

# **OVERBERG DISTRICT MUNICIPALITY**



## **Medium Term Revenue and Expenditure Framework (MTREF)**

**MTREF BUDGET:**

**2021/2022 – 2023/2024**

## Contents

SECTION A - PART 1.....	1
1. Glossary.....	1
2. Mayors Report.....	3
3. Resolutions.....	6
4. Executive Summary.....	8
5. Budget Tables.....	19
SECTION A - PART 2.....	31
1. Overview of Annual Budget Process.....	31
2. Overview of Alignment of budget to IDP.....	33
3. Measurable performance Objectives and Indicators.....	34
4. Overview of Budget related Policies.....	35
5. Overview of Budget Assumptions.....	36
6. Overview of Budget Funding.....	37
7. Expenditure on allocations and Grant Programmes.....	46
8. Allocations and Grants made by the municipality.....	47
9. Councillor member allowances and employee benefits.....	47
10. Monthly targets for revenue, expenditure and cash flow.....	48
11. Budget and SDBIP implementation plans.....	48
12. Contracts having future budgetary implications.....	48
13. Capital expenditure details.....	48
14. Legislation compliance status.....	48
15. Other supporting documents.....	49
16. Municipal Manager Quality Certification.....	49

<b>SECTION B – BUDGET</b> .....	<b>50</b>
<b>1. Operating Budget</b> .....	<b>50</b>
<b>2. Capital Budget</b> .....	<b>51</b>
<b>3. Tariffs</b> .....	<b>52</b>
<b>4. MFMA Municipal Budget Circulars for the 2020/21 MTREF</b> .....	<b>67</b>
<b>5. Service Level Standards</b> .....	<b>185</b>
<b>6. Procurement Plan</b> .....	<b>187</b>
<b>7. Budget Schedules</b> .....	<b>189</b>

# SECTION A - PART 1

## 1. Glossary

**Adjustments Budgets** – Prescribed in section 28 of the Municipal Finance Management Act. It is the formal means by which a municipality may revise its budget during a financial year.

**Allocations** – Money received from Provincial and National Treasury.

**Budget** – The financial plan of a municipality.

**Budget related policy** – Policy of a municipality affecting or affected by the budget.

**Capital Expenditure** – Spending on municipal assets such as land, buildings and vehicles. Any capital expenditure must be reflected as an asset on a municipality's balance sheet.

**Cash Flow Statement** – A statement showing when actual cash will be received and spent by the Municipality, and the month end balances of cash and short-term investments. Cash receipts and payments do not always coincide with budgeted revenue and expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month that the services or goods are received, even though it may not be paid in the same period.

**DORA** – Division of Revenue Act. The annual piece of legislation that indicate the allocations from National Government to Local Government.

**Equitable Share** – A general grant paid to municipalities. It is predominantly targeted to assist with free basic services.

**GDFI** - Gross Domestic Fixed Investment

**GFS** – Government Finance Statistics. An internationally recognised classification system that facilitates comparisons between municipalities.

**ICT** – Information Communication Technology

**IDP** – Integrated Development Plan. The main strategic planning document of a municipality.

**KPI** – Key Performance Indicators. Measures of service output and/or outcome.

**MBBR** - Municipal Budget Reporting Regulations

**MFMA** - Municipal Finance Management Act (No 53 of 2003). The principle piece of legislation relating to municipal financial management.

**MTREF** – Medium Term Revenue and Expenditure Framework as prescribed by the MFMA sets out indicative revenue and projected expenditure for the budget year plus two outer financial years to determine the affordability level.

**ODM** – Overberg District Municipality

**Operating Expenditure** – Spending on the day to day expenses of a municipality such as general expenses, salaries & wages and repairs & maintenance.

**Rates** – Local Government tax based on assessed valuation of a property.

**TMA** – Total Municipal Account

**SDBIP** – Service Delivery Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

**Strategic Objectives** – The main priorities of a municipality as set out in the IDP Budgeted spending must contribute towards achievement of these strategic objectives.

**Vote** – One of the main segments into which a budget is divided, usually at department level.

## 2. Mayors Report

It is my privilege as Mayor, to table hereby the Medium-Term Revenue & Expenditure Framework (MTREF) budget for 2021/2022.

In terms of the Municipal Financial Management Act (MFMA), the municipality tabled a draft budget for public participation before the final budget was compiled to be submitted to Council for approval. Due processes were followed to obtain inputs and comments for consideration in finalizing the budget.

Honourable Speaker and Councillors, the tabling of the MTREF budget occurs within the context of a challenging fiscal and economic context. I am concerned about the Council's diminishing revenue resources against the rise in expenditure which may negatively impact on the fulfilling of the legislative functions of the municipality. We therefore must engage with Provincial and National Government, in order to review the statistics and formula that determines Overberg District Municipality's equitable share against the cost to continue render effective and sufficient core services such as Emergency (Fire and Disaster Management) and Municipal Health Service.

Although the compilation of this year's budget was again difficult and complex, the Integrated Development Plan and the municipal Long-term Financial Plan provides direction to what can be budgeted for. The spending of funds from this budget must be in line with the National Development Plan and Provincial strategic goals. We as a municipality need to endeavour to strategically and proactively manage sustainability to survive.

The budget is limited and will have to be managed effectively, efficiently and economically. Innovative plans will have to be executed to ensure necessary service delivery. Therefore, this year a zero-based approach was followed by management when compiling the budget and attention was given to cut on cost containment items.

The following main considerations has been considered, in compiling the budget:

- As a grant dependant municipality, the reduced increase of the equitable share
- Utilizing R5 million of the gains received from the selling of municipal property to necessary long overdue maintenance of Council assets
- Restricting salary and wage increases to the 2.8% mandate given by SALGA
- Restricting tariff increases by 4%

Allow me to highlight the important aspects of this budget:

The municipality partnered with Inter-governmental and other spheres of Government to implement and facilitate development within Overberg District Municipality. I am proud to confirm that the successful establishment of the Overberg District Safety Forum (ODSF); still made huge progress to manage incidents of unrest and crime over the last few months; demonstrated several significant successes, mainly due to the “teamwork”, integrated, consultative and inclusive approach, adopted.

Partnerships was also established with the private sector, Santam, to add to existing Provincial Government funding to establish a Fire Service training centre. Indeed, this a wonderful and much needed facility that would not have been possible with own funding. This facility is reaching completion stage and will commissioned during June 2021.

An amount of R200 000 was also provide for Social Development projects that would be utilized to capacitate the community and the youth of the Overberg District in various fields in an effort to uplift the skill set and readiness for entering the job market. The emphasis will fall on projects such as gender-based violence.

The regional landfill site at Karwyderskraal that had been constructed in 2018/19 and became operational during the 2019/20 financial year, is still functioning to its capacity and remains a best practice model for the Western Cape. Due to the adjacent owners that do not want to sell their properties, other alternatives in spending the remaining loan funding still available, are investigated. It is however important the whatever projects are

invested into; we need to ensure that a proper return is received on our investment of the remaining loan funding spent.

It is also important that a clear strategic direction for the resorts be determined to ensure that the resorts operates effectively, adds value to the tourism potential of the district and provide an additional revenue stream, which is much needed. Additional funding had been also been provided on the budget for long overdue maintenance and upgrading to the existing facilities.

The total operating budget for 2021/22 amounts to R253 950 152 while the capital budget amounts to R4 988 500.

The capital budget highlights the following:

Electricity Back-up system for Council offices	R 750 000
Fire Service Vehicle Replacement	R 2.1 million
Fire Service Vehicle upgrade/refurbishment	R 600 000
Upgrading of Bungalows – Uilenkraalsmond	R 350 000

I am proud of our excellent officials and the commitment of councillors who enabled Overberg District Municipality to reach the goal set, in obtaining an unqualified audit report from the Auditor General. The two findings we received in respect of non-compliance, we took under review with the AG and are awaiting the outcome of the results.

I would like to take this opportunity to thank the Municipal Manager, the Management and Budget Team, for the compilation of the 2021/22 budget.

Therefor this 2021/22 final budget is presented for approval and implementation.

I thank you,

Executive Mayor  
Ald AE Franken



### 3. Resolutions

#### **MTREF BUDGET 2021/2022**

The resolution tabled at Council for consideration upon approval of the adjustment budget is:

#### **RECOMMENDATION:**

That Council approves the following:

- 1) That the consolidated Operating budget of R258 938 652, consisting of an Operating budget of R253 950 152 (resulting in a surplus R 1 274 113 after tariff increases) and a Capital budget of R4 988 500, and budgeted cash flows, as set out in the Municipal Budget be adopted and approved by Council and that it constitutes the Budget of the Council for 2021/2022 financial year as well as the medium term (indicative) budgets for the 2022/2023 and 2023/2024 financial years.
- 2) That the tariffs as per tariff list be approved.
- 3) That all other matters prescribed in sections 17(1) (a-e); 17(2) and 17(3) (a-m) of the Municipal Finance Management Act are included in or accompany the budget document be approved.
- 4) That the measurable performance objectives for 2021/2022 for operating revenue by source and by vote be approved.
- 5) That the following budget related policies be approved:
  - Asset Management Policy (**as amended**)
  - Credit Control and Debt Collection Policy
  - Cash Management and Investment Policy
  - Tariff Policy
  - Supply Chain Management Policy (**as amended**)
  - Virement Policy
  - Borrowing Policy

- Funding and Reserves Policy
- Budget Policy
- Customer Care Policy
- Demand Management Policy
- Infrastructure and delivery Management Policy
- Infrastructure investment and Capital projects Policy
- Liquidity Policy
- Long term Financial Planning Policy
- Management and Admin of Immovable Assets Policy
- Payroll Management and Administration Policy
- Preferential Procurement Policy
- Travelling and Subsistence Policy
- Cost containment Policy

## 4. Executive Summary

The Municipality's 2021/2022 total budget amounts to R R258 938 652, represented by a Capital Budget of R4 988 500 and an Operating Budget of R253 950 152, resulting in a surplus R 1 274 113 after tariff increases.

Primary Operating Budget revenue- and expenditure categories reflect the following year-on-year budget value increases (estimated 2021/22 vs. adjusted 2020/2021 budget):

### *Performance of services*

<b>FUNCTIONAL DEPARTMENT</b>	<b>ADJUSTED BUDGET 2020/21</b>	<b>DRAFT BUDGET 2021/22</b>	<b>FINAL BUDGET 2021/22</b>	<b>% FINAL VS ADJUSTED</b>
COM SERV & SOCIAL DEV	R1 585 319	R2 368 291	R2 500 054	57.70%
CORPORATE SERVICES	R10 378 842	R9 184 548	R13 167 479	26.87%
COUNCIL GENERAL	<b>-R12 493 594</b>	<b>-R5 654 257</b>	<b>-R17 325 136</b>	38.67%
ENVIREM HEALTH	R2 505 832	R2 947 021	R3 591 893	43.34%
FINANCE	<b>-R63 051 474</b>	<b>-R58 309 347</b>	<b>-R56 147 101</b>	-10.95%
FIRE & EMERG SERVICES	R28 997 248	R27 448 507	R28 306 404	-2.38%
HEALTH SERVICES	R16 860 183	R16 190 664	R17 278 477	2.48%
HOLIDAY RESORTS	R2 766 905	<b>-R956 404</b>	<b>-R105 322</b>	-103.81%
IDP, PERF & RISK	R2 741 296	R2 810 085	R2 882 483	5.15%
IT SYSTEMS	R3 981 717	R3 464 943	R3 484 849	-12.48%
KWK WASTE LANDFILL SITE	<b>-R3 040 905</b>	<b>-R4 597 328</b>	<b>-R4 397 328</b>	44.61%
MM & AUDIT OFFICE	R5 061 374	R4 798 050	R5 489 135	8.45%
ROADS DIVISION	R0	R0	R0	0.00%
<b>TOTAL EXPENDITURE</b>	<b>-R3 707 257</b>	<b>-R305 227</b>	<b>-R1 274 113</b>	<b>-65.63%</b>

As per requirements, municipalities must strive to budget for a surplus, as a deficit is indicative as one of the signs of an unfunded budget. Thus, the result above are complying to the above and the final budget is reflected as funded according to Schedule A8 and SA10. Provincial Treasury also confirmed that the Draft budget was funded.

Both functional departments of Waste and Resorts are also making a surplus which mean that their tariffs are cost reflective. The Emergency and Health Services shortfall is around

R45 million in total of which R33 million or 72% are “unfunded” due to insufficient equitable share allocation and any other revenue sources for rendering these core functions.

### **Revenue Increases**

Total operating revenue in respect of ODM increased with 1.94%.

Breakdown of main revenue increases:

- Equitable Share allocation: - 0.22%
- Agency fee for Road function: 3%
- Karwyderskraal (Landfill Site): 3.4%
- Resorts: 19.8% (Revenue to normalize after Covid-19 lockdown reductions)
- Fire brigade: 2.8%
- Gains from selling of property: 43%

<b>FUNCTIONAL DEPARTMENT</b>	<b>ADJUSTED BUDGET 2020/21</b>	<b>DRAFT BUDGET 2021/22</b>	<b>FINAL BUDGET 2021/22</b>	<b>% FINAL VS ADJUSTED</b>
COM SERV & SOCIAL DEV	-R1 188 000	-R1 053 000	-R1 053 000	-11.36%
CORPORATE SERVICES	-R63 530	-R29 200	-R29 200	-54.04%
COUNCIL GENERAL	-R20 530 001	-R13 250 357	-R24 921 236	21.39%
ENVIREM HEALTH	-R200 000	-R135 200	-R135 200	-32.40%
FINANCE	-R90 158 916	-R85 972 960	-R85 972 960	-4.64%
FIRE & EMERG SERVICES	-R4 135 000	-R4 020 432	-R4 020 432	-2.77%
HEALTH SERVICES	-R500 000	-R369 121	-R369 121	-26.18%
HOLIDAY RESORTS	-R13 296 700	-R15 494 410	-R15 926 872	19.78%
IDP, PERF & RISK	-R767 475	-R773 844	-R773 844	0.83%
KWK WASTE LANDFILL SITE	-R12 015 000	-R12 627 534	-R12 427 534	3.43%
<b>ODM REVENUE</b>	<b>-R142 854 622</b>	<b>-R133 726 058</b>	<b>-R145 629 399</b>	<b>1.94%</b>
ROADS SUBSIDY	-R115 906 987	-R110 419 643	-R109 594 866	-5.45%
<b>TOTAL REVENUE</b>	<b>-R258 761 609</b>	<b>-R244 145 701</b>	<b>-R255 224 265</b>	<b>-1.37%</b>

As result of the impact of the Covid-19 pandemic on the economy, the revenue from the resorts due to the closing thereof, was reduced drastically in the 2020/21 budgets. Subsequently, these revenue streams return to the old levels after the lock down periods had been opened again.

Gains from the selling of properties did not realized during 2020/21 but offers received will not be submitted to Council for approval. The figure in the 2021/22 estimates is based on the actual gains that will be recorded once these offers are accepted.

An increase of 4% on all other tariffs had been proposed and considered into the revenue projections. This is within the 3 to 6% tariff increase guidelines provided by National Treasury.

REVENUE SOURCE	ADJUSTED BUDGET 2020/21	DRAFT BUDGET 2021/22	FINAL BUDGET 2021/22	% FINAL VS ADJUSTE
Equitable Share	-R77 548 000	-R77 375 000	-R77 375 000	-0.22%
Conditional Grants	-R11 814 416	-R7 391 000	-R7 391 000	-37.44%
<b>TOTAL GRANTS</b>	<b>-R89 362 416</b>	<b>-R84 766 000</b>	<b>-R84 766 000</b>	<b>-5.14%</b>
Donation	-R50 000	R0	R0	-100.00%
Enviromental Health	-R200 000	-R135 200	-R135 200	-32.40%
Fire Service	-R4 135 000	-R4 020 432	-R4 020 432	-2.77%
Gains on sale land	-R9 419 772	R0	-R13 485 250	43.16%
Health Service	-R500 000	-R369 121	-R369 121	-26.18%
Interest on Investments	-R1 800 000	-R2 143 500	-R2 143 500	19.08%
KWK Landfill site	-R12 015 000	-R12 627 534	-R12 427 534	3.43%
Resorts	-R13 296 700	-R15 494 410	-R15 926 872	19.78%
Roads Agency fee	-R11 110 229	-R13 250 357	-R11 435 986	2.93%
Shared Risk recovery	-R767 475	-R773 844	-R773 844	0.83%
Sundry Income	-R198 030	-R145 660	-R145 660	-26.45%
<b>ODM OWN REVENUE</b>	<b>-R53 492 206</b>	<b>-R48 960 058</b>	<b>-R60 863 399</b>	<b>13.78%</b>
<b>ODM GRANTS &amp; OWN REV</b>	<b>-R142 854 622</b>	<b>-R133 726 058</b>	<b>-R145 629 399</b>	<b>1.94%</b>
ROADS SUBSIDY	-R115 906 987	-R110 419 643	-R109 594 866	-5.45%
<b>TOTAL REVENUE</b>	<b>-R258 761 609</b>	<b>-R244 145 701</b>	<b>-R255 224 265</b>	<b>-1.37%</b>

The amount of R13 485 432 reflecting as gains from the sale of land is based on actual offers received minus cost value. No revenue was recorded against the previous year's provision.

### ***Equitable Share***

The equitable share allocation will increase as follows over the medium term

FIN YEAR	2020/21 Original	2020/21 Adjusted	2021/22	2022/23	2023/24
Allocation	-R74 636 000	-R77 548 000	-R77 375 000	-R79 984 000	-R81 348 000
Change		3.90%	-0.22%	3.37%	1.71%

Due to the revenue adjustment factor, Overberg District Municipality does not receive its full equitable share. Based on the calculation beneath, even if the lost portion for community services is received, ODM still reflects “Unfunded mandate shortfall of equitable share revenue of R33 million on Municipal health and Fire Services.

<b>CALCULATION OF EQUITABLE SHARE</b>				
<b>COMPONENT</b>	<b>TOTAL</b>	<b>BASIC SERVICES</b>	<b>INSTITUTIONAL</b>	<b>COMMUNITY SERVICES</b>
None	R0	R0		
Base	R7 723 501		R7 723 501	
Amount per Councillor (R910 425x21)	R19 118 920		R19 118 920	
Mun Health & Other District Services Amount per Household pm = R10.81x99 798	R12 949 229			R12 949 229
<b>Total</b>	<b>R39 791 650</b>	<b>R0</b>	<b>R26 842 421</b>	<b>R12 949 229</b>
Revenue Adjustment Factor - 58% (rounded)	R23 056 000	R0	R15 552 983	R7 503 017
RSC Levies Replacement Grant	R54 319 000		R11 289 438	R5 446 212
<b>TOTAL EQUITABLE SHARE</b>	<b>R77 375 000</b>		<b>Shortfall?</b>	<b>R16 735 650</b>

As discussed at the TIME and SIME meetings, a review will be performed based on the latest populations statistics to review what the impact will be on the equitable share when applied in the current formula. Continue discussions and engagements should made between the Municipalities and the Provincial and Local Government forums on this issue.

Currently local municipalities are contributing towards Fire Services but no additional funding is received from the Provincial Health Department for the rendering of Municipal Health Services by District Municipalities.

<b>COMMUNITY SERVICES</b>	<b>NETT COST (after Rev)</b>	<b>%</b>
Fire & Emergency	R28 997 248	
Health	R16 860 183	
<b>TOTAL</b>	<b>R45 857 431</b>	<b>100%</b>
Equitable share	<b>-R7 503 017</b>	<b>-16%</b>
"Unfunded mandate"?	R38 354 414	
<b>Due to Rev Adjust factor</b>	<b>-R5 446 212</b>	<b>-12%</b>
<b>Balance still unfunded</b>	<b>R32 908 202</b>	<b>72%</b>

### ***Expenditure Departmental and Category increases***

Expenditure just in respect of ODM increased with 3.74%. Following is the expenditure per functional department.

<b>FUNCTIONAL DEPARTMENT</b>	<b>ADJUSTED BUDGET 2020/21</b>	<b>DRAFT BUDGET 2021/22</b>	<b>FINAL BUDGET 2021/22</b>	<b>% FINAL VS ADJUSTED</b>
COM SERV & SOCIAL DEV	R2 773 319	R3 421 291	R3 553 054	28.12%
CORPORATE SERVICES	R10 442 372	R9 213 748	R13 196 679	26.38%
COUNCIL GENERAL	R8 036 407	R7 596 100	R7 596 100	-5.48%
ENVIREM HEALTH	R2 705 832	R3 082 221	R3 727 093	37.74%
FINANCE	R27 107 442	R27 663 613	R29 825 859	10.03%
FIRE & EMERG SERVICES	R33 132 248	R31 468 939	R32 326 836	-2.43%
HEALTH SERVICES	R17 360 183	R16 559 785	R17 647 598	1.66%
HOLIDAY RESORTS	R16 063 605	R14 538 006	R15 821 550	-1.51%
IDP, PERF & RISK	R3 508 771	R3 583 929	R3 656 327	4.21%
IT SYSTEMS	R3 981 717	R3 464 943	R3 484 849	-12.48%
KWK WASTE LANDFILL SITE	R8 974 095	R8 030 206	R8 030 206	-10.52%
MM & AUDIT OFFICE	R5 061 374	R4 798 050	R5 489 135	8.45%
<b>ODM EXPENDITURE</b>	<b>R139 147 365</b>	<b>R133 420 831</b>	<b>R144 355 286</b>	<b>3.74%</b>
ROADS DIVISION OPEX	R115 906 987	R110 419 643	R109 594 866	-5.45%
<b>TOTAL EXPENDITURE</b>	<b>R255 054 352</b>	<b>R243 840 474</b>	<b>R253 950 152</b>	<b>-0.43%</b>

Following is the expenditure inclusive of both ODM and Roads function per category, indicating the change in relation to the 2020/21 Adjusted Budget:

<b>FUNCTIONAL DEPARTMENT</b>	<b>ADJUSTED BUDGET 2020/21</b>	<b>DRAFT BUDGET 2021/22</b>	<b>FINAL BUDGET 2021/22</b>	<b>% FINAL VS ADJUSTED</b>
Councillor allowances	R6 341 182	R6 547 786	R6 547 786	3.26%
Depreciation&Provisions	R3 766 797	R4 613 948	R4 813 948	27.80%
Employee provisions	R3 799 000	R4 093 603	R4 093 603	7.75%
Employee related cost	R72 020 664	R72 686 926	R74 279 512	3.14%
Grant Expenses	R7 398 243	R7 391 000	R7 291 000	-1.45%
Interest&Insurance	R4 401 225	R4 395 350	R4 395 350	-0.13%
Operational cost	R22 194 454	R19 671 380	R20 661 593	-6.91%
Outsourced Service	R8 371 882	R8 471 918	R8 521 918	1.79%
Repair&Maintenance	R7 830 190	R5 098 920	R9 497 538	21.29%
Staff training&Bursaries	R255 000	R350 000	R650 000	154.90%
TASK estimates	R2 756 728	R0	R3 403 038	23.44%
Roads OPEX	R115 906 987	R110 419 643	R109 594 866	-5.45%
Social Contribution Projects	R12 000	R100 000	R200 000	1566.67%
<b>Grand Total</b>	<b>R255 054 352</b>	<b>R243 840 474</b>	<b>R253 950 152</b>	<b>-0.43%</b>



The adjusted increases per category will now be as follows:

FUNCTIONAL DEPARTMENT	ADJUSTED BUDGET 2020/21	DRAFT BUDGET 2021/22	FINAL BUDGET 2021/22	% FINAL VS ADJUSTED
Advertising	R509 300	R375 400	R375 400	-26.29%
Alien Vegetation	R302 468	R338 484	R924 306	205.59%
Business& Advisory	R1 737 980	R1 246 847	R1 637 060	-5.81%
Catering&Entertainment	R55 000	R45 000	R45 000	-18.18%
Communication	R1 733 262	R1 553 353	R1 553 353	-10.38%
Conditional Grants	R7 398 243	R7 391 000	R7 391 000	-0.10%
Contractors Maint Buildings	R1 226 200	R999 204	R4 557 000	271.64%
Contractors Maint Equipment	R396 300	R194 000	R374 000	-5.63%
Contractors Maint Other	R5 000	R5 000	R5 000	0.00%
Contractors Maint Vehicles	R3 256 825	R1 145 128	R1 220 128	-62.54%
Councillors Allowances	R6 341 182	R6 547 786	R6 547 786	3.26%
Depreciation	R3 575 545	R4 613 948	R4 613 948	29.04%
Domestic Subsistence	R294 936	R55 015	R55 015	-81.35%
Employee related	R72 020 664	R72 686 926	R74 279 512	3.14%
Employee related provisions	R3 799 000	R4 093 603	R4 093 603	7.75%
TASK estimates	R2 756 728	R0	R3 403 038	23.44%
External Computer Service	R2 760 915	R2 456 035	R2 456 035	-11.04%
Health Service	R196 601	R202 721	R202 721	3.11%
Insurance	R1 022 851	R1 113 902	R1 113 902	8.90%
Interest, Borrowing&Bank cost	R6 124 374	R3 281 448	R3 281 448	-46.42%
Inventory&Consumables	R2 643 397	R2 417 104	R2 417 104	-8.56%
Laboratory Services	R603 900	R655 000	R655 000	8.46%
Legal cost	R634 600	R340 000	R540 000	-14.91%
Municipal Services	R5 582 330	R5 511 204	R5 911 204	5.89%
Operational Leases	R1 237 740	R1 387 510	R1 387 510	12.10%
OPEX Audit fees	R3 710 330	R3 000 000	R3 000 000	-19.14%
OPEX Other Admin costs	R158 216	R129 190	R129 190	-18.35%
OPEX Printing cost	R259 526	R196 731	R196 731	-24.20%
OPEX Uniforms & Prot Cloth	R561 300	R752 000	R752 000	33.97%
OPEX: M/ship Prof Bodies	R796 238	R730 780	R730 780	-8.22%
OPEX: Staff Costs	R1 431 180	R1 341 794	R1 341 794	-6.25%
Outsourced Serv-Fire	R1 650 000	R1 650 000	R1 700 000	3.03%
Outsourced Serv-Other	R404 000	R155 000	R155 000	-61.63%
Outsourced Serv-Security	R1 635 153	R1 655 152	R1 655 152	1.22%
Outsourced Serv-Waste	R4 682 729	R5 011 766	R5 011 766	7.03%
Provision for bad debt	R191 252	R0	R200 000	4.57%
Staff Training	R107 600	R25 300	R225 300	109.39%
Social Contribution Projects	R12 000	R100 000	R200 000	1566.67%
Transport & Travel cost	R78 500	R17 500	R17 500	-77.71%
<b>TOTAL ODM EXPENDITURE</b>	<b>R141 893 365</b>	<b>R133 420 831</b>	<b>R144 355 286</b>	<b>1.74%</b>
ROADS Other OPEX	R67 885 987	R55 683 000	R60 378 326	-11.06%
ROADS - Employee cost	R45 414 000	R52 019 643	R46 499 540	2.39%
ROADS - Employee cost provisions	R2 607 000	R2 717 000	R2 717 000	4.22%
<b>TOTAL ROADS EXPENDITURE</b>	<b>R115 906 987</b>	<b>R110 419 643</b>	<b>R109 594 866</b>	<b>-5.45%</b>
<b>TOTAL EXPENDITURE</b>	<b>R257 800 352</b>	<b>R243 840 474</b>	<b>R253 950 152</b>	<b>-1.49%</b>

### **Employee Related cost**

The table below reflect the total adjusted increase provision of 3.47%. This in inclusive of the provisions (as per actuary reports) and the TASK estimate.

The annual increments include a 1.5% notch increases, as provided in the draft budget, plus the 2.8% additional provision made in the final budget. This is based on the latest SALGA mandate given by the employer.

<b>DESCRIPTION</b>	<b>ADJUSTED BUDGET 2020/21</b>	<b>DRAFT BUDGET 2021/22</b>	<b>FINAL BUDGET 2021/22</b>	<b>% FINAL VS ADJUSTED</b>
Employee related	R72 020 664	R72 686 926	R74 279 512	3.14%
Employee related provisions	R3 799 000	R4 093 603	R4 093 603	7.75%
TASK Estimates	R2 756 728	R0	R3 403 038	23.44%
<b>ODM Employee Related OPEX</b>	<b>R78 576 392</b>	<b>R76 780 529</b>	<b>R81 776 153</b>	<b>4.07%</b>
ROADS - Employee cost	R45 414 000	R52 019 643	R46 499 540	2.39%
ROADS - Employee cost provisions	R2 607 000	R2 717 000	R2 717 000	4.22%
<b>ROADS Employee Related OPEX</b>	<b>R48 021 000</b>	<b>R54 736 643</b>	<b>R49 216 540</b>	<b>2.49%</b>
TOTAL Employee provisions	R6 406 000	R6 810 603	R6 810 603	6.32%
TOTAL Employee related cost	R120 191 392	R124 706 569	R124 182 090	3.32%
<b>TOTAL EMPLOYEE COST</b>	<b>R126 597 392</b>	<b>R131 517 172</b>	<b>R130 992 693</b>	<b>3.47%</b>

### **Capital Expenditure**

No changes were made to the draft Capital programme and budget provisions. The full amount of R4 988 500 will be financed from the Capital Replacement Reserve (CRR).

<b>OVERBERG DISTRICT MUNICIPALITY -CAPITAL BUDGET FOR 2021/22</b>			
<b>PROJECT</b>	<b>DEPARTMENT</b>	<b>PROJECT</b>	<b>BUDGET</b>
1	Corporate Services	Electricity Back-up system	R750 000
2	Information Technology	Computer equipment	R500 000
3	Finance	Utility Vehicle	R250 000
4	Municipal Health	Furniture and fittings	R18 000
5	Municipal Health	Computer equipment	R4 000
6	Environmental Management	Water system Karwyderskraal	R255 000
7	Resorts	Wooden House	R57 000
8	Resorts	Upgrading of Bungalows - Uilenkraalsmond	R304 500
9	Resorts	Office Equipment and furniture Uilenkraalsmond	R50 000
10	Emergency Services	Capital Rescue Equipment	R100 000
11	Emergency Services	Capital Vehicle replacement	R2 100 000
12	Emergency Services	Vehicle upgrade/refurbishment	R600 000
	<b>TOTAL CAPITAL BUDGET</b>	<b>Finance from Capital Replacement Reserve (CRR)</b>	<b>R4 988 500</b>

## MTREF 2021/2022 – 2023/2024 Budgets

After the necessary adjustments were made on the MTREF draft budget, it resulted in the adjusted amounts as calculated in the schedule below:

SUMMARY	BUDGET 2021/22	BUDGET 2022/23	BUDGET 2023/24
<b>DRAFT EXPENDITURE</b>	<b>R243 840 474</b>	<b>R250 985 597</b>	<b>R259 734 261</b>
Additional Salaries	R1 592 586		
Task estimates	R3 403 038		
Additional maintenance	R4 888 831		
Other OPEX	R1 050 000	R620 000	R640 000
Roads function	-R824 777	-R6 276 018	-R6 356 396
<b>FINAL EXPENDITURE</b>	<b>R253 950 152</b>	<b>R245 329 579</b>	<b>R254 017 865</b>
<b>DRAFT REVENUE</b>	<b>-R244 145 701</b>	<b>-R251 828 240</b>	<b>-R260 549 808</b>
Gain from Sale of Land	-R13 485 250	-R1 500 000	-R1 500 000
Resorts	-R432 462	-R400 000	R200 000
Roads Agency	R1 814 371	R2 455 786	R2 543 412
Solid Waste	R200 000		
Roads function	R824 777	R6 276 018	R6 356 396
Fire Service	R0	-R1 250 000	-R1 500 000
Grant correction	R0	R0	R90 000
<b>FINAL REVENUE</b>	<b>-R255 224 265</b>	<b>-R246 246 436</b>	<b>-R254 360 000</b>
<b>DRAFT SURPLUS</b>	<b>-R305 227</b>	<b>-R842 643</b>	<b>-R815 547</b>
Nett Adjustment	-R968 886	-R74 214	R473 412
<b>FINAL SURPLUS</b>	<b>-R1 274 113</b>	<b>-R916 857</b>	<b>-R342 135</b>

Following is the summary tables for the MTREF Budget over the next 3-year term:

## MTREF Budget Performance per Department/Service

The budgeted projections of the Waste service and Resorts will result in a surplus as required from Trade services. The result outcome over the MTREF period is projected on a surplus.

