes betaal.

'n Gerug wat onlangs aan my genoem is, wil dit hê dat die Caledon Munisipaliteit voorafbetaal meters plus installasie gratis aan hulle inwoners aangebied het en die hele dorp het sonder moeite oorgeskakel na die nuwe stelsel.

Raadslid, as u 'n brood by Pick n Pay gaan koop, staan daar iemand by die deur met 'n mandjie en verhoed u om die brood by die winkel uit te neem?

Nou vra ek: Is dit onregverdige sakepraktyk?

Mag ek u versoek om my nie met 'n Wet of een of ander Munisipale ordonansie pak te gee nie. Ek is redelik bewus van wat in die OM se verordening oor elektrisiteits meters staan.

Net 'n slot gedagte oor hierdie onderwerp: Kom ons beweeg weg van die gedagte om alewig op die verkeerde manier te probeer geld maak. Indien u die meters gratis voorsien en geïnstalleer het, was die hele dorp seker al teen die tyd oorgeskakel en sou die OM finansiële al baie sterker gestaan het.

Hou in gedagte dat die OM krag moet aankoop. Op die geld wat daarvoor nodig is, word rente betaal as dit geleen moet word (wat heel moontlik die geval is). Op die geld wat op uitstaande rekenings lê, verloor die OM daagliks rente omdat rekenings eers twee maande nadat die skuld aangegaan is vereffen word. Verder sit ons nog met 'n komponent van slegte skuld wat nog meer geld kos ten opsigte van invorderingskoste (om van afskrywings nie eens te praat nie).

Waarom neem die OM nie 'n besluit en vervang die meters gratis nie. Werk daaraan om die hele streek oor te skakel en die OM se slegte skuld posissie kan aansienlik verbeter. Daarmee saam is daar 'n uiters positiewe invloed op die kontantvloei te bespeur en glo dit as u wil - die besparing op rente betaal die koste van die oorskakeling binne 'n kwessie van maande. Waarom wil die OM altyd die pad vir hulleself moeilik maak?

Ek sien hierdie besluit as 'n skynbare gebrek aan effektiewe finansiële bestuur. Ongelukkig het ek nie insae in hierdie besluit van die OM gehad nie en sal ek dit daarom waardeur indien u my kan inlig oor die

beredenering van die OM hierin. Dit is nie my bedoeling om die gedagte op die OM af te dwing nie maar ek weet nie of die OM hierdie moontlikheid oorweeg het nie. Moontlik het u en is dit verwerp oor redes wat, om watter rede ookal, nie aan ons bekend gemaak is nie. Vergaderings rakende die begroting is geslote.

BEGROTINGSPROSES:

Alhoewel hierdie die laaste punt in my skrywe is, is ek van mening dat dit sonder twyfel die belangrikste is.

Die publiek kry die kans om deur middel van die Wykskomitee stelsel per geluk iets op die wenslys te kry. Daarna is alle vergaderings rakende die begroting vir die publiek geslote tot met die Inligtingsvergadering in April. Dit is nou as jy gelukkig genoeg is om ongestoord vrae te kan stel.

Nou kom die volgende vrae by my op:

- Waarom die geheimhouding?
- Het die OM iets om weg te steek?
- Waarom kan daar nie maar net gewone vergaderings deur die begrotingsbeheerkomitee gehou word waar die publiek as waarnemers kan kom insit nie. Daar kan mos altyd 'n vraag en antwoord sessie na die vergadering gehou word om hulle insette te kry.
- Wat sou die rede wees vir die OM se onverbiddelike teenstand hieroor?

Ek is van mening dat hierdie verbod in stryd kan wees met die Land se Grondwet en my grondwetlike reg van publieke deelname.

Indien u die publiek by hierdie vergaderings sou toelaat sal daar baie meer begrip wees vir wat u met die begroting probeer bereik en ons sal selfs die begroting op die inligtingsvergaderings kan verdedig. Mag ek weereens vra dat u, in u antwoord hierop, nie vir my sê dit is 'n Raadsbesluit nie. Raadslid Coetzee, daar moet tog seker 'n rede agter die Raadsbesluit weesen dit is wat ek graag wil weet.

Hier wil ek die slotparagraaf van my bespreking oor die Elektrisiteitsmeters aan u voorhou as 'n sprekende voorbeeld van waarom ek dink ope vergadering kan werk!

Mag ek dit net weer onder u aandag bring dat geeneen van die voorstelle wat ek ooit in die verlede aan die OM gemaak het op die OM afgedwing was nie. Ek het bloot 'n punt gemaak en dit sover moontlik probeer toelig. Dit was nog altyd die OM se keuse om dit te aanvaar of te verwerp. Dieselfde reël geld vir die voorstelle en kommentaar wat ek in hierdie skrywe aan u maak. Graag doen ek 'n ernstige beroep op u om nie ons voorstelle, soos wat ons persepsie tans is, met minagting te verwerp nie. Lees dit en dink ernstig na oor wat ons sê. Al het ons nie 'n Munisipale agtergrond nie, kan sommige van ons voorstelle tog seker goed genoeg wees om deur die OM oorweeg te word. Van my kant af probeer ek my bes om sinvolle insette te lewer.

Ek is nie 'n kind wat so maklik 'n ontwykende antwoord aanvaar nie. Gee asseblief feite deur en hou by die waarheid, dit stel my meer gerus en skep nie 'n gevoel van agterdog nie! Hierdeur sê ek nie dat u onwaarhede verkondig nie.

Ten slotte wil ek net 'n laaste versoek tot u rig en glo my, ek doen dit in alle beskeidenheid:

Tydens die Inligtingsvergadering is ek deur u in die openbaar in Kleinmond verneder - **EK VERSOEK NOU DAT U MY IN DIE OPENBAAR, IN KLEINMOND, OM VERSKONING SAL VRA!**

Ek dank u in afwagting,

Vriendelike Groete / Kind Regards

Tommie Snibbe

Tel no: 028 271 5837

Sel no: 083 412 5870

E-pos: tommysnibbe@gmail.com

Adres: 9de Laan 68, Kleinmond, 7195



28th April, 2016

Municipal Manager
Overstrand Municipality
P O Box 20
Hermanus
7200

Dear Municipal Manager,

**COMMENTS ON DRAFT SPECIAL RATING AREA (SRA) POLICY PUBLISHED FOR COMMENT
IN 2016/17 DRAFT BUDGET DOCUMENT**

The above draft Policy document refers.

The first sentence of the policy states that *"2.1 This Policy for the establishment of special rating areas must be read together with the Property Act Rates and the By-Law"* (our underlining) and throughout the document there is reference to the By-law and various clauses within the By-law.

Unfortunately, for whatever reason, the Municipality has not made public the Special Rating By-law so we are not able to provide substantive or final comments on the policy until we have seen the By-law and we have also had an opportunity to comment on it as well.

In spite of the above process deficiency, the Hermanus Ratepayers Association is very pleased that the Municipality has made progress in developing a framework for Special Rating Areas in the Overstrand.

Our interim comments, based upon half of the documentation, are as follows, namely;

- Definitions – *"term"* budget is unclear – even in the body of the report. Should the term of the plan and budget of the management body not be linked to the IDP's 5-year term as it will make it much easier to check?
- 5.2.1 *"enhance and supplement the municipal services"*. Somewhere up front there needs to be a list of exactly what municipal services can be enhanced and supplemented by an SRA, otherwise a whole lot of motivational work can be done by ratepayers only to be told at the end that they can't for example do safety and security
- 6.5 & 6.6 what is the reasoning behind different approval percentages for residential (60%) and non-residential (50%) SRAs?
- 9.1 & 9.2.1 NPC – it is absolutely essential that the type of NPC is specified i.e. there are two types of NPCs and it must be the one with members (ratepayers) not without members (only Directors – like HPP) otherwise the Directors can act without the members. See



Schedule 1 of the Companies Act (provisions concerning non-profit companies), section 4 (members), sub-section 2

- 9.2.5 what powers and duties will the Councillor/Director have and where will they be specified if not in the Policy or By-law?
- 9.2.7 there is reference to sections 8.2.6 and 8.2.5 but these sections do not exist?
- 10.1 Initiation Phase – the municipal services to be enhanced and supplemented by the SRA must be specified and detailed here
- 10.1.9 – define what an “urban management survey” means
- 10.6.3.1 – one can’t start with year two of a business plan – especially if it is dependent on year one e.g. year two may be to monitor CCTV cameras that were supposed to have been procured and installed in year one, etc.

Kind regards,

EA Stanway

Bob Stanway
HRA EXCO MEMBER

CFO - Re: Comments on Special Rating Area Policy Enclosed in 2016/17 Draft Budget Document

From: CFO
To: Ratepayers Hermanus
Date: 29-Apr-16 08:51 AM
Subject: Re: Comments on Special Rating Area Policy Enclosed in 2016/17 Draft Budget Document
Cc: Lionel Wallace; Grant Mclachlan; Seth Anderson; Coenie Groenewald; CFO

Dear Mr Stanway,

We acknowledge receipt of your e-mail dated 28 April 2016.

All comments and contributions related to the Draft Budget 2016/2017, as tabled to the Overstrand Municipal Council on 30 March 2016, will be considered for the final budget report to be tabled to Council in May 2015.

Yours sincerely,

RITA LE ROUX

PA to Mrs Santie Reyneke-Naude

Director: Finance / Chief Financial Officer

Overstrand Municipality, PO Box 20, Hermanus, 7200

Vriendelike groete / Kind regards,

Santie Reyneke-Naude

Direkteur: Finansies / Director: Finance

Overstrand Munisipaliteit / Municipality

Tel : 028 313 8040

Faks / Fax : 028 313 8128

Sel / Mobile : 082 551 4499

E-pos/E-mail: cfo@overstrand.gov.za

>>> Ratepayers Hermanus <ratepayers@hermanus.co.za> 28-Apr-16 6:33 PM >>>

Dear Mr Groenewald,

Attached please find the comments of the Hermanus Ratepayers Association on the Special Rating Area Policy that was enclosed in the 2016/17 Draft Budget Document.

Kind Regards,

Bob Stanway

EXCO MEMBER

HERMANUS RATEPAYERS ASSOCIATION/

HERMANUS BELASTINGBETALERSVERENIGING

Tel : 071 507 5893

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Website/Webwerf : www.ratepayers.co.za

Objections to the 2016 / 2017 IDP and Budget

Morag Swanepoel
m@overberginfo.com
29/04/2016

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An Unfair and Unjust Budget

For years and years the Overstrand Municipality has not been working in the best interests of the previously disadvantaged, low income and poor people. Hermanus is probably one of the most unequal towns – enormous wealth surrounds abject poverty, totally neglected and I believe being side lined by the Municipality. It appears that those wards which are DA, get priority over those of the ANC on top of it.

It is the Municipalities constitutional duty to redress imbalances of the past.

From the preamble:

Forever, the Municipal budget has been aimed at maintaining the status quo – top priority being looking after the interests of wealthy ratepayers while poorer and indigent people living below the bread line (19 areas such as Zwelihle are seen as a headache).

Strategic Objectives

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.

Suggested Addition.

6. Redress the Imbalances of the Past in order to reduce the extreme inequality in the area and provide dignity for all.

The 2016 / 2017 IDP and Budget needs to be relooked at in terms of this strategic objective.

A top priority must be land, housing and basic services to the disadvantaged.

Budget Process and Public Participation.

OMAF – what input from the public

Ward Committes – ineffectual

Communication - poor

The Budget event

There was very little awareness regarding the Special Ward Committee Budget meetings.

The Local Papers (e.g. Hermanus Times) readership has dropped and it cannot be the sole means of communicating with the public. I received notification, on the day, from Whale Coast FM.

The Overstrand.gov.za web site doesn't give any date for the Onrus / Vermont meeting.

The majority of people in the Onrus Vermont ward work, so having meetings on weekdays during office hours does not encourage public participation.

Question time was not sufficient at both the ward meetings I attended. Onrus / Vermont and Zwelihle.

At the Zwelihle meeting the Mayor read out the text from the Budget report in English and it was all translated into isiXhosa. Does the municipality not have someone who can actually speak isiXhosa directly?. It would be good if the presentation included more specific information of what is being planned for them. The community sat very patiently through this for over 2 hours. They were then only afforded a half an hour for 4 questions. This is not fair.

At the Onrus / Vermont meeting I was told I couldn't ask more than 2 questions and if I need info regarding other wards, I should go to their meetings and ask questions there ... small chance of that.

Stanford meeting – no isiXhosa interpreter?

Communication

Local newspapers are no longer a way to reach all the community.

Radio, Social Media and sms service should be considered.

Web site www.overberg.gov.za is out of date in many areas. E.g . List of Councillors in office, links to documents are broken., meetings, events and calendar are blank. Ward Budget meeting for Onrus not on the list. Etc

Performance Management

Accountability for Non Delivery of previous plans and Municipal Assets not used.

Where services are not being delivered or the municipality is blocking development, we need redress and someone to be accountable and accept responsibility and fix!

The municipality has the duty to look after all communities equitably and not to favour wards run by majority political party (DA).

Examples of this can be seen in the way, Zwelihle (ANC) for example, is being sidelined.

LED Strategy - 2007 – fallen by the wayside and no longer supported.. Capital expenditure wasted and economic development blocked.

Creative support is no longer available to the crafters of the Overstrand. Only the Arts via the Art/Kuns and Fynarts Festival for entertainment and tourism are supported. Once again poorer communities and basic needs are side lined for the benefit of the well heeled.

1. Support for Creative Industry Sector

Great inroads were achieved here under the LED Management of Shaun Moses. Support in terms of material was provided generously by the municipality.

Craft Market stall - In 2009, a Craft Stall was allocated at Market Square (#1) which was supported by CCDI and became the "Handmade in the Overstrand" retail outlet for crafters all over the Overstrand. This became a major outlet and a source of income for them. After the municipality outsourced this to the benefit of the well heeled, the stall had to be given up as the rentals were too high.

Basically all the people of colour were sidelined at Market Square to make way for the more well heeled in Hermanus, most of whom have other business premises in Hermanus. No alternative market area was allocated.

I believe there is still a court case outstanding in this regard. People vs the Municipality.

Craft Centre or Hive

Via the RDP Centre, with private funding, we (the community) created a craft hub for crafters to produce as most of them couldn't in back yards in Winter in the rain.

This was while waiting for the Market built in Zwelihle on Swartdam Road, to be closed in to provide a Craft Centre, where people could work and sell. It was to become a tourist attraction. **This building was renovated but is still standing empty – it has been 6 years.**

After several meetings with and emails to Municipal Directors, Municipal Manager and Mayor, plus Hermanus Times reports, so many different excuses have been given by the Municipality. The latest one being that the community damaged the building when an electricity strike was halted by the Mayor right outside. This was some years ago. What an opportunity to vent, especially as the building had been standing empty for years so really did not hold much value to them.

Many people in DA Province, including Alan Winde and our MP Michael Cardo have spoken to the Mayor and she still hasn't done anything about it.

Entrepreneur Development and business premises.

A triple story structure was built in Zwelihle on Mandela Road in about 2012 in response to Zwelihle entrepreneurs needs for premises. These premises also outsourced last year have also been standing empty for 4 + years now.

Different excuses from the municipality.

Lack of premises for business is the second biggest reason for failure of small start ups.

From 2009 until 2014, several training courses for entrepreneurs were held in Hermanus. Approximately 60 + potential entrepreneurs were given this opportunity, funded privately and by University of Stellenbosch Business School.

Mentors came forward to assist.

Many successes turned sour and closed down due to a lack of premises either as work premises or retail outlet, have closed down during this period. One a furniture maker employing 5 people and another , a coffin Makers, Hair salons etc etc.

The Municipality was to keep a list or database of the people waiting for premises. This has not been done.

2. Agriculture

The use of this land by a budding chicken farmer was not allowed. Told the municipality is not allowing the use due to the high water bills. No other land, anywhere in the Overstrand, was suggested.

3. Public Transport between towns.

R20,000 was set aside for an initial study – what was the outcome and where is the Transport Plan. In the IPD meeting held in 2011, various transport issues were raised and nothing ever done about them.

1. Economic Hubs in Zwelihle

There are 3 economic hubs provided by the municipality

- Zwe Taxi Rank stalls – not utilized in full since 2010. Standing closed, used as storage and sub let. Allocations have been made to people who own other properties or have thriving business elsewhere – this is contrary to the purpose to help start ups.

- Swartdam Road – standing empty for 6 years.
- Mandela Street – standing empty for 4+ years – only in the last months utilized by a church and rentals are outrageous. Starting at R1,600 pm.

Basic Service Delivery to the Townships is Unacceptable

The Overstrand Municipality (OM) do provide excellent services in terms of basic services to the haves but not to the have nots.

Unqualified Audits mean the municipality is doing its job as they are paid for – the right boxes are ticked.. it does not reflect reality which is that they are sidelining the poor and increasing inequality.

Population Increasing

- 50% Increase in population every 5 years.
- 66% of people in Greater Hermanus Area

Poverty Increasing

- Economic downturn since initial budget drafted
- 23% Unemployment Overstrand severely malnourished rate is the highest in the district.
- 19.3% of Households live below the poverty line with income below R442 pm
- Indigent increase 2013 / 2014 is 5.5 % Latest stats?

Crime Increasing

- Up by 100% in last 5 years. 80% Household burglaries.

Inequality increasing

- Education - 49% dropout rates and lower matric pass rates.
- Housing waiting list is increasing

Safety

- Public lighting - Street Lights in the townships.

Health

- Mental Health
- Drugs and Substance Abuse

Electricity

- 21% of households (excluding the indigent) are without electricity. Electricity continues to be tapped off illegally and has put township resident's safety to use. I personally know of one child killed due to being shocked by hanging wires. The area is so unsafe that Telkom will not support land line usage and so the poor struggle without the benefit of ADSL lines for Internet access. This drives up their communication costs.

Sewerage

Unacceptable provision of sanitation.

20 year Electrical Services Plan – no reference to Zwelihle at all.

You refer to 1 toilet to 4 households and also to 1 toilet to 5 households. The stats are not consistent.

Water Upgrades – only for new housing developments?

Potholes and Roads

- In addition to not having pot holes seen to timorously, township roads being resurfaced are dug up and cannot really be used, for months on end. I would imagine they are worked on when there is spare capacity. Refer to current state of roads in Jikela Street and surrounds.
- The only road really delivered professionally is the highway from Schulphoek to Swaartdam as it allows the haves (people with cars from other suburbs, a short cut to avoid traffic congestion on the R43.

DA Leader boasts of different realities.

The DA leader, Maimane, recently quotes in the Election manifesto that DA led municipalities were proud of the following – but its not true in reality, certainly not in Zwelihle:

- Sewerage: 1 toilets for every 3 households – the OM IDP claims 1 toilet for 4 households. I would like to dispute the stats as they are out of date. Stats from 2013 – the population has increased, have toilets?
- Pot hole: Pot holes are fixed in 24 hours – only in wealthy suburbs not in the townships.
- Title Deeds all handed over to the community.

Land and Housing – short supply especially to Townships and lack of planning.

- There is no Housing Plan according to National requirements. Although housing is not a core function of a municipality, section 153 of the Constitutional says municipalities MUST drive National Programmes and housing is one. The Housing Act states in section 9 that a municipality must on a progressive basis make land available for housing. That is their core function. They must plan for housing via the IDP and put in applications for housing projects supposed to have in their IDP a investigation on land availability for BNG (low cost housing).
- There is no Integrated Spatial Development Framework or Plan (a legislative obligation).
- There is no Integrated Transport Plan.
- Title deeds are not being transferred to the community.
- Reason for Non Delivery of Housing

Court cases against the Municipality.

Housing planning and therefore delivery has been held up due to a court case – where our current Municipal Manager was the 1st Respondent and the Overstrand Municipality the 2nd Respondent for altering tender awards in a R600,000,000.00 contract (bigger than Nkandla) for a “Turnkey Developer” to build low-cost housing in the Overstrand. Please refer to Attachement “Tender Turmoil “ Date: May 1, 2012 | Posted in News.

During this period no town planners or consulting engineers could be appointed as both companies involved in the dispute used different professionals.

Financial constraints.

Lack of funds are pushing out 5 year housing delivery programme to 8 years. In light of the hold up due to court cases and bad decisions made, the Municipality should rectify the situation by doubling up on housing and land delivery.

- Missing Funds from first Zwe land sale (for Beach Club development)- sold in 1997 – a very large amount of money was paid for Community Housing Development. This was paid over to the municipality but has disappeared – nobody knows what happened to it.
- Lack of Land
Land is not available for purchase. House prices and rentals are skyrocketing due to demand for very very scarce resources.
- Land in Zwelihle not available for Churches. An example of this is the small stand used by the ZCC. It is on the old dump site on corner of Schlphoek opposite ZPS. They would like to utilize the small portion adjoining the stand, where the sand humps are to “hide “Zwelihle” as the whites don’t want to see them. This is the reason given to them.
- Zwelihle sale of land in 2015 – why did the Municipality not make a plan to purchase this land. Considering the circumstances in Zwlihle this is unbelievable.

Housing budgeted for is unacceptable.

6341 people are on the Housing Waiting List – many more have been turned away as they don't fall into the current set of demographics that qualify them.

5,000 people are back yard dwellers.

3,100 is a low estimate of those living in informal settlements.

The housing plan included in is only for the current year and the budgeted amount is totally unacceptable considering the non delivery of houses over the past 20 years.

The Housing Plan may be included as part of the IDP but it also must conform to National standards and it does not.

The Housing Plan included as a chapter of the IDP is for a very short period. We don't see what has been delivered or what is planned after 2017.

Not enough is being done to assist the previously and currently disadvantaged, poorer people of our community.

For years and years the municipality has not been providing land or houses for the poor or middle class people of colour especially.

Land in the Greater Overstrand is unavailable at affordable rates. Indigent, Lower class, and Middle class need to be catered for as well as the wealthy.

14 years ago – there was no Hemel and Aarde development, nor all the Walled Housing Complexes in Sandbaai and surrounds. Now they are fully developed and occupied.

Zwelihle is yet to get any new houses. Some are planned for this next period but it is a drop in the ocean.

106 houses in 2016

263 houses in 2017.

Are these one household per house or the new standard of 2 houselder per house?

What happened to an allocation in 2006 from Dept of Housing for 401 houses. Only 88 was built and the where promised the rest will follow within 2 years.?

Mount Pleasant gets 172 in 2016 – also a drop in the ocean. The plan to provide houses firstly to Mt Pleasant before a more densely populate Zwelihle has been seen by the community as favouring DA wards. Why was Mt Pleasant scheduled first?

Capital Expenditure

Wish list items – many have not even be costed – no Rand amounts.
Housing amount is way too low.

Employment at the Municipality.

- CPI is used for most increases e.g. traffic fines etc... this is set at 6 %.
- Employee increases should by CPI + 1%
- Employment at all levels but especially in the Directorate and Upper Management is not reflective of our community demographics.
- Zuma I believe meant that senior positions should not be filled – do not freeze the low level employees who need i the most.
- The Mayor and Directors should have salaries frozen, if not decreased. The code sets a ceiling but not a minimum.

The appointment of Municipal Manager Mr Coen Groenwald needs to be explained.

- Mr Groenewald was instrumental in the delaying of the provision of low-cost housing in the Overstrand

Refer here to the Court Cases regarding the tender for a R600,000,000.00 contract for a "Turnkey Developer" to build low-cost housing in the Overstrand. The case was against C Groenewald for reversing a tender decision after it was approved. Groenwald and the OM lost the cases.

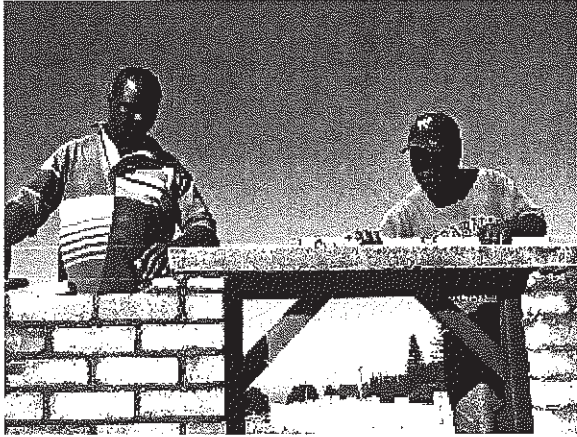
This resulted in no housing planning for the period 2007 – 2012.

The results of these court cases should be made public and amends to make up for the backlog of housing must be made.

- Mr Groenewald has been blocking economic development in Zwelihle for 5 years by not allowing the use of the Municipal buildings (by young entrepreneurs, crafters and businesses) that were especially built for them.

Tender Turmoil

Date: May 1, 2012 | Posted in News



In the wake of last month's story on housing, comes the news concerning the real reason why the provision of low-cost housing in the Overstrand is so appallingly slow.

At the beginning of 2007, the Municipality put out to tender a R600,000,000.00 contract for a "Turnkey Developer" to build low-cost housing in the Overstrand. Sixteen tender applications were received with only five regarded as bona fide, inclusive of M5, ASLA and Blue Whale Property CC.

The Housing Manager at the time, Mr Bobby von During, employed the services of consulting firm ICE Group, to make a recommendation as to whom the tender should be awarded. The evaluating of tenders involves a prescribed points system with the company scoring the highest points being the winner. The outcome of this process was that M5 was evaluated as the most suitable company. However, the evaluation process did not end there. All the documentation went on to an Evaluation Committee, who concurred with ICE in recommending M5 as the turnkey developer. The documentation then went on to the Adjudicating Committee, who once again recommended M5.

On the 20th of April 2007, M5 were notified of their appointment and the two other remaining companies were notified of their right to appeal this decision within 21 days. Blue Whale lodged an appeal, as did ASLA, but ASLA's appeal was not received within the legislated time period. Blue Whale's appeal then sat with the Municipality for some nine months without any progress.

Astoundingly, in February 2008, a decision was made by the then Acting Municipal Manager, Mr Coenie Groenewald, to change the scoring of the tender documents and award the tender to ASLA. Naturally, M5, who had originally won the tender, sued Groenewald and the Municipality in the Cape High Court. It emerged during court proceedings that the Overstrand Municipality did not even have a Supply Chain Management Policy as is prescribed by law.

M5 prevailed in the case and the tender reverted back to them. In his ruling, Judge le Grange stated, 'The contention that Groenewald was in law obliged to, upon discovering an alleged scoring error whilst considering Blue Whale's appeal, make a decision on the correct scoring and re-allocate the tender to Asla, is misconceived. Groenewald, in my view, erred and committed a serious misdirection to re-allocate the tender to Asla.'

More astoundingly, despite the recommendation of Mr Werner Zybrands, who had by then been appointed as the Municipal Manager, the Municipality decided to appeal the High Court's ruling. The matter was then retried by the Supreme Court of Appeal on the 12th of March 2010. This court upheld the High Court's decision and the Municipality was ordered to pay all of M5's costs. The Monitor requested from the Municipality the final cost of the two court cases, but to date this information has not been forthcoming.

In light of this situation, the Monitor posed the following questions to Mr Fanie Krige, Communications Manager of the Overstrand Municipality:

1. What events led to Mr Coenie Groenewald reversing a tender decision after it was approved by the tender Adjudication Committee?
2. When M5 sued Mr Groenewald and the Municipality, who took the decision to defend the matter?
3. When the case was lost in the High Court, who made the decision to appeal the decision?
4. What was the final cost of both the court cases including the costs of the applicant?
5. Where did this money come from?

6. Given that the Municipality was in the wrong, how is the Municipality planning to reimburse the Overstrand ratepayers for this wasteful expenditure?

7. How was it that Mr Groenewald was appointed Municipal manager, even though he wasted a significant amount of public funds and set back the housing planning in the Overstrand by some 2 years?

In response to these questions the Monitor was invited to the Municipal offices to read through the transcripts of the court cases as well as the confidential Legal Council's brief. Unfortunately, these documents shed no light on the questions posed. In fact, this episode simply raised the additional question as to why these documents were not part of the public record.

Of serious concern is the fact that the present Municipal Manager was appointed to his position even though he was found by two courts to have committed serious errors in exercising his responsibilities. Also, his position commands a salary that warrants a level of discretion beyond that displayed in this matter where ratepayers are left with massive legal costs and a housing plan in tatters.

The Monitor will keep its readers updated should the Municipality decide to answer the questions stated in this article.

CFO - Budget and IDP Comments and Objections 2016/2017

From: Morag Swanepoel <moragswanepoel@gmail.com>
To: <cgroenewald@overstrand.gov.za>
Date: 29-Apr-16 03:55 PM
Subject: Budget and IDP Comments and Objections 2016/2017
Cc: <cfo@overstrand.gov.za>
Attachments: An Unfair and Unjust Budget.docx

Dear Sirs

Please find attached document with my comments. I have so many that I have classified them into 10 main points.

Thanks

Morag Swanepoel
Just Doing IT (JDI)

CFO - Re: Budget and IDP Comments and Objections 2016/2017

From: CFO
To: Morag Swanepoel
Date: 29-Apr-16 04:14 PM
Subject: Re: Budget and IDP Comments and Objections 2016/2017
Cc: Coenie Groenewald; CFO

Sir / Madam

We acknowledge receipt of your e-mail dated 29 April 2016.

All comments and contributions related to the Draft Budget 2016/2017, as tabled to the Overstrand Municipal Council on 30 March 2016, will be considered for the final budget report to be tabled to Council in May 2015.

Yours sincerely,

RITA LE ROUX

PA to Mrs Santie Reyneke-Naude
Director: Finance / Chief Financial Officer
Overstrand Municipality, PO Box 20, Hermanus, 7200

Vriendelike groete / Kind regards,

Santie Reyneke-Naude

Direkteur: Finansies / Director: Finance
Overstrand Munisipaliteit / Municipality
Tel : 028 313 8040
Faks / Fax : 028 313 8128
Sel / Mobile : 082 551 4499
E-pos/E-mail: cfo@overstrand.gov.za

>>> Morag Swanepoel <moragswanepoel@gmail.com> 29-Apr-16 3:55 PM >>>

Dear Sirs

Please find attached document with my comments. I have so many that I have classified them into 10 main points.

Thanks

Morag Swanepoel

Just Doing IT (JDI)



BUSINESS CHAMBER
HERMANUS
SAHEKAMER

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www.hermanuschamber.co.za

29 April 2016

Municipal Manager
Overstrand Municipality
P O Box 20
Hermanus
7200

COMMENTS; DRAFT BUDGET 2016/2017

As Hermanus Business Chamber we have made it quite clear where our priority lies. The CBD revitalisation. We are in the very fortunate position that all the members of ward 3 ward committee agreed that only the CBD revitalisation must appear on the IDP wishlist of ward 3. As the IDP dictates the budget we are ecstatic.

Perusing through the Draft Budget 2017/17 we came onto the following Policy on page 458 to 471 namely Special Rating Area Policy. (SRA Policy) We then scrutinized the SRA Policy as it directly affect ward 3.

Within the Policy under the heading Introduction point 2.1 it states "This Policy for the establishment of a special rating areas must be read together with the Property Rates Act and the By-Law"

We presume that with the Municipal Property Rates Act (6 of 2004) special attention must given to section 22 of said Act and must then be read with section 85 of the Municipal Systems Act.

The reference to the By-Law was incomprehensible to us, as we could not find such a By-Law on the website of Overstrand Municipality nor in any Provincial Gazette.

We are of the opinion that the SRA By-Law must first be in place, then the SRA Policy must follow. Seeing we have no SRA By-Law the SRA Policy should not future This process have to happen with broad public participation that have not happened. As a remark, the SRA Policy document in the Draft Budget is flawed. Speaking under correction it would seem nobody read it to rectify the numerous mistakes in the SRA Policy.

We humble ask that the SRA Policy document be removed from the Draft Budget 2016/2017.

We will happily support the legal process to be followed as this is needed for the improvement of the CBD.

Revd 29/4/16
(B. von Duvig)

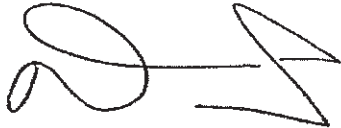
(5)

We further noticed that the SRA Policy was supposed to come into effect from 01 July 2016. With no SRA By-Law or Policy in place this leaves us with more questions than answers.

If we understand the relevant legislation correctly Overstrand Municipality can only levy the SRA once the SRA By-Law has been gazetted and the SRA Policy have been approved by council.

We would appreciate if we can further discuss this matter with you at a time convenient to you

Kind regards

A handwritten signature in black ink, consisting of a large, stylized 'B' followed by a horizontal line and a sharp upward stroke.

Bobby von During
HBC EXCO MEMBER

CFO - COMMENTS; DRAFT BUDGET 2016/2017

From: Bobby von During <bvonduring@gmail.com>
To: Coenie Groenewald <cgroenewald@overstrand.gov.za>
Date: 29-Apr-16 11:49 PM
Subject: COMMENTS; DRAFT BUDGET 2016/2017
Cc: CFO <CFO@overstrand.gov.za>, s e t h <seth@hermanus.co.za>
Attachments: Comments Budget 2016_17.pdf

Dear Municipal Manager

Please find attached the comments from the Hermanus Business Chamber on above mentioned document.

Kind regards

Bobby von During
HBC EXCO Member

CFO - Re: COMMENTS; DRAFT BUDGET 2016/2017

From: CFO
To: bvonduring@gmail.com
Date: 03-May-16 07:55 AM
Subject: Re: COMMENTS; DRAFT BUDGET 2016/2017
Cc: s e t h; Coenie Groenewald

Sir,

We acknowledge receipt of your e-mail dated 29 April 2016.

All comments and contributions related to the Draft Budget 2016/2017, as tabled to the Overstrand Municipal Council on 30 March 2016, will be considered for the final budget report to be tabled to Council in May 2015.

Yours sincerely,

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PA to Mrs Santie Reyneke-Naude
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Vriendelike groete / Kind regards,

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Sel / Mobile : 082 551 4499
E-pos/E-mail: cfo@overstrand.gov.za

>>> Bobby von During <bvonduring@gmail.com> 29-Apr-16 11:48 PM >>>

Dear Municipal Manager

Please find attached the comments from the Hermanus Business Chamber on above mentioned document.

Kind regards

Bobby von During
HBC EXCO Member

ANNEXURE K

LG MTEC 3 ASSESSMENT



**Western Cape
Government**

BETTER TOGETHER.