FUNCTIONAL DEPARTMENT	FINAL BUDGET 2021/22	FINAL BUDGET 2022/23	FINAL BUDGET 2023/24
COM SERV & SOCIAL DEV	R2 500 054	R2 403 549	R2 462 046
CORPORATE SERVICES	R13 167 479	R9 413 357	R9 715 447
COUNCIL GENERAL	-R17 325 136	-R5 112 739	-R5 418 403
ENVIREM HEALTH	R3 591 893	R3 442 784	R3 545 103
FINANCE	-R56 147 101	-R60 391 297	-R61 088 713
FIRE & EMERG SERVICES	R28 306 404	R27 064 010	R27 589 125
HEALTH SERVICES	R17 278 477	R16 577 125	R17 030 533
HOLIDAY RESORTS	-R105 322	-R524 291	-R291 247
IDP, PERF & RISK	R2 882 483	R2 842 728	R2 906 822
IT SYSTEMS	R3 484 849	R3 585 230	R3 724 951
KWK WASTE LANDFILL SITE	-R4 397 328	-R5 107 480	-R5 544 988
MM & AUDIT OFFICE	R5 489 135	R4 890 167	R5 027 191
ROADS DIVISION	R0	R0	R0
<b>RESULT SURPLUS/DEFICIT</b>	<b>-R1 274 113</b>	<b>-R916 857</b>	<b>-R342 135</b>

## MTREF Budget Expenditure per Department/Service

FUNCTIONAL DEPARTMENT	FINAL BUDGET 2021/22	FINAL BUDGET 2022/23	FINAL BUDGET 2023/24
COM SERV & SOCIAL DEV	R3 553 054	R2 403 549	R2 462 046
CORPORATE SERVICES	R13 196 679	R9 443 783	R9 747 212
COUNCIL GENERAL	R7 596 100	R7 738 347	R7 952 559
ENVIREM HEALTH	R3 727 093	R3 583 662	R3 692 179
FINANCE	R29 825 859	R28 281 581	R28 966 779
FIRE & EMERG SERVICES	R32 326 836	R32 486 629	R33 445 339
HEALTH SERVICES	R17 647 598	R16 961 749	R17 432 080
HOLIDAY RESORTS	R15 821 550	R15 625 499	R16 203 526
IDP, PERF & RISK	R3 656 327	R3 649 073	R3 748 646
IT SYSTEMS	R3 484 849	R3 585 230	R3 724 951
KWK WASTE LANDFILL SITE	R8 030 206	R7 899 060	R7 851 967
MM & AUDIT OFFICE	R5 489 135	R4 890 167	R5 027 191
<b>ODM EXPENDITURE</b>	<b>R144 355 286</b>	<b>R136 548 329</b>	<b>R140 254 475</b>
ROADS DIVISION	R109 594 866	R108 781 250	R113 763 390
<b>TOTAL EXPENDITURE</b>	<b>R253 950 152</b>	<b>R245 329 579</b>	<b>R254 017 865</b>

## MTREF Budget Revenue per Department/Service

FUNCTIONAL DEPARTMENT	FINAL BUDGET 2021/22	FINAL BUDGET 2022/23	FINAL BUDGET 2023/24
COM SERV & SOCIAL DEV	-R1 053 000	R0	R0
CORPORATE SERVICES	-R29 200	-R30 426	-R31 765
COUNCIL GENERAL	-R24 921 236	-R12 851 086	-R13 370 962
ENVIREM HEALTH	-R135 200	-R140 878	-R147 076
FINANCE	-R85 972 960	-R88 672 878	-R90 055 492
FIRE & EMERG SERVICES	-R4 020 432	-R5 422 619	-R5 856 214
HEALTH SERVICES	-R369 121	-R384 624	-R401 547
HOLIDAY RESORTS	-R15 926 872	-R16 149 790	-R16 494 773
IDP, PERF & RISK	-R773 844	-R806 345	-R841 824
KWK WASTE LANDFILL SITE	-R12 427 534	-R13 006 540	-R13 396 955
<b>ODM REVENUE</b>	<b>-R145 629 399</b>	<b>-R137 465 186</b>	<b>-R140 596 608</b>
ROADS REVENUE	-R109 594 866	-R108 781 250	-R113 763 392
<b>TOTAL REVENUE</b>	<b>-R255 224 265</b>	<b>-R246 246 436</b>	<b>-R254 360 000</b>

# 5. Budget Tables

## TABLE A1 – Budget Summary

### DC3 Overberg - Table A1 Budget Summary

Description	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	75	2 102	11 468	12 418	12 206	12 206	12 206	13 160	13 695	14 145
Investment revenue	2 937	2 159	1 896	1 800	1 800	1 800	1 800	2 144	2 234	2 332
Transfers recognised - operational	144 591	167 029	169 680	80 883	201 770	201 770	201 770	194 564	195 310	201 581
Other own revenue	32 094	29 731	30 501	141 991	39 281	39 281	39 281	45 357	35 007	36 302
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>179 696</b>	<b>201 021</b>	<b>213 545</b>	<b>237 092</b>	<b>255 057</b>	<b>255 057</b>	<b>255 057</b>	<b>255 224</b>	<b>246 246</b>	<b>254 360</b>
Employee costs	90 308	95 249	105 831	124 756	118 387	118 387	118 387	132 303	130 145	134 644
Remuneration of councillors	6 142	6 264	6 197	6 341	6 341	6 341	6 341	6 548	6 646	6 812
Depreciation & asset impairment	4 653	3 558	3 568	3 576	3 576	3 576	3 576	4 614	4 808	5 019
Finance charges	2 907	1 753	3 855	11 038	3 649	3 649	3 649	3 582	3 264	3 013
Inventory consumed and bulk purchases	43 286	48 585	42 327	42 932	65 819	65 819	65 819	45 269	42 279	44 138
Transfers and grants	120	360	-	401	680	680	680	250	-	-
Other expenditure	35 848	46 115	46 391	50 814	56 602	56 602	56 602	61 384	58 188	60 391
<b>Total Expenditure</b>	<b>183 264</b>	<b>201 884</b>	<b>208 170</b>	<b>239 858</b>	<b>255 054</b>	<b>255 054</b>	<b>255 054</b>	<b>253 950</b>	<b>245 330</b>	<b>254 018</b>
<b>Surplus/(Deficit)</b>	<b>(3 568)</b>	<b>(862)</b>	<b>5 375</b>	<b>(2 766)</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>1 274</b>	<b>917</b>	<b>342</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	890	1 483	691	2 100	3 700	3 700	3 700	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	-	5	5	5	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(2 678)</b>	<b>621</b>	<b>-</b>	<b>(666)</b>	<b>3 707</b>	<b>3 707</b>	<b>3 707</b>	<b>1 274</b>	<b>917</b>	<b>342</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>(2 678)</b>	<b>621</b>	<b>-</b>	<b>(666)</b>	<b>3 707</b>	<b>3 707</b>	<b>3 707</b>	<b>1 274</b>	<b>917</b>	<b>342</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>5 332</b>	<b>36 982</b>	<b>3 001</b>	<b>8 465</b>	<b>4 744</b>	<b>4 744</b>	<b>4 744</b>	<b>4 989</b>	<b>15 906</b>	<b>5 780</b>
Transfers recognised - capital	890	1 483	691	2 100	3 700	3 700	3 700	-	-	-
Borrowing	-	22 316	-	4 900	-	-	-	-	4 900	-
Internally generated funds	4 442	13 183	2 309	1 465	1 044	1 044	1 044	4 989	11 006	5 780
<b>Total sources of capital funds</b>	<b>5 332</b>	<b>36 982</b>	<b>3 001</b>	<b>8 465</b>	<b>4 744</b>	<b>4 744</b>	<b>4 744</b>	<b>4 989</b>	<b>15 906</b>	<b>5 780</b>
<b>Financial position</b>										
Total current assets	47 526	49 371	55 091	36 685	45 857	54 961	54 961	55 119	43 852	42 164
Total non current assets	83 844	102 209	97 728	124 181	107 611	98 666	98 666	100 114	112 446	114 405
Total current liabilities	33 015	32 195	37 067	30 734	33 170	34 835	34 835	36 115	37 497	38 973
Total non current liabilities	60 723	81 133	71 434	112 021	70 281	70 766	70 766	69 818	68 585	67 038
Community wealth/Equity	37 631	38 251	44 318	18 111	50 018	48 025	48 025	49 299	50 216	50 558
<b>Cash flows</b>										
Net cash from (used) operating	9 441	(735)	4 072	352	2 927	2 927	2 927	(4 392)	7 023	6 912
Net cash from (used) investing	(3 795)	(23 509)	(3 001)	955	4 681	4 681	4 681	8 497	(14 406)	(4 280)
Net cash from (used) financing	(1 206)	25 976	(2 872)	(2 949)	(2 949)	(2 949)	(2 949)	(3 296)	(3 684)	(4 120)
<b>Cash/cash equivalents at the year end</b>	<b>36 715</b>	<b>38 448</b>	<b>36 647</b>	<b>33 534</b>	<b>41 306</b>	<b>41 306</b>	<b>41 306</b>	<b>42 115</b>	<b>31 048</b>	<b>29 560</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	36 715	38 448	36 647	33 320	41 306	41 306	41 306	42 115	31 048	29 560
Application of cash and investments	(2 920)	(16 617)	(8 059)	(17 131)	(16 020)	(3 961)	(8 873)	788	(3 881)	(4 048)
<b>Balance - surplus (shortfall)</b>	<b>39 636</b>	<b>55 065</b>	<b>44 706</b>	<b>50 451</b>	<b>57 326</b>	<b>45 267</b>	<b>50 179</b>	<b>41 326</b>	<b>34 928</b>	<b>33 608</b>
<b>Asset management</b>										
Asset register summary (WDV)	60 839	80 619	78 740	95 749	79 179	79 179	79 179	79 554	90 652	91 412
Depreciation	4 653	3 558	3 568	3 576	3 576	3 576	3 576	4 614	4 808	5 019
Renewal and Upgrading of Existing Assets	2 387	34 414	1 131	5 165	459	459	459	873	10 996	505
Repairs and Maintenance	5 579	5 960	8 550	8 848	9 950	9 950	9 950	12 331	9 061	9 460
<b>Free services</b>										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
<b>Households below minimum service level</b>										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sew erage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

**TABLE A2 – Budget Financial Performance (Standard Classification)**

DC3 Overberg - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>R thousand</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		79 176	86 635	86 879	104 341	111 520	111 520	111 697	102 361	104 300
Executive and council		10 871	10 097	10 385	19 981	20 530	20 530	24 921	12 851	13 371
Finance and administration		68 305	76 538	76 495	84 361	90 990	90 990	86 776	89 510	90 929
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		18 923	19 717	19 394	21 426	19 120	19 120	21 369	21 957	22 753
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		15 843	16 313	15 651	16 791	14 485	14 485	16 980	16 150	16 495
Public safety		2 591	3 120	3 447	4 135	4 135	4 135	4 020	5 423	5 856
Housing		-	-	-	-	-	-	-	-	-
Health		490	285	296	500	500	500	369	385	402
<i>Economic and environmental services</i>		81 417	93 856	95 023	101 410	116 107	116 107	109 730	108 922	113 910
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		81 389	93 835	94 928	101 210	115 907	115 907	109 595	108 781	113 763
Environmental protection		28	21	95	200	200	200	135	141	147
<i>Trading services</i>		1 069	2 297	12 941	12 015	12 015	12 015	12 428	13 007	13 397
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		1 069	2 297	12 941	12 015	12 015	12 015	12 428	13 007	13 397
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>2</b>	<b>180 586</b>	<b>202 504</b>	<b>214 236</b>	<b>239 192</b>	<b>258 762</b>	<b>258 762</b>	<b>255 224</b>	<b>246 246</b>	<b>254 360</b>
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		42 111	40 071	41 057	57 878	58 320	58 320	64 340	58 590	60 191
Executive and council		11 357	10 600	10 401	11 326	11 193	11 193	10 722	10 701	10 997
Finance and administration		29 617	28 243	29 331	44 647	45 222	45 222	51 255	45 961	47 211
Internal audit		1 137	1 228	1 325	1 905	1 905	1 905	2 364	1 927	1 983
<i>Community and public safety</i>		56 684	60 322	60 321	65 111	67 744	67 744	66 849	65 074	67 081
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		18 573	18 238	16 825	16 810	17 252	17 252	16 875	15 625	16 204
Public safety		25 708	28 244	29 252	30 940	33 132	33 132	32 327	32 487	33 445
Housing		-	-	-	-	-	-	-	-	-
Health		12 403	13 840	14 245	17 360	17 360	17 360	17 648	16 962	17 432
<i>Economic and environmental services</i>		81 550	99 086	98 296	104 926	120 017	120 017	114 731	113 767	118 894
Planning and development		1 086	1 223	1 253	1 404	1 404	1 404	1 409	1 402	1 438
Road transport		78 406	95 514	94 751	100 852	115 907	115 907	109 595	108 781	113 763
Environmental protection		2 058	2 348	2 292	2 671	2 706	2 706	3 727	3 584	3 692
<i>Trading services</i>		2 919	2 405	8 495	11 943	8 974	8 974	8 030	7 899	7 852
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		2 919	2 405	8 495	11 943	8 974	8 974	8 030	7 899	7 852
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>183 264</b>	<b>201 884</b>	<b>208 170</b>	<b>239 858</b>	<b>255 054</b>	<b>255 054</b>	<b>253 950</b>	<b>245 330</b>	<b>254 018</b>
<b>Surplus/(Deficit) for the year</b>		<b>(2 678)</b>	<b>621</b>	<b>6 067</b>	<b>(666)</b>	<b>3 707</b>	<b>3 707</b>	<b>1 274</b>	<b>917</b>	<b>342</b>

## TABLE A3 - Budget Financial Performance (Rev & Exp by Municipal Vote)

DC3 Overberg - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>Revenue by Vote</b>	1									
Vote 1 - Municipal Manager		11 402	10 481	10 533	20 748	21 297	21 297	25 695	13 657	14 213
Vote 2 - Management Services		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		28	25	48	64	64	64	29	30	32
Vote 4 - Finance		67 746	76 130	76 297	83 530	90 159	90 159	85 973	88 673	90 055
Vote 5 - Community Services		101 410	115 870	127 357	134 851	147 242	147 242	143 527	143 886	150 060
<b>Total Revenue by Vote</b>	2	<b>180 586</b>	<b>202 504</b>	<b>214 236</b>	<b>239 192</b>	<b>258 762</b>	<b>258 762</b>	<b>255 224</b>	<b>246 246</b>	<b>254 360</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - Municipal Manager		14 915	14 169	14 132	16 650	16 607	16 607	16 742	16 278	16 728
Vote 2 - Management Services		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		8 291	8 866	10 657	14 357	14 424	14 424	16 682	13 029	13 472
Vote 4 - Finance		19 904	17 221	16 359	26 689	27 107	27 107	29 826	28 282	28 967
Vote 5 - Community Services		140 153	161 627	167 022	182 162	196 916	196 916	190 701	187 741	194 851
<b>Total Expenditure by Vote</b>	2	<b>183 264</b>	<b>201 884</b>	<b>208 170</b>	<b>239 858</b>	<b>255 054</b>	<b>255 054</b>	<b>253 950</b>	<b>245 330</b>	<b>254 018</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>(2 678)</b>	<b>621</b>	<b>6 067</b>	<b>(666)</b>	<b>3 707</b>	<b>3 707</b>	<b>1 274</b>	<b>917</b>	<b>342</b>



**TABLE A4 - Budget Financial Performance (Revenue & Expenditure)**

**DC3 Overberg - Table A4 Budgeted Financial Performance (revenue and expenditure)**

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>Revenue By Source</b>											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	15	-	-	412	200	200	200	747	704	765
Service charges - water revenue	2	-	-	-	6	6	6	6	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	60	2 102	11 468	12 000	12 000	12 000	12 000	12 413	12 991	13 381
Rental of facilities and equipment		15 737	15 201	10 983	11 919	10 839	10 839	10 839	11 844	12 133	12 200
Interest earned - external investments		2 937	2 159	1 896	1 800	1 800	1 800	1 800	2 144	2 234	2 332
Interest earned - outstanding debtors		-	-	-	163	144	144	144	256	271	287
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-
Licences and permits		326	123	137	300	300	300	300	166	173	181
Agency services		9 388	9 215	10 127	10 561	11 110	11 110	11 110	11 436	11 351	11 871
Transfers and subsidies		144 591	167 029	169 680	80 883	201 770	201 770	201 770	194 564	195 310	201 581
Other revenue	2	5 160	4 310	9 254	109 629	7 468	7 468	7 468	8 170	9 579	10 263
Gains		1 483	882	-	9 420	9 420	9 420	9 420	13 485	1 500	1 500
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>179 696</b>	<b>201 021</b>	<b>213 545</b>	<b>237 092</b>	<b>255 057</b>	<b>255 057</b>	<b>255 057</b>	<b>255 224</b>	<b>246 246</b>	<b>254 360</b>
<b>Expenditure By Type</b>											
Employee related costs	2	90 308	95 249	105 831	124 756	118 387	118 387	118 387	132 303	130 145	134 644
Remuneration of councillors		6 142	6 264	6 197	6 341	6 341	6 341	6 341	6 548	6 646	6 812
Debt impairment	3	15	2 067	145	400	191	191	191	200	200	200
Depreciation & asset impairment	2	4 653	3 558	3 568	3 576	3 576	3 576	3 576	4 614	4 808	5 019
Finance charges		2 907	1 753	3 855	11 038	3 649	3 649	3 649	3 582	3 264	3 013
Bulk purchases - electricity	2	-	-	-	-	-	-	-	400	420	440
Inventory consumed	8	43 286	48 585	42 327	42 932	65 819	65 819	65 819	44 869	41 859	43 698
Contracted services		14 517	15 518	17 356	19 479	22 715	22 715	22 715	27 410	23 216	23 894
Transfers and subsidies		120	360	-	401	680	680	680	250	-	-
Other expenditure	4, 5	21 300	25 474	28 411	30 935	33 697	33 697	33 697	33 774	34 772	36 297
Losses		17	3 056	479	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>183 264</b>	<b>201 884</b>	<b>208 170</b>	<b>239 858</b>	<b>255 054</b>	<b>255 054</b>	<b>255 054</b>	<b>253 950</b>	<b>245 330</b>	<b>254 018</b>
<b>Surplus/(Deficit)</b>		<b>(3 568)</b>	<b>(862)</b>	<b>5 375</b>	<b>(2 766)</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>1 274</b>	<b>917</b>	<b>342</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		890	1 483	691	2 100	3 700	3 700	3 700	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	-	-	-	-	5	5	5	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(2 678)</b>	<b>621</b>	<b>6 067</b>	<b>(666)</b>	<b>3 707</b>	<b>3 707</b>	<b>3 707</b>	<b>1 274</b>	<b>917</b>	<b>342</b>
Taxation											
<b>Surplus/(Deficit) after taxation</b>		<b>(2 678)</b>	<b>621</b>	<b>6 067</b>	<b>(666)</b>	<b>3 707</b>	<b>3 707</b>	<b>3 707</b>	<b>1 274</b>	<b>917</b>	<b>342</b>
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(2 678)</b>	<b>621</b>	<b>6 067</b>	<b>(666)</b>	<b>3 707</b>	<b>3 707</b>	<b>3 707</b>	<b>1 274</b>	<b>917</b>	<b>342</b>
Share of surplus/ (deficit) of associate	7										
<b>Surplus/(Deficit) for the year</b>		<b>(2 678)</b>	<b>621</b>	<b>6 067</b>	<b>(666)</b>	<b>3 707</b>	<b>3 707</b>	<b>3 707</b>	<b>1 274</b>	<b>917</b>	<b>342</b>

**TABLE A5 – Capital Expenditure Budget by Vote and Funding**

Vote Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	2										
Vote 1 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 2 - Management Services		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	750	250	-	
Vote 4 - Finance		-	-	-	-	-	-	-	-	-	
Vote 5 - Community Services		1 164	22 316	-	4 900	-	-	-	5 900	2 000	
<b>Capital multi-year expenditure sub-total</b>	7	<b>1 164</b>	<b>22 316</b>	<b>-</b>	<b>4 900</b>	<b>-</b>	<b>-</b>	<b>750</b>	<b>6 150</b>	<b>2 000</b>	
<b>Single-year expenditure to be appropriated</b>	2										
Vote 1 - Municipal Manager		36	11	-	40	240	240	240	-	-	
Vote 2 - Management Services		-	-	-	-	-	-	-	-	-	
Vote 3 - Corporate Services		95	303	403	225	225	225	225	500	3 091	
Vote 4 - Finance		779	32	19	-	80	80	80	250	-	
Vote 5 - Community Services		3 257	14 320	2 579	3 300	4 199	4 199	4 199	3 489	6 665	
<b>Capital single-year expenditure sub-total</b>		<b>4 168</b>	<b>14 666</b>	<b>3 001</b>	<b>3 565</b>	<b>4 744</b>	<b>4 744</b>	<b>4 744</b>	<b>4 239</b>	<b>9 756</b>	
<b>Total Capital Expenditure - Vote</b>		<b>5 332</b>	<b>36 982</b>	<b>3 001</b>	<b>8 465</b>	<b>4 744</b>	<b>4 744</b>	<b>4 744</b>	<b>4 989</b>	<b>15 906</b>	
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		897	345	422	265	545	545	545	1 500	3 341	
Executive and council		16	-	-	40	240	240	240	-	-	
Finance and administration		881	342	422	225	305	305	305	1 500	3 341	
Internal audit		-	2	-	-	-	-	-	-	-	
<b>Community and public safety</b>		3 227	3 066	2 576	3 300	4 194	4 194	4 194	3 234	5 487	
Community and social services		-	-	-	-	-	-	-	-	-	
Sport and recreation		265	364	119	200	394	394	394	412	827	
Public safety		2 896	2 347	2 416	3 100	3 800	3 800	3 800	2 800	4 380	
Housing		-	-	-	-	-	-	-	-	-	
Health		66	355	40	-	-	-	-	22	280	
<b>Economic and environmental services</b>		43	21	3	-	5	5	5	-	-	
Planning and development		13	2	-	-	-	-	-	-	-	
Road transport		6	3	3	-	-	-	-	-	-	
Environmental protection		25	16	-	-	5	5	5	-	-	
<b>Trading services</b>		1 164	33 550	-	4 900	-	-	-	255	7 079	
Energy sources		-	-	-	-	-	-	-	-	-	
Water management		-	-	-	-	-	-	-	-	-	
Waste water management		-	-	-	-	-	-	-	-	-	
Waste management		1 164	33 550	-	4 900	-	-	-	255	7 079	
<b>Other</b>		-	-	-	-	-	-	-	-	-	
<b>Total Capital Expenditure - Functional</b>	3	<b>5 332</b>	<b>36 982</b>	<b>3 001</b>	<b>8 465</b>	<b>4 744</b>	<b>4 744</b>	<b>4 744</b>	<b>4 989</b>	<b>15 906</b>	
<b>Funded by:</b>											
National Government		-	-	-	-	-	-	-	-	-	
Provincial Government		890	1 483	691	2 100	3 700	3 700	3 700	-	-	
District Municipality		-	-	-	-	-	-	-	-	-	
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	
<b>Transfers recognised - capital</b>	4	<b>890</b>	<b>1 483</b>	<b>691</b>	<b>2 100</b>	<b>3 700</b>	<b>3 700</b>	<b>3 700</b>	<b>-</b>	<b>-</b>	
<b>Borrowing</b>	6	<b>-</b>	<b>22 316</b>	<b>-</b>	<b>4 900</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4 900</b>	<b>-</b>	
<b>Internally generated funds</b>		<b>4 442</b>	<b>13 183</b>	<b>2 309</b>	<b>1 465</b>	<b>1 044</b>	<b>1 044</b>	<b>1 044</b>	<b>4 989</b>	<b>11 006</b>	
<b>Total Capital Funding</b>	7	<b>5 332</b>	<b>36 982</b>	<b>3 001</b>	<b>8 465</b>	<b>4 744</b>	<b>4 744</b>	<b>4 744</b>	<b>4 989</b>	<b>15 906</b>	

## TABLE A6 – Budget Position

### DC3 Overberg - Table A6 Budgeted Financial Position

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		36 715	38 448	36 647	13 320	21 306	21 306	21 306	22 115	11 048	9 560
Call investment deposits	1	-	-	-	20 000	20 000	20 000	20 000	20 000	20 000	20 000
Consumer debtors	1	3 097	3 954	8 642	1 233	2 451	3 525	3 525	3 325	3 125	2 925
Other debtors		4 613	4 172	6 956	1 343	1 400	6 956	6 956	6 956	6 956	6 956
Current portion of long-term receivables		2 075	2 009	2 146	-	-	2 474	2 474	2 023	2 023	2 023
Inventory	2	1 026	788	700	788	700	700	700	700	700	700
<b>Total current assets</b>		<b>47 526</b>	<b>49 371</b>	<b>55 091</b>	<b>36 685</b>	<b>45 857</b>	<b>54 961</b>	<b>54 961</b>	<b>55 119</b>	<b>43 852</b>	<b>42 164</b>
<b>Non current assets</b>											
Long-term receivables		23 005	21 590	18 988	28 433	28 433	19 487	19 487	20 560	21 794	22 993
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		12 991	12 811	12 811	12 880	12 811	12 880	12 880	12 864	12 847	12 829
Investment in Associate		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	47 502	67 782	65 911	82 716	66 353	66 285	66 285	66 678	77 796	78 578
Biological		-	-	-	-	-	-	-	-	-	-
Intangible		345	26	18	152	14	14	14	12	9	5
Other non-current assets		-	-	-	-	-	-	-	-	-	-
<b>Total non current assets</b>		<b>83 844</b>	<b>102 209</b>	<b>97 728</b>	<b>124 181</b>	<b>107 611</b>	<b>98 666</b>	<b>98 666</b>	<b>100 114</b>	<b>112 446</b>	<b>114 405</b>
<b>TOTAL ASSETS</b>		<b>131 369</b>	<b>151 580</b>	<b>152 819</b>	<b>160 866</b>	<b>153 469</b>	<b>153 627</b>	<b>153 627</b>	<b>155 232</b>	<b>156 298</b>	<b>156 569</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1	-	-	-	-	-	-	-	-	-	-
Borrowing	4	2 556	2 872	2 949	3 296	3 296	3 296	3 296	3 684	4 120	4 593
Consumer deposits		12	8	8	8	8	8	8	8	8	8
Trade and other payables	4	19 672	17 194	20 084	13 811	16 664	16 664	16 664	16 664	16 664	16 664
Provisions		10 776	12 121	14 026	13 619	13 202	14 867	14 867	15 759	16 705	17 707
<b>Total current liabilities</b>		<b>33 015</b>	<b>32 195</b>	<b>37 067</b>	<b>30 734</b>	<b>33 170</b>	<b>34 835</b>	<b>34 835</b>	<b>36 115</b>	<b>37 497</b>	<b>38 973</b>
<b>Non current liabilities</b>											
Borrowing		258	25 161	22 211	18 916	18 916	18 916	18 916	15 232	11 112	6 519
Provisions		60 465	55 972	49 222	93 106	51 365	51 850	51 850	54 586	57 473	60 519
<b>Total non current liabilities</b>		<b>60 723</b>	<b>81 133</b>	<b>71 434</b>	<b>112 021</b>	<b>70 281</b>	<b>70 766</b>	<b>70 766</b>	<b>69 818</b>	<b>68 585</b>	<b>67 038</b>
<b>TOTAL LIABILITIES</b>		<b>93 738</b>	<b>113 328</b>	<b>108 501</b>	<b>142 755</b>	<b>103 451</b>	<b>105 601</b>	<b>105 601</b>	<b>105 933</b>	<b>106 082</b>	<b>106 011</b>
<b>NET ASSETS</b>	5	<b>37 631</b>	<b>38 251</b>	<b>44 318</b>	<b>18 111</b>	<b>50 018</b>	<b>48 026</b>	<b>48 026</b>	<b>49 299</b>	<b>50 216</b>	<b>50 558</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		37 631	38 251	44 318	18 111	50 018	38 605	38 605	39 879	40 796	41 138
Reserves	4	-	-	-	-	-	9 420	9 420	9 420	9 420	9 420
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>37 631</b>	<b>38 251</b>	<b>44 318</b>	<b>18 111</b>	<b>50 018</b>	<b>48 025</b>	<b>48 025</b>	<b>49 299</b>	<b>50 216</b>	<b>50 558</b>

**TABLE A7 – Budget Cash flows**

DC3 Overberg - Table A7 Budgeted Cash Flows

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		-	-	-	-	-	-	-	-	-	-
Service charges		73	1 523	9 726	12 000	14 186	14 186	14 186	13 160	13 695	14 145
Other revenue		22 497	32 720	22 400	134 845	33 737	33 737	33 737	30 994	32 002	33 316
Transfers and Subsidies - Operational	1	150 472	161 739	176 155	80 881	200 470	200 470	200 470	194 564	195 310	201 581
Transfers and Subsidies - Capital	1	890	4 183	266	2 100	1 232	1 232	1 232	-	-	-
Interest		2 901	2 228	1 877	1 900	1 944	1 944	1 944	2 399	2 504	2 619
Dividends		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Suppliers and employees		(166 866)	(200 558)	(203 348)	(228 214)	(245 204)	(245 204)	(245 204)	(242 843)	(234 458)	(243 041)
Finance charges		(406)	(2 209)	(3 004)	(2 758)	(2 758)	(2 758)	(2 758)	(2 415)	(2 032)	(1 709)
Transfers and Grants	1	(120)	(360)	-	(401)	(680)	(680)	(680)	(250)	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>9 441</b>	<b>(735)</b>	<b>4 072</b>	<b>352</b>	<b>2 927</b>	<b>2 927</b>	<b>2 927</b>	<b>(4 392)</b>	<b>7 023</b>	<b>6 912</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		1 537	1 062	-	9 420	9 420	9 420	9 420	13 485	1 500	1 500
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Capital assets		(5 332)	(24 571)	(3 001)	(8 465)	(4 739)	(4 739)	(4 739)	(4 989)	(15 906)	(5 780)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(3 795)</b>	<b>(23 509)</b>	<b>(3 001)</b>	<b>955</b>	<b>4 681</b>	<b>4 681</b>	<b>4 681</b>	<b>8 497</b>	<b>(14 406)</b>	<b>(4 280)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	28 393	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	(4)	-	-	-	-	-	-	-	-
<b>Payments</b>											
Repayment of borrowing		(1 206)	(2 413)	(2 872)	(2 949)	(2 949)	(2 949)	(2 949)	(3 296)	(3 684)	(4 120)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(1 206)</b>	<b>25 976</b>	<b>(2 872)</b>	<b>(2 949)</b>	<b>(2 949)</b>	<b>(2 949)</b>	<b>(2 949)</b>	<b>(3 296)</b>	<b>(3 684)</b>	<b>(4 120)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>4 439</b>	<b>1 733</b>	<b>(1 801)</b>	<b>(1 642)</b>	<b>4 659</b>	<b>4 659</b>	<b>4 659</b>	<b>809</b>	<b>(11 067)</b>	<b>(1 488)</b>
Cash/cash equivalents at the year begin:	2	32 276	36 715	38 448	35 177	36 647	36 647	36 647	41 306	42 115	31 048
Cash/cash equivalents at the year end:	2	36 715	38 448	36 647	33 534	41 306	41 306	41 306	42 115	31 048	29 560

**TABLE A8 – Cash back reserves/accumulated surplus provision**

DC3 Overberg - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	36 715	38 448	36 647	33 534	41 306	41 306	41 306	42 115	31 048	29 560
Other current investments > 90 days		0	0	0	(214)	(0)	(0)	(0)	(0)	(0)	(0)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>36 715</b>	<b>38 448</b>	<b>36 647</b>	<b>33 320</b>	<b>41 306</b>	<b>41 306</b>	<b>41 306</b>	<b>42 115</b>	<b>31 048</b>	<b>29 560</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		2 189	4 332	7 484	1 261	3 717	3 717	3 717	3 717	3 717	3 717
Unspent borrowing		-	-	-	12	4 912	4 912		4 912	12	12
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	(5 110)	(21 075)	(16 510)	(19 708)	(26 465)	(23 826)	(23 826)	(19 927)	(20 546)	(21 563)
Other provisions			126	967	1 304	1 817	1 817	1 817	2 667	3 517	4 367
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	9 420	9 420	9 420	9 420	9 420
<b>Total Application of cash and investments:</b>		<b>(2 920)</b>	<b>(16 617)</b>	<b>(8 059)</b>	<b>(17 131)</b>	<b>(16 020)</b>	<b>(3 961)</b>	<b>(8 873)</b>	<b>788</b>	<b>(3 881)</b>	<b>(4 048)</b>
<b>Surplus(shortfall)</b>		<b>39 636</b>	<b>55 065</b>	<b>44 706</b>	<b>50 451</b>	<b>57 326</b>	<b>45 267</b>	<b>50 179</b>	<b>41 326</b>	<b>34 928</b>	<b>33 608</b>

## TABLE A9 – Asset Management

DC3 Overberg - Table A9 Asset Management

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>R thousand</b>										
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	2 945	2 568	1 869	3 300	4 285	4 285	4 116	4 910	5 275
<i>Roads Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	255	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		-	-	-	-	-	-	255	-	-
Community Facilities		125	-	-	1 000	-	-	-	1 000	2 000
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		125	-	-	1 000	-	-	-	1 000	2 000
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		13	78	-	-	-	-	57	-	-
<b>Other Assets</b>		13	78	-	-	-	-	57	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
Computer Equipment		14	-	-	-	-	-	750	250	-
Furniture and Office Equipment		(1)	289	272	-	80	80	4	280	75
<b>Machinery and Equipment</b>		2 794	493	835	2 300	3 548	3 548	100	180	200
<b>Transport Assets</b>		-	1 707	762	-	657	657	2 950	3 200	3 000
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>Total Renewal of Existing Assets</b>	2	2 336	11 872	643	240	240	240	550	3 592	200
<i>Roads Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	105	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	2 179	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		-	105	-	-	-	-	-	2 179	-
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		-	-	-	-	-	-	-	-	-
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	650	-
Housing		169	410	-	-	-	-	-	-	-
<b>Other Assets</b>		169	410	-	-	-	-	-	650	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		6	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		6	-	-	-	-	-	-	-	-
Computer Equipment		133	-	-	200	200	200	500	300	200
Furniture and Office Equipment		123	122	19	40	40	40	50	463	-
<b>Machinery and Equipment</b>		-	-	625	-	-	-	-	-	-
<b>Transport Assets</b>		740	-	-	-	-	-	-	-	-
Land		1 164	11 234	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-

<b>Total Upgrading of Existing Assets</b>	6	51	22 542	488	4 925	219	219	323	7 405	305
<i>Roads Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	22 316	-	4 900	-	-	-	4 900	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		-	22 316	-	4 900	-	-	-	4 900	-
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		-	-	-	-	-	-	-	-	-
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	1 678	-
Housing		-	-	84	-	194	194	305	827	305
<b>Other Assets</b>		-	-	84	-	194	194	305	2 505	305
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
Computer Equipment		49	226	384	-	-	-	-	-	-
Furniture and Office Equipment		2	-	19	25	25	25	18	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	4	5 332	36 982	3 001	8 465	4 744	4 744	4 989	15 906	5 780
<i>Roads Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	105	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	22 316	-	4 900	-	-	255	7 079	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		-	22 421	-	4 900	-	-	255	7 079	-
Community Facilities		125	-	-	1 000	-	-	-	1 000	2 000
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		125	-	-	1 000	-	-	-	1 000	2 000
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	2 328	-
Housing		182	489	84	-	194	194	362	827	305
<b>Other Assets</b>		182	489	84	-	194	194	362	3 155	305
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		6	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		6	-	-	-	-	-	-	-	-
Computer Equipment		196	226	384	200	200	200	1 250	550	200
Furniture and Office Equipment		124	411	310	65	145	145	72	743	75
Machinery and Equipment		2 794	493	1 460	2 300	3 548	3 548	100	180	200
Transport Assets		740	1 707	762	-	657	657	2 950	3 200	3 000
Land		1 164	11 234	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>		5 332	36 982	3 001	8 465	4 744	4 744	4 989	15 906	5 780
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	60 839	80 619	78 740	95 749	79 179	79 179	79 554	90 652	91 412
<i>Roads Infrastructure</i>		2 120	1 508	1 464	1 353	1 379	1 379	1 379	1 379	1 379
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		326	217	210	184	187	187	187	187	187
<i>Water Supply Infrastructure</i>		1 687	1 581	1 535	1 744	1 981	1 981	1 981	1 981	1 981
<i>Sanitation Infrastructure</i>		2 456	1 628	1 581	1 328	1 353	1 353	1 353	1 353	1 353
<i>Solid Waste Infrastructure</i>		5 410	27 841	27 029	31 175	25 300	25 300	25 370	32 256	32 055
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		11 998	32 774	31 818	35 785	30 201	30 201	30 271	37 157	36 956
<b>Community Assets</b>		13	12	12	1 014	12	12	12	1 012	3 012
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		12 991	12 811	12 811	12 880	12 880	12 880	12 864	12 847	12 829
<b>Other Assets</b>		15 327	15 570	14 308	23 610	13 142	13 142	12 819	15 260	14 819
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		345	26	18	152	14	14	12	9	5
Computer Equipment		1 309	1 319	1 436	1 105	1 069	1 069	1 723	1 653	1 206
Furniture and Office Equipment		5 005	2 752	2 450	1 457	1 938	1 938	1 415	1 504	829
Machinery and Equipment		1 869	2 097	3 109	6 177	6 573	6 573	6 637	6 779	6 940
Transport Assets		11 981	13 257	12 777	13 569	13 351	13 351	13 801	14 431	14 816
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	60 839	80 619	78 740	95 749	79 179	79 179	79 554	90 652	91 412

<b>EXPENDITURE OTHER ITEMS</b>		<b>10 231</b>	<b>9 518</b>	<b>12 118</b>	<b>12 423</b>	<b>13 525</b>	<b>13 525</b>	<b>16 944</b>	<b>13 869</b>	<b>14 479</b>
<b>Depreciation</b>	7	4 653	3 558	3 568	3 576	3 576	3 576	4 614	4 808	5 019
<b>Repairs and Maintenance by Asset Class</b>	3	<b>5 579</b>	<b>5 960</b>	<b>8 550</b>	<b>8 848</b>	<b>9 950</b>	<b>9 950</b>	<b>12 331</b>	<b>9 061</b>	<b>9 460</b>
<i>Roads Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	4 696	4 693	4 693	5 017	5 228	5 458
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		-	-	-	<b>4 696</b>	<b>4 693</b>	<b>4 693</b>	<b>5 017</b>	<b>5 228</b>	<b>5 458</b>
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		-	-	-	-	-	-	-	-	-
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	5 319	1 665	1 739
Housing		873	1 399	4 749	694	1 334	1 334	170	177	185
<b>Other Assets</b>		<b>873</b>	<b>1 399</b>	<b>4 749</b>	<b>694</b>	<b>1 334</b>	<b>1 334</b>	<b>5 489</b>	<b>1 843</b>	<b>1 924</b>
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>		-	-	-	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>		73	50	-	-	-	-	-	-	-
<b>Machinery and Equipment</b>		<b>2 539</b>	<b>2 000</b>	<b>1 327</b>	<b>1 270</b>	<b>1 058</b>	<b>1 058</b>	<b>716</b>	<b>734</b>	<b>767</b>
<b>Transport Assets</b>		<b>2 093</b>	<b>2 510</b>	<b>2 475</b>	<b>2 188</b>	<b>2 865</b>	<b>2 865</b>	<b>1 109</b>	<b>1 256</b>	<b>1 311</b>
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		<b>10 231</b>	<b>9 518</b>	<b>12 118</b>	<b>12 423</b>	<b>13 525</b>	<b>13 525</b>	<b>16 944</b>	<b>13 869</b>	<b>14 479</b>
<i>Renewal and upgrading of Existing Assets as % of total capex</i>		44.8%	93.1%	37.7%	61.0%	9.7%	9.7%	17.5%	69.1%	8.7%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>		51.3%	967.2%	31.7%	144.5%	12.8%	12.8%	18.9%	228.7%	10.1%
<i>R&amp;M as a % of PPE</i>		11.7%	8.8%	13.0%	10.7%	15.0%	15.0%	18.5%	11.6%	12.0%
<i>Renewal and upgrading and R&amp;M as a % of PPE</i>		13.0%	50.0%	12.0%	15.0%	13.0%	13.0%	17.0%	22.0%	11.0%



## TABLE A10 – Service Delivery Measurement

DC3 Overberg - Table A10 Basic service delivery measurement

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Energy:</b>										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Refuse:</b>										
Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>	8									
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>		-	-	-	-	-	-	-	-	-
<b>Total cost of FBS provided</b>		-	-	-	-	-	-	-	-	-
<b>Highest level of free service provided per household</b>										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
<b>Revenue cost of subsidised services provided (R'000)</b>	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)										
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)										
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	6									
<b>Total revenue cost of subsidised services provided</b>		-	-	-	-	-	-	-	-	-

## SECTION A - PART 2

# 1. Overview of Annual Budget Process

### 1.1 Political oversight of the budget process

Section 53 (1) of the MFMA stipulates that the mayor of a municipality must provide general political guidance over the budget process and the priorities that guides the preparation of the budget.

Section 21(1) of the MFMA states that the Mayor of a municipality must co-ordinate the processes for preparing the annual budget and for reviewing the municipality's integrated development plan and budget related policies to ensure that the tabled budget and any revisions of the integrated development plan and budget-related policies are mutually consistent and credible.

Furthermore, this section also states that the Mayor must at least 10 months before the start of the budget year, table in municipal council, a time schedule outlining key deadlines for the preparation, tabling and approval of the annual budget.

This time schedule provides for political input from formal organisations such as portfolio committees.

### 1.2 Schedule of Key Deadlines relating to budget process [MFMA s21 (1) (b)]

The IDP and Budget time schedule of the 2021/2022 budget cycle was approved by Council in August 2020, ten months before the start of the budget year in compliance with legislative directives.

### 1.3 Process used to integrate the review of the IDP and preparation of the Budget

Updating the IDP and Budget is an evolving and re-iterative process over a 10-month period. The initial parallel process commenced with the consultative process of the 2017/2022 IDP during 2016-2017 and the update of the MTREF to determine the affordability and sustainability framework at the same time. A review of the approved 2018/2019 IDP was undertaken during 2017-2018; the approved 2019/2020 IDP during

2018-2019; the approved 2020/2021 IDP during 2019-2020; and the approved 2021/2022 IDP during 2020-2021.

#### **1.4 Process for consultation with each group of stakeholders and outcomes**

Following the tabling of the draft budget in March 2021, local input will be solicited via notices published in all major newspapers across the region. While the budget will also be placed on the municipal website at [www.odm.org.za](http://www.odm.org.za).

Comments on the IDP and Budget as made by the public via verbal presentations, facsimiles, emails and in the form of correspondence to the municipality will be considered for incorporation as part of the final budget approval process.

#### **1.5 Stakeholders involved in consultations**

The tabled budget will be provided to National Treasury and Provincial Treasury for their consideration in line with S23 of the MFMA.

#### **1.6 Process and media used to provide information on the Budget to the community**

Following the tabling of the draft budget in March 2021, local input will be solicited via notices published in all major newspapers across the region while the budget will also be placed on the municipal website at [www.odm.org.za](http://www.odm.org.za).

#### **1.7 Methods employed to make the Budget document available (including websites)**

In compliance with the Municipal Finance Management Act and the Municipal Systems Act with regards to the advertising of Budget Documents (including the Tariffs for 2020/2021), advertisements had been placed in the local newspapers across the region and the municipal website. The information relating to the budget documentation will be displayed at the notice boards in the municipal offices, Thusong centres and libraries in the district.

In compliance with S 22 of the MFMA, the Budget documentation will be published on the municipality's website following the tabling thereof at Council in March 2021 and the approval thereof in May 2021. There were no changes to the Budget Assumptions

## 2. Overview of Alignment of budget to IDP

- **The Vision of the Municipality**

The Municipality's long-term vision:

*"Overberg – the opportunity gateway to Africa through sustainable services"*

- **Alignment with Provincial and National Government**

Overberg District Municipality's development plan needs to be aligned with National and Provincial initiatives to ensure optimal impact from the combined efforts of government. In this regard there are six critical elements: Accelerated and Shared Growth-South Africa (ASGI-SA), National Spatial Development Perspective (NSDP), National Strategy for Sustainable Development (NSSD), Provincial Growth and Development Strategy (PGDS) and Provincial Spatial Development Framework (PSDF).

All these feed into and influence the Integrated Development Plan.

- **Overberg District Municipality Budget Priorities (Key Performance areas)**

The Municipality's 2017/18 to 2021/2022 Integrated Development Plan focuses on five strategic focus areas. The concrete objectives for each strategic focus area have been outlined and elaborated on in the Strategic Plan for 2017-2022. These objectives will be used to further develop key performance indicators against which performance implementation monitoring and reporting will be done. The corporate scorecard outlines these indicators and targets.

The five strategic outcomes are:

1. *To ensure the well-being of all in the Overberg through the provision of efficient **basic services and infrastructure.***
2. *To promote **regional economic development** by supporting initiatives in the district for the development of a sustainable district economy.*

3. To ensure **municipal transformation and institutional development** by creating a staff structure that would adhere to the principles of employment equity and promote skill development.
4. To attain and maintain **financial viability** and sustainable by executing accounting services in accordance with National policy and guidelines.
5. To ensure **good governance** practices by providing a democratic and pro-active accountable government and ensuring community participation through IGR structures.

### **Amendments to the Integrated Development Plan**

During a Strategic Session of Council on 18 January 2021 the Executive Mayor reaffirmed the strategic trajectory of Council as unchanged, hence no Amendment to the IDP. A Review process was followed.

The complete Integrated Development Plan Review will be distributed prior the Council Meeting of 24 May 2021.

## **3. Measurable performance Objectives and Indicators**

### **(a) KEY FINANCIAL INDICATORS AND RATIOS**

Information regarding key financial indicators and ratios are provided on Supporting Table SA 8.

### **(b) MEASURABLE PERFORMANCE OBJECTIVES**

*Information regarding revenue are provided as follows:*

- Revenue for each vote - SA 26
- Revenue for each source - SA 25

## 4. Overview of Budget related Policies

The following budget related policies was approved by Council, and are currently being reviewed / amended, in line with National Guidelines and Legislation.

- Asset Management Policy (**amended**)
- Credit Control and Debt Collection Policy
- Cash Management and Investment Policy
- Tariff Policy
- Supply Chain Management Policy (**amended**)
- Virement Policy
- Borrowing Policy
- Funding and Reserves Policy
- Budget Policy
- Customer Care Policy
- Demand Management Policy
- Infrastructure and delivery Management Policy
- Infrastructure investment and Capital projects Policy
- Liquidity Policy
- Long term Financial Planning Policy
- Management and Admin of Immovable Assets Policy
- Payroll Management and Administration Policy
- Preferential Procurement Policy
- Travelling and Subsistence Policy
- Cost containment Policy

Policies will be available at the municipal offices, libraries and Thusong centres in the district as well as on the website of the municipality.

## 5. Overview of Budget Assumptions

### Expenditure

#### Salaries and Allowances

The previous wage agreement came to an end on 30 June 2021 and the negotiations between the Unions and the South African Local Government Association had not been finalized. The municipality made provision in the Draft budget for 1.5% notch and medical fund increase, in line with National Treasury's Budget Circular 108 guidelines. Based on the latest offer made by SALGA, an additional 2.8% had been added to the budget provision.

It is also assumed that the current employees will not resign and current funded vacancies had been budgeted for.

#### General expenditure

It is assumed that costs for services and fuel will increase above the current inflation rate. It is also assumed that the capital projects for 2021/2022 will be completed during the financial year as depreciation are budgeted on these projects as per General Recognized Accounting Practice (GRAP) principles.

Depreciation on new capital expenditure is calculated at a varying rate ranging between 3 and 50 years depending on the nature of the assets. The useful life's of assets were reviewed during the current year which impacted the depreciation forecast.

#### Repairs and Maintenance

It is assumed that municipal infrastructure and assets will be maintained as per previous years and that no major breakages will take place during the financial year. Additional provision of R5 million was made which will be finance from the gains received form the selling of properties.

#### Capital costs

It is assumed that interest rates will be stable during the financial year, but the provision for capital has not been decreased.

## Revenue

### Grants

It is assumed that the National and Provincial grants as per the Division of Revenue Bill (DORA Bill) which has been included in the budget will be received during the 2021/2022 financial year.

## 6. Overview of Budget Funding

### Summary

The MTERF operating budgets for 2021/2022 – 2023/2024 will be financed as follows:

REVENUE SOURCE	ADJUSTED BUDGET 2020/21	DRAFT BUDGET 2021/22	FINAL BUDGET 2021/22	%	FINAL BUDGET 2022/23	FINAL BUDGET 2023/24
Equitable Share	-R77 548 000	-R77 375 000	-R77 375 000		-R79 984 000	-R81 348 000
Conditional Grants	-R11 814 416	-R7 391 000	-R7 391 000		-R6 334 000	-R6 249 000
<b>TOTAL GRANTS</b>	<b>-R89 362 416</b>	<b>-R84 766 000</b>	<b>-R84 766 000</b>	<b>58%</b>	<b>-R86 318 000</b>	<b>-R87 597 000</b>
Donation	-R50 000	R0	R0	0.0%	R0	R0
Enviromental Health	-R200 000	-R135 200	-R135 200	0.2%	-R140 878	-R147 076
Fire Service	-R4 135 000	-R4 020 432	-R4 020 432	6.6%	-R5 422 619	-R5 856 214
Gains on sale land	-R9 419 772	R0	-R13 485 250	22.2%	-R1 500 000	-R1 500 000
Health Service	-R500 000	-R369 121	-R369 121	0.6%	-R384 624	-R401 547
Interest on Investments	-R1 800 000	-R2 143 500	-R2 143 500	3.5%	-R2 233 527	-R2 331 802
KWK Landfill site	-R12 015 000	-R12 627 534	-R12 427 534	20.4%	-R13 006 540	-R13 396 955
Resorts	-R13 296 700	-R15 494 410	-R15 926 872	26.2%	-R16 149 790	-R16 494 773
Roads Agency fee	-R11 110 229	-R13 250 357	-R11 435 986	18.8%	-R11 351 086	-R11 870 962
Shared Risk recovery	-R767 475	-R773 844	-R773 844	1.3%	-R806 345	-R841 824
Sundry Income	-R198 030	-R145 660	-R145 660	0.2%	-R151 777	-R158 455
<b>ODM OWN REVENUE</b>	<b>-R53 492 206</b>	<b>-R48 960 058</b>	<b>-R60 863 399</b>	<b>42%</b>	<b>-R51 147 186</b>	<b>-R52 999 608</b>
<b>ODM GRANTS &amp; OWN REV</b>	<b>-R142 854 622</b>	<b>-R133 726 058</b>	<b>-R145 629 399</b>	<b>57%</b>	<b>-R137 465 186</b>	<b>-R140 596 608</b>
ROADS SUBSIDY	-R115 906 987	-R110 419 643	-R109 594 866	43%	-R108 781 250	-R113 763 392
<b>TOTAL REVENUE</b>	<b>-R258 761 609</b>	<b>-R244 145 701</b>	<b>-R255 224 265</b>	<b>100%</b>	<b>-R246 246 436</b>	<b>-R254 360 000</b>

The table above reflects the type of revenue sources received by ODM of which 58% reflect as grant funding and 42% as own funding. 43% of the total revenue received by ODM relates to the Roads Subsidy.

The amount of R13 485 432 reflecting as gains from the sale of land is based on actual offers received minus cost value. No revenue was recorded against the previous year's provision.



The capital programme for MTERF period 2021/2022-2023/24 will be financed as follows:

TYPE	FUNDING SOURCES	BUDGET 2021/22	BUDGET 2022/23	BUDGET 2023/24	TOTAL BUDGET
1	BUSINESS PLAN TO BE SUBMITTED FOR GRANT FUNDING (Provisionally CRR)	R0	R4 969 517	R0	R4 969 517
2	CAPITAL REPLACEMENT RESERVE	R4 988 500	R6 036 750	R5 779 500	R16 804 750
3	EXTERNAL LOANS	R0	R4 900 000	R0	R4 900 000
4	ALLOCATED GRANTS	R0	R0	R0	R0
	<b>TOTAL</b>	<b>R4 988 500</b>	<b>R15 906 267</b>	<b>R5 779 500</b>	<b>R26 674 267</b>

#### Reserves

The accumulated surplus will be used to finance the depreciation on assets as the full provision for depreciation is not cash-backed. The financing of the depreciation will be phased in over a medium to long term period, if possible.

#### Sustainability of municipality

The funding of the budget will ensure that the municipality will be sustainable on the short term. The current funding model for Overberg District Municipality is however not sustainable and will surely have a negative impact on the cash flow and liquidity of the municipality. Overberg District Municipality will therefore have to make difficult/important choices to ensure sustainability on the medium and long term.

#### Planned savings and efficiencies

The following areas were identified for possible savings after the efficiency of the usage of the assets/services has been evaluated:

- Security services
- Overtime
- Attendance of meetings/congresses
- Printing costs

## Investments

Particulars of monetary investments as at 30 April 2021:

<b>MONTHLY INVESTMENT REPORT</b>			
<b>OVERBERG DISTRICT MUNICIPALITY</b>			
<b>REPORTING MONTH: April 2021</b>			
			<b>Balance as at 30 April 2021</b>
<b>Apr 21</b>	<b>Account number</b>	<b>INSTITUTION</b>	
<b>Overberg District Municipality</b>			
ABSA Deposito Plus	9287551045	ABSA BANK	R 808 342.32
ABSA Deposito Plus	9287550641	ABSA BANK	R 1 676 081.51
NEDBANK Call Account	037881714042	NEDBANK	R 2 538 634.37
Absa Investment Tracker	9358892970	ABSA BANK	R 35 872 750.46
<b>Total for Investments</b>			<b>R 40 895 808.66</b>

### Planned proceeds of sale of assets

The municipality budgeted R13 485 250 in 2021/2022 as gain revenue for municipal property that will be sold.

### Planned use of previous year's cash backed accumulated surplus

It is planned to use the previous year's cash backed surpluses to finance important/critical service delivery and income generated projects.

### Particulars of existing and any new borrowing proposed to be raised

An external loan of R 28 million was secured to finance the construction of the regional landfill site at Karwyderskraal. A reminder of R4.9 million is still remaining to be spent in 2023/24 financial year on projects still to be identified

Particulars of budgeted allocations and grants over the MTREF period:

*Operating Budget*

<b>GRANT</b>	<b>TYPE</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
Equitable share	DORA	R77 375 000	R79 984 000	R81 348 000
Financial Mngt	DORA	R1 000 000	R1 000 000	R1 000 000
RRAMS	DORA	R2 708 000	R2 842 000	R2 845 000
EPWP	DORA	R1 053 000		
Safety Grant	WCProv	R2 323 000	R2 435 000	R2 437 000
Capacity (Bursaries)	WCProv	R250 000		
CDW	WCProv	R57 000	R57 000	R57 000
<b>TOTAL</b>		<b>R84 766 000</b>	<b>R86 318 000</b>	<b>R87 687 000</b>

*Capital Budget*

None

**FUNDING ASSESSMENT FOR 2021/2022**

The following table lists the factors that have been reviewed. Each of the factors is then further described below.

**No. Funding Compliance**

- 1 Cash/cash equivalent position
- 2 Cash plus investments less applications
- 3 Monthly average payments covered by cash or cash equivalents
- 4 Surplus/deficit excluding depreciation offsets
- 5 Property Rates/service charge revenue % increase less macro inflation target
- 6 Cash receipts % of ratepayer and other revenue
- 7 Debt impairment expense % of billable revenue
- 8 Capital payments % of capital expenditure
- 9 Borrowing as a % of capital expenditure (less transfers/grants/contributions)
- 10 Transfers/grants revenue as a % of Government transfers/grants available
- 11 Consumer debtors' change (Current and Non-current)

- 12 Repairs & maintenance expenditure level
- 13 Asset renewal/rehabilitation expenditure level
- 14 Financial Performance Budget result
- 15 Financial Position Budget
- 16 Cash Flow Budget
- 17 Other key performance measures
- 18 Summary question

### **Funding compliance factor description**

Each of these 'funding factors' have been analysed and reviewed in their entirety prior to undertaking any analysis. Where the factor appears unfavourable and cannot be adequately motivated, the budget has been adjusted appropriately.

#### **(a) Cash/cash equivalent position**

The municipality foresees a positive cash position for the short term, as the working capital are cash-backed. The reserves are however not cash backed. The cash situation seems as if it is deteriorating, as the increase in revenue (grants) is less than inflation rate while expenditure increase with more than the inflation rate. The cash flow is currently positive and the total Cash and Cash Equivalents at 30 April 2021 is R47 296 million. (C6- Cash flow schedule)

**(b) 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 identified at factor 1. Below are commitments against Cash and Cash equivalents as at 30 April 2021:

<b>Item Description</b>	<b>Amounts</b>
Balance as per CFA	43 180 842.
Unspent conditional grants and funds	(8 441 128)
Consumer and Sundry deposits	(8 160)
Sinking fund investments	-
External loans unspent	(4 911 913)
EFF Accumulated Depreciation	-
Provision for bonuses	-
Capital Replacement reserve	-
Rehabilitation provision	(1 676 082)
Performance Bonus Provison	-
Set aside for retention	-
Set aside for Creditor payments	(4 000 000)
Provision for leave Payment	(650 000)
Capital Funding Required	
Loan Repayments	(5 611 160)
Cash Surplus (Deficit)	17 882 398

**(c) Monthly average payments covered by cash or cash equivalents**

The purpose of this measure is to understand the level of financial risk (ability to meet monthly payments as and when they fall due) should the municipality be under stress.

The municipality does recover enough cash via grants/agency fee and income from resorts to cover its monthly average payments on the short term, but it is foreseen that, with the fact that the percentage increase in expenditure is more than the increase in revenue pose a serious risk for the municipality. Further financial risks arise if (a) the ruling by SARS indicates that VAT may not be claimed on the roads maintenance function and (b) unforeseen circumstances occur, which negatively impacts the recovery of landfill site revenue.

**(d) Surplus/deficit excluding depreciation offsets**

The main purpose of this measure is to understand whether 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.

This exercise indicates that there will be a surplus if the depreciation has been offset.

**(e) Property Rates/service charge revenue % 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 rate or tariff as well as any assumption about real growth (i.e. new property development, services consumption growth).

The revenue streams for Overberg District Municipality is not sufficient to achieve national inflation target.

**(f) Cash receipts % 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 an underlying assumed collection rate; i.e. how much cash is expected to be collected from current billing, charges and arrear debtors.

The only billing at ODM is for rental at the resorts and for the dumping at the regional landfill site at Karwyderskraal.

**(g) Debt impairment expense % of billable revenue**

The purpose is to measure whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) must be increased to offset under-collection.

Debt impairment of R200 000 had been provide based on the actual impairment done during the 2020/21 financial year on resorts debtors.

**(h) Capital payments % of capital expenditure**

The purpose of this measure is to mainly understand whether the timing of payments is being taken into consideration when forecasting the cash position. The measure focuses on the capital budget, because expenditure levels for this component of the budget can vary significantly from month to month, as there tends to be monthly consistency for operational budgets.

The capital budget for 2021/22 have been limited to equipment needed to ensure the continuation of the administration and service delivery.

**(i) Borrowing as a % 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) should be excluded. No loan funding will be utilized for the capital expenditure in the 2021/22 financial year.

**(j) Transfers/grants revenue as a % of Government transfers/grants available**

The purpose of this measurement is mainly to ensure that all available transfers from other government (national, provincial or district municipalities) have been included in the municipal budget, or that the transfer/grant budgets do not exceed available funds. A percentage less than 100 per cent could indicate that all Division of Revenue Bill (DORA Bill), provincial transfers or district transfers have not been budgeted and should be immediately reviewed.

The transfers/grants as per Division of Revenue Bill (DORA Bill) (100%) have been included in the revenue budget.

**(k) Consumer debtors change (Current and Non-current):**

The purposes of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic.

The amounts of outstanding debtors are regarded as realistic.

**(l) Repairs & maintenance (R&M) expenditure level**

This measure is included within the funding measures criteria because a trend which indicates that 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.

The budgeted amount for Repairs and Maintenance amounts to R9 497 538 but is only in relating to ODM's assets provision and does not include Repairs and Maintenance performed on the Roads agency function.

**(m) Asset renewal/rehabilitation expenditure level**

This measure has a similar objective to the R&M measures but focus on the credibility of the levels of asset renewal plans.

**(n) Financial Performance Budget result (surplus/deficit)**

The purpose of this measure is to assess the overall budget. The municipality forecast's a positive cash position for the short term as the working capital are cash-backed. The reserves are not cash-backed. The cash situation seems to be deteriorating, as the increase in revenue (grants) is less than inflation rate while expenditure increase with more than the inflation rate.

A further financial risk arises if unforeseen circumstances occur, which negatively impacts the recovery of landfill site revenue.

**(o) Financial Position Budget**

The purpose of this measure is to also assess the overall budget.



**(p) Cash Flow Budget**

The purpose of this measure is to also assess the overall budget. The municipality does recover enough cash on a monthly and quarterly basis (Equitable Share) to cover its monthly average payments. A further financial risk arises if unforeseen circumstances occur, which negatively impacts the recovery of landfill site revenue.

**(q) Summary**

The municipality currently do have enough funds but will not generate enough cash to meets its operational requirements on the medium to long term. The financial position of the municipality is monitored daily by the relevant finance officials and reports are submitted to the Finance Portfolio Committee and if needed correction steps are taken.

## 7. Expenditure on allocations and Grant Programmes

Particulars of budgeted allocations and grants over the MTREF period:

*Operating Budget*

<b>GRANT</b>	<b>TYPE</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
Equitable share	DORA	R77 375 000	R79 984 000	R81 348 000
Financial Mngt	DORA	R1 000 000	R1 000 000	R1 000 000
RRAMS	DORA	R2 708 000	R2 842 000	R2 845 000
EPWP	DORA	R1 053 000		
Safety Grant	WCProv	R2 323 000	R2 435 000	R2 437 000
Capacity (Bursaries)	WCProv	R250 000		
CDW	WCProv	R57 000	R57 000	R57 000
<b>TOTAL</b>		<b>R84 766 000</b>	<b>R86 318 000</b>	<b>R87 687 000</b>

*Capital Budget*

None

The above allocations and grants have been included in the operating and capital budgets.

## 8. Allocations and Grants made by the municipality

No allocations or grants was made by the municipality

## 9. Councillor member allowances and employee benefits

### Costs to Municipality:

#### *Councillors*

• Speaker (1)	R 809 878
• Executive Mayor (1)	R 938 251
• Deputy Executive Mayor (1)	R 759 479
• Executive Committee (4)	R 1 898 222
• Other Councillors (14)	<u>R 2 551 834</u>
	<b><u>R 6 147 786</u></b>

#### *Senior Managers*

• Municipal Manager	R 1 879 367
• Chief Financial Officer	R 1 316 796
• Senior Manager: Corporate Services	R 1 098 034
• Director: Community Services	<u>R 1 205 854</u>
	<b><u>R 5 500 051</u></b>

<u>Number of Councillors</u>	21
<u>Number of personnel employed</u>	<b>403 in Total (SA 24)</b>

• Senior Managers	4
• Other Managers	12
• Technical Staff	191
• Other staff members	196

## **10. Monthly targets for revenue, expenditure and cash flow**

The monthly targets for revenue, expenditure and cash flows is provided in SA 25 - Section B Supporting Tables.

## **11. Budget and SDBIP implementation plans**

Information/detail regarding capital projects by vote is provided in Section B – Capital Budget.

## **12. Contracts having future budgetary implications**

Loan agreement with Standard Bank to the value of R 28 million for the construction of the regional landfill site at Karwyderskraal – Outstanding balance on 28 February 2021 = R23.2 million. Unspent amount = R4.9 million.

## **13. Capital expenditure details**

Information/detail regarding capital projects by vote is provided in Section B – Capital Budget.

## **14. Legislation compliance status**

Overberg District Municipality complies in general with legislation applicable to municipalities.