OVERSTRAND MUNICIPALITY

LG MTEC ASSESSMENT REPORT

BUDGET & IDP ANALYSIS

Western Cape Government

MAY 2016

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LIST OF ACRONYMS

AQMP	Air Quality Management Plan
BEPP	Built Environment Performance Plan
BESP	Built Environment Support Programme
CBD	Central Business District
CBA	Critical Biodiversity Areas
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
DM	District Municipality
DLG	Department of Local Government
DWA	Department of Water Affairs
EPWP	Expanded Public Works Programme
FBE	Free Basic Electricity
HSP	Human Settlement Plan
IDP	Integrated Development Plan
IGP	Infrastructure Growth Plan
IIAMP	Integrated Infrastructure Asset Management Plan
IIF	Infrastructure Investment Framework
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 (1000 watt hours)
LED	Local Economic Development
LUPO	Land Use Planning Ordinance
MBRR	Municipal Budget and Reporting Regulations
MDG	Millennium Development Goal
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)
NRW	Non-revenue Water
NDHS	National Department Human Settlements
O&M	Operations and Maintenance
PMS	Performance Management Systems
RMP	Road Management Plan
SDBIP	Service Delivery Budget Implementation Plan
SDF	Spatial Development Framework
SOP	Standard Operating Procedure
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 2016/17 MTREF Budget, 2016/17 reviewed Integrated Development Plan (IDP) and Spatial Development Framework (SDF).

The assessment covers the following key areas:

- Outstanding findings from previous LG MTEC 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 Overstrand Municipality on 10 May 2016 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 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 engagements

All previous year findings have been addressed. The spending performance of the capital budget will be monitored via the monthly section 71 processes.

Conformance with the MFMA, MSA & Municipal Budget and Reporting Regulations (MBRR)

The Municipality maintained a good record with respect to complying with timeframes for the completion and submission of documentation in terms of the Municipal Systems Act, Municipal Finance Management Act and related provisions in the Municipal Budget and Reporting Regulations.

Responsiveness of IDP, SDF and Budget

The strategic objectives noted in budget Tables SA5 and SA6 for the 2016/17 MTREF are aligned to the current IDP strategic objectives. Most of the 2016/17 MTREF capital budget (48.4 per cent) and operating budget (43.7 per cent for 2016/17) are allocated toward the provision and maintenance of municipal services (SO 2).

The budget assumptions are in line with the socio-economic environment in which the Municipality operates at present.

An analysis of the Municipality's operational budget (Budget Schedule A2) and capital budget (Budget Schedule A5) revealed that the Municipality's water, electricity, wastewater and waste management budget is responsive to both the current and future basic service needs.

Credibility and sustainability of the Budget

Slow economic growth as well as fiscal constraints is expected to continue over the medium term that is premised by a range of adverse global and domestic factors which continue to weaken South African's economic outlook. The Municipality should therefore continue to apply fiscal discipline and practice prudent financial management in order to ensure long term financial sustainability and resilience. In this regard the Municipality should incorporate sound budget assumptions to ensure integrated financial planning and modelling to yield delivery of realistic service delivery objectives contained in the municipal IDP.

The Municipality tabled operational deficit budgets over the MTREF. Whilst this is not an indication of an unfunded budget due to the non-cash items (e.g. Depreciation) included in the budget, it has the ability over time to reduce either the contributions to cash backed reserves or reduce the contributions to internal funds towards capital spending.

The Municipality is encouraged to continue to implement strategies that would sustain the financial health position and quality of services delivered to the community.

SECTION 2: PREVIOUS UNRESOLVED LG MTEC FINDINGS

The table below provides a summary of the previous LG MTEC findings, the response from the Municipality and the progress to date.

Table 1: Previous unresolved LG MTEC Findings

Critical Focus Area	Way Forward/Comment	Progress
Budget Analysis		
Service Delivery and Budget Implementation	There were slight differences in the reporting of household targets in Table A10 and in supporting Table SA7 and the SDBIP.	Addressed.
Improving spending on Capital Programme.	Improving spending on Capital Programme.	Ongoing. According to the 2014/15 Audited AFS, the Municipality has materially underspent on its final approved capital budget of R122.8 million to the amount of R14.3 million (12%). As at February 2016, the actual payments amount to 48.3 per cent of the adjusted budget, is stated for the current budget year (2015/2016).
Water Distribution losses reported at 20.10%	Review and monitor the implementation of the Infrastructure Improvement Plan.	Ongoing. The distribution water losses have improved from 21.5% (2013/14) to 18% (2014/15).
IDP		
Housing	The planned outer year projects re-assessed to align with the new strategic direction of the Department of Human Settlements (DHS).	Addressed. It aligns with the new DHS strategic direction to accelerate the upgrading of informal settlements through incremental housing. It also confirms the Municipality's support to target the most deserving beneficiaries to receive housing assistance in future.

SECTION 3: COMPLIANCE REVIEW

This section outlines the level of compliance with the preparation and submission of the draft IDP, Draft SDBIP and Annual Budget. The detail can be found in the Appendix that was issued to the Municipality on 12 April 2016.

Table 2: Level of compliance

No.	Document description	Level of Compliance	Comments
1.	Draft Review 2016/17 IDP	The Municipality complies with all of the legislative requirements. In terms of section 26 of the MSA.	None
2.	Annual Budget	The compliance review indicated that the Municipality complied with the completion and submission of all the budget tables.	None
3.	Budget related policies	The Municipality fully complied with all the budget related policies as listed in section 7 of the MBRR.	None
4.	Draft SDBIP	The Municipality fully complied with all the legislative prescripts relating to the preparation of the draft SDBIP.	None

SECTION 4: INTEGRATED PLANNING

4.1 INTRODUCTION

The draft 2016/17 Reviewed IDP was undertaken with a consideration of the following additional information:

- The Overstrand Municipality final adopted 2012 – 2017 five year IDP;
- The Overstrand Municipality's final adopted Annual Reviewed IDPs for the 2014/15 and 2015/16 financial years;
- The LG MTEC 3 report on the draft 2015/16 Reviewed Overstrand Municipality 's IDP; and
- The final 2015/16 SDBIP of Overstrand Municipality and the draft 2016/17 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 Role players in the draft 2014/15 Reviewed IDP assessment process

The subsequent Sections 4.2 to 4.8 provide comments from both Provincial and National departments on the Municipality's draft 2016/17 Reviewed Integrated Development Plan (IDP).

The sector departments that took part in the assessment of the Municipality's Draft Reviewed IDP are: Department of Local Government, Department of Agriculture; Department of Human Settlements; Department of Water and Sanitation; Department of Economic Development and Tourism; Department of Cultural Affairs and Sport; Department of Community Safety; Department of Health; Western Cape Education Department and Department of Social Development.

4.1.2 Specific findings on the current draft 2015/16 IDP

The overall findings on the draft 2016/17 Reviewed IDP of Overstrand Municipality can be summarised as follows:

- The Draft Review 2016/17 IDP is the 4th and Final Review of the 5 year cycle and no amendments were made.

- The Draft Review 2016/17 IDP indicates that the Process Plan was approved on 26 August 2015.
- The Draft Review 2016/17 IDP was adopted by Council on 30 March 2016.
- The Draft Review 2016/17 IDP includes a financial breakdown with a 3 year projection.
- The Draft Review 2016/17 IDP is compliant in terms of section 26 and 34, of the MSA.

4.2 MUNICIPAL INFRASTRUCTURE

4.2.1 Basic Service Provision

The Draft Review 2016/17 IDP indicates that there are no backlogs in terms of water and sanitation provision. The Municipality is commended for the efforts put in place to adhere to compliance in terms of the Water Service Delivery Plan (WSDP). It is noted that the IDP-WSDP input report has been submitted to the Department of Water and Sanitation (DWS) for comments. DWS will forward these comments to the Municipality before the IDP-WSDP Water Sector input report is tabled to council. The Draft Review 2016/17 IDP indicates the Municipality's commitment to work with landowners to ensure that basic services are provided for on farms.

4.2.2 Municipal Infrastructure Planning

The Draft Review 2016/17 IDP does not make any reference to the execution of the Integrated Infrastructure Asset Management Plan, however the Municipality does mention an Asset Maintenance Plan and Maintenance Management Policy.

4.2.3 Integrated Infrastructure Asset Management Plan (IIAMP)

The Municipality has a good reputation in efficient expenditure of its Municipal Infrastructure Grant (MIG) funded projects and has spent 100 per cent of its MIG allocations over the last five years. Although not specifically mentioned in the Draft Review IDP, the projects registered on the grant databases are aligned to priorities identified in the Municipal IDPs, Spatial Development Framework (SDF) and Infrastructure master plans.

4.2.4 Infrastructure Grant Utilisation and Expenditure

The Draft Review 2016/17 IDP indicates that the Municipality does not have a Stormwater Master Plan in place. It is further noted in the Draft Review 2016/17 IDP that stormwater drainage is maintained twice a year to prevent flooding.

4.3 TRANSPORT AND ROADS

The Draft Review 2016/17 IDP indicates a sizable investment in road upgrades. The Department of Transport and Public Works is satisfied with the content relating to the Municipality's Transport strategies and policies.

Recommendation:

To ensure pedestrian and cyclist safety from the design phase and during the housing development plans process.

4.4 HUMAN SETTLEMENTS

The Draft Review 2016/17 IDP is aligned to the Department of Human Settlements' (DHS) strategic direction to accelerate the upgrading of informal settlements through incremental housing. The Draft Review 2016/17 IDP outlines the Municipality's effort to target the most deserving beneficiaries to receive housing assistance in the future. The Municipality's 5 year housing strategy is aligned with the DHS housing pipeline. A detailed budget breakdown per project is included; however the prioritised projects in the 2016/17 and outer years does not respond to the DHS business plan and will need to be updated in the final Review 2016/17 IDP.

Recommendation:

The Draft Review 2016/17 IDP is updated to align with the final Business Plan of the DHS, and accurately reflecting the housing allocations for the MTEF period.

4.5 DISASTER MANAGEMENT

The Draft Review 2016/17 IDP provides a progressive and comprehensive account of disaster management planning activities and is viewed in the Province as an example of best-practice. The Municipality is commended for developing preparedness plans for all of its towns and developing a Disaster Management Policy. Section 43 of the Disaster Management Act (2015) has been amended to include distinct obligations on local municipalities to establish and institutionalise capacity to develop and co-ordinate disaster management plans and the implementation of a disaster management function within the Municipality.

Recommendations:

- The next 5 year IDP determine when the Municipality will conduct a comprehensive disaster risk assessment, as well as link planned risk reduction projects to those priority risks.

- The next 5 year IDP includes the disaster risk register template for capturing developmental risk that may require disaster mitigation as stated in the current Draft Review 2016/17 IDP.

4.6 LOCAL ECONOMIC DEVELOPMENT

The Draft Review 2016/17 IDP indicates that the Municipality's contribution to the District's Gross Domestic Product per Region (GPPR) and employment is equivalent to that of the Theewaterskloof Municipality. This means that 34 per cent of GDP and one third of employment in the District is derived from the Overstrand. It is noted that the statistics provided for the Draft Review 2016/17 IDP is based on MERO 2015. The Draft Review 2016/17 IDP indicates a relatively large and rapidly expanding commercial services sector, where tourism activities also feature strongly. The Municipality's commercial services sector experienced robust growth at a rate of 6.3 per cent per annum and Construction was its fastest growing sector at 7.1 per cent per annum. The only sector in this Municipality which contracted was Mining, Electricity & water, which shrunk by 5.7 per cent per annum. The top three sectors are indicated as Finance, Insurance and Business Services (31.68%), Wholesale and Retail Trade, Catering and accommodation (17.23%) and Manufacturing (15.35%).

The Municipality has within the Draft Review 2016/17 IDP identified the key programmes in addressing its economic development goals. These programmes include developing municipal infrastructure to make it easier for businesses to operate (including housing, transport, sewerage, water, roads, and electricity directorates). Another development goal is the Promotion of tourism as one of the biggest growth industries as well as developing local tourist sites and facilities.

The Draft Review 2016/17 IDP also indicates the Municipality's support to emerging service providers through its procurement processes. It is further noted that the Municipality has a Marketing Strategy in place to enhance investment in the area.

The Municipality also provides support to the agriculture and aquaculture sector to increase export potential. The Draft Review 2016/17 IDP makes reference to short term projects that have been identified as part of the Participatory Appraisal of Competitive Advantage within Gansbaai and Hawston.

Recommendations:

The Municipality considers opportunities presented by the potential agri-hub currently under investigation, as supporting municipal plans for increasing export potential in the aquaculture sector.

4.7 AGRICULTURE

The Department of Agriculture (DoA) provided the Municipality a generic set of Agricultural Data and base maps which could strengthen the agricultural focus within the IDP. The Draft Review 2016/17 IDP does mention the Strategic focus of the Municipality and also indicates how this local strategy is aligned with the National and Provincial Government's strategies. The Municipality is strongly encouraged to identify and link local interventions with Project Khulisa thereby aligning to PSG 1: "Create opportunities for growth and jobs" with the focus on opportunities/interventions within the agri-processing sub sector of the Overberg District Agri-park programme. The Draft Review 2016/17 IDP does not include any details on the Agri-park programme by the Department of Rural Development and Land Reform. This programme intends to develop Agri-processing facilities in the Overstrand Municipality; with the objective to create jobs and time stimulate economic growth in the area.

Recommendations:

- The Municipality includes Agricultural information as provided for by the DoA in the next 5 year IDP.
- The Municipality include in the next 5 year IDP a section on agriculture, inclusive of proposals on Agri-processing projects.

4.8 SOCIAL SERVICES (HEALTH, EDUCATION, SAFETY AND SECURITY, CULTURAL AFFAIRS AND SPORT, SOCIAL DEVELOPMENT, THUSONG, EPWP, CWP)

4.8.1 Health

The Draft Review 2016/17 captures and describes the District Health System comprehensively. The Draft Review 2016/17 IDP provides an analysis of health and wellness profiles within the Municipality and successfully incorporates the top 10 leading causes of death. This inclusion holistically sketches the demographics of the Municipal area and will assist in specific and focused planning in future. The Draft Review 2016/17 includes key health indicators and is unpacked comprehensively. The Department of Health (DoH) notes that joint planning is required to establish an ideal site for the Betty's Bay Satellite Clinic. The DoH notes that there are a number of clinic committees and hospital boards which are well represented by the Municipality, as well as relevant stakeholders. The Draft Review 2016/17 IDP includes patient transport management, as well as the availability of night shelters, public ablution facilities for the homeless.

4.8.2 Education

The Draft Review 2016/17 lists JPI1_098 wherein the focus is education outcomes and performance within the Municipality. The Western Cape Department of Education (WCED) commends the Municipality for the 2 day education outreach programme which was held In September 2015. The WCED further notes the statistical data on education in Overstrand reflected in the Draft Review 2016/17 IDP.

4.8.3 Cultural Affairs and Sport

The Draft Review 2016/17 IDP shows that sport infrastructure is revised annually to ensure the information presented is relevant. Sporting projects listed in the Draft Review 2016/17 IDP is either funded internally or externally. The Draft review 2016/17 further highlights that the Overstrand Sports Festival will be held in 2016/17. The Draft Review 2016/17 IDP further elaborates on the importance of the Overstrand Sports Festival in curbing crime and promoting sport. The Municipality also indicates the usage of the Thusong Centre, as an indoor sports facility.

The Municipality has prioritised upgrading of sports facilities by setting aside funding for Hawston and Zwelihle Soccer fields. The Draft Review 2016/17 IDP does mention the development of a Master Sports Plan in conjunction with the Department of Cultural Affairs and Sport (DCAS) for the Hawston sports ground. It is noted that teachers use the Amanzi Library facilities as a means to improve the digital literacy of learners. The Draft Review 2016/17 IDP states that the Municipality intends to introduce and promote this digital system throughout the Schools in the Overberg. A new library is also planned in Zwelihle. The Draft Review 2016/17 IDP indicates that a focus will be place on the region's natural heritage to further grow and develop economic growth. Stony Point and the Cape Whale Coast popular tourist destinations have been highlighted in the Draft Review 2016/17 IDP.

Recommendation:

The Municipality should discuss with the DCAS the Management of its heritage resources to optimise its economic benefits.

4.8.4 Social Development

The Draft Review 2016/17 IDP states that one of the strategic objectives of the Municipality is the promotion of tourism, economic and social development. As part of their strategic focus areas, the Municipality is commended for prioritising projects for vulnerable groups. These include children, youth, women, older persons, people with disabilities and displaced persons. In fighting poverty the Expanded Public Works Programme is still identified as one of the key interventions. The Draft Review 2016/17 IDP also makes reference to the HIV/AIDS Policy of the Municipality which

was approved in 2009. The Municipality furthermore makes reference to gender as a strategic objective with aligned activities. The Municipality is commended for their internal gender mainstreaming programme.

A Memorandum of Understanding with the Department of Social Development and the Municipality exists which acts as a baseline for social development and human development activities and programmes. Furthermore, it is noted that the Municipality has entered strategic partnerships, especially in the Early Childhood Development and Disability sectors.

4.8.5 Thusong Programme

The Draft Review 2016/17 outlines the outreach programmes taking place in Thusong centres and the access of government services to the community. It is also noted in the Draft Review 2016/17 IDP of the planned extension to the Hawston Thusong Centre, to accommodate access to more government services. The Draft Review 2016/17 provides a detailed outline of the both the current projects, services available at the Thusong centres, and also future plans are highlighted, both structurally and in terms of projects and services.

4.8.6 Safety and Security

The Municipality makes use of strategies, programmes and projects with objectives and targets which focuses safety. The use of crime statistics analysis data is commended by the Department of Community Safety (DOCS). The Draft Review 2016/17 IDP takes into consideration safety and its link to electricity provision in open spaces. Reference is also made in the Draft Review 2016/17 ID of Neighbourhood watches. The Draft Review 2016/17 IDP makes mention of the safety plans, the Policing Needs and Priorities process has not been indicated.

4.9 INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

The Draft Review 2016/17 provides comprehensive statistical information relating the Municipality's transformation and organisational development. It is further noted that the Municipality's vacancy rate is low, at 7.6 per cent.

4.10 PUBLIC PARTICIPATION

The Draft Review 2016/17 IDP dedicates a communication portfolio, outlining the various communication channels and processes utilised to inform and engage the community. An Overstrand Municipal Advisory Forum (OMAF) is active and serves as a platform where stakeholders, inclusive of ward committee members, advise the Mayor on service delivery and other issues. The draft Reviewed 2016/17 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 were due for completion by December 2015.

Recommendation:

The Municipality to confirm what progress has been made in terms of the current Ward Committee Policy being customised to be the Public Participation Policy.

4.11 JOINT PLANNING INITIATIVES

The Draft Review 2016/17 IDP makes reference to the Joint Planning Initiatives as agreed upon.

SECTION 5: ENVIRONMENTAL AND DEVELOPMENT PLANNING ANALYSIS

5.1 SPATIAL DEVELOPMENT ANALYSIS

The Overstrand Municipal SDF was approved by its Council in terms of the MSA in 2006 and predates the implementation of SPLUMA and LUPA. As such the SDF does not comply with the process and content requirements in terms of SPLUMA and LUPA.

In addition to the 2010 Growth Management Strategy and Integrated Development Framework (2013) which were developed in support of the 2006 SDF, there are several other specialist studies that have been undertaken within the Municipal space. With SPLUMA implemented, this serves as an opportune time to consolidate all the studies into a new Overstrand SDF as soon as possible, which meets the legislative requirements of SPLUMA, LUPA and the MSA. This will also clarify alignment of the SDF with the IDP as there are so many reference documents to consider. The IDP makes reference to town-specific strategies that comes from the current (although dated) SDF and is viewed as partly compliant with respect to 'reflecting' the SDF.

With respect to the spatial reflection of budgets in the IDP, it would be useful if the municipal budget allocations as well as allocations from provincial and national departments are spatially reflected so as to more easily see correlations between between the SDF and IDP. At this stage only the only spatial mapping of R400 000 ward projects is included in the IDP.

The SDF only partially aligns with those of the neighbouring municipalities. Again the drafting of a new SDF will give an opportunity to allow for the alignment of the SDF with that of neighbouring municipalities.

Performance with respect to the physical implementation of the principles of SPLUMA and LUPA (in terms of the SDF and IDP):

- The current Council approved SDF promotes the principle of spatial justice through settlement restructuring. The MSDF, in conjunction with the Growth Management Strategy provide policies and guidelines with regards 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. The urban edges are mostly aligned with provincial policy; however, in certain instances extensive new development areas have been identified. The Growth Management Strategy builds on the SDF foundation and has described spatial proposals for each town which attempt to provide practical measures to encourage densification and other settlement restructuring principles.

- The principle of Spatial Sustainability in part encompasses promoting land development that is within the fiscal, institutional and administrative means of the Republic; special consideration must be given to prime/unique agricultural land; consideration must be given to all current and future costs to all parties for the provision of infrastructure and social services, development must limit urban sprawl.
- The principle of Efficiency in part encompasses land development that optimises the use of existing resources and infrastructure. Although sustainability is touched on in the SDF, the mainstreaming thereof is not 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 environmental, social and economic development environmental best practice. Accordingly, the 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. The section is also in the process of revising its Environmental Management Plan, which includes an Environmental Management Audit System. This is due for completion before July 2016. The IDP recognises the limitations of land (as highlighted in the SDF), funding and human resources.
- The principle of Spatial Resilience encompasses flexibility in spatial plans, policies and land use management systems to ensure sustainable livelihoods in communities most likely to suffer the impacts of economic and environmental shocks. The Overstrand SDF does 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 goes further to highlight climate change as an important aspect which will impact on future development but fails to put forward any implementation measures or protocols.
- An analysis of the land use planning decisions provided by the Municipality, are the means by which an accurate assessment can be made of progress that the Municipality is making with regards to the achievement of the implementation of the principles of LUPA/SPLUMA. Unfortunately we did not manage to reach the intended date of completion in time for these assessments as we did not receive sufficient information from the Municipality as requested per CIRCULAR: EADP 0010/15. We will however continue to liaise with officials in order to make the exercise a success. It is recommended that: The Municipality continues with providing the DEADP with information pertaining to their municipal planning decisions as per CIRCULAR: EADP 0010/15 with the necessary urgency.

5.2 BIODIVERSITY MANAGEMENT

The conservation areas are categorised accordingly as the Conservation area 1 and 2 which are now referred to as Critical Biodiversity Areas (CBAs) and Ecological Support Areas (ESAs). The SDF was produced prior to the Western Cape Biodiversity Framework/Fine Scale Planning (FSP) in 2010 and therefore does not use the specified terms like CBA and ESA categories. However the SDF does make use of the appropriate SPC as per bioregional planning principles.

It is commendable that the Municipality is tackling the problem of alien invasive plants as part of the EPWP and municipal clearing programme. It is recommended that the Municipality start an initiative that promotes indigenous tree planting.

5.3 CLIMATE CHANGE

Climate change and climate variability already have a direct impact on the ability of municipalities to meet their own service delivery objectives. The Overstrand Municipality highlights climate change as it relates to disaster management and water services as key threats. The plan also highlights a number of energy efficiency and demand side management interventions that could assist in reducing Green House Gases (GHG) emissions in the area. There is however, no clear strategic direction for responding to climate change included in the document. It is acknowledged that skills and capacity are limited at the local level and there are pressing short-term needs drawing on limited municipal funds, but by incorporating climate change responses into all planning these issues can be addressed.

In response to an uncertain future and immediate development needs, municipalities need to align climate responses with existing climate and development challenges and deepen existing responses capacity. Climate change covers all sectors and integrating climate change into existing policies and plans is considered the most effective way to respond to climate change. This approach builds increasing flexibility into planning decisions and helps to avoid “lock-in” systems or infrastructure not suitable to already rapidly changing climate conditions. The IDP, its supporting sector plans and in particularly the SDF must all include climate change considerations for all sectors to ensure that trade-offs and synergies are understood and met with available science and robust analysis.

5.4 COASTAL MANAGEMENT

The District Coastal Management Plan (CMP) serves as the Local CMP and must be reviewed by DEADP to ensure alignment with National CMP and Provincial CMP. District CMP draft is in the process of being finalised and will be submitted to council for approval. It is important that the District Municipality ensured that CMP projects are included in the IDP, as budget only gets allocated to projects listed in the IDP; no budget therefore implies no project implementation.

DEADP is assisting the Municipality with the review and finalisation of the Estuary Management Plan (EMP) for priority estuaries. Mouth management plans for priority estuaries will also be drafted.

The DEADP is in the process of preparing the Coastal Management Line (CML), Coastal Protection Zone ("CPZ"), coastal overlays and its associated implementation mechanism for a public participation process that is a legislated requirement for the adoption of the CML in terms of section 25(1) of Integrated Coastal Management Act (ICMA) as well as the adoption of the CPZ in terms of sections 26 and 28 of ICMA and will liaise with municipality. Engagements and capacity building events will be held with the Municipality during the public participation process. Once the MEC for Environmental Affairs and Development Planning has adopted CML, the DEADP will provide support to the Municipality when requested to ensure that the CML is incorporated into the municipal zoning scheme. The Overstrand Municipality have already commenced with including the draft CML and coastal overlays into their SDF.

All public launch sites listed by the MEC in Provincial Notice 193/2015 within the Municipality were identified by the Overstrand Municipality. DEADP is currently assisting municipalities in developing the operational management plans for the Public Launch Sites (PLS).

5.5 AIR QUALITY MANAGEMENT

The Air Quality Management Plan (AQMP) for the Overstrand Local Municipality has been approved by Council. A designated air quality officer has been appointed, and as part of the AQMP implementation has the Municipality needs to finalise their air pollution control by-law.

Although mention has been made of the AQMP in the Municipality's Integrated Development Plan (IDP); it only partially meets the content requirements listed in section 16 of the NEM: AQA as there are no budgetary provisions made for air quality management activities in the IDP.

Through coordination by the Overberg District Municipality, the Overstrand Municipality provides information for input into the Western Cape State of Air Report.

Ambient Air Quality Monitoring is not monitored by the Municipality and therefore it does not meet the requirements as listed in section 8 of the NEM: AQA.

Awareness raising campaigns have not been implemented by the Overstrand Municipality.

5.6 WASTE MANAGEMENT

5.6.1 Waste Management Planning

The Overstrand Municipality has incorporated their latest Integrated Waste Management Plan 'IWMP' (January 2015) into the IDP 4th Review document and is referred to as the 4th generation IWMP by the Municipality. The Overstrand Municipality submitted what they refer to as the 2nd Edition IWMP in February 2009 and a 3rd Edition in March 2012, which the DEADP assessed as the 2nd generation IWMP. It is recommended to the Municipality that they must align the review of their IWMP with the 5 year IDP cycle. They are currently doing it every three years which creates confusion with regard to the edition of the IWMP. The Draft Budget Report (2016 - 2017) provides tariff increases for waste removal and the budgeted revenue and expenditure for waste management. There is no indication in the IWMP that a public participation process was followed. The IWMP was not endorsed by DEADP as it did not meet the content requirements as stipulated in the NEMWA. According to the Department of Local Government's Basic Services and Free Basic Services Statistics for August 2015, the Municipality provides a basic refuse removal service to 89 per cent of the households in its jurisdiction and a free basic service to all households within its jurisdiction. A Waste Management Officer has been designated. The IDP document indicates that the IWMP was approved on the 27 May 2009, which means the 2nd Edition of February 2009 was approved. The DEADP did not receive Council Resolution indicating the IWMP was approved. The Municipality has not submitted an Annual Report as per section 13(3) of the Waste Act indicating progress on the implementation of their IWMP.

5.6.2 Waste Information Management

General comment

- All municipalities must submit data verification sources e.g. the Waste Calculator Reports, Service Provider Reports or Weighbridge reports to the Department by 7th of each month for the previous month.
- All operational waste management facilities need to register on the Integrated Pollution and Waste Information System (IPWIS) and report their waste types and quantities online in accordance with Annexure 1 of the Waste Information System regulations.
- IPWIS online waste reports need to be completed from January 2014 to date.

- Municipal Waste Facilities should request their service providers (recyclers) to register on IPWIS. This should be done to ensure that Municipalities are able to report on waste diverted from landfill and also to provide an indication where waste is diverted to.
- Drop off facilities must be registered as a recycling/recovery activity on IPWIS.
- Overstrand has taken over the management of the Overberg District Municipalities waste management facility namely Karwyderskraal landfill since May 2015. Only the Gansbaai landfill waste management facility is required to register and report on IPWIS and is Fully Compliant in this regard. As mentioned above Overstrand has taken over the management of the Karwyderskraal landfill since May 2015. This facility is also required to register and report on IPWIS and is also Fully Compliant in this regards.

A private company has been contracted to facilitate recycling and is independently registered as a recycling/recovery activity on IPWIS.

5.6.3 Waste Licensing

Waste management facilities (WMF) were compliant as the facilities were well maintained. The WMF conducted internal as well as external audit as prescribed in the permits/waste management license (WML) in the Overstrand area. Monitoring was also of a good standard as was conducted regularly. The WMF received a compliance rating for all the Facilities that were audited according to the Departmental audit criteria.

The Municipality must place more focus on the operational conditions of the waste disposal facilities. These facilities must be managed in terms of their waste license conditions in order to become compliant.

5.6.4 Waste Policy and Minimisation

The Municipality does have a By-law in place and therefore complies with (MSA section 12(3)(a) & (b) Legislative Procedures section 13(a) Provincial Gazette Publication of By-laws). The By-law was published in 2013 and is generally aligned to the NEMWA. The Western Cape draft Model By-law can be consulted for any amendments that will improve the management of waste in the Municipality. Provision for any amendments should be included in the IDP.

Providing receptacles for public place recycling is a requirement under the Waste Act No. 59 of 2008 section 23(2). The Municipality does comply with the above-mentioned requirement.

SECTION 6: ASSESSMENT OF THE BUDGET RESPONSIVENESS

6.1 SOCIO-ECONOMIC RESPONSIVENESS AND IMPACT

6.1.1 Socio-economic context/environment

Amidst various external shocks and negative developments in the local political economy, growth forecasts for the South African economy for 2016 have been downscaled to 0.9 per cent, and even further to 0.6 per cent. Factors such as the drought, rising inflation and interest rates and weakening currency, declining consumer and business confidence and high unemployment rate are key challenges that must be addressed.

The impact of the current drought is reflected in the economic forecast for the National and Provincial economy, but should drought conditions persist and turn out worse than currently projected; this could affect the Western Cape disproportionately. This is not only due to the direct impact on the agricultural sector itself, but also on the closely linked agri-processing and broader manufacturing sector, which could result in broad-based weaker production and job losses.¹

The Overberg District is the second smallest non-metro district and possesses one of the fastest growing economies in the Western Cape Province. The District has displayed a robust growth rate averaging 4.6 per cent per annum during the period 2005 - 2013. The main driver of this growth has been the District's vibrant tertiary sector (particularly the financial and business services and trade and accommodation subsectors). The District's five-year economic growth forecast has nevertheless been revised down from 3.6 per cent per annum (2014 - 2019) to 3.3 per cent per annum (2015 - 2020) as a result of a number of exogenous factors which have impacted emerging market countries over the past year (including the slowing down of the Chinese economy).²

Overstrand Municipality is the 2nd largest economy in the Overberg District, comprising 34 per cent of the District's GDP in 2013. The Municipality was the fastest growing in the District and among the fastest growing in the Province, averaging 5.4 per cent per annum over the period 2005 - 2013. The Municipality's construction sector was its fastest growing sector (averaging 7.1 per cent per annum from 2005 - 2013), followed closely by the commercial services sector which averaged 6.3 per cent per annum over the same period. Notwithstanding the high economic growth sustained by the Municipality, employment expanded by only 0.7 per cent per annum over the period 2005 - 2013; 33 per cent of the District's workforce is employed in Overstrand. The agriculture, forestry and fishing sector, manufacturing

¹ Western Cape Government Provincial Treasury. *Budget Overview of Provincial Revenue and Expenditure*, 2016.

² Western Cape Government Provincial Treasury. *Municipal Economic Review and Outlook*, 2015.

sector and construction sector shed a net of 2 521 jobs over this period, while the commercial services sector created a net additional 2 634 jobs. This is congruent with the increase in the demand for highly-skilled and skilled labour and the decrease in demand for semi- and unskilled labour in the Municipality.³

Are the budget assumptions in line with the socio-economic environment

It is essential that the assumptions which underpin the municipal budget are in line with the economic environment in which the Municipality operates. The budget needs to be developed within the context of past, present and predicted municipal economic performance. This will allow decision makers at the municipal level to better gauge the impact that the budget will have on the Municipality's inhabitants and leave the Municipality better prepared to confront any challenges which may arise over the MTREF.

Table 3: Comparison of selected social, economic and demographic statistics and assumptions (SA9 information)

	Municipal information, SA9	2015 MERO/ SEP-LG information	Comment
Demographics			
Population	96 920 (2016/17)	89 726 (2016/17)	The Western Cape population grew by 2.6 per cent per annum over the period 2001 - 2011 (MERO, 2015). The population in Overstrand is expected to grow at a rate of 1.6 per cent per annum on average over the MTREF, from 89 726 inhabitants in 2017 to 92 624 inhabitants in 2019. As per budget Schedule SA9, the Municipality prudently predicted that its population would grow at a faster rate of 3.73 per cent per annum on average over the MTREF. Accurate population growth estimates are necessary such that sufficient funding may be allocated toward the relevant municipal functions over the MTREF.
Number of unemployed	4 919 (2015/16)	0.7% (Employment growth rate per annum, 2005 - 2013)	Employment in Overstrand has grown by 0.7 per cent per annum over the period 2005 - 2013 (the 2 nd highest growth rate in the District). The Primary (Agriculture, forestry and fishing) and Secondary (Construction and Manufacturing) sectors nevertheless shed a net total of 2 521 jobs over this period. The drought and declining consumer and business confidence may further aggravate this problem. From a base of 4 919 unemployed persons in 2015/16, the Municipality estimates that unemployment will grow at an average rate of 3.8 per cent per annum over the MTREF, with the number of unemployed persons reaching an estimated 5 494 in 2018/19. High rates of unemployment have financial implications for the Municipality in terms of the Municipality having to provide additional support to its inhabitants (i.e. indigent support). High rates of unemployment are also associated with social ills such as high crime rates and political instability. It is important that the municipal budget takes cognisance of all the potential impacts of high unemployment and tailor its budget to be responsive in this regard.

³ Western Cape Government Provincial Treasury. *SEP-LG: Overstrand Municipality*, 2015.