## 15. Other supporting documents

None

## 16. Municipal Manager Quality Certification

### **Municipal Manager's quality certificate**

I ....., Municipal Manager of Overberg District Municipality, hereby certify that the annual budget and supporting documents have 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 \_\_\_\_\_

Municipal Manager of the Overberg District Municipality

Signature \_\_\_\_\_

Date \_\_\_\_\_

# SECTION B – BUDGET

## 1. Operating Budget

DC3 Overberg - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>R thousand</b>	1										
<b>Revenue By Source</b>											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	15	-	-	412	200	200	200	747	704	765
Service charges - water revenue	2	-	-	-	6	6	6	6	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	60	2 102	11 468	12 000	12 000	12 000	12 000	12 413	12 991	13 381
Rental of facilities and equipment		15 737	15 201	10 983	11 919	10 839	10 839	10 839	11 844	12 133	12 200
Interest earned - external investments		2 937	2 159	1 896	1 800	1 800	1 800	1 800	2 144	2 234	2 332
Interest earned - outstanding debtors		-	-	-	163	144	144	144	256	271	287
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-
Licences and permits		326	123	137	300	300	300	300	166	173	181
Agency services		9 388	9 215	10 127	10 561	11 110	11 110	11 110	11 436	11 351	11 871
Transfers and subsidies		144 591	167 029	169 680	80 883	201 770	201 770	201 770	194 564	195 310	201 581
Other revenue	2	5 160	4 310	9 254	109 629	7 468	7 468	7 468	8 170	9 579	10 263
Gains		1 483	882	-	9 420	9 420	9 420	9 420	13 485	1 500	1 500
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>179 696</b>	<b>201 021</b>	<b>213 545</b>	<b>237 092</b>	<b>255 057</b>	<b>255 057</b>	<b>255 057</b>	<b>255 224</b>	<b>246 246</b>	<b>254 360</b>
<b>Expenditure By Type</b>											
Employee related costs	2	90 308	95 249	105 831	124 756	118 387	118 387	118 387	132 303	130 145	134 644
Remuneration of councillors		6 142	6 264	6 197	6 341	6 341	6 341	6 341	6 548	6 646	6 812
Debt impairment	3	15	2 067	145	400	191	191	191	200	200	200
Depreciation & asset impairment	2	4 653	3 558	3 568	3 576	3 576	3 576	3 576	4 614	4 808	5 019
Finance charges		2 907	1 753	3 855	11 038	3 649	3 649	3 649	3 582	3 264	3 013
Bulk purchases - electricity	2	-	-	-	-	-	-	-	400	420	440
Inventory consumed	8	43 286	48 585	42 327	42 932	65 819	65 819	65 819	44 869	41 859	43 698
Contracted services		14 517	15 518	17 356	19 479	22 715	22 715	22 715	27 410	23 216	23 894
Transfers and subsidies		120	360	-	401	680	680	680	250	-	-
Other expenditure	4, 5	21 300	25 474	28 411	30 935	33 697	33 697	33 697	33 774	34 772	36 297
Losses		17	3 056	479	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>183 264</b>	<b>201 884</b>	<b>208 170</b>	<b>239 858</b>	<b>255 054</b>	<b>255 054</b>	<b>255 054</b>	<b>253 950</b>	<b>245 330</b>	<b>254 018</b>
<b>Surplus/(Deficit)</b>		<b>(3 568)</b>	<b>(862)</b>	<b>5 375</b>	<b>(2 766)</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>1 274</b>	<b>917</b>	<b>342</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		890	1 483	691	2 100	3 700	3 700	3 700	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	-	-	-	-	5	5	5	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	5	5	5	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(2 678)</b>	<b>621</b>	<b>6 067</b>	<b>(666)</b>	<b>3 707</b>	<b>3 707</b>	<b>3 707</b>	<b>1 274</b>	<b>917</b>	<b>342</b>
Taxation											
<b>Surplus/(Deficit) after taxation</b>		<b>(2 678)</b>	<b>621</b>	<b>6 067</b>	<b>(666)</b>	<b>3 707</b>	<b>3 707</b>	<b>3 707</b>	<b>1 274</b>	<b>917</b>	<b>342</b>
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(2 678)</b>	<b>621</b>	<b>6 067</b>	<b>(666)</b>	<b>3 707</b>	<b>3 707</b>	<b>3 707</b>	<b>1 274</b>	<b>917</b>	<b>342</b>
Share of surplus/ (deficit) of associate	7										
<b>Surplus/(Deficit) for the year</b>		<b>(2 678)</b>	<b>621</b>	<b>6 067</b>	<b>(666)</b>	<b>3 707</b>	<b>3 707</b>	<b>3 707</b>	<b>1 274</b>	<b>917</b>	<b>342</b>

## 2.Capital Budget

### OVERBERG DISTRICT MUNICIPALITY -CAPITAL BUDGET FOR 2021/22

PROJECT	DEPARTMENT	PROJECT	BUDGET
1	Corporate Services	Electricity Back-up system	R750 000
2	Information Technology	Computer equipment	R500 000
3	Finance	Utility Vehicle	R250 000
4	Municipal Health	Furniture and fittings	R18 000
5	Municipal Health	Computer equipment	R4 000
6	Environmental Management	Water system Karwyderskraal	R255 000
7	Resorts	Wooden House	R57 000
8	Resorts	Upgrading of Bungalows - Uilenkraalsmond	R304 500
9	Resorts	Office Equipment and furniture Uilenkraalsmond	R50 000
10	Emergency Services	Capital Rescue Equipment	R100 000
11	Emergency Services	Capital Vehicle replacement	R2 100 000
12	Emergency Services	Vehicle upgrade/refurbishment	R600 000
	<b>TOTAL CAPITAL BUDGET</b>	<b>Finance from Capital Replacement Reserve (CRR)</b>	<b>R4 988 500</b>

# **OVERBERG DISTRICT MUNICIPALITY**



## **Medium Term Revenue and Expenditure Framework (MTREF) 2021/2022 - 2023-2024**

### **Tariffs 2021/2022**

# 1. FIRE FIGHTING

TARIFF CATEGORY	UNIT	TARIFF DESCRIPTION	TARIFF 2020/2021 (VAT INCLUSIVE)	% INCREASE	TARIFF 2021/2022 (VAT INCLUSIVE)
<b>SPECIAL INCIDENTS – CALL OUT COST</b>	Per unit	Motor pumps	R1 191.00	4%	<b>R1 239.00</b>
	Per unit	Service & response vehicles	R601.00	4%	<b>R625.00</b>
<b>STAND-BY AND OPERATIONAL COST</b>	Per unit	Motor pumps	R1 191.00	4%	<b>R1 239.00</b>
	Per unit	Service & response vehicles	R1 017.00	4%	<b>R1 058.00</b>
<b>PERSONNEL</b>	Per hour	Senior	R337.00	4%	<b>R350.00</b>
	Per hour	Junior	R225.00	4%	<b>R234.00</b>
<b>WATER</b>	Per kilolitre	Water	R18.00	4%	<b>R19.00</b>
<b>CHEMICALS</b>	-	Chemicals	Cost price + 10% + 15%	-	<b>Cost price + 10% + 15%</b>
<b>PROVIDING DRINKING WATER</b>	Per kilometre	Water	R40.00	4%	<b>R42.00</b>
<b>STANDBY</b>	Per unit per hour	Standby	R410.00	4%	<b>R426.00</b>
<b>ASSISTANCE TO OUTSIDE SERVICES</b>		Assistance to outside services	Cost price + 10% + 15%	-	<b>Cost price + 10% + 15%</b>
<b>RECOVERY VEHICLE PRIVATE PERSONS AND ORGANISATIONS</b>	Per call out	Call out	R1 231.00	4%	<b>R1 280.00</b>
	Per hour	Recovery	R2 022.00	4%	<b>R2 103.00</b>
		Tow in (within 25 km radius)	R1 270.00	4%	<b>R1 321.00</b>
	Per kilometre	Tow in (outside 25 km radius)	R40.00	4%	<b>R42.00</b>
<b>RECOVERY VEHICLE MUNICIPALITIES WITHIN COUNCIL AREA</b>	Per call out	Call out	R0.00	4%	<b>R0.00</b>
	Per hour	Recovery	R1 270.00	4%	<b>R1 321.00</b>
<b>RECOVERY VEHICLE MUNICIPALITIES OUTSIDE COUNCIL AREA</b>	Per call out	Call out	R1 231.00	4%	<b>R1 280.00</b>
	Per hour	Recovery	R2 022.00	4%	<b>R2 103.00</b>
		Tow in (within 25 km radius)	R1 270.00	4%	<b>R1 321.00</b>
<b>NON-SUBSIDISED RESCUE ORGANISATIONS</b>	-	Call out	Free	-	<b>Free</b>
	-	Tow in (including subsistence & travel of personnel – where needed)	Actual cost + 15%	-	<b>Actual cost + 15%</b>
		Recovery (including rescue)	Actual cost + 15%	-	<b>Actual cost + 15%</b>
<b>PUMPS AND EQUIPMENT</b>	Per hour or part	Pumping swimming pools (office hours)	R399.00	4%	<b>R415.00</b>



TARIFF CATEGORY	UNIT	TARIFF DESCRIPTION	TARIFF 2020/2021 (VAT INCLUSIVE)	% INCREASE	TARIFF 2021/2022 (VAT INCLUSIVE)
	Per hour or part	Specialised pumps	R225.00	4%	R234.00
	Per hour or part	Hydraulic equipment	R669.00	4%	R696.00
	Per hour or part	Lighting	R213.00	4%	R222.00
	Per cylinder	Filling cylinders	R191.00	4%	R199.00
<b>STAND-BY FILMING</b>	Per hour or part	Per vehicle with crew of two	R967.00	4%	R1 006.00
	Per hour or part	Additional crew	R399.00	4%	R415.00
<b>TRAINING</b>	Per person	First Aid level 1	R815.00	4%	R848.00
	Per person	First Aid level 3	R1 348.00	4%	R1 402.00
	Per person	Fire extinguisher basic	R989.00	4%	R1 029.00
	Per person	Basic Fire Fighting – 1 day	R1 618.00	4%	R1 683.00
	Per person	School children (First Aid 1)	R410.00	4%	R426.00
	Per kilometre	Transport cost	R8.00	4%	R8.00
<b>STAND-BY</b>	Per vehicle/boat	Special events	R444.00	4%	R462.00
	Per hour	Medical stand-by (limited to venue or terrain)	R388.00	4%	R404.00
<b>INSURANCE INSPECTIONS</b>	-	Inspection on request of insurance	R764.00	4%	R795.00
	-	Follow-up inspection	R286.00	4%	R297.00
<b>DEMONSTRATIONS</b>	-	Conditions linked to awareness	Actual cost + 15%	-	Actual cost + 15%
<b>SPECIAL INVESTIGATIONS</b>	Per person per hour	Civil claims, insurance, civil court cases & other	Actual cost + 15%	-	Actual cost + 15%
<b>DIVING TEAM</b>	Per day	Diving team	R1 433.00	4%	R1 490.00
<b>LECTURE ROOM</b>	Per day	-	R562.00	4%	R584.00
<b>EXTERNAL TRAINING FACILITY</b>	Per student per day	-	R286.00	4%	R297.00
<b>OCCUPATIONAL CERTIFICATE</b>	Per unit	-	R213.00	4%	R222.00
<b>FIRST AID REFRESHER TRAINING</b>	-	-	R264.00	4%	R275.00
<b>FLAMMABLE LIQUID PERMITS</b>	-	Bulk > 1000L – Industry & commercial	R1 512.00	4%	R1 572.00
	-	Small content <1000L – Farms & private	R410.00	4%	R426.00
	-	LPG	R200 + inspection tariff	4%	R208 + inspection tariff
<b>VEHICLE DANGER CONTENT HOLDING PERMIT</b>	Per vehicle	-	R567.00	4%	R590.00
<b>FIRE PERMIT</b>	Per site	-	R601.00	4%	R625.00
<b>INSPECTION – BY-LAWS &amp; REGULATIONS (EXCLUDING CERTIFICATE)</b>	-	-	R562.00	4%	R584.00

TARIFF CATEGORY	UNIT	TARIFF DESCRIPTION	TARIFF 2020/2021 (VAT INCLUSIVE)	% INCREASE	TARIFF 2021/2022 (VAT INCLUSIVE)
FIRE INSPECTION ON REQUEST (COMMERCIAL USE)	-	-	R562.00	4%	R584.00
VELD FIRE FIGHTING AS PER ACT (FIRE SUPPRESSION)	-	-	No charge	-	No charge
VELD FIRE FIGHTING AS PER ACT (FIRE SUPPRESSION) – NON-MEMBERS OF REGISTERED PROTECTION ASSOCIATION			R636 per hour per unit	4%	R661 per hour per unit
AIR SUPPORT	-	-	Cost + 10% + 15%	-	Cost + 10% + 15%
FLAIM TRAINER	Per day	With two operators	R10000 + Travel & Accommodation Cost	4%	R10400 + Travel & Accommodation Cost

## 2. ADDITIONAL TARIFFS

TARIFF CATEGORY	UNIT	TARIFF DESCRIPTION	TARIFF 2020/2021 (VAT INCLUSIVE)	% INCREASE	TARIFF 2021/2022 (VAT INCLUSIVE)
<b>ADDITIONAL TARIFFS</b>	-	Any rental of equipment and vehicles-	Cost + 10% + 15%	-	Cost + 10% + 15%
	Per page	Photostat/A4 page	R1.40	4%	<b>R1.50</b>
	Per page	Photostat/A4 page colour	R5.60	4%	<b>R5.80</b>
	Per page	Computer printouts	R16.00	4%	<b>R17.00</b>
	Per page	Faxing	R33.00	4%	<b>R34.00</b>
	Per cheque	Dishonoured cheques	R152.00	4%	<b>R158.00</b>
	Per occurrence	Faulty payments	R152.00	4%	<b>R158.00</b>
	Per item	Printing of maps A0 size black	R108.00	<b>NOT IN USE ANYMORE</b>	
	Per item	Printing of maps A0 size colour	R130.00		
	Per item	Printing of aerial photos A0 size	R349.00		
	Per item	Printing of maps A1 size black	R96.00		
	Per item	Printing of maps A1 size colour	R108.00		
	Per item	Printing of aerial photos A1 size	R213.00		
	Per item	Printing of maps A2 size black	R85.00		
	Per item	Printing of maps A2 size colour	R95.00		
	Per item	Printing of aerial photos A2 size	R174.00		
	Per item	Printing of maps A3 size black	R63.00		4%
	Per item	Printing of maps A3 size colour	R74.00	4%	<b>R77.00</b>
	Per item	Printing of aerial photos A3 size	R141.00	4%	<b>R147.00</b>
	Per item	Printing of maps A4 size black	R29.00	4%	<b>R30.00</b>
	Per item	Printing of maps A4 size colour	R34.00	4%	<b>R35.00</b>
	Per item	Printing of aerial photos A4 size	R39.00	4%	<b>R41.00</b>
	Appeal	-	R1 348.00	4%	<b>R1 402.00</b>
<b>NON-REFUNDABLE TENDER DOCUMENT</b>	-	Tender 9 years & 11 months +	R1 348.00	4%	<b>R1 402.00</b>
	-	Tender 5 – 8 years 11 months	R674.00	4%	<b>R701.00</b>
	-	Tender 3 years 11 months - 4 years 11 months	R276.00	4%	<b>R287.00</b>
	-	3 years	R276.00	4%	<b>R287.00</b>

TARIFF CATEGORY	UNIT	TARIFF DESCRIPTION	TARIFF 2020/2021 (VAT INCLUSIVE)	% INCREASE	TARIFF 2021/2022 (VAT INCLUSIVE)
	-	Less than 3 years	R135.00	4%	<b>R140.00</b>
	-	Banking Tender	R674.00	4%	<b>R701.00</b>
<b>ELECTRONIC NOTICE BOARD</b>	Per day	Private Sector/Business per 24 hours rolling per slide	R14.00	4%	<b>R15.00</b>
	Per day	Municipalities (local) per 24 hours rolling per slide	R7.00	4%	<b>R7.00</b>
<b>PROPERTIES</b>	Per month	Head Office Shaded Parking (Officials only)	R32.00	4%	<b>R33.00</b>
<b>ENVIRONMENTAL MANAGEMENT</b>	Per hour	Environmental control officer (ECO) inspections	R787.00	4%	<b>R818.00</b>
<b>ENVIRONMENTAL MANAGEMENT</b>	Per Weigh Load	<b>Use of Weighbridge (ad hoc private users)</b> Commercial vehicles (Cars and Pick-ups's Campers, Caravans and Trailers)	R175.00	4%	<b>R182.00</b>
<b>ENVIRONMENTAL MANAGEMENT</b>	Per Weigh Load	<b>Use of Weighbridge (ad hoc private users)</b> Large vehicles (All Trucks and Busses)	R450.00	4%	<b>R468.00</b>

### 3. BUILDING PLANS

TARIFF CATEGORY	UNIT	TARIFF DESCRIPTION	TARIFF
			2020/2021 (VAT INCLUSIVE)
<b>WATER QUALITY MONITORING</b>	-	All samples taken on request (except for governmental institutions) R 145 per sample run plus laboratory cost as per contract between ODM and laboratory.	R202
	-	With the application of a certificate of acceptability (COA) for a premise in an area that do not fall in a WSA: R145.00 per sample run (bacteriological and chemical) plus laboratory cost as per contract between ODM and laboratory.	R202
	-	In the case of follow up samples in above tariff, if water quality does not comply with the SANS 241 code: R 145.00 per sample run plus laboratory cost as per contract between ODM and laboratory.	R202
	-	All routine follow up sample runs analysing water quality (bacteriological & chemical ) at premises with a COA	R0
<b>MONITORING OF MILK AND MILK PRODUCTS ON REQUEST OF SUPPLIERS</b>	-	All bacteriological & chemical analyses: R145,00 per sample run plus laboratory cost as per contract between ODM and laboratory	R202
	-	Follow up samples in the case where a sample do not comply to stipulations of the Foodstuffs, Cosmetics and Disinfectants Act: R 145.00 per sample run pus laboratory cost as per contract between ODM and laboratory.	R202
<b>CERTIFICATE FOR EXPORT OF FOOD PRODUCTS</b>	-	-	R921
<b>ISSUING OF CERTIFICATE OF ACCEPTABILITY FOR PREMISES IN TERMS OF THE NATIONAL HEALTH ACT, ACT 61 OF 2003 AND FOODSTUFFS,</b>	-	Issuing of Certificates of acceptability: Once off payment	R202
	-	Inspection performed to uplift a prohibition on the use of a premises or facility	R573
	-	Replacement of any applicable COA	R202
<b>ALL OTHER MUNICIPAL HEALTH INSPECTION REPORTS/CERTIFICATES</b>	-	Application for issuing of any Health related report	R202

			TARIFF 2020/2021 (VAT INCLUSIVE)
TARIFF CATEGORY	UNIT	TARIFF DESCRIPTION	
ISSUING OF HEALTH CERTIFICATE OR REPORT TO REMOVE OR DESTROY FOOD OR FOOD PRODUCTS UNFIT FOR HUMAN CONSUMPTION	-		R359
AIR QUALITY CONTROL – COST OF LIVENING (FUEL BURNING APPLIANCES – COST OF LICENSING OF THESE APPLICATIONS WILL TAKE PLACE ON A SLIDING SCALE)	-	Atmospheric emission tariffs – application fee for license fee (Licence fee determined by Air Quality Act, Act 39 of 2004)	R1 719
	-	Processing Fee for application as contemplated in Section 37/44/47 of the Air Quality Act, Act 39 of 2004 – Band 1	R6 314
	-	Processing Fee for application as contemplated in Section 37/44/47 of the Air Quality Act, Act 39 of 2004 – Band 2	R25 618
	-	Processing Fee for application as contemplated in Section 37/44/47 of the Air Quality Act, Act 39 of 2004 – Band 3	R79 776
	-	Processing Fee for application as contemplated in Section 37/44/47 of the Air Quality Act, Act 39 of 2004 – Band 4	R159 708
	-	Processing Fee for application as contemplated in Section 37/44/47 of the Air Quality Act, Act 39 of 2004 – Band 5	R323 990
ISSUING OF HEALTH REPORT OR CERTIFICATE (EXCEPT IF REQUESTED BY A GOVERNMENT AUTHORITY)	-		R202
HEALTH MONITORING OF OPENING OF GRAVES AND/OR REBURIAL	-		R573
ATMOSPHERIC	-	Application for new atmospheric emission licence	R12 700 per listed activity
	-	Application for atmospheric emission licence review	R12 700 per listed activity
	-	Application for atmospheric emission licence renewal	R6 350 per listed activity
	-	Application for atmospheric emission licence transfer	R2 545
Local Municipalities	-	Health Service	R5,60 per population

## 4. BUILDING PLANS

TARIFF CATEGORY	UNIT	TARIFF DESCRIPTION	TARIFF 2020/2021 (VAT INCLUSIVE)	% INCREASE	TARIFF 2021/2022 (VAT INCLUSIVE)
<b>ROADS TARIFF</b>	2 X posts	Erection of Tourism/Facility signs	R498.00	4%	<b>R518.00</b>
	-	Any additional structure posts	R360.00	4%	<b>R374.00</b>

## 5. BUILDING PLANS

TARIFF CATEGORY	UNIT	TARIFF DESCRIPTION	TARIFF 2020/2021 (VAT INCLUSIVE) R	% INCREASE	TARIFF 2021/2022 (VAT INCLUSIVE) R
<b>SCRUTINY OF BUILDING PLANS</b>	Per plan	Inspection of any building plan – Cape Agulhas, Theewaterskloof and Swellendam area	6.5% of Building plan cost	<b>NOT IN USE ANYMORE</b>	
	Per plan	Inspection of any building plan – Overstrand area	3.9% of Building plan cost		

## 6. KARWYDESKRAAL DUMPING SITE

TARIFF CATEGORY	UNIT	TARIFF DESCRIPTION	TARIFF 2020/2021 (15% VAT EXCLUSIVE)	% INCREASE	TARIFF 2021/2022 (15% VAT EXCLUSIVE)
KARWYDESKRAAL	Dumping	Cost per tonne - dumping clean building rubble up to the size of a brick (cover material)	Free of charge	None	Free of charge
	Dumping	Cost per tonne - Dumping of general Household waste - Private	R241.00	1.66%	R245.00
	Dumping	Cost per Tonne-General Household Waste - Municipalities	R94.20	None	R94.02
	Dumping	Cost per tonne - dumping building rubble (oversize/clean)	R105.00	3.50%	R108.68
	Dumping	Cost per tonne - dumping contaminated builders rubble	R241.00	1.66%	R245.00
	Dumping	Cost per tonne - rehabilitation contribution - municipalities	R14.33	18.84%	R17.03



## 7. UILENKRAALSMOND RESORT

TARIFF CATEGORY	TARIFF DESCRIPTION	IN SEASON TARIFF	OUT OF SEASON	OUT OF SEASON	% INCREASE	IN SEASON TARIFF	OUT OF SEASON	OUT OF SEASON
		2020/2021	TARIFF – WEEKEND	TARIFF – WEEK		2021/2022	TARIFF – WEEKEND	TARIFF – WEEK
		(VAT INCLUSIVE)	2020/2021	2020/2021		(VAT INCLUSIVE)	2021/2022	2021/2022
		R	(VAT INCLUSIVE)	(VAT INCLUSIVE)		R	(VAT INCLUSIVE)	(VAT INCLUSIVE)
			R	R		R	R	R
HOLIDAY HOUSE/BUNGALOW	Bungalows per night	760	610	540	3.66%	790	630	560
	Bungalows (sea view) per night	1 020	840	730	3.86%	1 060	870	760
	Wooden House per night	1 080	950	800	3.89%	1 120	990	830
	Breakage deposit (no VAT payable)	500	500	500	4.00%	520	520	520
	Cancellation fee (Only payable if re-let)	150	150	150	6.67%	160	160	160
	Cancellation fee per occasion (Only payable if not re-let)	50% of reservation amount	50% of reservation amount	50% of reservation amount	-	50% of reservation amount	50% of reservation amount	50% of reservation amount
	Access card – deposit per card	80	80	80	0.00%	80	80	80
CARAVAN/TENT SITES	Caravan/Tent site per night (maximum 6 persons)	450	310	200	4.17%	470	320	210
	Caravan/Tent site per person per night (out of season only)	0	90	90	0.00%	0	90	90
	Cancellation fee (Only payable if re-let)	150	150	150	6.67%	160	160	160
	Cancellation fee per occasion (Only payable if not re-let)	50% of reservation amount	50% of reservation amount	50% of reservation amount	-	50% of reservation amount	50% of reservation amount	50% of reservation amount
	Access card – deposit per card	80	80	80	0.00%	80	80	80
DAY VISITORS	Day visitors per site per person per day camping site (08:00 – 17:00)	40	40	40	0.00%	40	40	40
	Vehicle per day (08:00 – 17:00) (Excluding in-season)	0	50	50	0.00%	0	50	50
	Mini-bus per day (08:00 – 17:00) (Excluding in-season)	0	65	65	7.69%	0	70	70
	Bus per day (08:00 – 17:00) (Excluding in-season)	0	150	150	6.67%	0	160	160
	Children 5 years and younger	Free	Free	Free		Free	Free	Free
RENTAL OPEN AREA	Rental open area per 50 m <sup>2</sup>	65	65	65	7.69%	70	70	70
PARKING AREA	Parking per vehicle/boat per day	20	20	20	0.00%	20	20	20
ADDITIONAL PERSONS/VEHICLES	Extra persons per site per person per day – caravan/tent sites and bungalows	80	80	80	0.00%	80	80	80
	Extra vehicle per day caravan/tent sites, bungalows & semi-permanent sites	45	45	45	11.11%	50	50	50
HALL	Hall hire per occasion per day (Small)	900	900	900	4.00%	936	936	936
	Hall hire per occasion per day (Recreational)	0	0	0	100.00%	2 000	2 000	2 000
	Breakage deposit	500	500	500	4.00%	520	520	520
	Cancellation fee (Only payable if re-let)	150	150	150	6.67%	160	160	160
	Cancellation fee per occasion (Only payable if not re-let)	50% of reservation amount	50% of reservation amount	50% of reservation amount	-	50% of reservation amount	50% of reservation amount	50% of reservation amount
BEDDING	Rental of bedding per unit per occasion	80	80	80	0.00%	80	80	80
COUNCIL HOUSES	Rental per month (including basic services)	5 146	5 146	5 146	4.00%	5 352	5 352	5 352
COMMERCIAL USERS	Water per kilo litre	7.787	7.787	7.787	4.00%	8.098	8.098	8.098
	Water deposit – service connection	961	961	961	4.00%	999	999	999
	Service deposit	1 534	1 534	1 534	4.00%	1 595	1 595	1 595
	Water services connection fee (per connection)	206	206	206	4.00%	214	214	214

	Water re-connection for defaulters	Cost + 15% + 15%	Cost + 15% + 15%	Cost + 15% + 15%	-	Cost + 15% + 15%	Cost + 15% + 15%	Cost + 15% + 15%
SEMI-PERMANENT (INCLUDING BASIC SERVICES)	Plots to 150m2 (per year)	16 182	16 182	16 182	4.00%	16 829	16 829	16 829
	Plots 151 m2 – 200m2 (per year)	18 013	18 013	18 013	4.00%	18 734	18 734	18 734
	Plots 201m2 – 300m2 (per year)	19 977	19 977	19 977	4.00%	20 776	20 776	20 776
	Plots 301m2 – 350m2 (per year)	21 694	21 694	21 694	4.00%	22 562	22 562	22 562
	Plots 350m2 + (per year)	23 777	23 777	23 777	4.00%	24 728	24 728	24 728

## 7. UILENKRAALSMOND RESORT

TARIFF CATEGORY	TARIFF DESCRIPTION	IN SEASON TARIFF	OUT OF SEASON	OUT OF SEASON	% INCREASE	IN SEASON TARIFF	OUT OF SEASON	OUT OF SEASON
		2020/2021 (VAT INCLUSIVE) R	TARIFF – WEEKEND 2020/2021 (VAT INCLUSIVE) R	TARIFF – WEEK 2020/2021 (VAT INCLUSIVE) R		2021/2022 (VAT INCLUSIVE) R	TARIFF – WEEKEND 2021/2022 (VAT INCLUSIVE) R	TARIFF – WEEK 2021/2022 (VAT INCLUSIVE) R
SEMI-PERMANENT BASIC SERVICES	Blocked sewerage and water supply repair work	460	460	460	4.35%	480	480	480
	Sewerage connection with network (once-off)	6 245	6 245	6 245	3.92%	6 490	6 490	6 490
ELECTRICITY	Electricity tariff per unit	2.916	2.916	2.916	As approved by Overstrand LM	Aligned with electricity tariff structure of Overstrand Local Municipality for pre-paid meters.		
	Electricity Availability Tariff per month	298	298	298				
SEMI-PERMANENT DEFAULT SERVICES	Cutting of grass semi-permanent plot	460	460	160	4.63%	480	480	170
	Removal of rubbish semi-permanent plot	460	460	460	4.35%	480	480	480
	Builders per person per day	0	35	35	4.00%	0	36	36
	Builders vehicles per day	0	40	40	4.00%	0	42	42
	Registration service providers operating in the Resort	0	1 000	1 000	4.00%	0	1 040	1 040
SEMI-PERMANENT RENEWAL AND TRANSFERRALS OF CONTRACTS	Administrative costs transfer of rental agreement	700	700	700	4.29%	730	730	730
	Administrative costs renewal of rental agreement	320	320	320	4.06%	333	333	333
REDUCED TARIFFS (EXCLUDING 10 DECEMBER – 10 JANUARY OF NEXT YEAR AND EASTER WEEKEND)	Groups of 20 – 50 persons	-	15% discount	15% discount	-	-	15% discount	15% discount
	Groups of 51 – 100 persons	-	20% discount	20% discount	-	-	20% discount	20% discount
	Groups of 101 – 200 persons	-	25% discount	25% discount	-	-	25% discount	25% discount
	Groups of more than 200 persons	-	30% discount	30% discount	-	-	30% discount	30% discount
	Caravan Groups 20-50 (maximum 6 per caravan)	-	30% discount	30% discount	-	-	30% discount	30% discount
	Caravan Groups 51-00 (maximum 6 per caravan)	-	40% discount	40% discount	-	-	40% discount	40% discount
	Caravan Sites 7-14 days (6 person & 2 vehicles per caravan)	-	30% discount	30% discount	-	-	30% discount	30% discount
	Caravan Sites 15-21 days (6 person & 2 vehicles per caravan)	-	35% discount	35% discount	-	-	35% discount	35% discount
	Caravan Sites monthly tariff (maximum 2 persons & 1 vehicle)	0	2 320	2 320	3.88%	0	2 410	2 410
	Pensioners	-	30% discount	15% discount	-	-	30% discount	15% discount
Contractors (longer than 1 month)	-	15% discount	15% discount	-	-	15% discount	15% discount	
Staff	-	40% discount	40% discount	-	-	40% discount	40% discount	
	In Season	-	-	-	-	-	-	-

SEASON- AND OTHER TIMES	Out of Season	-	Excluding 10 December – 10 January of next year & Easter Weekend	Excluding 10 December – 10 January of next year & Easter Weekend	-	-	Excluding 10 December – 10 January of next year & Easter Weekend	Excluding 10 December – 10 January of next year & Easter Weekend
	Week	Sunday 14:00 – Thursday 10:00	Sunday 14:00 – Thursday 10:00	Sunday 14:00 – Thursday 10:00	-	Sunday 14:00 – Thursday 10:00	Sunday 14:00 – Thursday 10:00	Sunday 14:00 – Thursday 10:00
	Weekend	Thursday 14:00 – Sunday 10:00	Thursday 14:00 – Sunday 10:00	Thursday 14:00 – Sunday 10:00	-	Thursday 14:00 – Sunday 10:00	Thursday 14:00 – Sunday 10:00	Thursday 14:00 – Sunday 10:00