	Municipal information, SA9	2015 MERO/ SEP-LG information	Comment
Household numbers			
Number of households in municipal area	28 472 (2015)	28 892 (2015)	Quantec data estimates that the number of households in the municipal area equalled 28 892 in 2015, and that the number of households in the Municipality grew by an average of 1.38 per cent per annum over the period 2011 - 2015. There exists a discrepancy in the total household figures reported on SA9 under <i>household/demographics</i> and <i>housing statistics</i> . The section <i>housing statistics</i> employs a similar estimate of 28 472 households in 2015. The number of households in the Municipality is expected to remain relatively stable, increasing from an estimated 28 537 in 2016/17 to 28 539 in 2018/19. This appears to contradict the estimated population growth as per budget Schedule SA9. The section <i>household/demographics</i> reports that 32 673 households resided in the Municipality in 2015/16. This is projected to increase at rate of 1.3 per cent per annum over the MTREF to reach 33 974 households by 2018/19.
Definition of poor household (R per month)	R5 922 (2015/16)	-	As per budget schedule SA9, the Municipality defines a <i>poor household</i> as one which earns R5 922 and less per month. The definition takes into account expected inflation - by 2018/19, the Municipality's definition of a <i>poor household</i> will include all those earning R6 855 and less per month. As per the Indigent Support Policy the Municipality provides indigent support to households earning less than four times the social pension amount plus R1 per month.
Housing			
Formal	23 599 (2013/14)	17.5% of households in Overstrand occupied an informal dwelling in 2014 (SEP-LG, 2015)	The housing information provided on SA9 indicates that in 2014, 12.4 per cent of the households in the Municipality occupied an informal dwelling. The data is slightly lower than that provided in the SEP-LG. Budget schedule A9 reports that the number of households occupying an informal dwelling decreased from 3 407 in 2013 to 3 142 in 2016 (average decrease of 2.7 per cent per annum, and is expected to remain at 3 142 over the MTREF. Households residing in an informal dwelling are more likely to be poor than those living in a formal residence - approximately 84 per cent of Western Cape households who live in shacks have a household income of less than R3,500 per month (HDA: Western Cape Informal Settlement Status, 2012). Overall, unemployment and crime tends to be higher in informal settlements than formal residences. Deficient housing could compromise basic human needs such as water and sanitation as well as exacerbate the spread of communicable diseases.
Informal	3 330 (2013/14)		
Total	26 929 (2013/14)		
Monthly household income			
No income	5 323 (2015/16)	-	SA9 reports that 11 506 households earned below R2 060 a month, and 5 323 households earned no income in 2015/16 - both these are projected to grow at a rate of 3.8 per cent per annum over the MTREF. This is in line with the expected increase in population numbers and slowed economic growth forecasts, and has significant implications for service delivery demand over the MTREF.
< R2 060 per month	11 506 (2015/16)	-	
Inflation/ inflation outlook (CPIX)	6.6% (2016/17), 6.2% (2017/18), 5.9% (2018/2019)	6.6% (2016/17), 6.2% (2017/18), 5.9% (2018/2019)	National Treasury specifies that municipalities should apply the national fiscal year (April to March) when drafting their budgets as the national year is more closely aligned to the municipal fiscal year (July to June) than the calendar year. The Municipality reflects the National Treasury's inflation forecast.

Source: Overstrand Municipality 2016/17 tabled budget; Western Cape Government Provincial Treasury. SEP-LG: Overstrand Municipality, 2015.

Comments/Risks:

- It is essential that the Municipality employ valid and accurate assumptions and estimates when deciding where and how much resources to allocate to each of the Municipality's functions. Inaccurate assumptions may lead to the misallocation of funds and impact the Municipality's ability to deliver services when and where they are needed.
- The economy (and thus the labour market) is expected to remain constrained. The population growth expected over the MTREF in Overstrand may have adverse effects on the level of employment, housing and household income in the Municipality, which would place strain on municipal resources. The assumptions and estimates employed for the budget are, for the most part, in line with the socio-economic environment in which the Municipality operates.
- Budget Schedule SA9 reports that the number of households occupying an informal dwelling is expected to remain at 3 142 over the MTREF. Forecasted population growth (which is partly due to municipal in-migration) and the anticipated increase in the number of households earning less than R2 060 per month and those earning no income may result in an increase in the number of households occupying an informal dwelling. This growth may thus add additional strain on the Municipality's resources as the demand for municipal support and services increase; therefore the municipal budget should be responsive to potential increases in this regard. It is noted that the Municipality has taken this into account in the projection of demand for municipal indigent support.

6.1.2 Overview of the key priorities in terms of IDP Strategic Objectives

The 2016/17 MTREF budget breakdown in terms of the strategic objectives is indicated in the table below. Overstrand Municipality budgeted for a total operating expenditure of R1.07 billion and a total capital budget of R75.99 million in the 2016/17 financial year.

Table 4: Strategic Objectives for the 2016/17 Medium Term Revenue & Expenditure Framework

Strategic Objective	2016/17 Medium Term Revenue & Expenditure Framework OPEX			2016/17 Medium Term Revenue & Expenditure Framework CAPEX			2016/17 Medium Term Revenue & Expenditure Framework TOTAL		
	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
The provision of democratic, accountable and ethical governance	367 080	345 798	369 765	1 994			369 074	345 798	369 765
The provision and maintenance of municipal services	455 103	482 255	509 499	42 997	39 656	51 326	498 101	521 911	560 825
The encouragement of structured community participation in the matters of the municipality	1 710			3 174	4 500	1 500	4 884	4 500	1 500
The creation and maintenance of a safe and healthy environment	74 657	76 951	79 864	310			74 967	76 951	79 864
The promotion of tourism, economic and social development	176 435	180 172	189 724	27 518	49 448	54 445	203 953	229 620	244 169
Total Capital Expenditure	1 074 984	1 085 176	1 148 851	75 993	93 604	107 271	1 150 977	1 178 780	1 256 122

Source: Overstrand Municipality 2016/17 tabled budget

The strategic objectives noted in budget Tables SA5 and SA6 for the 2015/16 MTREF are aligned to the current IDP strategic objectives.

The bulk of 2016/17 MTREF operating budget spending relates to the strategic objective for the provision and maintenance of municipal services (SO2; 43.7 per cent); other large allocations are for the provision of democratic, accountable and ethical governance (SO 1; 32.7 per cent) and the promotion of tourism, economic and social development (SO 5; 16.5 per cent).

The provision and maintenance of municipal services (SO 2) account for 48.4 per cent of the 2016/17 MTREF capital budget, followed by the promotion of tourism, economic and social development (47.5 per cent).

6.1.3 Overview of the measureable performance indicators

The measurable performance indicators in the budget are consistent with the strategic priorities (as prescribed in terms of section 43 of the Municipal Systems Act) set out in the Municipality's IDP.

The measurable performance indicators in the budget are aligned with those in the SDBIP.

The measurable performance indicators in the SDBIP adequately reflect the Municipality's strategic objectives with a strong focus on basic service delivery, good governance and economic development. The municipal KPIs are split as follows:

- SO 1: The provision of democratic, accountable and ethical governance (17 KPIs)
- SO 2: The provision and maintenance of municipal services (16 KPIs)
- SO 3: The encouragement of structured community participation in the matters of the Municipality (1 KPIs)
- SO 4: The creation and maintenance of a safe and healthy environment (5 KPI)
- SO 5: The promotion of tourism, economic and social development (9 KPI)

The Municipality has dedicated 9 KPIs toward SO 5. This is judicious given the constrained fiscal environment facing the Municipality - it is important that sufficient steps are taken to improve the municipal economic landscape.

The MTREF budget projections do not vary significantly from prior year audit outcomes. This suggests that the budget is achievable in terms of the agreed service delivery and performance targets.

6.1.4 Is the budget responsive to the socio-economic environment and service delivery challenges

This section examines the extent to which the 2016/17 MTREF Budget is responsive from a socio-economic perspective. The budget is responsive if it is geared toward the needs of the inhabitants in the Municipality and permits the Municipality to meet the expectations of the community from the various (albeit limited) resources available to it. The budget should be developed such that resources are reallocated from lesser to higher priorities.

Table 5: Service delivery information

Service	Annual Report 2014/15 information	2015 MERO/ SEP-LG/ draft SDBIP 2016 information*	Household access level (A10) 2014	Comment
Water	35 098 (100%)	98%	35 521	As per the annual report and budget Schedule A10, 100 per cent of households in the Municipality received above minimum service level access to water in 2014; receiving this service. The SEP-LG reports that 28 043 (98.4 per cent) of the households in the Municipality received above minimum service level access to water in 2014 (which was above the District and Provincial averages of 97.3 per cent and 96.6 per cent respectively).

Service	Annual Report 2014/15 information	2015 MERO/ SEP-LG/ draft SDBIP 2016 information*	Household access level (A10) 2014	Comment
Wastewater	31 422 (100%)	26 784.36	31 431	As per the annual report and Budget Schedule A10, 100 per cent of households in the Municipality received above minimum service level access to sanitation in 2014. As per the SEP-LG, it was estimated that in 2014, 94 per cent of households in Overstrand had access to flush toilets - this was above the District and Provincial averages of 90.6 and 90.4 per cent respectively. The proportion of households that did not have access to sanitation in 2014 was estimated at 5 per cent.
Electricity	23594 (100%)	25 445	23 594	The Municipality displays relatively low levels of access to electricity (89.3 per cent as per the SEP-LG) when compared to the Province (93.2 per cent average). The Annual Report and schedule A10 nevertheless report that 100 per cent of the households in the Municipality received above minimum service level access to electricity.
Refuse	31 829 (100%)	25 901.046	31 829	As per the SEP-LG, 25 901 (90.9 per cent) households in Overstrand had their refuse removed at least once a week. The Municipality's performance in this regard compares favourably with the District (who averaged 82.7 per cent). The annual report and budget Schedule A10 nevertheless states that 31 829 (100 per cent) households received above minimum service level access to refuse removal in 2014.

* The 2015 SEP-LG covers the entire municipal area, including farms and rural areas

Source: Overstrand Municipality 2016/17 tabled budget; Overstrand Municipality 2014/15 Draft Annual Report; Western Cape Government Provincial Treasury. SEP-LG: Overstrand Municipality, 2015.

Comments/Risks:

a. Water

Reliable and efficient water services are crucial for economic growth.

The Municipality displays high levels of access to water. Budget Schedule A10 shows that the number of households receiving at least minimum service level access to water is expected to increase from 35 627 to 37 471 households over the MTREF.

Among the trading services, water receives an operational expenditure allocation of R59.03 million in 2016/17 which grows at an average rate of 3.37 per cent per annum over the MTREF. Water also receives a capital allocation of R12.43 million which grows to R16.83 million in 2018/19 (the 2nd largest allocation among the trading services).

The Municipality remains committed to maintaining a favourable level of access to water over the MTREF.

b. Wastewater

The availability of and access to adequate sanitation is essential for the social and psychological well-being of municipal inhabitants, public health and poverty reduction. As per the SEP-LG, 5 per cent of the households in the municipal area (including farm and rural areas) did not have access to sanitation in 2014.

Budget Schedule A10 shows that the number of households receiving at least minimum service level access to sanitation is expected to increase from 35 627 to 36 848 households over the MTREF.

Among the trading services, wastewater receives an operational allocation of R59.83 million in 2016/17, which grows at an average rate of 5.2 per cent per annum over the MTREF. Wastewater receives an additional capital allocation of R15.43 million in 2015/16. The total sanitation budget increases from R75.26 million in 2015/16 to R80.20 million in 2018/19.

c. Electricity

Electricity plays a significant role in the betterment of human life and is a driving factor in the economy. The increase in the demand for electricity that may come as result of the relatively high population growth experienced in the Municipality may put pressure on existing electricity supply.

Among the trading services, electricity comprises 25.8 per cent of the total operating expenditure budget (which increases from R277.74 million in 2016/17 to R317.28 million over the MTREF). The budget for capital infrastructure will increase from R15.11 million in 2016/17 to R20.50 million in 2018/19.

d. Refuse

South African municipalities face a number of challenges regarding the delivery of waste service to all households in an effective and sustainable manner. These challenges include (but is not limited to) insufficient budget, a lack of appropriate human and physical capital and poor access to service areas. These challenges are exacerbated by growing urban populations who need access to municipal services, as well as migration from rural to urban areas.

South Africa's growing population and economy are also expected to result in the production of increasing volumes of waste. This is reflected on Budget Schedule A10, where the number of households receiving at least minimum service level access to refuse removal is projected to increase from 36 238 to 38 449 over the MTREF.

Waste management receives an operational expenditure allocation of R58.51 million in 2016/17 which grows at an average rate of 3.7 per cent per annum over the MTREF to reach an allocation of R62.95 million in 2018/19.

The Municipality's waste management budget is responsive to both the Municipality's current and future the waste management needs.

e. Free Basic Services and Indigent Support

Given the current economic climate, increases in the number of indigent households can be expected over the MTREF.

The budget documentation indicates that indigent households will receive a free 6 kl of water and 50 units of electricity per month. The Municipality provides these services to approximately 7 400 households. The Municipality anticipates that the number of indigents will increase by approximately 400 households per year to reach 8 200 households in 2018/19.

6.1.5 Partnering and partnerships (Western Cape Economic Development Partnership)

Partnership development involves an approach which gives effect to policy imperatives in a more resource efficient manner. Due to increasing constraints on local government funding, municipal programmes will be increasingly required to leverage resources, mandates and decision-making processes outside their direct control in order to effectively deliver on the IDPs and municipal spatial development frameworks. Municipalities are requested to identify key partnerships and partnering processes which the Municipality is involved in according to the categories below and possible areas where partnerships may be strengthened or new partnerships may be required.

- *Transversal partnering* (between line-function Departments within the Municipality and with municipal entities)
- *Inter-governmental partnering* (between the Municipality and other spheres of Government, public entities and state-owned companies)
- *Cross-boundary partnering* (partnerships with other municipalities across municipal boundaries, within a functional region)
- *Cross-sector partnering* (partnering with external role-players such as business or civil society)

6.2 REVENUE, FISCAL STRATEGIES AND TARIFF TRENDS

6.2.1 National Intergovernmental Transfers

The table below outlines the national intergovernmental transfers for Overstrand Municipality for the current financial year and the 2016/17 MTREF.

Table 6: National Intergovernmental Transfers

NATIONAL GRANTS	2015/16	2016/17	2017/18	2018/19	Policy Changes and Impact on Municipal Allocation
Local Government Equitable Share (LGES)	60 053	68 172	78 020	86 177	The financial year under review is the 4 th year of the phase-in which ends next year. This means that Overstrand Municipality will receive its full formula component in 2017/18 which fell short in the first 4 years of the new LGES formula.
Equitable Share: Councillors remuneration	4 545	4 778	5 010	5 256	This allocation is only applicable to municipalities graded below 4.
Financial Management	1 450	1 475	1 550	1 550	The principles to this grant remain unchanged.
Municipal Infrastructure Grant (MIG)	21 417	21 030	22 450	23 531	Overstrand Municipality funding is relative to the new change and is not one of the Municipality's entitled to special funding allocated through the ring-fenced amount.
Integrated National Electrification Programme (Municipal) Grant	8 000	5 000	4 000	6 000	The principles to this grant remain unchanged.
Municipal Systems Improvement Grant (MSIG)	930	–	–	–	<i>Overstrand is not a recipient of this grant.</i>
EPWP Incentive Grant	1 661	1 922	–	–	The principles to this grant remain unchanged. Allocated on year-on-year basis.

Source: Division of Revenue Bill 2016 & Overstrand 2016/17 MTREF Budget, SA18 & 19

6.2.2 Municipal Tariffs

The analysis below aims to provide an analysis of the draft tariffs of Overstrand Municipality.

Table 7: Municipal Tariffs

Service	Tariff Structure	Average Increase	Changes/Comments
Electricity	IBT	7.64%	Tariff increases in line with NERSA. The first block of the IBT structure tariff increases by 1%. The basic charge proposed tariff increase of 17.5% across consumer type is a bit high. There is still a distinction between pre-paid and credit meters energy charge. Per-paid energy charge unit cost is lower than credit meters, however, basic charge is the same.
Water	IBT	6%	The proposed tariff increase for the upcoming year is set to increase within the inflationary band.
Sanitation	2 part tariff: fixed charge and volumetric charge	6%	The cost coverage ratio for this service is positive, indicating sufficiency of service revenue to cover the operational cost. There is a basic charge applied to both developed and undeveloped sites. First 4.2 kl/hh discharged into the sewer system is subsidised for indigent users (70% of 6 kl free).
Refuse	Flat rate dependent on the number of removals	6.2%	The proposed tariff increase for the upcoming year is set to increase within the inflationary band.