## 8. DIE DAM RESORT

TARIFF CATEGORY	TARIFF DESCRIPTION	IN SEASON TARIFF	OUT OF SEASON	OUT OF SEASON	% INCREASE	IN SEASON TARIFF	OUT OF SEASON	OUT OF SEASON
		2020/2021 (VAT INCLUSIVE) R	TARIFF – WEEKEND 2020/2021 (VAT INCLUSIVE) R	TARIFF – WEEK 2020/2021 (VAT INCLUSIVE) R		2021/2022 (VAT INCLUSIVE) R	TARIFF – WEEKEND 2021/2022 (VAT INCLUSIVE) R	TARIFF – WEEK 2021/2022 (VAT INCLUSIVE) R
HOLIDAY HOUSE/BUNGALOW	Bungalows per night	860	720	550	3.76%	890	750	570
	Breakage deposit (no VAT payable)	500	500	500	4.00%	520	520	520
	Cancellation fee (Only payable if re-let)	150	150	150	6.67%	160	160	160
	Cancellation fee per occasion (Only payable if not re-let)	50% of reservation amount	50% of reservation amount	50% of reservation amount	-	50% of reservation amount	50% of reservation amount	50% of reservation amount
	Access card – deposit per card	80	80	80	0.00%	80	80	80
CARAVAN/TENT SITES	Caravan/Tent site per night (maximum 6 persons) with electricity	380	330	280	4.04%	400	340	290
	Caravan/Tent site per night (maximum 6 persons) without electricity	350	280	250	3.41%	360	290	260
	Caravan/Tent site per person per night (out of season only)	0	90	90	0.00%	0	90	90
	Cancellation fee (Only payable if re-let)	150	150	150	6.67%	160	160	160
	Cancellation fee per occasion (Only payable if not re-let)	50% of reservation amount	50% of reservation amount	50% of reservation amount	-	50% of reservation amount	50% of reservation amount	50% of reservation amount
	Access card – deposit per card	85	85	85	5.88%	90	90	90
ADDITIONAL PERSONS/VEHICLES	Extra persons per site per person per day – caravan/tent sites and bungalows	80	80	80	0.00%	80	80	80
	Extra vehicle per vehicle day caravan/tent sites, bungalows & semi-permanent sites	45	45	45	11.11%	50	50	50
DAY VISITORS	Day visitors per site per person per day camping site (08:00 – 17:00)	0	40	40	0.00%	0	40	40
	Vehicle per day (08:00 – 17:00) (Excluding in-season)	0	50	50	0.00%	0	50	50
	Mini-bus per day (08:00 – 17:00) (Excluding in-season)	0	50	50	40.00%	0	70	70

	Bus per day (08:00 – 17:00) (Excluding in-season)	0	150	150	6.67%	0	160	160
	Children 5 years and younger	Free	Free	Free		Free	Free	Free
SEMI-PERMANENT (INCLUDING BASIC SERVICES)	Plot tariff per year	14 978	14 978	14 978	4.00%	15 577	15 577	15 577
	Plettenberg plot tariff per year	18 041	18 041	18 041	4.00%	18 763	18 763	18 763
ELECTRICITY	Electricity tariff per unit	3.000	3.000	3.000	As approved by Cape Agulhas LM	Aligned with electricity tariff structure of Cape Agulhas Local Municipality for pre-paid meters.		
	Electricity Availability Tariff per month (semi-permanent plots)	276	276	276				
SEMI-PERMANENT DEFAULT SERVICES	Cutting of grass semi-permanent plot	460	460	460	4.00%	478	478	478
	Removal of rubbish semi-permanent plot	460	460	460	4.00%	478	478	478
	Builders per person per day	0	35	35	4.00%	0	36	36
	Builders per vehicle per day	0	40	40	4.00%	0	42	42
	Registration service providers operating in the Resort	0	1 000	1 000		0	1 040	1 040
SEMI-PERMANENT RENEWAL AND TRANSFERRALS OF CONTRACTS	Administrative costs transfer of rental agreement	700	700	700	4.00%	728	728	728
	Administrative costs renewal of rental agreement	320	320	320	4.00%	333	333	333

## 8. DIE DAM RESORT

TARIFF CATEGORY	TARIFF DESCRIPTION	IN SEASON TARIFF	OUT OF SEASON	OUT OF SEASON	% INCREASE	IN SEASON TARIFF	OUT OF SEASON	OUT OF SEASON
		2020/2021 (VAT INCLUSIVE) R	TARIFF – WEEKEND 2020/2021 (VAT INCLUSIVE) R	TARIFF – WEEK 2020/2021 (VAT INCLUSIVE) R		2021/2022 (VAT INCLUSIVE) R	TARIFF – WEEKEND 2021/2022 (VAT INCLUSIVE) R	TARIFF – WEEK 2021/2022 (VAT INCLUSIVE) R
REDUCED TARIFFS (EXCLUDING 10 DECEMBER – 10 JANUARY OF NEXT YEAR AND EASTER WEEKEND)	Groups of 20 – 50 persons	-	15% discount	15 % discount	-	-	15% discount	15 % discount
	Groups of 51 – 100 persons	-	20% discount	20% discount	-	-	20% discount	20% discount
	Groups of 101 – 200 persons	-	25% discount	25% discount	-	-	25% discount	25% discount
	Groups of more than 200 persons	-	30% discount	30% discount	-	-	30% discount	30% discount
	Caravan Groups 20-50 (maximum 6 per caravan)	-	30% discount	30% discount	-	-	30% discount	30% discount
	Caravan Groups 51-00 (maximum 6 per caravan)	-	40% discount	40% discount	-	-	40% discount	40% discount
	Caravan Sites 7-14 days (6 person & 2 vehicles per caravan)	-	30% discount	30% discount	-	-	30% discount	30% discount
	Caravan Sites 15-21 days (6 person & 2 vehicles per caravan)	-	35% discount	35% discount	-	-	35% discount	35% discount
	Caravan Sites monthly tariff (maximum 2 persons & 1 vehicle)	0	2 140	2 140	4.21%	0	2 230	2 230
	Pensioners	-	30% discount	30% discount	-	-	30% discount	30% discount
	Contractors (longer than 1 month)	-	15% discount	15% discount	-	-	15% discount	15% discount
Staff	-	40% discount	40% discount	-	-	40% discount	40% discount	

SEASON- AND OTHER TIMES	In Season	10 December – 10 January of next year & Easter Weekend	-	-	-	10 December – 10 January of next year & Easter Weekend	-	-
	Out of Season	-	Excluding 10 December – 10 January of next year & Easter Weekend	-	-	Excluding 10 December – 10 January of next year & Easter Weekend	-	-
	Week	Sunday 14:00 – Thursday 10:00	Sunday 14:00 – Thursday 10:00	Sunday 14:00 – Thursday 10:00	-	Sunday 14:00 – Thursday 10:00	Sunday 14:00 – Thursday 10:00	Sunday 14:00 – Thursday 10:00
	Weekend	Thursday 14:00 – Sunday 10:00	Thursday 14:00 – Sunday 10:00	Thursday 14:00 – Sunday 10:00	-	Thursday 14:00 – Sunday 10:00	Thursday 14:00 – Sunday 10:00	Thursday 14:00 – Sunday 10:00

# **OVERBERG DISTRICT MUNICIPALITY**



## **Medium Term Revenue and Expenditure Framework (MTREF) 2021/2022 - 2023-2024**

## **MFMA Municipal Budget Circulars for the 2021/22 MTREF**


**NATIONAL TREASURY**
**MFMA Circular No. 107**
**Municipal Finance Management Act No. 56 of 2003**

# Municipal Budget Circular for the 2021/22 MTREF

## CONTENTS

<b>1.</b>	<b>THE SOUTH AFRICAN ECONOMY AND INFLATION TARGETS.....</b>	<b>2</b>
<b>2.</b>	<b>KEY FOCUS AREAS FOR THE 2021/22 BUDGET PROCESS .....</b>	<b>3</b>
2.1	LOCAL GOVERNMENT CONDITIONAL GRANTS ALLOCATIONS .....	3
<b>3.</b>	<b>2021 LOCAL GOVERNMENT ELECTIONS AND THE BUDGET PROCESS.....</b>	<b>4</b>
<b>4.</b>	<b>MUNICIPAL STANDARD CHART OF ACCOUNTS (MSCOA) .....</b>	<b>6</b>
4.1	RELEASE OF VERSION 6.5 OF THE CHART .....	6
4.2	BUDGETING AND REPORTING FOR THE COVID-19 PANDEMIC AND WATER INVENTORY .....	6
4.3	REVISED MUNICIPAL PROPERTY RATES ACT CATEGORIES .....	7
4.4	FORBIDDEN ACTIVITIES .....	7
4.5	INDEPENDENT AUDITS ON MUNICIPAL FINANCIAL SYSTEMS.....	8
4.6	REGULATION OF MINIMUM BUSINESS PROCESSES AND MSCOA SYSTEM SPECIFICATIONS .....	8
4.7	NON-COMPLIANCE WITH MSCOA REQUIREMENTS .....	9
4.8	EXTENSION AND PROCURING OF SERVICE LEVEL AGREEMENTS (SLA) FOR FINANCIAL SYSTEMS ..	10
4.9	CASH FLOW RECONCILIATION .....	10
4.10	MSCOA CALENDAR FOR 2021/22 .....	10
<b>5.</b>	<b>THE REVENUE BUDGET .....</b>	<b>11</b>
5.1	MAXIMISING THE REVENUE GENERATION OF THE MUNICIPAL REVENUE BASE.....	11
5.2	SETTING COST-REFLECTIVE TARIFFS.....	12
5.3	BULK ACCOUNT PAYMENTS - Eskom CONCESSIONS .....	12
5.4	TIMEOUS ALLOCATIONS AND CLEARING OF THE CONTROL ACCOUNTS.....	13
5.5	ESKOM BULK TARIFF INCREASES.....	13
<b>6.</b>	<b>FUNDING CHOICES AND MANAGEMENT ISSUES.....</b>	<b>13</b>
6.1	EMPLOYEE RELATED COSTS .....	13
6.2	REMUNERATION OF COUNCILLORS.....	14
<b>7.</b>	<b>CONDITIONAL GRANT TRANSFERS TO MUNICIPALITIES.....</b>	<b>14</b>
7.1	NON-COMPLIANCE OF IN-YEAR MONITORING.....	14
<b>8.</b>	<b>THE MUNICIPAL BUDGET AND REPORTING REGULATIONS.....</b>	<b>15</b>
8.1	ENSURING MUNICIPAL SUSTAINABILITY THROUGH A FUNDED BUDGET .....	15
8.2	BUDGETING FOR INDIRECT GRANT ALLOCATIONS .....	15
8.3	MONTHLY REPORTING OF DEBTORS .....	15
8.4	SCHEDULE A - VERSION TO BE USED FOR THE 2021/22 MTREF .....	16
8.5	ASSISTANCE WITH THE COMPILATION OF BUDGETS .....	17
8.6	ASSESSING THE 2021/22 MTREF BUDGET.....	17
<b>9.</b>	<b>BUDGET PROCESS AND SUBMISSIONS FOR THE 2021/22 MTREF .....</b>	<b>18</b>
9.1	SUBMITTING BUDGET DOCUMENTATION AND A1 SCHEDULES FOR 2021/22 MTREF .....	18
9.2	EXPECTED SUBMISSIONS FOR 2021/22 MTREF .....	19
9.3	PUBLICATION OF BUDGETS ON MUNICIPAL WEBSITES .....	20
9.4	COMMUNICATION BY MUNICIPAL ENTITIES TO NATIONAL TREASURY .....	20

## Introduction

The purpose of the annual budget circular is to guide municipalities with their compilation of the 2021/22 Medium Term Revenue and Expenditure Framework (MTREF). This circular is linked to the Municipal Budget and Reporting Regulations (MBRR) and the municipal Standard Chart of Accounts (*mSCOA*); and strives to support municipalities' budget preparation processes so that the minimum requirements are achieved.

Among the objectives of this budget circular is to demonstrate how municipalities should undertake annual budget preparation in accordance with the budget and financial reform agenda by focussing on key "game changers". These game-changers include ensuring that municipal budgets are funded, revenue management is optimised, assets are managed efficiently, supply chain management processes are adhered to, *mSCOA* is implemented correctly and that audit findings are addressed.

Municipalities are reminded to refer to the annual budget circulars of the previous years for guidance on budget preparation that is not covered in this circular.

### 1. The South African economy and inflation targets

The National Treasury projects real economic growth of 3.3 per cent in 2021, following an expected contraction of 7.8 per cent in 2020. Real GDP growth is expected to moderate to 1.7 per cent in 2022 and 1.5 per cent in 2023, averaging 2.1 per cent over the medium term.

South Africa experienced its largest recorded decline in economic output in the second quarter of 2020 due to the strict COVID-19 lockdown. Real GDP fell by 17.1 per cent relative to the previous quarter (or 51 per cent on a seasonally adjusted and annualised basis), with all major sectors except agriculture declining. The second-quarter results were weaker than expected in the June 2020 special adjustments budget, which projected a contraction of 7.2 per cent in 2020.

High-frequency data for the third quarter – such as the volume of electricity distributed, mining and manufacturing output, business confidence and the Absa Purchasing Managers' Index (PMI) – shows evidence of a limited economic rebound. Although growth rates are likely to improve quickly as restrictions are removed, based on current projections, output is only expected to return to pre-pandemic levels in 2024.

The main risks to the economic outlook are weaker-than-expected growth, continued deterioration in the public finances and a failure to implement structural reforms. A second wave of COVID-19 infections, accompanied by new restrictions on economic activity, would have significant implications for the outlook. Government's fiscal position is a risk to growth: higher long-term borrowing costs and risk premiums have started to affect the broader economy.

In addition, recovery efforts will fail unless structural constraints (including in energy, infrastructure and competitiveness) are urgently addressed. While the reforms required in these areas do not immediately affect growth, they are critical for market confidence and investment.

Electricity remains a binding constraint on economic recovery, with power interruptions expected to continue into 2021. Private generation will only be able to plug the electricity gap to a limited extent over the next year.

Job creation is a top priority of the economic recovery plan that will guide policy actions over the medium term, supported by new infrastructure investment and large-scale public



employment programmes. In addition, targeted skills development will improve productivity and employment prospects.

Headline inflation is at the lower end of the 3 to 6 per cent target range. Goods and services inflation has broadly declined due to weak demand and falling oil prices. Inflation is forecast to fluctuate around the 4.5 per cent midpoint over the medium term in line with moderating inflation expectations.

In summary, the country's tax collection targets have not been met and this means that the fiscus has less funds available to allocate across the various spheres of government. There are measures in place to reduce expenditure to narrow the deficits.

The following macro-economic forecasts must be considered when preparing the 2021/22 MTREF municipal budgets.

**Table 1: Macroeconomic performance and projections, 2016 - 2020**

Fiscal year	2019/20	2020/21	2021/22	2022/23	2023/24
	Actual	Estimate	Forecast		
CPI Inflation	4.1%	3.2%	4.1%	4.4%	4.5%

Source: Medium Term Budget Policy Statement 2020.

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.

## 2. Key focus areas for the 2021/22 budget process

### 2.1 Local government conditional grants allocations

Transfers to local government will be reduced by R17.7 billion, including R14.5 billion from the local government equitable share, R2.7 billion from the general fuel levy and R569 million in direct conditional grants over the 2021 MTEF period. The local government equitable share formula has been updated to account for projected household growth, inflation and estimated increases in bulk water and electricity costs over the MTEF period.

Government will revisit underperforming programmes. For example, some cities receiving the Public Transport Network Grant (PTNG) have not launched their integrated public transport networks. Over the MTEF period, government will suspend at least two more poorly performing cities from this grant and the remaining cities will be required to reduce costs and demonstrate their effectiveness to remain funded.

The annual Division of Revenue Bill will be published in February 2021 after the Minister of Finance's budget speech. The Bill will specify grant allocations and municipalities must reconcile their budgets to the numbers published herein.

Municipalities are advised to use the indicative numbers presented in the 2020 Division of Revenue Act to compile their 2021/22 MTREF. In terms of the outer year allocations (2023/24 financial year), it is proposed that municipalities conservatively limit funding allocations to the indicative numbers as presented in the 2020 Division of Revenue Act for 2020/21. The DoRA is available at <http://www.treasury.gov.za/documents/national%20budget/2020/default.aspx>

## ***Division of Revenue Second Amendment Bill, 2020: changes to local government allocations***

**Roll-over of funds** - R390 million is rolled over in the Urban Settlement Development Grant (USDG) to fund commitments for bulk infrastructure related projects in Nelson Mandela Bay Metropolitan Municipality. R98 million is rolled over in the PTNG to continue with the rollout of the integrated public transport network (IPTN) for public and non-motorised infrastructure in Nelson Mandela Bay Metropolitan Municipality.

R307 million is rolled over in the Regional Bulk Infrastructure Grant (RBIG) for drought and COVID-19 water and sanitation interventions nation-wide.

**Water Services Infrastructure Grant (WSIG)** - R12 million has been reprioritised from the Department of Water Affairs' budget into the indirect component of WSIG for the implementation of various water services interventions.

### ***Reductions to municipal conditional grants***

In the Medium-Term Policy Budget Statement, the Minister of Finance indicated that R10.5 billion is required for the rescue plan for the South African Airways. Therefore, R613 million has been proportionately reduced across municipalities in respect of conditional grants while no reductions were made to the local government equitable share for the 2020/21 financial year.

These changes are shown in Schedule 4, Part B; Schedule 5, Part B and Schedule 6, Part B of the Bill.

### ***Additional instruments to finance infrastructure in municipalities***

Municipalities can access other instruments to finance the development of infrastructure that boosts economic growth beyond infrastructure grants. Reforms over the medium term will enhance the ability of municipalities to raise revenue to invest in their own development. An update on development charges and borrowing reforms is summarised below:

- **Development charges** - Municipalities earn revenue from charging developers to connect new developments to municipal services. The draft Municipal Fiscal Powers and Functions Amendment Bill proposes new, uniform regulations in respect of these development charges, thereby strengthening the revenue-raising framework of municipalities. After processing comments, the National Treasury will submit the Bill to Cabinet and Parliament for consideration in 2021; and
- **Borrowing** - Creditworthy municipalities can also borrow in capital markets. The National Treasury has updated the original municipal borrowing policy framework, which guides this borrowing, and will shortly submit it to Cabinet for approval. The proposed changes aim to increase the term maturity of borrowing improve the secondary market for the trade of municipal debt instruments and define the role of development finance institutions to avoid crowding out the private sector.

## **3. 2021 Local Government Elections and the budget process**

Local government elections are scheduled to take place in 2021, and the proposed date is yet to be determined. Elections are important events as 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 as part of the MTREF budget before the commencement of the financial year on 1 July. 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. Therefore, if the elections take place after the start of the financial year, the outgoing council will be responsible for approving tariffs for the 2021/22 MTREF and the newly elected council for the implementation thereof as section 28(6) of the MFMA does not allow the increase of tariffs in-year;
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. Therefore, the outgoing council must ensure that they comply with the timeframes for approval of the budget;
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 an unfunded municipal budget that threatens their respective municipality's financial sustainability and service delivery; and
4. Given that the timing of election campaigning may coincide with the municipal public budget consultations, there is a risk that these consultations may be neglected or used to serve the narrow interests of political parties. It is reiterated that transparency and public participation is an integral part of our constitutional democracy, hence municipalities must ensure that public and stakeholder consultation processes are adhered to as required by the legislative framework.

In the build-up to the 2021 local government elections, the financial sustainability of the municipality should be protected. Now, more than ever before, it is paramount for sound municipal decision-making so that the long-term sustainability of municipal finances and service delivery is achieved beyond the election period.

Finances of some municipalities have been unstable for many years, and this was exacerbated by the financial impact of the COVID-19 pandemic. Therefore, there is severe pressure to maintain healthy cash flows and increase cost containment measures while sustaining efficient service delivery levels. It is therefore imperative that municipalities refrain from suspending credit control and debt collection efforts. Municipalities are also reminded of the regulatory framework set out in the Municipal Cost Containment Regulations insofar as it relates to the use of municipal funds to fund election campaigns and other non-priority issues as this might further impact the financial sustainability of municipalities.

Furthermore, as the current municipal leadership will be responsible for the compilation of the 2022/23 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. Municipalities should refrain from filling non-critical positions, purchasing cars, procuring new financial systems and from incurring any other 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 2022/23 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.

In deciding on the schedule for the 2022/23 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 25 January 2022. In addition, the permitted scope of an adjustments budget is quite limited in that taxes and tariffs may not be increased (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 a local government election, the norm has been that the new council implements the last adopted IDP during the first year of office. It is normally only in the second year of office that the newly elected council adopts a new IDP after thorough interrogation, extensive consultation and finalisation of a new five-year strategy.

In the absence of detailed information on the 2021 Local Government Elections, National Treasury will provide further guidance in the follow-up MFMA Budget Circular to be issued in March 2021.

## **4. Municipal Standard Chart of Accounts (*m*SCOA)**

### **4.1 Release of Version 6.5 of the Chart**

On an annual basis, the *m*SCOA chart is reviewed to address implementation challenges and correct chart related errors. Towards this end, Version 6.5 is released with this circular.

Version 6.5 of the chart will be effective from 2021/22 and must be used to compile the 2021/22 MTREF and is available on the link below:

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

### **4.2 Budgeting and Reporting for the COVID-19 pandemic and water inventory**

In terms of the Annexure to MFMA Circular No. 99, *m*SCOA Circular No. 9, and GRAP 12, municipalities were advised to:

1. Record and ringfence all funding and expenditure pertaining to the COVID-19 pandemic for the 2020/21 MTREF when budgeting and transacting; and

2. Budget and account for bulk water purchases as inventory as per GRAP 12 (paragraph 07).

It is evident from the snapshots that were drawn from the Local Government Database based on the *m*SCOA data strings that were submitted by municipalities in terms of the monthly Section 71 reporting, that most municipalities have not budgeted or reported on COVID-19 related allocations and expenditure, nor bulk water inventory as per the guidance provided.

Although the regulated A1 Schedule will only be amended from the 2021/22 MTREF to align to GRAP 12 (as per MFMA Circular No. 98), municipalities should already record water inventory in the *m*SCOA chart. **Municipalities must budget for water as inventory in the 2021/22 MTREF.** This means that municipalities will no longer be able to budget for water bulk purchases as an expense on table A4. Municipalities must use bulk water purchases i.e. system input volume on table A6: inventory. This provides for three different water sources i.e. water treatment works, bulk purchases and natural sources. When water is issued through the billing/ distribution, the cost should be expensed through table A4: inventory consumed with the corresponding accounting transaction in the inventory account on table A6: current assets: water: authorised consumption.

Municipalities that did not adjust their 2020/21 MTREF budgets by 30 September 2020 to respond to the COVID-19 pandemic or budget for bulk water inventory are reminded to do so in the main adjustments budget process in February 2021.

It should also be noted that the National Treasury's reporting on COVID-19 will be drawn as per *m*SCOA Circular No. 9 and we will not be able to identify COVID-19 allocations and expenditure that have been ringfenced in another manner.

Municipalities must submit the adjustments budget and revised project list for 2020/21 in the format of a *m*SCOA data strings (ADJB and PRAR) uploaded to the Local Government (LG) Upload Portal within 10 working days after Council has adopted the adjustments.

#### 4.3 Revised Municipal Property Rates Act Categories

By now all municipalities should be aware that section 8 of the Municipal Property Rates Act on the determination of categories of **rateable** properties has been revised through the Local Government Municipal Property Rates Amendment Act, 2014 ("the Amendment Act"). The new rateable property categorisation framework based on use (provided these property categories exist within the municipality) and consequently, all property categories that are based on ownership, geographic location or any other basis fall away.

Municipalities must implement the new property categorisation framework by not later than 1 July 2021. The *m*SCOA chart Version 6.5 makes provision for the new and the old framework. However, the old framework will be retired in the next version of the chart and municipalities are advised to implement the new property categorisation framework as legislated. Therefore, municipalities cannot use both frameworks to avoid duplication and overstatement of revenue from property rates.

#### 4.4 Forbidden activities

The Item Assets segment of the *m*SCOA chart currently includes items such as staff loans as non-current receivables from non-exchange transactions. This is in contravention with Section 164(1)(c) of the MFMA that stipulates that a municipality may not make loans to councillors or officials of the municipality; directors or officials of the entity; or members of the public. Therefore, municipalities are advised not to use these items when budgeting as National Treasury may retire these items in the next version of the chart.



#### 4.5 Independent Audits on Municipal Financial Systems

All municipalities and municipal entities had to comply with the *mSCOA* Regulations by 1 July 2017. MFMA Circular No. 80 provided guidance on the minimum business processes and system specifications for all categories of municipality (A, B and C). The Request for Proposal (RFP) issued on 4 March 2016 for the appointment of service providers for an integrated financial management and internal control system for local government (RT25-2016 published in Tender Bulletin No. 2906), provided further guidance on the requirements applicable to a specific category of municipality.

The National Treasury will conduct independent audits on all municipal financial systems in 2021 to determine to what extent the financial systems that are currently being used by municipalities comply with the minimum business processes and system specifications required in terms of *mSCOA*. These audits were initially planned for 2020, but due to restrictions on procurement processes and travel in terms of the COVID-19 pandemic it was postponed to 2021. The results of the audits will also inform the new transversal tender for the procurement of municipal financial and internal control systems in 2022. **Until these audits have been concluded, and the results have been released, municipalities should exercise caution when changing their financial system to avoid purchasing a system that does not comply with the necessary *mSCOA* functionality requirements.** However, should a municipality need to procure a new financial system, they must follow the processes set out in the MFMA read together with the Municipal Supply Chain Management Regulations and MFMA Budget Circulars No. 93, 98 and *mSCOA* Circulars No 5 and 6. In addition, National Treasury has not accredited any of the municipal financial systems available in the market and this should therefore not be advertised as a requirement in municipal tender documents.

It should be emphasised that the onus to ensure compliance with the *mSCOA* Regulations and minimum system specifications as per MFMA Circular No. 80 and its Annexure B rests with the municipality and not the system vendor. Municipalities must properly manage Service level agreements (SLA) with system vendors. Penalties, including the termination of the SLA in cases of persistent non-compliance, should be imposed if the system vendor does not meet the agreed upon milestones. Likewise, if a system vendor has delivered on the services agreed upon in the SLA, then the municipality should pay all money owing to the system vendor within 30 days of receiving the relevant invoice or statement, as per the requirements of Section 65(2)(e) of the MFMA. Lastly, municipalities must agree on the services that are to be provided by the system vendors and costs thereof in the SLA that is signed by the municipality and system vendor. Municipalities should consider the financial implications thereof and negotiate more favourable terms with the system vendor if necessary before signing the SLA. Once signed, the SLA is legally binding.

#### 4.6 Regulation of Minimum Business Processes and *mSCOA* System Specifications

National and Provincial Treasuries held extensive engagements with key system providers during which the system functionality on the following were demonstrated: IDP and budget, supply chain management (SCM), asset management, annual financial statements, revenue management, cash flow and period control. These engagements provided National and Provincial Treasuries with an understanding of what functionality is available on each system and what the key system related challenges are.

It was evident from the engagements that municipalities are not using their financial systems optimally. Some of the challenges that were identified in this regard include the following:

- Some municipalities have not purchased all the modules of the core financial system or have not upgraded to the Enterprise Resource Planning (ERP) (*mSCOA* enabling) version of their financial systems;

- A few municipalities are not paying for the required licences to use system solutions and they are not upgrading and maintaining their servers, hardware and software to become and remain *m*SCOA compliant and to protect their data;
- Several municipalities are still transacting on their legacy systems that are not *m*SCOA enabling or they are using excel spreadsheets that are not incorporated in the functionality of their financial systems, while they are paying for maintenance and support for the *m*SCOA enabling system that was procured. This constitutes fruitless and wasteful expenditure; and
- Other municipalities are not using all the modules of the core financial system (using 3rd party systems) while they have procured these modules. This is once again fruitless and wasteful expenditure.

Municipalities should include the cost of the above in their 2021/22 MTREF budgets.

One of the key objectives of the *m*SCOA reform is to ensure that municipalities are budgeting, transacting and reporting directly on and from integrated ERP systems to have one version of the truth in terms of the reported financial performance. The manual correction of data strings by municipal officials or system vendors are not allowed in terms of the *m*SCOA Regulations.

National Treasury will expand and regulate the business processes and system specifications communicated in MFMA Circular No. 80 and its Annexure B in the 2021/22 MTREF to ensure that municipalities are using the functionality available on their financial systems. MFMA Circular No. 80 was issued in 2016, and several Regulations and best practises as per the MFMA Circulars have been introduced since then. The expansion of the requirements will accommodate these new developments.

#### 4.7 Non-compliance with *m*SCOA requirements

If your municipality has not yet achieved the required level of *m*SCOA implementation, then it must provide a detailed action plan (road map) to the National and the respective provincial treasury to indicate how the municipality will fast track the implementation of *m*SCOA. The action plan should include the following priority areas, as applicable to the municipality:

- The functionality of the financial system, including the minimum system functionality and business process as per MFMA Circular No. 80 and Annexure B and functionality required in terms of Regulations and MFMA Circulars that was issued after 08 March 2016 (the date on which MFMA Circular No. 80 was issued);
- Integration of 3rd party sub-systems with the *m*SCOA enabling financial system as required in terms of MFMA Circular No. 80 and Annexure B;
- Change management initiatives to ensure that *m*SCOA is institutionalised as an organisational reform and not only a financial reform; and
- Training initiatives to ensure that all officials in the organisation are familiar with the *m*SCOA chart, basic accounting, balance sheet budgeting and movement accounting and the use of the *m*SCOA enabling financial system.

Importantly, the action plan must be drafted by the municipality and not the system vendor and the progress against it should be carefully monitored by the municipality's *m*SCOA Project Steering Committee (chaired by the Accounting Officer). Municipalities must present progress against the action plan at the 2020/21 Mid-Year Budget and Performance visits and Budget and Benchmark engagements with the National and the respective provincial treasury.

#### 4.8 Extension and Procuring of Service Level Agreements (SLA) for Financial Systems

At least six (6) months prior to the expiry of the SLA for the support and maintenance of the financial system, the municipality should either:

- Extend the existing SLA with the same system vendor subject to the provisions of Section 33 and 116(3) of the MFMA (read in conjunction with MFMA Circular No. 62); or
- Approach the market to procure services for the support and maintenance of the financial system consistent with the Municipal Supply Chain Management Regulations and municipality's Supply Chain Management Policy.

Importantly, once the SLA has expired, it cannot be extended, and the municipality will have to embark on a new procurement process. In addition, when the contract for the support and maintenance of the financial system comes to an end, it does not mean that the municipality must procure a new financial system. It is only support and maintenance services pertaining to the financial system that needs to be procured. Municipalities need to properly document their systems and the system language used to ensure that system support can be procured in the local market when required.

#### 4.9 Cash flow reconciliation

The population of the cash flow reconciliation in tables A7, B7 and C7 of the MBRR formats using *m*SCOA data strings has been a challenge in previous financial years. The main contributing factors to this were that:

- Municipalities were not using the *m*SCOA segments correctly to populate their cash flow information;
- A number of municipalities did not use the movement accounts correctly in the *m*SCOA chart which distorts the figures reported in the cash flow tables;
- Some municipalities did not budget, transact or report directly in or from their financial systems; and
- There were errors in the linkages of the MBRR cash flow tables to the *m*SCOA data strings in the segment item: asset and liabilities on the Local Government Database.

It is critical that municipalities undertake balance sheet and cash flow budgeting to provide accurate cash flow information. National Treasury has provided guidance in this regard in MFMA Circular No. 98 and *m*SCOA Circular No. 10 and have also corrected the errors in the linkages of the MBRR cash flow tables to the *m*SCOA data strings. This has resulted in improvements in the section 71 cash flow data that were published at the end of quarter 1 of the 2020/21 MTREF. Further guidance on the application of the funding segment has also been issued in *m*SCOA Circular No. 11 on 4 December 2020.

#### 4.10 *m*SCOA Calendar for 2021/22

Important dates pertaining to *m*SCOA related activities for the 2020/21 financial year is summarised below for planning purposes:

Activity		Time Frames
1.	Independent System Audits	February to December 2021
2.	Regulation of Minimum Business Processes and System Specifications	For comments and testing: October 2021
3.	<i>m</i> SCOA Virtual Training Sessions (various topics)	Monthly
4.	Roll out of eLearning <i>m</i> SCOA course through	July 2020



	National School of Governance	
5.	Issue proposed <i>m</i> SCOA chart changes for version 6.6	October 2021
6.	Annual <i>m</i> SCOA CIGFARO Budgeting Workshop	November 2021
7.	Issuing of transversal contract for provision of financial systems	March 2022

## 5. The revenue budget

Similar to the rest of government, municipalities face a difficult fiscal environment. Even as demand for services rises, weak economic growth has put stress on consumers' ability to pay for services, while transfers from national government are growing more slowly than in the past. Some municipalities have managed these challenges well, but others have fallen into financial distress and face liquidity problems. These include municipalities that are unable to meet their payment obligations to Eskom, water boards and other creditors. There is a need for municipalities to focus on collecting revenues owed to them and eliminate wasteful and non-core spending. Municipal budgets will be scrutinised to ensure that municipalities adequately provide for the servicing of their debt obligations. Municipalities must ensure that expenditure is limited to the maximum revenue collected and not spend on money that they do not have.