Source: Overstrand Municipality, Draft 2016/17 Tariffs

SECTION 7: CREDIBILITY AND SUSTAINABILITY

7.1 REVIEW OF THE PREVIOUS YEAR'S BUDGET

PART 7.1(1): THE BUDGET PERFORMANCE AS PER THE AUDITED ANNUAL FINANCIAL STATEMENTS

Table 8: Budget Performance

Description R thousands	2013/14				2014/15			
	Adjusted Budget	Audited Outcome	Difference	Diff %	Adjusted Budget	Audited Outcome	Difference	Diff %
Financial Performance								
Property rates	127 921	135 633	7 712	6%	154 559	153 617	(941)	-1%
Service charges	493 840	479 253	(14 587)	-3%	525 567	520 392	(5 175)	-1%
Investment revenue	7 018	6 352	(665)	-9%	6 166	8 144	1 978	32%
Transfers recognised - operational	70 101	67 835	(2 266)	-3%	62 032	60 473	(1 559)	-3%
Other own revenue	44 483	47 302	2 820	6%	62 224	62 024	(201)	0%
Total Revenue (excluding capital transfers and contributions)	743 363	736 376	(6 987)	-1%	810 548	804 650	(5 898)	-1%
Employee costs	252 454	260 645	8 191	3%	276 217	267 019	(9 197)	-3%
Remuneration of councillors	7 978	7 933	(45)	-1%	8 516	8 104	(412)	-5%
Depreciation & asset impairment	102 070	99 361	(2 709)	-3%	105 461	106 445	984	1%
Finance charges	42 292	39 927	(2 364)	-6%	44 480	43 447	(1 033)	-2%
Materials and bulk purchases	171 645	170 650	(995)	-1%	186 759	184 319	(2 440)	-1%
Transfers and grants	39 217	38 749	(468)		41 668	48 659	6 990	
Other expenditure	212 733	214 757	2 024	1%	269 024	253 271	(15 753)	-6%
Total Expenditure	828 389	832 022	3 633	0%	932 125	911 264	(20 860)	-2%
Surplus/(Deficit)	(85 026)	(95 646)	(10 620)	12%	(121 577)	(106 615)	14 962	-12%
Transfers recognised - capital	39 350	38 090	(1 260)	-3%	50 301	55 498	5 197	10%
Contributions recognised - capital & contributed assets	2 270	12 542	10 272		2 051	1 272	(779)	
Surplus/(Deficit) after capital transfers & contributions	(43 407)	(45 015)	(1 608)	4%	(69 225)	(49 845)	19 380	-28%
Share of surplus/ (deficit) of associate	-	-			-	-		
Surplus/(Deficit) for the year	(43 407)	(45 015)	(1 608)	4%	(69 225)	(49 845)	19 380	-28%
Capital expenditure & funds sources								
Capital expenditure	126 482	130 930	4 448	4%	117 588	108 490	(9 098)	-8%
Transfers recognised - capital	36 034	38 090	2 056	6%	52 352	55 734	3 382	6%
Public contributions & donations	2 083	7 985			885	607		
Borrowing	73 427	70 634	(2 793)	-4%	48 770	39 012	(9 758)	-20%
Internally generated funds	14 939	14 222	(717)	-5%	15 582	13 138	(2 444)	-16%
Total sources of capital funds	126 482	130 930	4 448	4%	117 588	108 490	(9 098)	-8%

Source: Municipal Annual Financial Statements 2013/14; 2014/15

Findings:

The Municipality reflected underperformance of 1% for operating revenue for both 2013/14 and 2014/15. Investment revenue reflects the highest positive variance for the 2014/15 financial year and it is mainly due to interest received on investments in excess of the budgeted amount.

The final operating expenditure for 2013/14 shows that the Municipality spent 100 per cent of its budget. For 2014/15 the Municipality reported an underspending against the final budget of 2 per cent. The highest underspending is in relation to "other expenditure" with a negative variance of 6 per cent, which is not material.

In terms of capital budget performance the Municipality has materially underspent by R14.3 million or 12 per cent for final capital budget of 2014/15.

Risks and Recommendations:

The Municipality must be mindful of underspending on capital budget as the current the year-to-date performance is reported at 48.3 per cent for February 2016.

Furthermore the Municipality is to carefully monitor the grant funded expenditure in view of the fiscal constraints over the 2016/17 MTREF.

Cognisance should be taken that reoccurring under realisation of transfers recognised – operational which might lead to retention of grant monies.

PART 7.1(2): THE FINANCIAL PERFORMANCE AS PER THE AUDITED ANNUAL FINANCIAL STATEMENTS

THE FINANCIAL HEALTH AND PERFORMANCE – year ended 30 June 2015

The assessment of the financial health and performance is an integrated process involving a review of a municipality's audited annual financial statements and audit report using selected financial ratios/norms. The results of the financial ratios/norms are used to support financial decisions and to identify factors which may influence the financial stability of the Municipality. It is also to enable timely corrective action where service delivery may be at risk. The assessment is according to the selected key financial ratios/norms as per National Treasury MFMA Circular No. 71, as indicated in the table below. It needs to be noted that for the sake of this report, only ratio that are not within the desired norm are analysed. Arrow signs in the table below means the following (↔ : **constant**, ↓: **deterioration**, ↑: **improvement**).

Table 9: Financial ratios and norms

Financial ratios and norms		Norm	2011 Audited	2012 Audited	2013 Audited	2014 Audited	2015 Audited	Comments	Overall
Debtors Management									
1.	Net debtors days:	≤ 30 days	34 days	36 days	32 days	28 days	29 days	The ratio result remained relatively constant from 28 days in 2013/14 to 29 days in 2014/15 financial year. The ratio is within the National Treasury norm of 30 days.	↔
2.	Bad Debts Written-off as % of Provision for Bad Debt:	100%	5.92%	9.85%	33.15%	419.63%	51.04%	The ratio result improved from 419.63 per cent in 2013/14 to 51.37 per cent in 2014/15 financial year. It is not within the National Treasury norm of 100 per cent.	↑
Distribution losses									
3.	Electricity Distribution Losses (Percentage):	7% - 10%	8.37%	7.12%	6.91%	5.95%	5.77%	The ratio results remained relatively constant at an average of 5.86 per in 2014/15 financial year. The ratio is better than the National Treasury norm of 7 - 10 per cent.	↔
4.	Water Distribution Losses (Percentage):	15%-30%	24.24%	20.01%	20.01%	23.89%	19.33%	The ratio result improved from 23.89 per cent in 2013/14 to 19.33 per cent in 2014/15 financial year. The ratio is within the National Treasury norm of 15 - 30 per cent.	↑
Grant Dependency									
5.	Own Source Revenue to Total Operating Revenue (Including Agency Revenue):	None	83.30%	98.48%	98.93%	89.17%	92.18%	The ratio result improved from 89.17 per cent in 2013/14 to 92.18 per cent in 2014/15 financial year.	↑

Financial ratios and norms		Norm	2011 Audited	2012 Audited	2013 Audited	2014 Audited	2015 Audited	Comments	Overall
Expenditure Management									
6.	Irregular, Fruitless and Wasteful and Unauthorised Expenditure/ Total Operating Expenditure:	0%	0.05%	2.69%	4.61%	2.80%	0.50%	The ratio result improved from 2.80 per cent in 2013/14 to 0.50 per cent in 2014/15 financial year.	↑
7.	Remuneration as % of Total Operating Expenditure:	25% - 40%	29.88%	29.20%	31.82%	32.25%	30.08%	The ratio is within the National Treasury norm of 25 – 40 per cent in both 2013/14 and 2014/15 financial years.	↑
8.	Contracted Services % of Total Operating Expenditure:	2% - 5%	3.15%	3.27%	9.02%	8.75%	9.33%	The ratio result slightly deteriorated from 8.75 per cent in 2013/14 to 9.33 per cent in the 2014/15 financial year. The ratio is not within the National Treasury norm of 2 - 5 per cent.	↓
Asset Management									
9.	Capital Expenditure to Total Expenditure:	10% - 20%	18.95%	18.09%	15.87%	13.50%	10.81%	The ratio result deteriorated from 13.50 per cent in 2013/14 to 10.81 per cent in the 2014/15 financial year. The ratio is within the National Treasury norm of 10 – 20 per cent.	↓
10.	Impairment of Property, Plant and Equipment, Investment Property and Intangible Assets (Carrying Value):	0%	0.11%	0.10%	0.30%	0.00%	0.10%	The ratio result remained relatively constant from the prior year.	↔
11.	Repairs and Maintenance as a % of Property, Plant and Equipment, Investment Property (Carrying Value):	8%	1.9%	2.1%	3.7%	4.8%	5.1%	The MTREF ratios are significantly lower than the 8% norm which could indicate that insufficient funds are spent on repairs and maintenance.	↔

Financial ratios and norms		Norm	2011 Audited	2012 Audited	2013 Audited	2014 Audited	2015 Audited	Comments	Overall
Budget Implementation									
12.	Operating Revenue Budget:	95% - 100%	101.23%	103.01%	97.98%	100.31%	99.65%	The ratio results remained relatively constant from 100.31 per cent in 2013/14 to 99.65 per cent in 2014/15 financial year. The ratio is within the National Treasury norm of 95 – 100 per cent.	↔
13.	Service Charges and Property Rates Revenue Budget:	95% - 100%	101.92%	99.43%	97.88%	98.24%	99.14%	The ratio results remained relatively constant from 98.24 per cent in 2013/14 to 99.14 per cent in 2014/15 financial year. The ratio is within the National Treasury norm of 95 – 100 per cent.	↔
14.	Operating Expenditure Budget:	95% - 100%	102.23%	104.79%	98.18%	100.50%	98.00%	The ratio result slightly deteriorated from 100.50 per cent in 2013/14 to 98.00 per cent in 2014/15 financial year, but the ratio remains within the National Treasury norm of 95 – 100 per cent.	↓
15.	Capital Expenditure Budget:	95% - 100%	100.68%	87.63%	85.83%	100.09%	90.32%	The ratio result deteriorated from 100.09 per cent in 2013/14 to 90.32 per cent in 2014/15 financial year and is not within the National Treasury norm of 95 – 100 per cent.	↓
Liquidity Management									
16.	Cash/Cost Coverage Ratio (Excluding Unspent Conditional Grants):	1 - 3 months	1 month	1 month	1 month	1 month	1 month	The ratio result remained constant at month over the period under review month and is within the National Treasury norm of 1 - 3 months.	↔
17.	Current Ratio:	1.5 - 2:1	1.63:1	1.67:1	1.28:1	1.19:1	1.45:1	The ratio result improved from 1.19:1 in 2013/14 to 1.45:1 in the 2014/15 financial year. The ratio result is not within the National Treasury norm of 1.5 - 2:1.	↑

Financial ratios and norms		Norm	2011 Audited	2012 Audited	2013 Audited	2014 Audited	2015 Audited	Comments	Overall
Liability Management									
18.	Capital Cost (Interest Paid and Redemption) as a % of Total Operating Expenditure:	6% - 8%	6.02%	9.37%	9.93%	7.36%	6.99%	The ratio result slightly improved from 7.36 per cent in 2013/14 to 6.99 per cent in 2014/15 financial year and is within the National Treasury norm of 6 - 8 per cent.	↑
19.	Debt (Total Borrowings)/ Revenue:	45%	48.85%	54.90%	57.01%	69.65%	57.77%	The ratio results improved substantially from 69.65 per cent in 2013/14 to 57.77 per cent in 2014/15 financial year. The ratio is still not within the National Treasury norm of 45 per cent.	↑

Source: Overstrand Municipality Audited AFS (2011/12 - 2014/15)

7.1.1 Financial Position

a. Debtors Management

- Bad Debts Written-off as % of Provision for Bad Debt:** The trend analysis indicates that the ratio results fluctuated from 33.15 per cent in 2012/13 to 419.63 per cent in 2013/14 and finally to 51.04 per cent in 2014/15 financial year. The ratio result is not within the National Treasury norm of 100 per cent. Consumer Debtors Current bad debt provision amount to R1.25 million in the 2014/15 financial year. The Municipality wrote off large amounts of debts in the 2013/14 financial year. It is imperative for the Municipality to sufficiently provide for its doubtful debts in order to reports fair and accurate figures in the financial statements and also improve fair presentation.

b. Asset Management/Utilisation

- Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value):**

The Municipality does not report repairs and maintenance in the statement of financial performance as line item, the cost of repairs and maintenance are included in Labour, transport and materials, which is according to mSCOA requirements. Therefore, no analysis could be performed in this regard. The Municipality is requested to advise if the Municipality is

spending sufficient funds on repairs and maintenance to ensure that there are no interruptions on service deliver resulting from dysfunctional assets.

c. Liability Management

- **Debt (Total Borrowings)/Total Operating Revenue:** The trend analysis indicates that the ratio results fluctuated year-on-year from 57.01 per cent in 2012/13 to 69.65 per cent in 2013/14 and to 57.77 per cent in the 2014/15 financial year. It is noted that in the 2014/15 financial year the ratio improved from 69.65 per cent to 57.77 per cent. The ratio result is not within the National Treasury norm of 45 per cent. The Municipality is highly geared, although total debt decreased by R42.86 million (9.02 per cent) from R475.45 million to R432.58 million. It is also noted that the Municipality is able to meet the cost of debt incurred, and this is supported by fairly stable liquidity position. The Municipality should carefully assess its capacity to incur further borrowing, as its affordability is closely linked to its cash flow position.

7.1.2 Financial Performance

a. Expenditure Management

- **Contracted Services as a % of Total Operating Expenditure:** The ratio result fluctuated from 9.02 per cent in 2012/13 to 8.75 per cent and to 9.37 per cent in the 2014/15 financial year. Contracted services includes, amongst others, appointment of Roads Maintenance (Resealing, etc.) in excess of R20 million; Operating and Maintaining Bulk Water and Wastewater Treatment Plants and Pump Stations in excess of R20 million. The ratio is not within the National Treasury norm of 2 – 5 per cent. The Municipality should exercise caution by ensuring that all contracts with contractors and consultants has a clause for transfer of skills to ensure future continuity where possible.

7.1.3 Budget Implementation

Capital Expenditure Budget Implementation Indicator: The trend analysis indicates that the ratio results improved from 85.83 per cent in 2012/13 to 100.09 per cent in 2013/14 and deteriorated again to 90.32 per cent 2014/15 financial year. In the 2014/15 financial year the Municipality under-spent its capital expenditure budget by 9.81 per cent (R12.04 million). The ratio result is not within the National Treasury norm of 100.00 per cent. The under-spending is mainly due to capital expenditure not realised as planned and rolled over to the next financial year. The Municipality is encouraged to enhance its monitoring

and evaluation project plans in order to identify any risks that might prevent the spending of budget.

7.1.4 Conclusion and recommendations

The overall ratio results provide a holistic picture of the financial capability and sustainability of the Municipality. The Municipality is doing well in most ratios. However, the debt to revenue ratio, although improving but it needs to be monitored further to avoid being over geared. The Municipality should also keep its liquidity position in check; an improvement in this regard will strengthen further the cash position of the Municipality.

7.2 REVIEW OF THE NEW (2016/17) MTREF

PART 7.2(1): REVIEW OF THE BUDGET ASSUMPTIONS

Objective:

The assessment is based on the budget assumptions as per page 62 of the budget document of the Municipality. The budget assumptions are reviewed for completeness, credibility and reasonableness as it forms the basis upon which the new MTREF is prepared.

Table 10: Budget Assumptions

No.	Description of the Budget Assumptions
1.	The forecasted CPIX is estimated at 6.6 per cent for 2016/17, 5.9 per cent for 2017/18 and 5.6 per cent for the 2018/19 financial years.
2.	The 2016/17 budget was prepared on a projected revenue collection rate of 99.5 per cent of annual billing. Cash flow is assumed to be 98.1 of billings from an increased collection of arrear debt.
3.	The following principles and tariff increases, based on the cost reflectiveness of the tariffs are proposed: - Property Rates = 7.1%. - Electricity = basic levy increases by 17.5% and consumption by 1% for the first 350 kWh, and 7.64% for all units more than 350 kWh per month (with a free 50 kWh per month to indigent households only, to be financed from the Equitable share). The total increase applicable on the basic levy plus 350 kwh is 7.34%. - Water = Basic levy increase by 6% and consumption 8.1% (with 6 kilolitres plus the basic levy for water free of charge to indigent households). - Refuse = 6%; Sewerage = 6%.

No.	Description of the Budget Assumptions
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% (exclusive of annual notch increases). The bargaining council projected increase is 5% CPI plus 1% in terms of the multi-year agreement, for 2016/17.
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 9.4% in 2016/17.
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 2015/16 financial period that the adjusted collection rate is 100.1 per cent. The Municipality is commended for its efficient revenue management strategies.

PART 7.2(2): SURPLUS/DEFICIT FOR TRADING SERVICES

Objective:

This part of the assessment checks the cost reflectiveness of the tariffs and reviews the level of free basic services against the national policy and guidelines.

Table 11: Revenue and Expenditure link – Trading and Economic Services

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Febr 2016'	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue - Standard									
Trading services	461 155	485 124	531 880	581 518	583 818	583 818	620 478	653 995	694 325
Electricity	249 645	270 880	288 745	346 361	344 361	344 361	362 878	383 351	408 112
Water	96 325	96 086	109 581	106 211	109 211	109 211	114 799	121 402	129 044
Waste water management	68 428	65 091	76 694	69 402	70 702	70 702	77 230	79 738	83 495
Waste management	46 758	53 066	56 860	59 544	59 544	59 544	65 570	69 504	73 675
Other	–	–	–	–	–	–	–	–	–
Expenditure - Standard									
Trading services	346 423	448 042	453 715	453 273	429 231	429 231	455 103	482 255	509 499
Electricity	198 933	247 859	229 494	257 278	255 108	255 108	277 742	297 102	317 281
Water	61 422	99 439	71 697	78 253	62 213	62 213	59 028	61 272	63 072
Waste water management	45 965	64 659	57 717	63 478	57 745	57 745	59 828	62 976	66 197
Waste management	40 102	36 085	94 806	54 264	54 165	54 165	58 505	60 904	62 948
Other	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) on Main Service									
Trading services	114 733	37 082	78 165	128 245	154 587	154 587	165 374	171 741	184 827
Electricity	50 711	23 022	59 251	89 083	89 252	89 252	85 136	86 249	90 831
Water	34 903	(3 353)	37 884	27 958	46 998	46 998	55 771	60 130	65 972
Waste water management	22 463	432	18 976	5 924	12 958	12 958	17 403	16 762	17 297
Waste management	6 656	16 981	(37 946)	5 280	5 379	5 379	7 065	8 601	10 726
Other	–	–	–	–	–	–	–	–	–

Source: 2016/17 Budget Table A2

Findings:

- 1) The comparisons indicate on face value that the trading services are generating the surpluses over the MTREF period. Surpluses on trading services cannot be viewed in isolation; it must be coupled with distribution and unaccounted losses to realise the true profit or loss. To this end, Provincial Treasury notes strides the Municipality is making in managing water and electricity efficiently.