Municipalities are reminded that the local government equitable share allocation is mainly to fund the costs of free basic services and to subsidise the administrative costs of the smaller and more rural municipalities. The increasing unemployment and growth in the number of persons per household means that the revenue foregone in respect of free basic services will likely increase, and it will become even more difficult to collect revenue. Household budgets are becoming increasingly under more pressure, and trade-offs might be applied when it becomes unaffordable to pay all household expenses on a monthly basis.

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation is forecasted to be within the lower limit of the 3 to 6 per cent target band; therefore, municipalities are required to **justify all increases in excess of the projected inflation target for 2021/22** in their budget narratives and pay careful attention to tariff increases across all consumer groups. In addition, municipalities should include a detail of their revenue growth assumptions for the different service charges in the budget narrative.

### 5.1 Maximising the revenue generation of the municipal revenue base

Reference is made to MFMA Circular No. 93, paragraph 3.1 and No. 98, paragraph 4.1. The emphasis is on municipalities to comply with Section 18 of the MFMA and ensure that they fund their 2021/22 MTREF budgets from realistically anticipated revenues to be collected. Municipalities are cautioned against assuming collection rates that are unrealistic and unattainable as this has been identified as a fundamental reason for municipalities not attaining their desired collection rates.

It is therefore essential that municipalities pay attention to reconciling the valuation roll data to that of the billing system to ensure that revenue anticipated from property rates are accurate. Municipalities are encouraged to undertake this exercise as a routine practice. The list of exceptions derived from this reconciliation will indicate where the municipality may be compromising its revenue generation in respect of property rates. A further test would be to reconcile this with the Deeds Office registry. In accordance with the MFMA Circular No. 93,

municipalities are once more requested to submit the reconciliation of the valuation roll to the financial system to the National Treasury by no later than **05 February 2021**.

The above information must be emailed to [linda.kruger@treasury.gov.za](mailto:linda.kruger@treasury.gov.za) or must be uploaded by approved registered users using the LG Upload Portal at: <https://lguploadportal.treasury.gov.za/>.

## 5.2 Setting cost-reflective tariffs

Reference is made to MFMA Circular No. 98, paragraph 4.2. The setting of cost-reflective tariffs is a requirement of Section 74(2) of the Municipal Systems Act which is meant to ensure that municipalities set tariffs that enable them to recover the full cost of rendering the service. This forms the basis of compiling a credible budget. A credible budget is one that ensures the funding of all approved items and is anchored in sound, timely and reliable information on expenditure and service delivery (FFC, 2011). Credible budgets are critical for local government to fulfil its mandate and to ensure its financial sustainability.

A credible expenditure budget reflects the costs necessary to provide a service efficiently and effectively, namely:

- An effective budget is one that is adequate to deliver a service of the necessary quality on a sustainable basis; and
- An efficient budget is one that delivers services at the lowest possible cost.

Municipalities are encouraged to utilise the tariff setting tool referenced in MFMA Circular 98, item 4.2. This tool will assist in setting tariffs that are cost-reflective and would enable municipalities to recover costs to fulfil its mandate. The National Treasury Municipal Costing Guide is also available on the link below on the National Treasury website.

<http://mfma.treasury.gov.za/Guidelines/Documents/Forms/AllItems.aspx?RootFolder=%2fGuidelines%2fDocuments%2fMunicipal%20Costing%20Guide&FolderCTID=0x0120004720FD2D0551AE409361D6CB3E122A08>

## 5.3 Bulk Account Payments - Eskom Concessions

During 2018/19, intense work had been undertaken to resolve systemic and structural issues pertaining to the electricity function in municipalities. Core to this work was addressing the escalating Eskom debt that threatened the sustainability of Eskom as well as that of municipalities.

During the process, Eskom was engaged on providing relieve in certain areas. Municipalities must be made aware that the following concessions were agreed upon:

- Reducing the interest rate charged on overdue municipal bulk accounts from prime plus 5 per cent to prime plus 2.5 per cent;
- Payment terms being extended from 15 days to 30 days for municipal bulk accounts; and
- Payments received from municipalities will be allocated to capital first and then the interest.

These concessions are aligned to the MFMA and are meant to curb the growing debt levels by allowing municipalities a more conducive payment regime than what was previously employed. In addition, municipalities are encouraged to budget for bulk services and honour their current account payments religiously to avoid stringent application of the bulk suppliers' credit control policy.

#### 5.4 Timeous allocations and clearing of the control accounts

Municipalities are encouraged to clear the control accounts on a monthly basis and to allocate trade and other receivable payments in these suspense accounts to the relevant debtor accounts regularly before the monthly submissions as required by the MFMA. Implementing and enforcing the credit control policy of the municipality whilst payments are not cleared in the control account is negligent and irresponsible. Municipalities are warned against this bad practice, and this must be avoided at all costs.

#### 5.5 Eskom Bulk Tariff increases

The National Energy Regulator of South Africa (NERSA) is responsible for price determination of the bulk costs for electricity. In March NERSA approved a municipal tariff increase of 6.9 per cent effective 1 July 2020 (1.2 per cent lower than the tariff increase in Multi-Year Price Determination (MYPD) 4 period due to differences in municipal and national financial years).

Municipalities are advised to use the tariff increases previously (March 2019) approved by the Regulator of 5.2 per cent 2021/22, 8.9 per cent for 2022/23 and 8.9 per cent in 2023/24 (for 2023/24, an average annual tariff increase is used for the National Energy Regulator of South Africa's multi-year price determination period of 1 April 2019 to 31 March 2022). The outer year is anticipated to be the first year of the MYPD 5 period, which is yet to be published.

### 6. Funding choices and management issues

Municipalities are under pressure to generate revenue as a result of the economic landscape, the COVID-19 pandemic, weak tariff setting and increases in key cost drivers to provide basic municipal services. The ability of customers to pay for services is declining and this means that less revenue will be collected. Therefore, municipalities must consider the following when compiling their 2021/22 MTREF budgets:

- Improving the effectiveness of revenue management processes and procedures;
- Cost containment measures to, amongst other things, control unnecessary spending on nice-to-have items and non-essential activities as highlighted in the Municipal Cost Containment Regulations read with MFMA Circular No. 82;
- Ensuring value for money through the procurement process;
- The affordability of providing free basic services to all households;
- Not taking on unfunded mandates; and
- Curbing the consumption of water and electricity by the indigents to ensure that they do not exceed their allocation.

Accounting officers are reminded of their responsibility in terms of section 62(1)(a) of the MFMA to use the resources of the municipality effectively, efficiently and economically. Failure to do this will result in the accounting officer committing an act of financial misconduct which will trigger the application of chapter 15 of the MFMA, read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

#### 6.1 Employee related costs

The *Salary and Wage Collective Agreement* for the period 01 July 2018 to 31 June 2020 has come to an end and a new agreement is under consultation, which we hope will take into account the current fiscal constraints faced by government. Therefore, in the absence of any information in this regard from the South African Local Government Bargaining Council (SALGBC), municipalities are advised to take into account their financial sustainability when considering salary increases. It has been observed over the previous years that salary

increases were above inflation. In addition, municipalities that could not afford such increases did not apply for exemption as provided by SALGBC. Given the current economic condition exacerbated by the COVID-19 pandemic, municipalities are urged to consider projecting increases to wage that would reflect their affordability as many municipalities that are already not in a position to afford the current wage cost would indeed have to apply no more than zero per cent increase in the 2021/22 MTREF and to exercise the option for exemption for any negotiated increase above the level of their affordability.

## 6.2 Remuneration of councillors

Municipalities are advised to budget for the actual costs approved in accordance with the Government 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 between December and January by the Department of Cooperative Governance. It is anticipated that this salary determination will also take into account the fiscal constraints. Municipalities should also consider guidance provided above on salary increases for municipal officials during this process.

## 7. Conditional Grant Transfers to Municipalities

### 7.1 Non-compliance of in-year monitoring

In terms of Section 74(1) of the MFMA, municipalities must submit to the transferring officers, National and Provincial treasuries documents and monthly grant reports as may be prescribed or required. The *m*SCOA Regulations requires the uniform recording and classification of municipal budget and financial information at a transaction level in the form of a *m*SCOA data string that must be submitted to the LG Upload portal. Most municipalities are still not reporting on conditional grants as per the *m*SCOA requirements. As per MFMA Circular No 93, the National Treasury has only used *m*SCOA data strings as the source of data for publications on municipal financial performance from 1 July 2019. The *m*SCOA data strings will also be the main source of data that will be used to monitor the performance against grants and to inform decisions on the stopping and reallocation of conditional grants funding in the 2021/22 MTREF. The credibility of the *m*SCOA data strings reporting on grants will be closely monitored going forward.

Furthermore, section 12(2) of the Division of Revenue Act, 2020 (Act No. 4 of 2020) (DoRA) states that the municipality, as part of the report required in terms of section 71 of the MFMA, report on the matters referred to in subsection (4) and submit a copy of that report to the relevant provincial treasury, the National Treasury and the relevant Transferring Officer.

Some municipalities have not been complying with the reporting requirements as stipulated above. Municipalities are reminded that the non-submission of monthly reports translates to non-compliance with the MFMA and DoRA. The National Treasury and Transferring Officer will be implementing stringent measures to municipalities that do not comply with the prescripts. This includes, but is not limited to, the stopping and reallocation of conditional grants funding of non-compliant municipalities. Municipalities are encouraged to comply with the reporting requirements to avoid withholding or stopping of an allocation.

In terms of performance reporting on conditional grants, municipalities and Transferring Officers are urged to pay particular attention to the contents of money spent against conditional grants. Government is not realising full value for money against the substantial investments it makes through grants.

## 8. The Municipal Budget and Reporting Regulations

### 8.1 Ensuring municipal sustainability through a funded budget

A budget is funded from realistically anticipated revenues to be collected, cash backed accumulated funds from the previous year as well as borrowed funds to be utilised for capital projects. A budget is realistic if it takes into account projected revenue for the current year based on the collection levels to date and actual revenue collected in the previous financial year. Municipal budgets must be prepared on this basis. The economic climate and the impact of COVID-19 pandemic had an effect on the ability of municipalities to collect arrear debt during levels 5, 4 and 3 of the national lockdown. This inability to exercise credit control measures during this period had decreased the collection rate in many municipalities.

Municipalities need to be proactive in exercising credit control measures to ensure that arrear debt is collected. Whilst collection rates decreased during the period mentioned above, municipalities must implement efforts to collect arrear debt and return collection rates to pre-COVID-19 levels. Whilst this unprecedented COVID-19 period is the exception, collection rates need to be maintained at 95 per cent in order to ensure the financial sustainability of municipalities. If collection rates have decreased, prudent financial management requires expenditure to be adjusted downward accordingly. This is to ensure that deficits are not realised and that realistically anticipated revenue based on projected collection rates funds expenditure. This will also ensure financial sustainability and avoid situations of financial distress in municipalities.

The Municipal Systems Act states that a municipal council must adopt, maintain and implement a credit control and debt collection policy that would be utilised for the collection of money that is due and payable to it. The municipal Councillors therefore are the custodians of the policy and responsible for its implementation. As a result, Councillors are required to encourage consumers in their municipal jurisdiction to pay for municipal services and to ensure that such debt that is due and payable to the municipality is collected. This would ensure compliance with the Act and ensure that a culture of payment is implemented in the municipal area. Council needs to play an active role in implementing their adopted policies to increase collection rates and ensure that funds are received to render services to the people.

Municipalities are reminded to develop a credible funding plan where the budget is unfunded. This plan must be tabled in and adopted by Council with the 2021/22 MTREF budget and submitted to the National and provincial treasuries when they submit their tabled and adopted budget in terms of Section 22(b)(i) and 24 (3) of the MFMA. Failure to approve a credible plan will result in the invoking of Section 216(2) of the Constitution.

### 8.2 Budgeting for indirect grant allocations

Some municipalities continue to budget for allocations not directly allocated to them as revenue in the Statement of Financial Performance. This results in revenue being overstated. Therefore, municipalities must refrain from budgeting for indirect grant allocations. A municipality must only budget for the allocations that are directly allocated and transferred to them.

### 8.3 Monthly reporting of debtors

National Treasury has observed through in-year monitoring that most municipalities are overstating debtors as they report on gross debtors instead of net. The format of the monthly debtors' data strings provides for a column to disclose provision for impairment as per council policy. Therefore, municipalities are urged to always reflect the provision for impairment in the column as indicated above for National Treasury to be able to reconcile the net debtors.



#### 8.4 Schedule A - version to be used for the 2021/22 MTREF

National Treasury has released Version 6.5 of the Schedule A1 (the Excel Formats) which is aligned to Version 6.5 of the *m*SCOA classification framework and must be used when compiling the 2021/22 MTREF budget.

It is imperative that all municipalities prepare their 2021/22 MTREF budgets in their financial systems and that the Schedule A1 be produced directly from their financial system. Vendors have demonstrated their budget modules to the National Treasury and provincial treasuries. All financial systems have this functionality to assist and prepare budgets and to generate the prescribed Schedule A1 directly from the financial system. Therefore, there is no reason why the 2021/22 MTREF budget must be done manually. National Treasury has protected the A1 schedule version 6.5, therefore manual population will not be allowed as the schedule must be extracted from the financial system.

**ALL** municipalities **MUST** prepare their 2021/22 MTREF tabled and adopted budgets using the A1 schedule version 6.5.

Municipalities must start early enough to capture their tabled budget (and later the adopted budget) in the budget module provided and must ensure that they produce their Schedule A1 directly out of the budget module. **Manual capturing on A1 schedule version 6.5 is not allowed** in terms of the *m*SCOA Regulations.

The National Treasury has indicated in MFMA Circular No. 93 that municipalities must submit all A1 Schedules in PDF format only from the 2019/20 MTREF. Given the fact that the *m*SCOA classification framework makes it possible to generate the financial data required in the A1 schedule directly from the data strings and that additional data needed must be obtained from sub-systems that integrate with the financial system, the National Treasury will only accept the prescribed data string containing the supporting data, populated and uploaded by each municipality. National Treasury published the layout for the data string on the website in MFMA Budget Circular No. 98 and an amended version to be used for the 2021/22 MTREF forms part of this circular. The publication in the 2020/21 MTREF of non-financial data will be done using the supporting data uploaded from these data strings.

The National Treasury **will no longer gather supporting data from the MBRR A1 Schedules** but will expect each municipality to **submit the prescribed supporting data strings** containing the required data using the LG Upload Portal.

The budget, adjustments budget and Section 71 monthly reporting Schedules that have been regulated in terms of the MBRR have also been aligned to the *m*SCOA chart version 6.5 changes. The revised MBRR Schedules for the 2021/22 MTREF and its linkages to the data string are available on the link below:

<http://cenvappsp10:31200/RegulationsandGazettes/Municipal%20Budget%20and%20Reporting%20Regulations/Documents/Forms/AllItems.aspx?RootFolder=%2fRegulationsandGazettes%2fMunicipal%20Budget%20and%20Reporting%20Regulations%2fDocuments%2f2020%2d21&FolderCTID=0x0120001860D4A2BD7AD042BF8427FC3BB59F67>

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>

## 8.5 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 officials:

Province	Responsible NT officials	Tel. No.	Email
Eastern Cape	Matjatji Mashoeshoe	012-315 5553	<a href="mailto:Matjatji.Mashoeshoe@treasury.gov.za">Matjatji.Mashoeshoe@treasury.gov.za</a>
Buffalo City	Mandla Gilimani	012-315 5807	<a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a>
Free State	Cethekile Moshane	012-315 5079	<a href="mailto:Cethekile.moshane@treasury.gov.za">Cethekile.moshane@treasury.gov.za</a>
Gauteng	Kgomotso Baloyi	012-315 5866	<a href="mailto:Kgomotso.Baloyi@treasury.gov.za">Kgomotso.Baloyi@treasury.gov.za</a>
Johannesburg and Tshwane	Kevin Bell	012-315 5725	<a href="mailto:Kevin.Bell@treasury.gov.za">Kevin.Bell@treasury.gov.za</a>
	Willem Voigt	012-315 5830	<a href="mailto:WillemCordes.Voigt@treasury.gov.za">WillemCordes.Voigt@treasury.gov.za</a>
KwaZulu-Natal	Kgomotso Baloyi	012-315 5866	<a href="mailto:Kgomotso.Baloyi@treasury.gov.za">Kgomotso.Baloyi@treasury.gov.za</a>
eThekweni	Mpati Rakgwale	012-315 5700	<a href="mailto:Mpati.Rakgwale@treasury.gov.za">Mpati.Rakgwale@treasury.gov.za</a>
	Una Rautenbach		<a href="mailto:Una.Rautenbach@treasury.gov.za">Una.Rautenbach@treasury.gov.za</a>
	Abigail Maila		<a href="mailto:Abigail.Maila@treasury.gov.za">Abigail.Maila@treasury.gov.za</a>
Limpopo	Willem Voigt	012-315 5830	<a href="mailto:WillemCordes.Voigt@treasury.gov.za">WillemCordes.Voigt@treasury.gov.za</a>
	Sifiso Mabaso	012-315 5952	<a href="mailto:Sifiso.Mabaso@treasury.gov.za">Sifiso.Mabaso@treasury.gov.za</a>
Mpumalanga	Mandla Gilimani	012-315 5807	<a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a>
	Stanley Malele		<a href="mailto:Stanley.Malele@treasury.gov.za">Stanley.Malele@treasury.gov.za</a>
Northern Cape	Mandla Gilimani	012-315 5807	<a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a>
	Phumelele Gulukunqu	012 315 5539	<a href="mailto:Phumelele.Gulukunqu@treasury.gov.za">Phumelele.Gulukunqu@treasury.gov.za</a>
North West	Willem Voigt	012-315 5830	<a href="mailto:WillemCordes.Voigt@treasury.gov.za">WillemCordes.Voigt@treasury.gov.za</a>
	Makgabo Mabotja	012-315 5156	<a href="mailto:Makgabo.Mabotja@treasury.gov.za">Makgabo.Mabotja@treasury.gov.za</a>
Cape Town George	Kgomotso Baloyi	012-315 5866	<a href="mailto:Kgomotso.Baloyi@treasury.gov.za">Kgomotso.Baloyi@treasury.gov.za</a>
	Willem Voigt and	012-315 5830	<a href="mailto:WillemCordes.Voigt@treasury.gov.za">WillemCordes.Voigt@treasury.gov.za</a>
	Mandla Gilimani	012-315 5807	<a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a>
Technical issues with Excel formats	Elsabe Rossouw	012-315 5534	<a href="mailto:Igdataqueries@treasury.gov.za">Igdataqueries@treasury.gov.za</a>

National and provincial treasuries will analyse the credibility of the data string submissions.

## 8.6 Assessing the 2021/22 MTREF budget

National and provincial treasuries will assess the 2021/22 MTREF budgets to determine if it is complete, funded and complies with the *m*SCOA requirements. The *m*SCOA data strings for the tabled (TABB) and adopted (ORGB) budgets will be used for this assessment.

The **assessment period** of all municipal budget will therefore be from **31 May to 30 June**. In this one-month period, the National and provincial treasuries will evaluate all municipal budgets for completeness and for being fully funded. Any adjustment that need to be made must be done before the start of the municipal financial year on 1 July.

Importantly, in order to generate an adopted budget (ORGB) data string, the budget must be locked on the financial system by the 10<sup>th</sup> working day of July each year. Therefore, once the ORGB data string has been generated, errors in the ORGB can only be corrected via an adjustments budget in February of each year. In terms of the design principles of *m*SCOA, municipalities are not allowed to open the budget on the system for corrections after it has been locked. This means that the tabled budget data string (TABB) should in fact be verified and errors in the TABB should be corrected in the ORGB **before the adopted budget is locked on the financial system and the ORGB data string is generated**.

The previous verification process and timeframes (i.e. July to September) can no longer be applied as municipalities are already transacting against the adopted and locked budget from 01 July 2020.

Amending an unfunded, incomplete and erroneous budget through an adjusted budget is also not encouraged as the National Treasury only considers an adjusted budget in the third and fourth quarter of the financial year for analysis and publication purposes. This will result in overspending and unauthorised expenditure not been monitored in the first six months of the financial year.

Municipal managers are reminded that the annual budget must be accompanied by a quality certificate and council resolution, as well as a budget locking certificate (in the case of the adopted budgets) in accordance with the format specified in Regulation 31 of Schedule A of the MBRR. The A1 schedule must be included as part of the budget documentation in pdf format.

The National Treasury would like to emphasise that ***where municipalities have adopted an unfunded budget without a credible funding plan, they will be required to correct the budget and go back to the Municipal Council to ensure they adopt and implement a funded budget as required in terms of Section 18 of the MFMA.***

Municipalities with municipal entities are once again reminded to prepare consolidated budgets and in-year monitoring reports for both the parent municipality and its entity or entities. The following must be compiled:

- An annual budget, adjustments budget and monthly financial reports for the parent municipality in the relevant formats;
- An annual budget, adjustments budget and monthly financial reports for the entity 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 budget and data strings that the municipality submits to National Treasury must be a consolidated budget for the municipality (including entities). The budget of each entity must be submitted on the D schedule in pdf format.

In the past it was noted that municipalities have challenges to align the audited outcomes on the financial system to A1 Schedule. Municipalities must ensure that the audited figures and adjusted budget figures captured on the A1 Schedule aligns to the annual financial statements and Schedule B respectively.

## 9. Budget process and submissions for the 2021/22 MTREF

### 9.1 Submitting budget documentation and A1 schedules for 2021/22 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 electronic formats. If the annual budget is tabled to council on **31 March 2021**, the final date of submission of the electronic budget documents and corresponding mSCOA data strings is **Thursday, 01 April 2021**.



Section 24(3) of the MFMA, read together with regulation 20(1) of the MBRR, requires that municipalities must submit the approved annual budget to both National Treasury and the relevant provincial treasury **within ten working days** after the council has approved the annual budget. E.g. if the council approves the annual budget on **31 May 2021**, given the new timeframe for the evaluation of the municipal budgets, the adopted budget data strings and documentation must be submitted by the latest **Monday, 14 June 2020**.

**Municipalities are no longer expected to submit hard copies of all required documents including budget-related, Annual Financial Statements and Annual Reports to National Treasury via post or courier services. Hard copies must be submitted in pdf format to the LG Upload portal.**

## 9.2 Expected submissions for 2021/22 MTREF

- The budget documentation as set out in the MBRR. The budget document must include the main A1 Schedule Tables (A1 - A10);
- The non-financial supporting tables (A10, SA9, SA11, SA12, SA13, SA24 and any other information not contained in the financial data string) in the A1 in the prescribed *m*SCOA data string in the format published with Version 6.5 of the A1 schedule;
- The draft and final service delivery and budget implementation plan (SDBIP) in electronic PDF format;
- The draft and final IDP;
- The council resolution for the tabled and adopted budgets;
- Signed Quality Certificate as prescribed in the MBRR for the tabled and adopted budgets;
- D Schedules specific for the entities; and
- A budget locking certificate immediately at the start of the new municipal financial year on 1 July.

Budget-related documents and schedules must be uploaded by approved registered users using the LG Upload Portal at: <https://lguploadportal.treasury.gov.za/>. It should be emphasised that municipalities should submit all required documents to the LG Upload portal and not to [lgdocuments@treasury.gov.za](mailto:lgdocuments@treasury.gov.za). National Treasury will retire [lgdocuments@treasury.gov.za](mailto:lgdocuments@treasury.gov.za) on 1 July 2021 to ensure that there is a single collection point of municipal financial data.

Also note that the LG Upload Portal does not have the same size restrictions encountered with [lgdocuments@treasury.gov.za](mailto:lgdocuments@treasury.gov.za), but requires all documents to:

1. Be in PDF format only; and
2. Each PDF file must NOT contain multiple document e.g. council resolution and quality certificate within the budget document. Each document type must be identified clearly and uploaded separately.

Any problems experienced with the submission of documents can be addressed with Elsabe Rossouw at [Elsabe.Rossouw@treasury.gov.za](mailto:Elsabe.Rossouw@treasury.gov.za).

The 2020/21 MTREF and the preliminary Quarter 1 Section 71 results for the 2020/21 financial year that has recently been published, have indicated that the credibility of the *m*SCOA data strings is still a concern although we have observed a marked improvement in some areas. At the core of the problem is:

- The incorrect use of the *m*SCOA chart and segments, balance sheet budgeting, movement accounting and basic municipal accounting practices by municipalities;
- Some municipalities are not budgeting, transacting and reporting directly in/from their core financial systems; and
- Municipalities are not locking their adopted budgets and their financial systems at month-end to ensure prudent financial management. To enforce municipalities to lock their budgets and close their financial system at month-end in 2020/21, the Local Government Database and Reporting System will lock all submission periods within the reporting period at the end of each quarter. The published period will NOT be opened again to ensure consistency between publications. System vendors were also requested to build this functionality into their municipal financial systems.

To improve the credibility of these data string, National and provincial treasuries are analysing the accuracy of the data strings and the use of the six regulated segments. The National Treasury has developed tools to analyse the segment/chart use and trained budget analysts from both National and provincial treasuries on the use thereof. To date, the analysis has highlighted that municipalities are not using the FUND, REGION and COSTING segments correctly. In many instances, these segments are simply defaulted which impedes the multi-dimensional reporting power of the *m*SCOA classification framework. Another common area of concern is that total capital expenditure do not balance to total funding. Currently, the expenditure is much higher than the available funding reported.

It needs to be noted that the single source for all analysis and publications will be the data strings submitted by the municipalities for the 2020/21 municipal financial year. It is therefore imperative that municipalities ensure the credibility and accuracy of the data strings before submission.

### **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.

### **9.4 Communication by municipal entities to National Treasury**

Municipal entities should not request meetings directly from National Treasury. National Treasury will only engage the entities through the parent municipalities. This includes all communications apart from the legislative reporting requirements.

## Contact



**national treasury**

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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**  
**04 December 2020**



## Municipal Budget Circular for the 2021/22 MTREF

### CONTENTS

<b>1. THE SOUTH AFRICAN ECONOMY AND INFLATION TARGETS.....</b>	<b>2</b>
<b>2. KEY FOCUS AREAS FOR THE 2021/22 BUDGET PROCESS .....</b>	<b>3</b>
2.1 CHANGES TO LOCAL GOVERNMENT ALLOCATIONS.....	3
<b>3. 2021 LOCAL GOVERNMENT ELECTIONS AND THE BUDGET PROCESS.....</b>	<b>4</b>
3.1 TRANSITIONAL PROCESSES - DEVELOPMENT AND ADOPTION OF IDPs DURING THE 2021 ELECTION YEAR 4	
3.2 HAND-OVER REPORTS FOR THE NEWLY ELECTED COUNCILS.....	4
<b>4. MUNICIPAL STANDARD CHART OF ACCOUNTS (MSCOA) .....</b>	<b>5</b>
4.1 OPENING BALANCES .....	5
4.2 SURPLUS OR DEFICIT JOURNALS.....	5
4.3 ROLLOVERS AND REPAYMENT OF UNSPENT GRANTS .....	5
<b>5. THE REVENUE BUDGET .....</b>	<b>6</b>
5.1 ESKOM BULK TARIFF INCREASES.....	6
<b>6. FUNDING CHOICES AND MANAGEMENT ISSUES.....</b>	<b>6</b>
6.1 EMPLOYEE RELATED COSTS .....	7
6.2 REMUNERATION OF COUNCILLORS.....	7
6.3 PAYMENT OF DANGER ALLOWANCE TO THE EMPLOYEES.....	7
6.4 MAYOR'S DISCRETIONARY FUNDS AND SIMILAR DISCRETIONARY BUDGET ALLOCATIONS .....	8
<b>7. CONDITIONAL GRANT TRANSFERS TO MUNICIPALITIES.....</b>	<b>9</b>
7.1 CRITERIA FOR THE ROLLOVER OF CONDITIONAL GRANT FUNDS .....	9
7.2 ROLLOVER REQUEST AGAINST THE COVID-19 ALLOCATED THROUGH THE EQUITABLE SHARE.....	10
7.3 UNSPENT CONDITIONAL GRANT FUNDS FOR 2020/21 .....	11
7.4 IMPORTANCE OF SECTION 17 OF THE DIVISION OF REVENUE ACT .....	12
<b>8. THE MUNICIPAL BUDGET AND REPORTING REGULATIONS.....</b>	<b>13</b>
8.1 SERVICE LEVEL STANDARDS .....	13
8.2 ASSISTANCE WITH THE COMPILATION OF BUDGETS .....	13
<b>9. BUDGET PROCESS AND SUBMISSIONS FOR THE 2021/22 MTREF .....</b>	<b>14</b>
9.1 SUBMITTING BUDGET DOCUMENTATION AND A1 SCHEDULES FOR 2021/22 MTREF .....	14
9.2 CONSOLIDATED BUDGETS AND REPORTS .....	14
9.3 SUBMISSION USING LG UPLOAD PORTAL .....	15
9.4 PUBLICATION OF BUDGETS ON MUNICIPAL WEBSITES .....	15
<b>ANNEXURE A: TREATMENT OF ROLLOVERS AND REPAYMENT OF UNSPENT GRANTS IN MSCOA .....</b>	<b>16</b>

## Introduction

This budget circular is a follow-up to the one issued in December 2020. It guides municipalities with their preparation of the 2021/22 Medium Term Revenue and Expenditure Framework (MTREF) and, as with previous annual budget circulars, it should be read within this context. This Circular is linked to the Municipal Budget and Reporting Regulations (MBRR) and the municipal Standard Chart of Accounts (*mSCOA*); and strives to support municipalities' budget preparation processes so that the minimum requirements are achieved. The key focus of this Circular is the grant allocations per the 2021 Budget Review and the 2021 Division of Revenue Bill.

Municipalities are reminded to refer to the previous years' annual budget circulars for guidance on budget preparation that is not covered in this circular.

### 1. The South African economy and inflation targets

The South African economy contracted by an estimated 7.2 per cent in 2020 compared with the 7.8 per cent contraction projected in the 2020 Medium Term Budget Policy Statement (MTBPS). The revised estimate results from easing lockdown restrictions in the third quarter and a faster-than-expected resumption of global growth, especially in China. The National Treasury projects real economic growth of 3.3 per cent in 2021, following an estimated contraction of 7.2 per cent in 2020. Real GDP growth is expected to moderate to 1.9 per cent in 2022 and 2023.

The outlook remains highly uncertain, and the economic effects of the pandemic are far-reaching. There were 1.7 million fewer jobs by the third quarter of 2020 compared to the same period in 2019. Rising unemployment and income losses have entrenched existing inequalities. GDP is only expected to recover to pre-pandemic levels in late 2023. High-frequency data for the third quarter, such as the volume of electricity distributed, mining and manufacturing output, business confidence and the ABSA Purchasing Managers' Index (PMI) shows evidence of a limited economic rebound.

Although growth rates are likely to improve quickly as restrictions are removed, based on current projections, the output is only expected to return to pre-pandemic levels in 2024. Given South Africa's structural constraints, its recovery will be slower than many of its developing-country peers. Industrial sectors (which include mining, manufacturing, construction and utilities) lagged substantially, undermined by structural constraints including unreliable electricity supply and weak public investment that preceded the pandemic. Over the next several years, the country requires the implementation of long-standing structural reforms to sustainably move to a higher growth path.

These economic challenges will continue to exert pressure on municipal revenue generation and collection levels; hence a conservative approach is advised for revenue projections.

The following macro-economic forecasts must be considered when preparing the 2021/22 MTREF municipal budgets.

**Table 1: Macroeconomic performance and projections, 2019 - 2023**

Fiscal year	2019/20	2020/21	2021/22	2022/23	2023/24
	Actual	Estimate	Forecast		
CPI Inflation	4.1%	3.3%	3.9%	4.2%	4.4%

Source: 2021 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.