- 2) 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 revenue costs of these Free Basic Services are projected at R45.2 million in 2016/17 which will be covered by the Municipality's equitable share allocation.
- 3) As indicated in the Municipality's budget assumptions, all costs over and above the Equitable Share allocation must be paid by the consumer.

Risks and Recommendations:

The Municipality is encouraged to develop strategies to address the financial sustainability of the Water, Water waste management and waste management which should takes into account the impact of the following:

- Integrated asset management that includes the state of infrastructure, replacement cost and clear prioritisation of future new or replacement infrastructure needs for these services;
- The population growth increasing the service demand;
- Maintenance of a cash backed reserve to cover the cost of the future rehabilitation of existing landfill sites;
- Development pressures;
- Partnerships with private sector;
- Level of service;
- Risk of increasing trend in outstanding debtors and synergy with the affordability of the services;
- Shared services with neighbouring municipalities; and
- Service improvement study to identify possible inefficiencies in relation to cost within the business processes of delivering the service.

PART 7.2(3): THE CREDIBILITY AND SUSTAINABILITY OF THE BUDGET

A. THE BUDGET OVERVIEW

Table 12: Budget Overview

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Total Revenue (excluding capital transfers and contributions)	703 871	736 376	804 650	895 035	910 752	910 752	995 114	1 017 455	1 083 718
Total Expenditure	752 070	832 022	911 264	964 529	987 403	987 403	1 074 984	1 085 176	1 148 851
Surplus/(Deficit)	(48 199)	(95 646)	(106 615)	(69 494)	(76 651)	(76 651)	(79 870)	(67 720)	(65 133)
Capital expenditure	143 764	130 930	108 490	103 914	103 127	103 127	75 993	93 604	107 271

Source: 2016/17 Budget Table A1

Findings:

- The Municipality has tabled deficit budgets for the MTREF period, which is caused mainly by non-cash items like depreciation and asset impairment.
- These respective non-cash items amount to R141.57 million, R148.73 million and R156.28 million over the MTREF period and if discounted from the total budget deficit, result in a restated budget surplus of R61.70 million, R81.01 million and R91.15 million.

Risks and Recommendations:

As emphasised in the past, an operational deficit is not an indication of an unfunded budget but has the ability over time to reduce either the contributions to cash backed reserves or reduce the contributions to internal funds towards capital spending. It is noted that the operating deficits are projected to narrow over the MTREF.

Given the on-going economic pressures, the revenue side of municipal budgets will continue to be constrained, which means the Municipality needs to make some very tough decisions on the implementation of the budget.

In this regard the following needs to be carefully considered and monitored as it can weaken the healthy financial position of the Municipality if not managed effectively over the medium to long term:

- Aggressive capital outlay and the related maintenance pressures;
- Return on the capital investment and the related time lapse before the revenue is realised; and fiscal constraints to persist over the MTREF which will have an impact on the funding mix of the Municipality.

B. REVIEW OF THE OPERATING REVENUE BUDGET

Table 13: Operating Revenue

Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			%Growth rates: MTREF Budget			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	2015/16-2016/17 (YOY)	2016/17-2017/18 (YOY)	2017/18-2018/19 (YOY)	2015/16 - 2018/19 (AVE)
Revenue By Source													
Property rates	120 799	134 813	152 870	162 730	162 730	162 730	180 591	191 427	202 913	11%	6%	6%	8%
Property rates - penalties & collection charges	772	821	747	891	891	891	848	899	953				
Service charges - electricity revenue	247 663	268 362	286 571	338 877	336 877	336 877	357 681	379 142	401 891	6%	6%	6%	6%
Service charges - water revenue	85 243	95 136	108 391	102 045	105 045	105 045	111 544	118 237	125 331	6%	6%	6%	6%
Service charges - sanitation revenue	56 895	62 798	68 661	66 375	67 375	67 375	72 318	76 657	81 257	7%	6%	6%	6%
Service charges - refuse revenue	46 637	52 957	56 770	59 488	59 488	59 488	65 510	69 441	73 607	10%	6%	6%	7%
Service charges - other													
Rental of facilities and equipment	7 212	7 591	9 155	11 859	11 983	11 983	3 146	3 335	3 535	-74%	6%	6%	-21%
Interest earned - external investments	7 555	6 352	8 144	6 348	8 973	8 973	12 071	12 795	13 563	35%	6%	6%	16%
Interest earned - outstanding debtors	2 199	2 118	2 279	2 437	2 437	2 437	2 756	2 921	3 097	13%	6%	6%	8%
Dividends received													
Fines	14 244	22 739	25 389	31 859	31 859	31 859	31 143	31 164	31 187	-2%	0%	0%	-1%
Licences and permits	1 968	1 956	1 972	2 190	2 190	2 190	2 330	2 470	2 618	6%	6%	6%	6%
Agency services	2 025	2 395	2 766	2 970	2 970	2 970	3 220	3 413	3 618	8%	6%	6%	7%
Transfers recognised - operational	41 680	67 835	60 473	90 324	101 234	101 234	128 252	100 430	113 519	27%	-22%	13%	6%
Other revenue	68 978	10 504	20 463	16 643	16 701	16 701	23 702	25 124	26 631	42%	6%	6%	18%
Gains on disposal of PPE													
Total Revenue (excluding capital transfers and contributions)	703 871	736 376	804 650	895 035	910 752	910 752	995 114	1 017 455	1 083 718	9%	2%	7%	6%

Source: 2016/17 Budget Table A4

Findings:

a) Property Rates

- Total property rates revenue growth is projected at 11 per cent based on a tariff increase of 7.2 per cent which is in excess of the upper boundary of the CPIX outlook. However the Municipality has also taken into account projected growth and has also motivated the over inflationary increase by stating that over the previous year's their increases were below the CPIX.
- For the period ended 29 February 2016 the total debt outstanding for property rates amount to R18.7 million and increased year-on-year by 10.3 per cent, however, the impact of annual increase in the basket of services and inherent expansion of the debtors due to growth is acknowledged, long outstanding debt (over 90 days) amount to R3.97 million or 21.3 per cent of the total outstanding debt for property rates.

b) Service Charges: Electricity

- Electricity sales are the most significant (36.8% average over MTREF) component of the operating revenue budget, indicating a high level of reliance by the Municipality on this revenue source.
- The outstanding debtors for electricity amount to R16.3 million with a month-on-month decrease of 11.2 per cent and a year-on-year of 8.8 per cent as at 29 February 2016. The long overdue debtors (over 90 days) amount to R3.2 million or only 19.5 per cent of the outstanding electricity debt.
- The Municipality's constraint is noted that due to the higher than inflation increases in Eskom's bulk tariffs, it would not be possible to fund further needed upgrades directly through the electricity tariffs, but rather through taking up of loans within the means of the Municipality.

c) Service Charges: Water

- Water sales are expected to increase by 6.2 per cent from 2015/16 adjusted budget which is based on collective tariff increases in excess of the 6.6 per cent, National Treasury guideline. The Municipality has motivated for the higher tariff increase for 0-6 kl due to the recovery of the minimum cost for the production of water.
- Outstanding debtors on water amount to R18.4 million of which the long outstanding debt (over 90 days) amount to R3.7 million or 20.3 per cent as at 29 February 2016.

d) Service Charges: Sewerage

- The tariff increase of 6.0 per cent is in line with the inflation target recommended by National Treasury. The service is operating at a loss in the last year of 2016/17 MTREF.
- It is noted that electricity costs contributes towards wastewater treatment input costs, therefore the shortfalls have to be made up from operational deficiencies.
- Outstanding debtors on sewerage amount to R9.4 million of which the amount over 90 days equal R2.4 million or 26.1 per cent at 29 February 2016 which is an indication that the Municipality collection rate might be realistic.

e) Service charges: Refuse Removal

- Refuse removal is not a significant (6.7% average over MTREF) component in the operating revenue budget and increased by 6 per cent from the previous year.
- The tariff increase of 6 per cent is in line with the CPIX however the service is still operating at a loss, though at a smaller deficit.
- Outstanding debtors on waste management amount to R6.7 million and reports an increase year-on-year by 4.9 per cent
- The Municipality is now operating the Karwyderskraal waste disposal site and indicated that the proposed tariff increase was set in consultation with Theewaterskloof Municipality who would use this site for waste disposal. Performance of the site will be monitored during 2016/17.

f) Fines

- The total budgeted revenue from fines is not a significant part of the budget (average of 3.1 per cent) and the projected increase is influenced by the implications of iGRAP1. This is considered prudent and realistic.

g) Transfers recognised – Operational

- The operational grants show significant growth of 26.7 per cent from the 2015/16 adjusted budget. The increase is informed by the phase-in of the equitable share allocations as well as increases in the housing top structure.
- The Supporting A-Schedule (SA18) reconciles to the Provincial Gazette and the Division of Revenue Bill.

Risks and Recommendations:

Provincial Treasury takes cognisance of the reasons provided for higher than CPI tariff increases. To this end, the Municipality needs to strike balance between the economical, environmental and social objectives. In light of the current drought being experienced across large parts of the country, and to mitigate the need for water tariff increases, MFMA Circular 78 has advised for the municipalities to put in place appropriate strategies to limit water losses to acceptable levels. In this regard the Municipality must ensure that water used by its own operations is charged to the relevant service, and not simply attributed to water losses.

Improvement of outstanding debt should be prioritised and hence the continuous monitoring of the implementation of Indigent and Credit Control policies and revision of debt collection strategies to prevent under-collection of revenue is recommended.

C. REVIEW OF THE OPERATING EXPENDITURE BUDGET

Table 14: Operating Expenditure

Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			% Growth rates: MTREF Budget			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	2015/16- 2016/17 (YOY)	2016/17- 2017/18 (YOY)	2017/18- 2018/19 (YOY)	2015/16 - 2018/19 (AVE)
Expenditure By Type													
Employee related costs	231 642	260 645	267 019	291 593	292 827	292 827	314 204	322 023	339 129	7.3%	2.5%	5.3%	5.0%
Remuneration of councillors	7 084	7 933	8 104	8 674	8 674	8 674	9 110	9 620	10 161				
Debt impairment	6 688	12 526	10 846	22 792	22 792	22 792	23 888	23 974	24 048	4.8%	0.4%	0.3%	1.8%
Depreciation & asset impairment	104 408	99 361	106 445	111 362	111 362	111 362	117 690	124 752	132 237	5.7%	6.0%	6.0%	5.9%
Finance charges	37 331	39 927	43 447	46 895	46 895	46 895	46 421	46 952	45 449	-1.0%	1.1%	-3.2%	-1.0%
Bulk purchases	145 022	157 055	167 660	193 573	191 573	191 573	210 763	227 329	245 197	10.0%	7.9%	7.9%	8.6%
Other materials	12 441	13 595	16 659	57 801	59 186	59 186	76 687	41 285	46 605				
Contracted services	67 697	72 754	85 327	125 322	119 897	119 897	158 718	164 936	174 154	32.4%	3.9%	5.6%	14.0%
Transfers and grants	35 856	38 749	48 659	48 497	49 448	49 448	57 479	60 808	64 336	16.2%	5.8%	5.8%	9.3%
Other expenditure	102 146	117 460	157 098	58 021	84 750	84 750	60 024	63 497	67 536	-29.2%	5.8%	6.4%	-5.7%
Loss on disposal of PPE	1 756	12 017											
Total Expenditure	752 070	832 022	911 264	964 529	987 403	987 403	1 074 984	1 085 176	1 148 851	8.9%	0.9%	5.9%	5.2%

Source: 2016/17 Budget Table A4

a) Employee Related Costs

- The total budgeted Employee related costs of R314.2 million constitutes a 29.2 per cent of the total operating expenditure budget for the 2016/17 budget year which is well within the national norm of between 25 - 40 per cent as per MFMA Circular No. 71.
- The budgeted employee related costs will increase by 7.3 per cent, inclusive of notch increases, from the 2015/16 adjusted budget and is based on salary increases of 6 per cent which is in line with the Local Government Bargaining Council wage agreement. The budget Schedule SA24 indicates a marginal decrease in the funded permanent positions on the organisational structure.
- It is noted by Provincial Treasury, as part of the Municipality cost reprioritisation and cash management strategy vacancies have been significantly rationalised downwards. The outsourcing of water and wastewater treatment plants, in respect of operational efficiencies, has been implemented.
- Overtime amounts to 4.6 per cent of the total remuneration which is within the norm of 5 per cent.
- The provision for long term employee benefits and the concomitant short term portion thereof has escalated. The short term portion needs to be cash-backed and will place additional pressure on the working capital or liquidity position of the Municipality.

b) Remuneration of Councillors

- Remuneration of councillors increased on average by 5.4 per cent across the 2016/17 MTREF which is in accordance with the determination of upper limits, salaries and benefits published in Government Gazette No. 37281.

c) Debt impairment

- Debt impairment is projected to increase by 5 per cent from 2015/16 adjusted budget, and is informed by the 2014/15 audited collection rate of 99.3 per cent, growth in outstanding debtors of 10.4 per cent year-on-year.

d) Depreciation and Asset Impairment

- Depreciation and asset impairment is projected to increase by 5.7 per cent from 2015/16 adjusted budget,
- The projection for depreciation and asset impairment is consistent when the growth projected in Property, Plant and Equipment (PPE) as per budget Table A6 is taken into account.

e) Finance charges

- Finance charges constitute 4.3 per cent of the total operating expenditure. An average decrease of 1 per cent across the 2016/17 MTREF is noted which result from the planned decrease in borrowings over the MTREF.
- The Municipality has reached its limits in borrowing and Provincial Treasury noted the Municipality applied fiscal discipline to narrow the levels of borrowings.

f) Bulk purchases

- Bulk purchases are projected to increase by 10 per cent in 2016/17 which is mainly informed by the inflation increases in bulk electricity tariffs of 7.9 per cent.

g) Contracted Services

- The projected increase of 32.4 per cent in 2016/17 is as a result of mSCOA reclassification causing a shift in the expenditure which was previously classified under general expenses. The outsourcing of water and wastewater treatment plants, in respect of operational efficiencies, has been implemented as already mentioned, also contributing substantially to the increase in contracted services.

- The total budget of Contracted services is 14.8 per cent of the total expenditure budget. Given that fiscal constraints is expected to persist over the MTREF, the Municipality is advised to guard against non-priority spending and should continue to evaluate the prudence of expenditure appropriations as observed from the budget documentation and through the in-year monitoring process.

h) Other Expenditure

- Other expenditure constitutes 5.3 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.

i) Repairs and Maintenance

- The budgeted Repairs and maintenance constitutes 3.9 per cent of Property plant and equipment which is below the National Treasury guideline and could indicate that insufficient monies are being spent on Repairs and maintenance.

Risks and Recommendations:

- Although the municipal wage bill is within the national norm it is growing in excess of CPIX and will place pressure on available resources. It is however noted that annual salary increases are negotiated on a national level and is thus not within the control of the Municipality. Effective management of employee related costs as one of the largest expenditure components is recommended in relation to the revenue growth and the following needs to be considered:
 - a. Making sufficient cash backed provisions for the short term portion employee benefits; and
 - b. Efficient use of current employees.
- The low spending of repairs and maintenance remains an area of concern as it has an impact on future service delivery. It is however acknowledged that other factors may also explain the deviation from the set norm. The Municipality needs to ensure that the maintenance of assets is informed by operations and maintenance policies and plans as indicated in the asset management policy of the Municipality.
- Although the Municipality has a good stance on cost containment as noted with some declining budget projections, economic constraint is anticipated to persist over the MTREF which will result in transfers growing slower than in the

past. Thus renewed focus on core service delivery functions is required and the Municipality must continually prioritise cost containment measures with reference to MFMA Circular 82 and ensure efficiency gains and eradication of non-priority spending whilst at the same time providing acceptable levels of service delivery. In this regard particular attention should be given to expenditure relating to Contracted services.