## 2. Key focus areas for the 2021/22 budget process

### 2.1 Changes to local government allocations

Over the next three years, municipalities will have to adjust to significant changes in expenditure plans while improving accountability. The 2021 Budget protects transfers that focus on infrastructure, service delivery and COVID-19 spending while reducing those spent less effectively. The 2021 Budget includes funding for initiatives to improve municipal revenue collection and support financially distressed municipalities.

Transfers to local government over the medium-term account for **9.4 per cent** of nationally raised funds after providing for debt-service costs, the contingency reserve and provisional allocations. Local government's share of revenue has risen in relative terms because reductions to the public-service wage bill affect only national and provincial government. Local government transfers grow by an annual average of 5.2 per cent over the MTEF; the equitable share declines by 4.4 per cent and conditional grants grow by 7.3 per cent. As part of government's fiscal consolidation policies over the medium term, transfers to local government are reduced by R19.4 billion, including R14.7 billion from the local government equitable share, R2.7 billion from the general fuel levy and R2 billion in direct conditional grants.

#### **Conditional grants**

The reduction to direct conditional grants includes R329 million from the *municipal infrastructure grant* and R21 million from the *integrated urban development grant*. These amounts have been reprioritised from underspending grants to fund a once-off councillor gratuity for non-returning councillors. The largest proportional reduction of R1.3 billion to local government grants has been made in the *public transport network grant*, because only six of the 13 cities receiving the grant have successfully launched public transport systems. Indirect conditional grants are reduced by R286 million over the period.

Government continues to reform the system of conditional grant transfers to local government based on the principles set out in the 2019 Budget Review. In 2021, government will expand the scope of the *municipal infrastructure grant* to allow municipalities to use up to 5 per cent of their allocation to develop infrastructure asset management plans. This change addresses poor asset management in municipalities.

In 2020, the *integrated city development grant* was repurposed to assist cities to build internal capacity or obtain technical support to prepare and package key infrastructure projects. This will continue in 2021 and private sector participation will be encouraged in these projects.

Two standalone *informal settlement upgrading grants* for provinces and municipalities will be introduced from 2021/22. These grants are made up of components previously within the *human settlements development grant* and the *urban settlements development grant* for provinces and municipalities respectively. In addition, the Municipal Systems Improvement Grant scope is extended to fund comprehensive institutional diagnostic assessments of the 21 district areas where the district municipality is a water service authority and the development of institutional improvement/ support plans that will inform all future capacity development programmes and municipal support initiatives to enhance the continued rollout of the rollout of the District Development Model (DDM).

Municipalities are reminded that all allocations included in their budgets must correspond to the allocations listed in the Division of Revenue Bill. All the budget documentation can be accessed from the National Treasury website by clicking on the link below:  
<http://www.treasury.gov.za/documents/national%20budget/2021/>



### 3. 2021 Local Government Elections and the budget process

Municipalities are advised to refer to MFMA Circular No. 107 on risks related to the Local Government elections and issues to be considered in compiling the 2021/22 MTREF in addition to the information provided below.

#### 3.1 Transitional processes - development and adoption of IDPs during the 2021 election year

The 2020/21 municipal financial year represents the last year of the current municipal councils' electoral term. Therefore, the next municipal election to usher in new councils is expected to take place between August and November 2021 in terms of the Section 24 (2) of the Municipal Structures Act, 2000 (Act No. 32 of 2000) (MSA).

It is acknowledged that the period within which the coming election's date is expected takes place after the start of a new financial year. This particular scenario poses a latent challenge in so far as adherence to legislated timeframes with regard to the adoption of the 5-year Integrated Development Plan (IDP) and the subsequent implementation.

Given the fact that the IDP and budget would need to be reviewed and adopted by 30 June 2021, the current council has an obligation to ensure that these stipulations are complied with. In this regard, the current council will be expected to continue reviewing the IDP and ensuring that it is adopted within the legislated timeframe.

Section 25 (3) of the MSA does allow the municipal council to adopt the IDP of the preceding council. However, should the incoming councils be unhappy with the priorities set out by the current council, in this case, municipal councils are advised to consider the existing adopted IDP and resolve to initiate or not to initiate an amendment procedure as guided by the MSA and the Municipal Performance and Planning Regulations (2001).

The Department of Cooperative Governance (DCoG), through the Chief Directorate: Development Planning, is rolling out the revised IDP guidelines to municipalities. These guidelines are aimed to, amongst others, guide municipalities with regards to the adoption of IDPs during an election year.

#### 3.2 Hand-over reports for the newly elected councils

Each municipal manager, working together with the 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. This hand-over report aims 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 2019/20 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 2021/22 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 2021/22 MTREF budget, the mid-year budget and performance assessment report for 2020/21, and the latest monthly financial statement, and the annual report for 2019/20.

Municipal managers should submit their municipality's hand-over report to the relevant provincial department responsible for local government, to the Department of Co-operative Governance (DCoG) and National and Provincial Treasuries.

## 4. Municipal Standard Chart of Accounts (*m*SCOA)

### 4.1 Opening balances

It was noted that some municipalities are not transferring their opening balances consistently to the current year of transacting. Opening balances for the previous year must be transferred in the first month (M01) of the current year, and all adjustments made during the preparation of the annual financial statements in period 14 and 15 must be transferred through journals to the opening balances of the current year in the month that it becomes apparent. When municipalities are not doing this correctly and consistently, it compromises the credibility of the *m*SCOA data strings submitted.

Importantly, journals may only be passed in the core financial system and not in 3<sup>rd</sup> party sub-systems.

### 4.2 Surplus or deficit journals

The Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and MBRR require that municipalities perform their month-end reconciliations at the end of every month before they submit their financial performance information to the National Treasury. Surplus or deficit journals must be passed monthly before a data string is generated to ensure that the financial system remains in balance. The monthly data strings reflected in the Statement of Financial position (table C6 of the regulated C Schedules) will not be in balance for those municipalities that are not doing this, and their *m*SCOA data strings will therefore not be accurate.

Municipalities must also reconcile their creditors and debtors and all month-end processes **before** they submit their monthly data strings to ensure that the data submitted to the National Treasury Local Government Database is credible.

### 4.3 Rollovers and repayment of unspent grants

Municipalities are required to use the correct posting levels and movement accounting when conditional grants are being receipted, recognised, rolled over, and unspent grants are repaid. The accounting for grants should be done in accordance with GRAP 23: Revenue from



exchange transactions (Taxes and Transfers). Refer to **Annexure A** of this Circular on the correct treatment of rollovers and repayment of unspent grants in *mSCOA*.

## 5. The revenue budget

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the municipality's financial sustainability. The Consumer Price Index (CPI) is forecasted to be within the lower limit of the 3 to 6 per cent target band; therefore, municipalities are required **to justify all increases in excess of the projected inflation target for 2021/22 MTREF** in their budget narratives and pay careful attention to the differential incidence of tariff increases across all consumer groups. It is noted that the tariff increases by Eskom and Water Boards are above inflation and should be considered as such while determining cost-reflective tariffs. In addition, municipalities should include a detail of their revenue growth assumptions for the different service charges in the budget narrative.

Local government also confronts tough fiscal choices in the face of financial and institutional problems that result in service-delivery breakdowns and unpaid bills. Municipalities can offset these trends by improving its own revenue collection, working more efficiently and implementing cost-containment measures.

### 5.1 Eskom Bulk Tariff increases

The National Energy Regulator of South Africa (NERSA) is responsible for price determination of the bulk costs for electricity. In March, NERSA approved a municipal tariff increase of 6.9 per cent effective 1 July 2020 (1.2 per cent lower than the tariff increase in Multi-Year Price Determination (MYPD) 4 period due to differences in municipal and national financial years).

The equitable share formula uses the 9.9 per cent bulk tariff increase used when National Treasury calculated the baseline for this year in the 2020 MTEF period. Other (non-bulk) electricity costs are updated based on the National Treasury's inflation projections in the 2020 MTBPS. This is due to fiscal constraints and the fact that the court had not pronounced on the Eskom matter at the time that the budget was finalised.

The additional R10 billion that the courts have allowed Eskom to recover in the 2021/22 national financial year translates to a 15.6 per cent bulk increase over the national financial year. However, given that the increase only comes into effect in July for municipalities, NERSA typically allows a higher percentage increase so that Eskom can recover the additional allowable revenue from municipalities over 9 months before the national financial year ends. Therefore, the increase should be expected to be between 16 to 20 per cent. Municipalities can mitigate the negative impact of this increase by improving efficiencies on both the revenue collections and the spending side.

The outer two years of the 2021 MTEF use 8.9 per cent, which is an average annual tariff increase used for the NERSA's multi-year price determination period of 1 April 2019 to 31 March 2022. Moreover, the outer year is anticipated to be the first year of the MYPD 5 period, yet to be published.

## 6. Funding choices and management issues

Municipalities are under pressure to generate revenue as a result of the economic landscape, the COVID-19 pandemic, weak tariff setting and increases in key cost drivers to provide basic municipal services. Customers' ability to pay for services is declining, which means that less revenue will be collected.

In order to achieve financial sustainability, municipalities must demonstrate the political will to implement the changes required to improve their performance. Where municipalities consistently fail to deliver their mandates, the Constitution provides for provincial and/or national government to intervene.

### **6.1 Employee related costs**

The *Salary and Wage Collective Agreement* for the period 01 July 2018 to 31 June 2020 has come to an end and a new agreement is under consultation, which we hope will take into account the current fiscal constraints faced by government. Therefore, in the absence of any information in this regard from the South African Local Government Bargaining Council (SALGBC), municipalities are advised to take into account their financial sustainability when considering salary increases. It has been observed over the previous years that salary increases were above inflation. In addition, municipalities that could not afford such increases did not apply for exemption as provided by SALGBC.

Given the current economic condition exacerbated by the COVID-19 pandemic, municipalities are urged to consider projecting increases to wage that would reflect their affordability. Some municipalities are already not able to afford the current wage cost and would indeed have to apply no more than a zero per cent increase in the 2021/22 MTREF and exercise the option for exemption for any negotiated increase above the level of their affordability.

Therefore, should accounting officers fail to consider salary increases within the ambit of the municipality's available resources and financial position, such failure will constitute an act of financial misconduct as defined in section 171 of the MFMA read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

### **6.2 Remuneration of councillors**

Municipalities are advised to budget for the actual costs approved in accordance with the Government 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 between December and January by the Department of Cooperative Governance. It is anticipated that this salary determination will also take into account the fiscal constraints. Municipalities should also consider guidance provided above on salary increases for municipal officials during this process.

### **6.3 Payment of danger allowance to the employees**

The work undertaken by the frontline staff in rendering services to communities must be appreciated whilst understanding the country's economic situation and the world resulting from the impact of COVID-19 pandemic. The SALGBC Circular No. 5 of 2020 provides advice to municipalities about the payment of danger allowance to employees working at the frontline to fight the COVID-19 pandemic.

The Circular provides that the council of the municipality must have an approved policy that should guide how the danger allowance should be paid, based on the affordability of the municipality. During this difficult financial situation posed by the COVID-19 pandemic, municipalities must consider the following:

1. Determine whether or not the municipality will afford the percentage increase in order to accommodate the Danger Allowance;
2. Assess the current status of the Employee Related Costs that form part of the municipality's budget in order to ascertain whether or not the inclusion of such allowance will not place the municipality's financial position in jeopardy in terms of the total Employee Related Costs as a percentage of the total expenditure;
3. Determine the credible funding source for the payment of Danger Allowance;

4. In this case the municipality must subject that change to “public participation processes” when dealing with the 2021/2022 MTREF based on the funding source; and
5. The municipality must also have a policy that operationalise the implementation of this kind of an allowance, only based on the determination/ assessment as per the aforementioned points.

#### 6.4 Mayor’s discretionary funds and similar discretionary budget allocations

It has been observed that many municipal budgets contain sub-votes or allocations to “Mayoral Discretionary Funds”, “Special Projects”, “Special Events” or similar discretionary type funds. Municipalities must refer to section 12 of the MFMA in relation to setting up a relief, charitable, trust or other funds.

National Treasury regards these types of allocations as a bad practice because:

- It is not clear how they are aligned to the constitutional requirement that municipalities structure their budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community (see section 153(a) of the Constitution);
- They do not provide for the appropriation of funds for the purposes of a department or functional area of the municipality (see the definition of ‘vote’ in section 1 of the MFMA);
- They undermine the budget consultation processes since the intended use of the funds is not transparently reflected in the tabled budget; and
- There is a risk that they may be abused for personal gain or to improperly benefit another person or organisation.

Therefore, National Treasury discourages allocations of this nature. Good budget practice requires that a municipal budget should transparently indicate the purposes and areas where municipal funds (i.e. public funds) are to be allocated. These kinds of discretionary funds immediately raise public suspicions of impropriety and corruption. In terms of section 52(a) of the MFMA the Mayor “must provide general political guidance over the fiscal and financial affairs of the municipality”. The Mayor, therefore, provides direct input into the budget. If this is the case, why does the Mayor require a ‘discretionary / personal slush fund’?

Section 17(3)(b) of the MFMA requires that when an annual budget is tabled it must be accompanied by “measurable performance objectives ... for each vote in the budget”. What measurable performance objectives can be set in relation to these funds given that their use is at the discretion of the Mayor? This means the transparent and effective use of these funds cannot be monitored and assessed by the council and the public.

National Treasury notes that section 17(3)(j) of the MFMA requires that when an annual budget is tabled it must be accompanied by “particulars of any proposed allocations or grants by the municipality to ... (iv) any organisations or bodies referred to in section 67(1)”. The aim of this provision is to ensure that all proposed allocations or grants are presented transparently in the budget documentation that is tabled for public consultation and council approval, as well as for budget management and monitoring purposes. *Any allocations or grants made to organisations or bodies that are not reflected in a municipality’s budget or adjustments budget must be regarded as unauthorised expenditure because they are “(f) a grant by the municipality otherwise than in accordance with this Act”* (see definition of unauthorised expenditure in section 1 of the MFMA).

National Treasury further notes that section 67 of the MFMA only allows funds to be transferred to ‘an organisation or body’ and not to an individual. Any allocations or grants to individuals, *other than in terms of the municipality’s indigent policy or bursary scheme, must be regarded as*

*irregular expenditure because they are expenditures not in accordance with a requirement of the MFMA.*

National Treasury and provincial treasuries will exercise close oversight of all discretionary type allocations in municipal budgets. If there are any concerns about the use of these funds, section 74 of the MFMA will be used to request information in this regard and analyse it for consistency with the MFMA legal framework.

## 7. Conditional Grant Transfers to Municipalities

The annual Division of Revenue Act requires that municipalities must request for a rollover approval against any unspent conditional grants that were allocated through the Act, therefore this section provides guidance to municipalities with regard to the preparation for the 2020/21 unspent conditional grant and rollover process and should be referenced against previous annual budget circulars.

### 7.1 Criteria for the rollover of conditional grant funds

In terms of Section 22 of the Division of Revenue Act, 2020 (Act No.4 of 2020) (DoRA) in conjunction with the Division of Revenue Amendment Act, 2020 (Act No. 10 of 2020) (DoRAA) and the Division of Revenue Second Amendment Act, 2020 (Act No. 20 of 2020), the Act requires that any conditional allocation or a portion thereof that is not spent at the end of the 2020/21 financial year reverts to the National Revenue Fund, unless the rollover of the allocation is approved in terms of subsection (2). Furthermore, the receiving officer, provincial treasury and national transferring officer is required to prove to National Treasury that the unspent allocation is committed to identifiable projects, in which case the funds may be rolled over.

When requesting a rollover in terms of section 22(2) of the 2020 DoRA, municipalities must include the following information with their submission to National Treasury:

1. A formal letter, signed by the accounting officer addressed to the National Treasury requesting the rollover of unspent conditional grants in terms of section 22(2) of the 2020 DoRA;
2. A list of all the projects that are linked to the unspent conditional grants and a breakdown of how much was allocated and spent per project;
3. The following evidence indicating that work on each of the projects has commenced, as applicable to the specific rollover(s):
  - a) Proof that a contractor or service provider was appointed for delivery of the project before 31 March; or
  - b) Proof of project tender and tender submissions published and closed before 31 March with the appointment of contractor or service provider for delivery of service before 30 June in cases where additional funding was allocated during the course of the final year of the project;
  - c) Incorporation of the Appropriation Statement;
  - d) Evidence that all projects linked to an allocation will be fully utilised by 30 June 2022 (attach cash flow projection for the applicable grant).
4. A progress report (also in percentages) on the status of each project's implementation that includes an attached **legible implementation plan**);
5. The value of the committed project funding and the conditional allocation from the funding source;
6. Reasons why the grants were not fully spent during the year of original allocation per the DoRA;

7. Rollover of rollovers will not be considered therefore municipalities must not include previous year's unspent conditional grants as rollover request;
8. An indication of the time period within which the funds are to be spent if the rollover is approved; and
9. Proof that the Municipal Manager and Chief Financial Officer are permanently appointed.

No rollover requests will be considered for municipalities with vacant or acting Chief Financial Officers and Municipal Managers for a period exceeding 6 months from the date of vacancy; this also includes acting appointments as a result of suspensions of either MM or CFO that are more than 12 months.

**If any of the above information is not provided or the application is received by National Treasury (Intergovernmental Relations Division) after 31 August 2021, the application will be declined.**

In addition, National Treasury will also consider the following information when assessing rollover applications; and reserves the right to decline an application should there be non-performance by the municipality in any of these areas:

1. Compliance with the in-year reporting requirements in terms of sections 71 and 72 of the MFMA and section 12 of the 2020 DoRA, **including the municipal manager and chief financial officer signing-off on the information** sent to National Treasury;
2. Submission of the pre-audited Annual Financial Statements to National Treasury by 31 August 2021;
3. Accurate disclosure of grant performance in the 2020/21 pre-audited Annual Financial Statements, (i.e. correct disclosure of grant receipts and spending in the notes to the AFS);
4. Despite the fact local government is required to comply to different norms and standards prescribed by different legislations, municipalities are expected to fully comply with the provisions of DoRA that relates to rollover processes and disclose conditional grant performance in the 2020/21 pre-audited Annual Financial Statements in order to verify grant expenditure; and
5. Cash available in the bank (net position including short term investments) as at 30 June 2021 is equivalent to the unspent amount at the end of the financial year. If the amount that is requested for rollover **is not entirely cash-backed**, such a rollover will not be approved. National Treasury will also not approve portions of rollover requests.

It should be noted that under no circumstances will the National Treasury consider requests to rollover:

1. The entire 2020/21 allocation to the municipality, in cases whereby the rollover request is more than 50 per cent of the total allocation, National Treasury will approve the rollover amount up to 50 per cent of the 2020/21 allocation;
2. Rollover request of the same grant for the third consecutive time;
3. Funding for projects constituted through Regulation 32 of the Municipal Supply Chain Management Regulations (Gazette No.27636). Projects linked to additional funding and disasters are exempted; and
4. A portion of an allocation where the proof of commitment for the rollover application is linked to invoices that were issued before or on 31 May 2021.

## **7.2 Rollover request against the Covid-19 allocated through the Equitable Share**

The Division of Revenue Amendment Act, 2020 (Act No 10 of 2020) made available to Local government an amount of R11 billion following the President's speech on 20 April 2020. The President pronounced that R20 billion would be made available to municipalities in order to provide emergency water supply, increase sanitation of public transport facilities, and provide



food and shelter for the homeless. The R20 billion consisted of an additional allocation of R11 billion, which was transferred through the Equitable Share, and the R9 billion was funded from the repurposed spending within conditional grants allocated to municipalities. This increased the 2020/21 municipal Equitable Share allocation from R74.7 billion to R85.7 billion.

The R11 billion added to the local government Equitable Share allowed municipalities to maintain existing services despite a temporary decline in revenue collections and also cover some additional expenses incurred in response to the pandemic, including the provision of temporary shelter for homeless people during the lockdown.

Although the R11 billion was allocated through an unconditional grant (Equitable Share), these are committed funds in response to the Covid-19 pandemic. Consequently, the municipalities are required to request a rollover from National Treasury of any unspent committed Covid-19 allocation to be rolled over into the 2021/22 financial year.

Municipalities are therefore required to provide the following information to National Treasury in order to prove that the unspent funds are committed and also provide approval to allow the unspent funds to be spent in the 2021/22 financial year.

1. Provide the contracts that are linked to the response of the Covid-19 pandemic in line with the provisions made in the 2020 DoRAA;
2. Reasons why the funds were not fully spent during the year of original allocation per the DoRAA;
3. Accurate disclosure of Covid-19 allocation expenditure in the 2020/21 pre-audited Annual Financial Statements, (i.e. correct disclosure of grant receipts and spending in the notes to the AFS); and
4. Any expenditure incurred against the unspent Covid-19 funds that was not approved for the rollover will be regarded as unauthorized expenditure.

### **7.3 Unspent conditional grant funds for 2020/21**

The process to ensure the return of unspent conditional grants for the 2020/21 financial year will be managed in accordance with section 22 of the DoRA. In addition to the previous MFMA Circulars, the following practical arrangements will apply:

- Step 1: Municipalities must submit their June 2021 conditional grant expenditure reports according to section 71 of the MFMA reflecting all accrued expenditure on conditional grants and further ensure that expenditure reported to both National Treasury and national transferring officers reconcile;
- Step 2: When preparing the Annual Financial Statements, a municipality must determine the portion of each national conditional grant allocation that remained unspent as at 30 June 2021. These amounts MUST exclude all interest earned on conditional grants, retentions and VAT related to conditional grant spending that has been reclaimed from SARS, which must be disclosed separately; and
- Step 3: If the receiving officer wants to motivate in terms of section 22(2) of the 2020 DoRA that the unspent funds are committed to identifiable projects, the rollover application pack must be submitted to National Treasury by no later than 31 August 2021.

***National Treasury will not consider any rollover requests that are incomplete or received after this deadline.***

- Step 4: National Treasury will confirm in writing whether or not the municipality may retain any of the unspent funds as a rollover based on criteria outlined above by 22 October 2021;

- Step 5: National Treasury will communicate the unspent conditional grants amount by 08 November 2021. A municipality must return the remaining unspent conditional grant funds that are not subject to a specific repayment arrangement to the National Revenue Fund by 19 November 2021; and
- Step 6: Any unspent conditional grant funds that should have, but has not been repaid to the National Revenue Fund by 19 November 2021, and for which a municipality has not requested a repayment arrangement, will be offset against the municipality's 07 December 2021 equitable share allocation.

*All other issues pertaining to Appropriation Statement and reporting on approved rollovers are addressed in the Annexure to MFMA Circular No. 86.*

#### **7.4 Importance of section 17 of the Division of Revenue Act**

The purpose of this section is to provide further clarity on section 17 of DoRA in relation to the transfer of funds to the organ of state in order to implement projects on behalf of the municipalities.

Section 17 (3) of DoRA states that a receiving officer may not allocate any portion of a schedule 5 allocation to any other organ of state for the performance of a function, unless the receiving officer and the organ of the state agree on the obligation of both parties and a payment schedule, the receiving officer has notified the transferring officer, the relevant provincial treasury and National Treasury of the agreed payment schedule and:

- a. The allocation
  - i) Is approved in the budget for the receiving provincial department or municipality; or
  - ii) If not already approved;
    - aa) the receiving officer notifies the National Treasury that the purpose of the allocation is not to artificially inflate the expenditure estimates of the relevant municipality and indicates the reasons for the allocation; and
    - bb) the National Treasury approves the allocation; or
- b. The allocation is for the payment for goods or services procured in accordance with the procurement prescripts applicable to the relevant province or municipality and, if it is an advance payment, paragraph (a) (ii) applies with the necessary changes.

Further, section 17 (4) states that the receiving officer must submit a copy of the agreement envisaged in subsection (3) to the transferring officer and the National Treasury before payment is made.

This section requires municipalities to comply with section 17 (3) before any DoRA allocated funds are allocated to any organ of state, and the municipality should first seek approval from National Treasury.

Note that National Treasury considers the following when assessing the request from the municipality for approval:

1. If the municipality is benefitting and utilising from the five per cent from capital grants that may be utilised for Project Management Unit (PMU). In terms of the capital grant framework (i.e. MIG and IUDG and three per cent for the USDG), municipalities are allowed to utilise a certain per cent of the grant for PMU or capacity support in order to implement capital projects. Therefore, if municipalities are benefitting from this initiative, the PMU should be capacitated enough to implement capital project;
2. Municipalities that are benefitting from the added technical support from Municipal Infrastructure Support Agent (MISA) will not be granted approval because MISA would assist with providing support and develop technical capacity towards sustained

- accelerated municipal and service delivery. This implies that the municipality would be capacitated and be in a better position to implement capital project; and
3. If the request does not comply with the grant conditions, framework and if the transfer artificially inflates the expenditure estimates.

The following information must be submitted to National Treasury before approval is granted to municipalities to transfer funds to organs of the state:

1. In consultation with the relevant transferring officer municipalities must submit their request to National Treasury for approval;
2. Provide the time frames regarding the duration of this arrangement between the municipality and the organ of the state;
3. Provide the Service Level Agreement between the municipality and the organ of the state in consultation with the relevant transferring officer;
4. Provide the agreed payment schedule reflecting the disbursement of the funds;
5. Must provide the reasons why the municipality has taken such a decision;
7. If amongst the reasons for the request is related to capacity challenges, the municipality must therefore prove beyond reasonable doubt that there are capacity challenges and the reasons thereof; and
8. Upon approval, the municipality must submit the approved budget that includes the allocation.

Note that once the allocation has been approved, the payment for goods or services must be procured in accordance with or in compliance with the procurement prescripts applicable to the relevant municipality. If there is an agreement for an advancement, subsection (a) (ii) will apply in order to determine if the payment does not artificially inflate the expenditure estimates. Further, before funds are transferred, the national transferring officer and National Treasury must agree on the payment schedule.

Therefore, if any expenditure incurred which emanates from such an arrangement while there was non-compliance with section 17, grant conditions and framework, such expenditure will not be recognised by both National Treasury and relevant transferring officer and will be classified as unauthorised expenditure.

## 8. The Municipal Budget and Reporting Regulations

### 8.1 Service Level Standards

Municipalities are reminded to update the service level standards which must form part of their 2021/22 MTREF tabled budget documentation. A broad framework on the minimum service standards was issued with MFMA Circular No. 75. Therefore, the outline must be used as a guideline and be amended accordingly to align to the municipality's specific circumstances.

### 8.2 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 officials:

Province	Responsible NT officials	Tel. No.	Email
Eastern Cape	Matjatji Mashoeshoe	012-315 5553	<a href="mailto:Matjatji.Mashoeshoe@treasury.gov.za">Matjatji.Mashoeshoe@treasury.gov.za</a>
Buffalo City	Mandla Gilimani	012-315 5807	<a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a>
Free State	Cethekile Moshane	012-315 5079	<a href="mailto:Cethekile.moshane@treasury.gov.za">Cethekile.moshane@treasury.gov.za</a>



Gauteng	Kgomotso Baloyi	012-315 5866	<a href="mailto:Kgomotso.Baloyi@treasury.gov.za">Kgomotso.Baloyi@treasury.gov.za</a>
Johannesburg and Tshwane	Kevin Bell Willem Voigt	012-315 5725 012-315 5830	<a href="mailto:Kevin.Bell@treasury.gov.za">Kevin.Bell@treasury.gov.za</a> <a href="mailto:WillemCordes.Voigt@treasury.gov.za">WillemCordes.Voigt@treasury.gov.za</a> <a href="mailto:Sifiso.Mabaso@treasury.gov.za">Sifiso.Mabaso@treasury.gov.za</a>
KwaZulu-Natal	Kgomotso Baloyi	012-315 5866	<a href="mailto:Kgomotso.Baloyi@treasury.gov.za">Kgomotso.Baloyi@treasury.gov.za</a>
eThekweni	Mpati Rakgwale Una Rautenbach Abigail Maila	012-315 5700	<a href="mailto:Mpati.Rakgwale@treasury.gov.za">Mpati.Rakgwale@treasury.gov.za</a> <a href="mailto:Una.Rautenbach@treasury.gov.za">Una.Rautenbach@treasury.gov.za</a> <a href="mailto:Abigail.Maila@treasury.gov.za">Abigail.Maila@treasury.gov.za</a>
Limpopo	Willem Voigt Sifiso Mabaso	012-315 5830 012-315 5952	<a href="mailto:WillemCordes.Voigt@treasury.gov.za">WillemCordes.Voigt@treasury.gov.za</a> <a href="mailto:Sifiso.Mabaso@treasury.gov.za">Sifiso.Mabaso@treasury.gov.za</a>
Mpumalanga	Mandla Gilimani	012-315 5807	<a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a>
Northern Cape	Mandla Gilimani Phumelele Gulukunqu	012-315 5807 012 315 5539	<a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a> <a href="mailto:Phumelele.Gulukunqu@treasury.gov.za">Phumelele.Gulukunqu@treasury.gov.za</a>
North West	Willem Voigt Makgabo Mabotja	012-315 5830 012-315 5156	<a href="mailto:WillemCordes.Voigt@treasury.gov.za">WillemCordes.Voigt@treasury.gov.za</a> <a href="mailto:Makgabo.Mabotja@treasury.gov.za">Makgabo.Mabotja@treasury.gov.za</a>
Cape Town George	Kgomotso Baloyi Willem Voigt and Mandla Gilimani	012-315 5866 012-315 5830 012-315 5807	<a href="mailto:Kgomotso.Baloyi@treasury.gov.za">Kgomotso.Baloyi@treasury.gov.za</a> <a href="mailto:WillemCordes.Voigt@treasury.gov.za">WillemCordes.Voigt@treasury.gov.za</a> <a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a>
Technical issues with Excel formats	Kgomotoso Baloyi	012-315 5866	<a href="mailto:Kgomotso.Baloyi@treasury.gov.za">Kgomotso.Baloyi@treasury.gov.za</a>

## 9. Budget process and submissions for the 2021/22 MTREF

### 9.1 Submitting budget documentation and A1 schedules for 2021/22 MTREF

To facilitate oversight of compliance with the MBRR, 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 electronic formats. If the annual budget is tabled to council on **31 March 2021**, the final date of submission of the electronic budget documents and corresponding *mSCOA* data strings is **Thursday, 01 April 2021**.

Section 24(3) of the MFMA, read together with regulation 20(1) of the MBRR, requires that municipalities must submit the approved annual budget to both National Treasury and the relevant provincial treasury **within ten working days** after the council has approved the annual budget. E.g. if the council approves the annual budget on **31 May 2021**, given the new timeframe for the evaluation of the municipal budgets, the adopted budget data strings and documentation must be submitted by the latest **Monday, 14 June 2020**.

**Municipalities are no longer expected to submit hard copies of all required documents including budget-related, Integrated Development Plan, Service Delivery Budget and Implementation Plan, Annual Financial Statements and Annual Reports to National Treasury via post or courier services. Electronic copies must be submitted in pdf format to the LG Upload portal or [lqdocuments@treasury.gov.za](mailto:lqdocuments@treasury.gov.za).**

### 9.2 Consolidated budgets and reports

Municipalities with entities are reminded that they must prepare and submit MTREF budgets, section 71 reports, annual financial statements and annual reports for both the parent municipalities and consolidated documents that incorporates the entity information in terms of the MBRR.

### 9.3 Submission using LG Upload Portal

In MFMA Budget Circular No 107, it was indicated that budget-related documents and schedules must be uploaded by approved registered users using the LG Upload Portal at: <https://lguploadportal.treasury.gov.za/> and that National Treasury was planning to retire [lgdocuments@treasury.gov.za](mailto:lgdocuments@treasury.gov.za) from 01 July 2021 to ensure that there is a single collection point of municipal financial data. However, based on workflow licensing challenges on the LG Upload Portal, data string submissions will shortly be shifted to the Open Portal GoMuni while documents must still be submitted using [lgdocuments@treasury.gov.za](mailto:lgdocuments@treasury.gov.za). The document submissions will also be shifted to GoMuni as soon as possible.

All municipalities and their entities had to prepare their MTREF budget directly on the mSCOA financial systems from 01 July 2017. Therefore, all MBRR schedule submissions must be submitted in **PDF format only**.

### 9.4 Publication of budgets on municipal websites

In terms of section 75 of the MFMA, all municipalities are required to publish their tabled budgets, adopted budgets, annual reports (containing audited annual financial statements) and other relevant information on the municipality's website. This will aid in promoting public accountability and good governance.