D. THE CAPITAL EXPENDITURE BUDGET

Table 15: Capital Expenditure

Vote Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			% Growth rates: MTREF Budget			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	2015/16- 2016/17 (YOY)	2016/17- 2017/18 (YOY)	2017/18- 2018/19 (YOY)	2015/16 - 2018/19 (AVE)
Capital expenditure - Vote													
Capital Expenditure - Standard													
<i>Governance and administration</i>	7 154	21 308	10 561	2 648	4 213	4 213	2 040 46	-	-	-52%	-100%		-51%
Executive and council											-100%		-33%
Budget and treasury office													
Corporate services	7 154	21 308	10 561	2 648	4 213	4 213	1 994			-53%	-100%		-51%
<i>Community and public safety</i>	7 268	19 582	39 184	39 768	34 902	34 902	18 858	47 089	42 340	-46%	150%	-10%	31%
Community and social services	4 666	3 482	5 258	3 520	3 220	3 220	2 995	4 500	1 500	-7%	50%	-67%	-8%
Sport and recreation	2 601	5 696	1 565	5 981	5 066	5 066	2 530	5 435	3 100	-50%			-17%
Public safety	-			295	295	295	310			5%	-100%		-32%
Housing	-	10 404	32 361	29 973	26 321	26 321	13 023	37 154	37 740	-51%	185%	2%	45%
Health													0%
<i>Economic and environmental services</i>	25 552	16 051	6 300	12 128	13 229	13 229	12 098	6 859	13 605	-9%	-43%	98%	15%
Planning and development	945			25	25	25	133						0%
Road transport	24 607	16 051	6 300	12 103	13 204	13 204	11 965	6 859	13 605	-9%	-43%	98%	15%
Environmental protection													0%
<i>Trading services</i>	103 790	73 989	52 444	49 370	50 784	50 784	42 997	39 656	51 326	-15%	-8%	29%	2%
Electricity	26 768	37 115	13 682	21 726	22 891	22 891	15 108	14 000	20 500	-34%	-7%	46%	2%
Water	50 766	23 631	16 275	16 390	16 390	16 390	12 430	12 800	16 826	-24%	3%	31%	3%
Waste water management	20 728	10 202	13 221	11 244	11 487	11 487	15 430	12 856	14 000	34%	-17%	9%	9%
Waste management	5 528	3 041	9 267	10	15	15	30			101%	-100%		0%
<i>Other</i>													0%
Total Capital Expenditure - Standard	143 764	130 930	108 490	103 914	103 127	103 127	75 993	93 604	107 271	-26%	23%	15%	4%
Funded by:													
National Government	36 911	6 339	22 884	30 347	30 347	30 347	26 030	26 450	29 531	-14%	2%	12%	0%
Provincial Government	16 898	31 751	31 850	33 007	30 155	30 155	14 073	37 154	37 740	-53%	164%	2%	37%
District Municipality					-	-							
Other transfers and grants			1 000	1 000	1 000	1 000							
Transfers recognised - capital	53 809	38 090	55 734	64 354	61 502	61 502	40 103	63 604	67 271	-35%	59%	6%	10%
Public contributions & donations	5 067	7 985	607	462	462	462							0%
Borrowing	67 544	70 634	39 012	32 346	33 419	33 419	30 000	30 000	40 000	-10%	0%		-3%
Internally generated funds	17 345	14 222	13 138	6 753	7 745	7 745	5 890			-24%	-100%		-41%
Total Capital Funding	143 764	130 930	108 490	103 914	103 127	103 127	75 993	93 604	107 271	-26%	23%	15%	4%

Source: 2016/17 Budget Table A5

Findings:

- The 2016/17 capital budget indicates that 61.4 per cent of the capital budget consists of multi-year projects and 38.6 per cent consists of single year projects enabling the Municipality to improve planning and initiate procurement processes earlier for capital projects in the two outer years of the MTREF.

- Furthermore, the Municipality intends to use R38.5 million (50.7 per cent) of the total capital budget for the renewal of existing assets and R37.5 million (49.3 per cent) to fund new capital assets in line with its Long Term Financial Plan as a saving mechanisms to minimise the cost of effective service delivery by taking into account potential infrastructure developments and renewals.
- The current year spending trend on the capital budget is of concern at 48.3 per cent of the adjustment budget. This is similar to previous years' trends when the Municipality underspent on the capital budget by 12 per cent or R14.3 million at 2014/15 financial year budget.
- The Municipality allocated 56.6 per cent of the capital budget towards trading services or revenue generating assets which in bodes well in terms of increasing the revenue base of the Municipality.

Risks and Recommendations:

- The Municipality needs to ensure that the repairs and maintenance and prioritisation of capital expenditure are sufficient to ensure the safeguarding of assets and prevent service delivery breakdowns.
- The Municipality is encouraged to begin their procurement processes before the start of the new financial year to mitigate the risk of experiencing delays in capital projects as the underspending of the capital budget remains a concern.

E. THE CAPITAL FUNDING BUDGET

Table 16: Capital Funding

Vote Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			% Growth rates: MTREF Budget			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	2015/16- 2016/17 (YOY)	2016/17- 2017/18 (YOY)	2017/18- 2018/19 (YOY)	2015/16 - 2018/19 (AVE)
Capital expenditure - Vote													0%
Funded by:													
National Government	36 911	6 339	22 884	30 347	30 347	30 347	26 030	26 450	29 531	-14%	2%	12%	0%
Provincial Government	16 898	31 751	31 850	33 007	30 155	30 155	14 073	37 154	37 740	-53%	164%	2%	37%
District Municipality					-	-							
Other transfers and grants			1 000	1 000	1 000	1 000							
Transfers recognised - capital	53 809	38 090	55 734	64 354	61 502	61 502	40 103	63 604	67 271	-35%	59%	6%	10%
Public contributions & donations	5 067	7 985	607	462	462	462							0%
Borrowing	67 544	70 634	39 012	32 346	33 419	33 419	30 000	30 000	40 000	-10%	0%		-3%
Internally generated funds	17 345	14 222	13 138	6 753	7 745	7 745	5 890			-24%	-100%		-41%
Total Capital Funding	143 764	130 930	108 490	103 914	103 127	103 127	75 993	93 604	107 271	-26%	23%	15%	4%

Source: 2016/17 Budget Table A5

Findings:

External Funding: Capital Grants

- Capital grants are a significant funding source for the capital budget constituting 52.8 per cent for 2016/17.
- The Municipality spent 99 per cent of its capital grants for the 2014/15 financial year and spent 53.2 per cent of its grants at the end of February 2016. The Municipality is cautioned against a slow spending rate as it will result in either rollover grants or the repayment of grants should they not be fully spent by 30 June 2016.

External Funding: Borrowings

- Borrowing constitutes 39.5 per cent of the total funding of the capital budget for 2016/17.
- The Municipality has limit is borrowings to diminish its gearing level as it has reached its prudential limits in 2012.

Internal Funding: Own Contributions from Cash Reserves

Internally generated funds amounts to R5.9 million and constitutes 7.6 per cent of the total capital budget for 2016/17.

Risks and Recommendations:

The high reliance on capital grants poses a risk especially against the backdrop that fiscal constraints will persist over the MREF due the prevailing economic environment.

In order for the Municipality to be able to respond adequately to the infrastructure spending pressures, the replacement of assets and combating poverty, it is suggested that the Municipality develop a finance strategy which optimises the leveraging of grant funding, borrowings and internally generated funding.

PART 7.2(4): THE FINANCIAL SUSTAINABILITY ASSESSMENT

The Cash Flow Statement as at 30 June 2015 indicated that the Municipality ended the financial year with a closing balance of R104.98 million. The Municipality's Cash Flow Actual (CFA) opening balance as at 1 July 2015 reconciled to the Cash Flow Statement at year end as per the Audited Financial Statements (AFS).

A. OVERVIEW OF THE CURRENT CASH POSITION OF THE MUNICIPALITY

Findings:

The available cash as per the CFA as at the 29 February 2016 is R177.58 million and the commitments reported against the available cash for the month is R29.06 million. At present the year-to-date cash coverage is at 1.87 times.

The reported Cash Flow information indicates that the Municipality is able to meet its short term obligations and the sustainability ratio is above the National Treasury norm of 100 per cent.

B. REVIEW OF THE BORROWINGS

Findings:

The closing balances for borrowed funds over the MTREF period for the years 2016/17, 2017/18 and 2018/19 is the amount of R412.28 million, R409.06 million and R411.59 million respectively.

The Debt to Total Operating Revenue ratio over the MTREF period is 51 per cent (2016/17), 48.2 per cent (2017/18) and 46.2 per cent (2018/19) and this is above the National Treasury norm of 45 per cent.

Cash to interest ratio over the 2016/17 MTREF is 3 times, 4 times and 5 times respectively. Based on the ratio the Municipality do have the available cash to cover the interest on the borrowings.

C. REVIEW OF INVESTMENTS

Findings:

As per SA15, investments over the medium term amounts to R35.32 million (2016/17), R41.72 (2017/18) million and R48.26 (2018/19) million reflecting that the Municipality has guaranteed endowment investments over the MTREF period.

No risk was identified as the Municipality have investments and the ratios calculated excluded the Investments Balance from the Cash and Cash Equivalents amounts that were utilised for the ratios calculated under the borrowings section.

D. CASH FLOW SUMMARY 2015/16 MTREF

Finding:

The annual cash flow budget do reconcile when comparing A7 to SA30.

E. THE APPLICATION OF CASH & INVESTMENTS

Table 17: Cash backed reserves/accumulated surplus reconciliation

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

Description R thousand	Current Year 2015/16	2016/17 Medium Term Revenue & Expenditure Framework		
	Adjusted Budget	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<u>Cash and investments available</u>				
Cash/cash equivalents at the year end	100 467	109 718	130 516	162 093
Other current investments > 90 days	0	–	–	–
Non current assets - Investments	28 455	35 328	41 727	48 267
Cash and investments available:	128 922	145 046	172 243	210 361
<u>Application of cash and investments</u>				
Unspent conditional transfers	–	–	–	–
Unspent borrowing	–	–	–	–
Statutory requirements				
Other working capital requirements	(19 352)	(27 038)	(44 375)	(57 844)
Other provisions				
Long term investments committed	28 455	35 328	41 727	48 267
Reserves to be backed by cash/investments	2 637	2 218	2 263	2 308
Total Application of cash and investments:	11 740	10 508	(385)	(7 269)
Surplus(shortfall)	117 182	134 538	172 628	217 630

Source: (A8 ResRecon)

Findings:

The table depicts a positive balance over the MTREF after all commitments are taken into account.

No liquidity issues were identified, as the Municipality is backing the Cash Reserves, the Municipality has Guaranteed Endowment Policies (Sinking) and this is taking into account the R30 million loans which are included on the Budgeted Cash Flows.

No risk was identified with reference to the cash management, although the Municipality reflected a deficit on the budgeted financial performance.

F. THE FUNDING COMPLIANCE ASSESSMENT

Table 18: Funding compliance assessment

Description	MFMA section	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Funding measures										
Cash/cash equivalents at the year end - R'000	18(1)b	84 147	63 158	104 987	97 547	100 467	100 467	109 718	130 516	162 093
Cash + investments at the yr end less applications - R'000	18(1)b	89 356	96 147	141 786	117 777	117 182	117 182	134 538	172 628	217 630
Cash year end/monthly employee/supplier payments	18(1)b	1.8	1.2	1.9	1.5	1.6	1.6	1.6	1.8	2.1
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	10 899	(45 015)	(49 845)	(5 140)	(15 149)	(15 149)	(39 767)	(4 116)	2 138
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	N.A.	4.2%	3.6%	2.4%	(5.7%)	(6.0%)	1.7%	0.0%	(0.0%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	91.5%	103.1%	99.0%	101.2%	101.7%	101.7%	97.4%	98.3%	98.7%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	1.2%	2.0%	1.6%	3.1%	3.1%	3.1%	3.0%	2.9%	2.7%
Capital payments % of capital expenditure	18(1)c;19	100.0%	100.0%	102.2%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	43.0%	55.3%	75.8%	75.8%	72.1%	72.1%	83.6%	100.0%	100.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a							100.0%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	(2.1%)	9.9%	(12.0%)	(4.1%)	0.0%	20.9%	11.4%	7.6%
Long term receivables % change - incr(decr)	18(1)a	N.A.	(18.4%)	(21.8%)	(23.0%)	0.0%	0.0%	(26.0%)	(33.9%)	(49.1%)
R&M % of Property Plant & Equipment	20(1)(vi)	3.7%	4.8%	5.1%	3.9%	3.9%	3.9%	3.9%	4.1%	4.3%
Asset renewal % of capital budget	20(1)(vi)	2.9%	35.9%	30.2%	20.0%	18.9%	18.9%	50.7%	30.3%	36.7%

Source: 2016/17 Budget Table SA10

Findings:

1. Cash at year end/monthly employee/supplier payments

Positive cash and cash equivalents have been reflected for each year over the medium term.

2. Surplus/(deficit) excluding depreciation offsets

The cash less application is positive for the 2016/17 financial year and improving over the MTREF.

3. Service charge revenue % change-macro CPIX target exclusive.

Positive growth is noted for the entire MTREF in respect of service charges.

4. Capital payments percentage of capital expenditure

The Municipality plans to spend 100 per cent of its capital budget.

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

Over the medium term the budgeted borrowings constitute an average of 36 per cent of the total capital funding which is leaning towards the upper limit of the national norm.

6. Grants% of Govt. legislated/gazette allocations

All available transfers from national and provincial government have been budgeted for and are correctly reflected on SA18.

7. Current consumer debtor's % change

Current consumer debtors reflect an average decrease of 13.3 per cent over the 2016/17 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 39.2 per cent over the MTREF; however it is noted that it shows a slight decrease from 2016/17 to 2017/18 financial year.

SECTION 8: MAIN POINTS AND RISKS/RECOMMENDATIONS

This section outlines the main points and risks/recommendations based on the LG MTEC Assessment.

Integrated Development Planning:

- The next 5 year IDP determine when the Municipality will conduct a comprehensive disaster risk assessment and link planned risk reduction projects to those priority risks, as identified.
- The next 5 year IDP includes the disaster risk register template for capturing developmental risk (high risk planned developments) that may require disaster mitigation as stated in the current Draft Review 2016/17 IDP.
- The Municipality includes Agricultural information as provided for by the Department in the next 5 year IDP.
- The Municipality include in the next 5 year IDP a section/chapter on agriculture, inclusive of proposals on Agri-processing projects.
- The Municipality consider opportunities presented by the potential agri-hub currently under investigation, as supporting municipal plans for increasing export potential in the aquaculture sector.
- The Municipality should discuss with the DCAS the management of its heritage resources to optimise its economic benefits.
- The Municipality to confirm if the current Ward Committee Policy has been customised to be the Public Participation Policy.

Budget Responsiveness:

Overview of the key priorities in terms of IDP Strategic Objectives

- The strategic objectives noted in budget Tables SA5 and SA6 for the 2016/17 MTREF are aligned to the current IDP strategic objectives.
- Most of the 2016/17 MTREF capital budget (48.4 per cent) and operating budget (43.7 per cent for 2016/17) are allocated toward the provision and maintenance of municipal services (SO2).

Are the budget assumptions in line with the socio-economic environment?

- Overall, the budget assumptions are in line with the socio-economic environment in which the Municipality operates at present.

Service delivery environment and challenges

- An analysis of the Municipality's operational budget (Budget Schedule A2) and capital budget (Budget Schedule A5) revealed that the Municipality's water, electricity, wastewater and waste management budget is responsive to both the current and future basic service needs.

Credibility and sustainability of the Budget

- The South African's economic outlook remains bleak and as indicated the Municipality should therefore continue to apply fiscal discipline and practice prudent financial management in order to ensure long term financial sustainability and resilience.
- In this regard the Municipality should incorporate sound budget assumptions to ensure integrated financial planning and modelling to yield delivery of realistic service delivery objectives contained in the municipal IDP.
- The Municipality tabled operational deficit budgets over the MTREF. Whilst this is not an indication of an unfunded budget it has the ability over time to reduce either the contributions to cash backed reserves or reduce the contributions to internal funds towards capital spending.
- Affordability of tariffs is becoming a growing concern across all municipalities and Overstrand Municipality is no exception in this regard. Residential and commercial customers are all likely to continue to feel the growing pressure from municipal services.
- Concern is expressed on the high reliance on capital grants which could pose a threat of revenue loss in instances where unspent grants may not be appropriately motivated in applications to national and provincial government for roll over purposes.
- The Municipality needs to focus on efforts 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. In addition, the Municipality will have to apply its debt collection and credit control process strictly to diminish the growth in outstanding debtors given the subdued economic environment.

Key Principles of National Intergovernmental Transfers

GRANT NAME	CHANGES
Local Government Equitable Share (LGES)	The Basic Component of the formula has been increased by the following: • Water contribution increased by 8% • Electricity component increased by 7% • Sanitation and refuse is increased by the upper level of inflation targeting bracket (6%) It is important to note that this is the final year of the phase-in and municipalities may experience a change in there allocation based on the correction and stabilisation factor.
Municipal Infrastructure Grant (MIG)	• R300 million has been top sliced for specific sports projects (2 per cent ring fenced). • Municipalities are required to spend 4.5% of MIG funding on sports and recreation infrastructure, this is reduced from last year's 15 per cent. • All component weightings has been reduced as compared to the previous year's allocation. - o For the 2016/17 financial year the Constant component of the formula has a 7.6 per cent weighting.
Public Transport Network Grant (PTNG)	• New formula based allocation to be phased in over the medium term. • Will increase the certainty about the extent of national funding. • The formula-based allocation of funds will account for 80 per cent of the grant, the remaining 20 per cent of the allocation will be non-formula based. • There are 3 components which make up the formula for PTNG: Population Component, Regional GVA component & Public Transport Users Component. • Applicable to City of Cape Town & George.
Municipal Systems Improvement Grant (MSIG)	• The municipal systems improvement grant will be implemented as an indirect grant in the 2016 MTEF period. • Fund a range of projects in municipalities in support of the Back to Basics strategy.
Asset Management	• The grant review has proposed several changes to incentivise asset management practices that improve functionality and reliability over the full life-cycle of municipal infrastructure. • This includes allowing grant funds to be used to refurbish infrastructure (in the past, the focus was largely on constructing new infrastructure) and establish asset maintenance plans.
Energy Efficiency and Demand-Side Management Grant	• To provide subsidies to municipalities to implement Energy Efficiency and Demand Side Management initiatives within municipal infrastructure in order to reduce electricity consumption and improve energy efficiency. • Elected municipalities to implement energy-efficiency projects, with a focus on public lighting and energy-efficient municipal infrastructure. • CoCT, Breede Valley, Drakenstein and Stellenbosch municipalities are recipients of this grant.
Demarcation Grant	• The Western Cape Province is unaffected by the demarcation and as such is not entitled to any assistance provided.