All relevant documents mentioned in this circular are available on the National Treasury website, <http://mfma.treasury.gov.za/Pages/Default.aspx>. Municipalities are encouraged to visit it regularly as documents are regularly added/ updated on the website.

## Contact



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

**Post** Private Bag X115, Pretoria 0001

**Phone** 012 315 5009

**Fax** 012 395 6553

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**JH Hattingh**  
**Chief Director: Local Government Budget Analysis**  
**08 March 2021**

## Annexure A: Treatment of Rollovers and repayment of unspent grants in mSCOA

### Cash receipting of a conditional grant

The receiving of grants must be accounted for against (Dt) Bank and (Cr) Item Liabilities: Unspent grants: Capital: Monetary: Municipal Infrastructure Grant: Receipts as shown below:

– Municipal Infrastructure Grant(IL-001-007-002-001-002-005-002)

Opening Balance(IL-001-007-002-001-002-005-002-001)

Receipts(IL-001-007-002-001-002-005-002-002)

### Recognising the revenue when the grant is spent

When the grant is spent in accordance with the conditions of the grant, a transaction must be passed against the (Dt) Item Liabilities: Transferred to Revenue/ Capital Expenditure and (Cr) Item Revenue: Non-Exchange Transactions: Transfers and subsidies: Capital: Monetary allocations: National Government: Municipal Infrastructure Grant as shown below:

Debit Item Liability: posting level

– Municipal Infrastructure Grant(IL-001-007-002-001-002-005-002)

Opening Balance(IL-001-007-002-001-002-005-002-001)

Receipts(IL-001-007-002-001-002-005-002-002)

Transferred to Revenue/Capital Expenditure(IL-001-007-002-001-002-005-002-003)

Credit revenue recognised: posting level

– Transfers and Subsidies(IR-003-005)

– Capital(IR-003-005-001)

+ Allocations In-kind(IR-003-005-001-001)

– Monetary Allocations(IR-003-005-001-002)

+ Departmental Agencies and Accounts(IR-003-005-001-002-001)

+ District Municipalities(IR-003-005-001-002-002)

+ Foreign Government and International Organisations(IR-003-005-001-002-003)

+ Households(IR-003-005-001-002-004)

– National Government(IR-003-005-001-002-005)

Integrated National Electrification Programme Grant(IR-003-005-001-002-005-001)

Municipal Infrastructure Grant(IR-003-005-001-002-005-002)

## Rollovers

In the event that the full grant was not spent at the end of the financial year, the municipality must apply for a rollover as per the process stipulated in the Division of Revenue Act (DoRA). Until such approval has been granted by the National Treasury, a municipality may not continue to incur expenditure against the unspent conditional grant allocation. This does not mean that the municipality should stop or cancel ongoing projects, but Council approval must be obtained to fund the spending from own funding sources until rollover approval is granted by the National Treasury. Once the rollover has been approved by the National Treasury, the amount of the rollover must be ratified through an adjustments budget. The *mSCOA* chart makes provision for all the required transactions in this regard.

### Roll over not approved/ Offset against Equitable share

In the event that the rollover is not approved by the National Treasury, the unspent grant funding must be paid back to the National Revenue Fund or alternatively be offset against the Equitable Share and the Liability must be reduced by:

- 1) Debiting Unspent Grant (Repayment) to reduce the liability that was still outstanding; and
- 2) Crediting Item Revenue Equitable Share to adjust the revenue in line with DoRA.

This is further illustrated below:

- 1) Debit Liability: posting level

— Municipal Infrastructure Grant(IL-001-007-002-001-002-005-002)

Opening Balance(IL-001-007-002-001-002-005-002-001)

Receipts(IL-001-007-002-001-002-005-002-002)

Transferred to Revenue/Capital Expenditure(IL-001-007-002-001-002-005-002-003)

🗑️ (Retired) Closing Balance(IL-001-007-002-001-002-005-002-004)

Re-payment of Unspent Grant(IL-001-007-002-001-002-005-002-005)

- 2) Credit Revenue: posting level

— National Revenue Fund(IR-003-005-002-002-006)

Fuel Levy (RSC Replacement Grant)(IR-003-005-002-002-006-001)

Equitable Share(IR-003-005-002-002-006-002)

### Unauthorised, Irregular, Fruitless and Wasteful (UIFW) expenditure

If the municipality continues to spend against the conditional grant allocation, but rollover approval has not been granted by the National Treasury, this expenditure will be viewed as unauthorised expenditure.

Reference number: RCS/C.7 (2020/21)

Private Bag X9165  
CAPE TOWN  
8000

## BUDGET CIRCULAR 4 – 2021/22

### PHASE 3 2020/21 BUDGET PROCESS: FINALISING BUDGET 2021

THE PREMIER

THE MINISTER OF AGRICULTURE

THE MINISTER OF COMMUNITY SAFETY

THE MINISTER OF CULTURAL AFFAIRS AND SPORT

THE MINISTER OF EDUCATION

THE MINISTER OF FINANCE AND ECONOMIC OPPORTUNITIES

THE MINISTER OF HEALTH

THE MINISTER OF HUMAN SETTLEMENTS

THE MINISTER OF LOCAL GOVERNMENT, ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING

THE MINISTER OF SOCIAL DEVELOPMENT

THE MINISTER OF TRANSPORT AND PUBLIC WORKS

THE SPEAKER: PROVINCIAL PARLIAMENT

THE DEPUTY SPEAKER: PROVINCIAL PARLIAMENT

THE EXECUTIVE AUTHORITY: WESTERN CAPE GAMBLING AND RACING BOARD (MINISTER D MAYNIER)

THE EXECUTIVE AUTHORITY: WESTERN CAPE NATURE CONSERVATION BOARD (MINISTER A BREDELL)

THE EXECUTIVE AUTHORITY: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MINISTER D MAYNIER)

THE EXECUTIVE AUTHORITY: SALDANHA BAY IDZ LICENCING COMPANY (MINISTER D MAYNIER)

THE EXECUTIVE AUTHORITY: WESTERN CAPE CULTURAL COMMISSION (MINISTER A MARAIS)

THE EXECUTIVE AUTHORITY: WESTERN CAPE LANGUAGE COMMITTEE (MINISTER A MARAIS)

THE EXECUTIVE AUTHORITY: WESTERN CAPE HERITAGE (MINISTER A MARAIS)

THE EXECUTIVE AUTHORITY: CASIDRA (MINISTER IH MEYER)

THE EXECUTIVE AUTHORITY: WESTERN CAPE LIQUOR AUTHORITY (MINISTER A FRITZ)

THE ACCOUNTING OFFICER: VOTE 1: PREMIER (DR H MALILA)

THE ACCOUNTING OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MR R ADAMS)

THE ACCOUNTING OFFICER: VOTE 3: PROVINCIAL TREASURY (MR D SAVAGE)

THE ACCOUNTING OFFICER: VOTE 4: COMMUNITY SAFETY (ADV. Y PILLAY)

THE ACCOUNTING OFFICER: VOTE 5: EDUCATION (MR BK SCHREUDER)

THE ACCOUNTING OFFICER: VOTE 6: HEALTH (DR K CLOETE)

THE ACCOUNTING OFFICER: VOTE 7: SOCIAL DEVELOPMENT (DR R MACDONALD)

THE ACCOUNTING OFFICER: VOTE 8: HUMAN SETTLEMENTS (MS J SAMSON)

THE ACCOUNTING OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR P VAN ZYL)

THE ACCOUNTING OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (MS J GOOCH)

THE ACCOUNTING OFFICER: VOTE 11: AGRICULTURE (DR M SEBOPETSA)

THE ACCOUNTING OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MR S FOURIE)

THE ACCOUNTING OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MR B WALTERS)

THE ACCOUNTING OFFICER: VOTE 14: LOCAL GOVERNMENT (MR G PAULSE)

THE CHIEF FINANCIAL OFFICER: VOTE 1: PREMIER (MR D BASSON)

THE CHIEF FINANCIAL OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MS N PETERSEN)

THE CHIEF FINANCIAL OFFICER: VOTE 3: PROVINCIAL TREASURY (MS A SMIT)

THE CHIEF FINANCIAL OFFICER: VOTE 4: COMMUNITY SAFETY (MR M FRIZLAR)

THE CHIEF FINANCIAL OFFICER: VOTE 5: EDUCATION (MR L ELY)

For information

THE CHIEF FINANCIAL OFFICER: VOTE 6: HEALTH (MR S KAYE)  
 THE CHIEF FINANCIAL OFFICER: VOTE 7: SOCIAL DEVELOPMENT (MR JO SMITH)  
 THE CHIEF FINANCIAL OFFICER: VOTE 8: HUMAN SETTLEMENTS (MR F DE WET)  
 THE CHIEF FINANCIAL OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR A GAFFOOR) (ACTING)  
 THE CHIEF FINANCIAL OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (ADV. C SMITH)  
 THE CHIEF FINANCIAL OFFICER: VOTE 11: AGRICULTURE (MR F HUYSAMER)  
 THE CHIEF FINANCIAL OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MS M ABRAHAMS)  
 THE CHIEF FINANCIAL OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MS BG RUTGERS)  
 THE CHIEF FINANCIAL OFFICER: VOTE 14: LOCAL GOVERNMENT (MS B SEWLALL-SINGH)  
 THE ACCOUNTING AUTHORITY: WESTERN CAPE GAMBLING AND RACING BOARD (MR D LAKAY)  
 THE ACCOUNTING AUTHORITY: WESTERN CAPE NATURE CONSERVATION BOARD (PROF. G MANEVELDT)  
 THE ACCOUNTING AUTHORITY: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MR M SPICER)  
 THE ACCOUNTING AUTHORITY: SALDANHA BAY IDZ LICENCING COMPANY (DR J STEGMANN)  
 THE ACCOUNTING AUTHORITY: WESTERN CAPE CULTURAL COMMISSION (MS J MOLELEKI)  
 THE ACCOUNTING AUTHORITY: WESTERN CAPE LANGUAGE COMMITTEE (MS J MOLELEKI)  
 THE ACCOUNTING AUTHORITY: WESTERN CAPE HERITAGE (MR M DLAMUKA)  
 THE ACCOUNTING AUTHORITY: CASIDRA (MR A MOOS)  
 THE ACCOUNTING AUTHORITY: WESTERN CAPE LIQUOR AUTHORITY (ADV. T SIDAKI)  
 THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE GAMBLING AND RACING BOARD (MR P ABRAHAMS)  
 THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE NATURE CONSERVATION BOARD (DR R OMAR)  
 THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MR T HARRIS)  
 THE CHIEF EXECUTIVE OFFICER: SALDANHA BAY IDZ LICENCING COMPANY (MS K BEUKES)  
 THE CHIEF EXECUTIVE OFFICER: CASIDRA (MR F VAN ZYL) (ACTING)  
 THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE LIQUOR AUTHORITY (ADV. L PETERSEN) (ACTING)  
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE GAMBLING AND RACING BOARD (MS Z SIWA)  
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE NATURE CONSERVATION BOARD (MR M BHAYAT)  
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MS K ZAMA)  
 THE CHIEF FINANCIAL OFFICER: SALDANHA BAY IDZ LICENCING COMPANY (MR H BONESCHANS)  
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE CULTURAL COMMISSION (MS B RUTGERS)  
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE LANGUAGE COMMITTEE (MS B RUTGERS)  
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE HERITAGE (MS B RUTGERS)  
 THE CHIEF FINANCIAL OFFICER: CASIDRA (MR F VAN ZYL)  
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE LIQUOR AUTHORITY (MR S GCWABE)  
 THE DIRECTOR: GOVERNMENT MOTOR TRANSPORT (MR R WIGGILL)  
 THE HEAD OFFICIAL: PROVINCIAL TREASURY (MR D SAVAGE)  
 THE DEPUTY DIRECTOR-GENERAL: FISCAL AND ECONOMIC SERVICES (DR R HAVEMANN)  
 THE DEPUTY DIRECTOR-GENERAL: GOVERNANCE AND ASSET MANAGEMENT (MS J GANTANA)  
 THE CHIEF DIRECTOR: PUBLIC POLICY SERVICES (MR A PHILLIPS)  
 THE CHIEF DIRECTOR: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MS A PICK) (ACTING)  
 THE CHIEF DIRECTOR: LOCAL GOVERNMENT PUBLIC FINANCE (MR S KENYON)  
 THE CHIEF DIRECTOR: ASSET MANAGEMENT (MR I SMITH)  
 THE CHIEF DIRECTOR: FINANCIAL GOVERNANCE AND ACCOUNTING (MR A HARDIEN)  
 THE CHIEF FINANCIAL OFFICER (MS A SMIT)  
 THE HEAD: OFFICE OF THE FINANCE MINISTRY (MS C GREEN)  
 THE DIRECTOR: BUSINESS INFORMATION AND DATA MANAGEMENT (MR P PIENAAR)  
 THE DIRECTOR: FINANCIAL GOVERNANCE (MS M VAN NIEKERK)  
 THE DIRECTOR: FISCAL POLICY (DR N NLEYA)  
 THE DIRECTOR: INFRASTRUCTURE (MR K LANGENHOVEN)  
 THE DIRECTOR: LOCAL GOVERNMENT ACCOUNTING (MR F SALIE)  
 THE DIRECTOR: LOCAL GOVERNMENT BUDGET OFFICE (MR M BOOYSEN)  
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP ONE) (MR C MAPEYI)  
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP TWO) (MS E WENN) (ACTING)  
 THE DIRECTOR: LOCAL GOVERNMENT MFMA COORDINATION (MR EJ JOHANNES) (ACTING)  
 THE DIRECTOR: LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MR R MOOLMAN)  
 THE DIRECTOR: PROVINCIAL GOVERNMENT ACCOUNTING (MS A ABOO)  
 THE DIRECTOR: PROVINCIAL GOVERNMENT BUDGET OFFICE (MS T VAN DE RHEEDE) (ACTING)  
 THE DIRECTOR: PROVINCIAL GOVERNMENT FINANCE (EXPENDITURE MANAGEMENT) (MS A PICK) (PRO TEM)  
 THE DIRECTOR: PROVINCIAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MS N EBRAHIM)  
 THE DIRECTOR: STRATEGIC AND OPERATIONAL MANAGEMENT SUPPORT (MS N ISMAIL)  
 THE DIRECTOR: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR A MAZOMBA)  
 THE PROVINCIAL AUDITOR  
 MASTER RECORDS OFFICIAL: BUSINESS INFORMATION AND DATA MANAGEMENT  
 THE DEPUTY DIRECTOR-GENERAL: CORPORATE ASSURANCE, DEPARTMENT OF THE PREMIER (MS H ROBSON)

## CONTENTS

1.	PURPOSE.....	4
2.	UPDATE ON ECONOMIC AND FISCAL CONTEXT.....	4
3.	FINALISING THE 2021 MTEF BUDGET: MEDIUM-TERM PHASE (PHASE 3) .....	5
3.1	PG MTEC 2 Engagements .....	7
3.2	MTBPC 2 Engagements .....	9
3.3	Agenda and presentation templates .....	10
4.	GUIDANCE ON THE PUBLICATION AND TABLING OF THE OVERVIEW OF PROVINCIAL AND MUNICIPAL INFRASTRUCTURE INVESTMENT (OPMII) FOR 2021 .....	10
5.	FINALISATION OF THE 2021/22 ANNUAL PERFORMANCE PLANS .....	11
6.	BUDGET PROCESS AND CRITICAL DATES .....	11
7.	CONCLUSION .....	12

## ANNEXURE A: SCHEDULE FOR PG MTEC 2 ENGAGEMENTS



## 1. PURPOSE

Budget Circular 4 – 2021/22 provides an overview of the economic and fiscal context, the approach to the Provincial Government Medium Term Expenditure Committee (PG MTEC) 2 engagements scheduled for **25 – 29 January 2021** as well as the Medium Term Budget Policy Committee (MTBPC) 2 engagements scheduled for **2 February 2021** (tbc). This Circular sets the context for the **finalisation of the 2021 Budget** and the related allocation process within the current fiscal, economic and policy context.

## 2. UPDATE ON ECONOMIC AND FISCAL CONTEXT

The expected global economic recovery path will be long, uneven and uncertain. The International Monetary Fund (IMF) forecasts a less severe, though still deep recession for 2020, with a slightly more optimistic outlook than previously forecasted. This comes on the back of a slightly better than expected second quarter GDP results, mainly from advanced economies. However, the prospects for some emerging market and developing economies have deteriorated in the face of rising COVID-19 infections. Their growth is projected to be lower than expected with a greater loss of output projected for 2020 and 2021 relative to pre-pandemic projections. China, however, is recovering faster than previously forecasted with signs of an even stronger recovery in the third quarter of 2020. As such, the IMF predicts a global contraction of 4.4 per cent for 2020 followed by a global rebound of 5.2 per cent for 2021.

South Africa exited its longest recession in 28 years with a 66.1 per cent increase in GDP in the third quarter of 2020, largely as a result of the relaxation in lockdown restrictions. The significant growth recorded in the third quarter was the first positive quarterly growth rate recorded following four consecutive quarterly declines in the national GDP. However, the third quarter GDP in 2020 is still 6.0 per cent lower compared to the same quarter in the previous year.

All sectors recorded positive growth in the third quarter of 2020. The largest positive contributions were made by Manufacturing, Mining and Trade sectors with growth contributions of 16.2 percentage points 11.8 percentage points and 14.6 percentage points respectively. The Agricultural sector recorded its third consecutive positive quarterly growth rate (18.5 per cent) in 2020. Growth expectations for the remainder of the year remains grim as National Treasury expects the economy to contract by 7.8 per cent in 2020.

National unemployment remains a key concern with a narrow unemployment rate of 30.8 per cent or 6.533 million unemployed citizens recorded in the third quarter of 2020. Youth unemployment increased in the third quarter of 2020 from 34 per cent to 43 per cent. The percentage of young persons aged 15 to 34 years who were Not in Employment, Education or Training (NEET) increased by 2.6 percentage points from 40.4 per cent to 43.0 per cent.

The Western Cape is expected to follow the positive developments of the national economy in the third quarter of 2020. The Province had the lowest unemployment rate in the Country (21.6 per cent) in the third quarter of 2020. The economic outlook for the Western Cape remains negative with a contraction of 6.9 per cent expected in 2020, followed by a lower recovery of 3.3 per cent potential growth in 2021.

The national fiscus finds itself in a deteriorating and unsustainable position fuelled by a combination of unfavourable economic fiscal circumstances. These circumstances are as a



result of structural challenges with below potential national growth recorded for most of the past decade and since then accelerated by the national COVID-19 lockdown measures adopted at the end of March 2020.

The harsh economic realities have led to lower than expected tax revenues with recent tax increases that made little progress on overall tax collections. Tax revenues for 2020/21 remains under pressure and are forecast to be R312.8 billion lower than projected in the 2020 Budget Review and R8.7 billion lower than the June projections. Main budget revenue is expected to contract from 26.1 per cent of GDP or 22.6 per cent of GDP. Given this context, tax revenues are expected to remain subdued over the medium term.

Government spending remains a key component in rectifying the current fiscal conundrum which requires mandatory reductions in public spending in order to reduce debt servicing costs over time. Government has applied downward adjustments to main budget spending plans over the next three years. Relative to the 2020 Budget, total main budget non-interest expenditure is projected to decrease by R62.9 billion in 2021/22, R92.9 billion in 2022/23 and R150.9 billion in 2023/24. National Treasury has applied the largest portion of the proposed national expenditure cuts to the wage bill. Inter alia, proposed expenditure cuts will reduce the need to fund budget deficits through debt as borrowing has become increasingly more expensive.

Among the numerous fiscal risks over the 2021 MTEF period includes the uncertainty on the extent of economic recovery which will impact on the expected tax revenue collected; the upcoming decision on the final year of the current wage agreement and the upcoming wage negotiations; and additional spending pressures from state-owned companies.

### **3. FINALISING THE 2021 MTEF BUDGET: MEDIUM-TERM PHASE (PHASE 3)**

The Medium-term phase of the Western Cape Government 2020 Budget Approach (Figure 1) will focus on creating a firm foundation to restore fiscal sustainability over the medium to long run. This phase of the Budget process is predominantly **focused on finalising the 2021 Budget** (further detail below as part of section on “Implementing the medium-term phase of the Budget Process”) while providing the enabling environment for implementation of the Western Cape Recovery Plan and responding to COVID-19 within a reduced fiscal envelope.

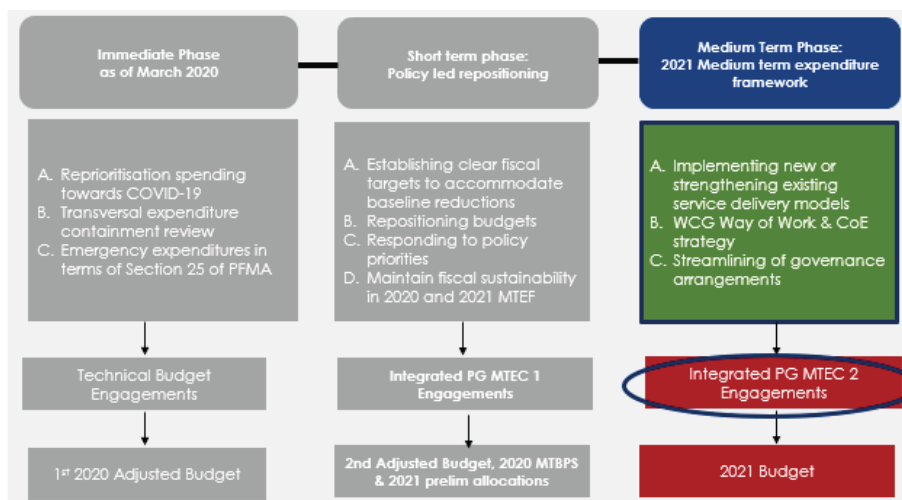
The 2020 Medium Term Budget Policy Statement (MTBPS), the 2020 Second Adjusted Estimates of Provincial Revenue and Expenditure and the 2020 Overview of Adjusted Provincial and Municipal Infrastructure Investment (OAPMII) publications were tabled in November 2020 and are the departure points to finalising the 2021 Budget.

#### **Decision making in the medium-term phase (phase 3)**

Given the complexities and moving variables related to this budget process, it is important that phase 3 includes tough decision making in order to create the much needed certainty within our system. These decisions will require Votes to account for interrelated factors such as the implementation of the Western Cape Recovery Plan, the evidential second wave of COVID-19 in the Province as well as the reduced budgets of Votes – particularly Compensation of Employee (CoE) budgets.

It is therefore important that policy decisions consider the impact on resources and that departments explore alternative or strengthen existing service delivery models for greater impact and efficiencies over time. Collaboration and identifying further areas to partner on delivery becomes critical to maintaining service delivery impact and giving effect to mandates. These partnerships can be established across departments, between spheres of government and with key stakeholders outside of Government. The Western Cape Government will rely on the principles of the New Way of Work and related tools and mechanisms to support Votes with these decisions, not only as we finalise the 2021 Budget but also as we implement the 2021 Budget.

**Figure 1. Western Cape Government 2020 Budget Approach**



### Implementing the medium-term phase of the Budget Process

The second draft Budgets submitted to the Provincial Treasury and the second draft Annual Performance Plans submitted to the Department of the Premier and the Provincial Treasury in November 2020 will be used as a key informant in finalising the 2021 Budget. **To finalise the 2021 Budget, Votes will be required to consider the following:**

- **Strategy Alignment:** Ensure that **policy priorities** are converted into the budgets of Votes. With the 2019-2024 Provincial Strategic Plan as its foundation, the Western Cape Recovery Plan prioritises and elevates problem areas that require an urgent whole of society approach, which includes: **(i) Jobs, (ii) Safety, and (iii) Wellbeing**. The 2<sup>nd</sup> draft Western Cape Recovery Plan was shared by the Department of the Premier with Departments on 9 December 2020 and will be tabled in February 2021 as part of the State of the Province Address. The policy priorities outlined in the Western Cape Recovery Plan should therefore be reflected in programmes and projects with related timelines that align to budget allocations. Thus finalising the 2021 budget will require alignment between budgets and decision making in order to effectively enable departments to deliver on prioritised budget policy imperatives.
- **Implementation Readiness:** The sequencing of delivery should align to budget spending plans and related cash flow projections. Therefore, Votes would be required to demonstrate readiness to implement through ensuring that policy priorities are supported by adequate

resources at the time that implementation is required. In addition, identify possible **governance barriers or challenges** that would need to be addressed in order to effectively implement the 2021 Budget and support delivery over the 2021 MTEF.

- **Expenditure Composition:** Formulate budgets in a credible manner and ensure that the **composition of budgets** support delivery and sustainability. Decision making on expenditure compositions should consider expenditure items (such as transfers, CoE etc.) that are likely to be impacted by the reduced fiscal envelope. These decisions should also inform the process to strengthen existing or implementing new service delivery models.
  - Ensure that as CoE plans are being developed, that they align to the delivery plans of Votes. This process will be supported by the CoE strategy currently being developed by the Department of the Premier in partnership with the Provincial Treasury.
  - Given reduced budgets, Votes are required to protect infrastructure spending or find a reasonable balance to reduce infrastructure budgets while managing the impact of infrastructure reductions on service delivery outcomes. Therefore, infrastructure spending should be prioritized in a manner that will create the greatest impact and mitigate risks.
  - Procurement plans related to Goods and Services and Capital budgets should be realistic and aligned to target planning in the Annual Performance Plans.
  - Transfers Payment decisions to consider the expected value for money and align to the required impact of the service to be delivered.
- **Fiscal support requirements to support service delivery transitions:** Departments to determine the fiscal support required to implement innovative service delivery mechanisms that will achieve long-term savings and enable Votes to transition toward a path of fiscal sustainability and greater efficiencies over time. Further detail on the Fiscal Transition Support Facility is provided below.

The PG MTEC 2 and Medium Term Budget Policy Engagements are key steps in the process of finalising the 2021 Budget and informing the State of the Province Address. As the implementation process of the medium-term phase unfolds (finalising the 2021 Budget) the Provincial Treasury will consult with Accounting Officers as and when required.

### 3.1 PG MTEC 2 Engagements

**Dates:** The PG MTEC 2 engagements with Votes and relevant public entities are scheduled to take place from **25 to 29 January 2021**. As part of the PG MTEC 2 engagements, additional time has been set aside for Infrastructure relevant departments as well as those with Public Entities.

**Attendees:** The PG MTEC 2 engagements will be chaired by the Minister of Finance and Economic Opportunities and should include departmental Ministers, HODs, CFOs and only the key officials within the relevant Votes responsible for financial management and strategic planning.

## Objectives:

Focus will be placed on determining how best we deliver on the mandates of Votes and the Western Cape Recovery Plan within reduced baselines in order to direct budgets to intended service delivery objectives while managing and addressing key risks over the 2021 MTEF. PG MTEC 2 forms part of the Joint District and Metro Approach and therefore the outcome of the PG MTEC 2 engagements will inform the Technical Integrated Municipal Engagements scheduled for March 2021 and LG MTEC engagements scheduled for April/May 2021. The objectives of PG MTEC 2 are as follows:

- **Identify policy trade-offs:** departments are required to demonstrate which policy priorities are being prioritised to deliver on the Western Cape Recovery Plan and where policy trade-offs would need to be made. These policy trade-offs can include the reduction in targets of interventions and the delay or review of contractual commitments. Votes are required to take into account the commitments already made in terms of the policy direction of the WCG and the constitutional mandates of departments.
- **Identify Budgetary and Service Delivery Risks:** determine key risks and mechanisms to manage budgetary and service delivery risks and immutable spending pressures. These can include embracing 4IR, applying methods of innovation and streamlining processes. It is important to account for whether managing these risks will come to effect in the short, medium or long term.
- **Credible Earmarked Allocations:** Provide an overview of the 2020 Earmarked Allocations outlining the total budget, spending to date and potential service delivery risk of underspending or underperformance. In addition, state the methodology used to revise the earmarking of funds in line with the Votes contribution to the Western Cape Recovery Plan.
- **Determine the expenditure composition for service delivery:** identify which expenditure items will drive key components of service delivery, which expenditure items will drive the delivery of the Western Cape Recovery Plan (Jobs, Safety and Wellbeing), whether any changes have been made to economic classifications to strengthen delivery within reduced budgets and highlight any potential risks related to the expenditure composition of budgets given reductions to baselines and the resultant impact on service delivery.
- **Effective CoE Management:** Votes to commence preparations on CoE plans that are responsive to the 2021 MTEF. The plan to take into account the new or strengthened service delivery models as well as the bespoke nature of Departments.
- **Establish a firm base for fiscal sustainability over the 2021 MTEF:** identify alternative or strengthen existing service delivery models, apply the New Way of Work and related CoE Strategy principles and outcome of the mandate review to budgetary decision making over the 2021 MTEF, identify additional areas for collaboration (joint planning, budgeting and implementation) and establish new partnerships to support delivery and enable shared resources or pooling of resources.
- **Deepening Governance:** evaluate the key governance challenges, related risks and the impact on service delivery targets and outcomes and identify mitigating processes/measures to improve governance and performance. Given the current financial reporting focus areas, identify challenges and potential remedial actions to ensure credible

reporting. These can include but is not limited to the identification of measures taken to reduce UIF&W expenditure. Identification of opportunities within the SCM space to unlock value.

**Fiscal Transition Support Facility:** the facility was established by the Provincial Treasury to assist Votes to manage immutable spending pressures and execute proactive restructuring measures required to sustainably reduce expenditures to new baselines at the scale required over the 2021 MTEF and beyond. Twenty (20) per cent of reserves have been set aside for this fiscal transition support. This provides departments with the unique opportunity to obtain funding to reform and strengthen service delivery. It is premised on understanding that short term investments can achieve long-term savings and improved outcomes over time. Proposals to date have varied broadly in relation to the objective of this facility. A second opportunity will therefore be provided to departments to apply to this facility by **15 January 2021 and provide a brief overview of applications as part of the PG MTEC2 engagement.**

The Provincial Treasury will conduct an assessment of the Vote status based on the information provided. A differentiated approach will be applied in recommending the appropriate allocation of the fiscal transition support facility. The assessment criteria, as communicated in Budget Circular No. 3 -2021/22, will include, but not be limited, to the following:

- Evidence of innovative service delivery mechanisms to achieve long-term savings;
- The extent of expenditure pressures; The scale of risks to service delivery given mandates;
- The expected impact of delivery risks on performance outcomes over the medium term; and
- Evidence of a strategy to restructure expenditures to drive impact within a framework of fiscal consolidation.

### 3.2 MTBPC 2 Engagements

**Dates:** The MTBPC 2 engagement is scheduled to take place on 2 February 2021.

**Attendees:** The MTBPC 2 engagement will jointly be chaired by the Premier, the Provincial Minister of Finance and Economic Opportunities, and the Provincial Minister of Local Government, Environmental Affairs and Development Planning. The MTBPC delegation should be led by the lead Ministers of the Jobs, Wellbeing, and Safety Priorities of the Recovery Plan and will include all Ministers and Heads of Department. Representatives should also include Chief Financial Officers (CFOs) and the key officials responsible for coordinating the respective focus areas. To build on the past achievements and further strengthen the interface with the Local Government sphere, represented by the City of Cape Town on a metro level and district municipalities on behalf of local municipalities, the Metro Mayor and City Manager and district mayors and municipal managers have been scheduled to attend the MTBPC 2 engagement.

**Objectives:** The MTBPC 2 will take place immediately after and build upon the MTEC 2 engagements in the previous week. The objectives of the engagement are:

- To ensure strategic alignment between the three Priority areas (Jobs, Safety and Well-being) and between the Priority areas and municipalities;

- To identify and discuss how the Recovery Plan is implemented, especially with initiatives that are transversal; and
- Transversally determine the key interventions that will drive the delivery agenda of the Western Cape Government as well as inform the Annual Performance Plans and Budgets of individual Votes.

Further details regarding preparations for the engagement will be communicated in due course.

### 3.3 Agenda and presentation templates

The agenda for the PG MTEC 2 engagements, together with the required presentation template will be communicated to departments by **Mid-January 2021** to further guide the discussion and to assist departments with the preparation process.

## 4. GUIDANCE ON THE PUBLICATION AND TABLING OF THE OVERVIEW OF PROVINCIAL AND MUNICIPAL INFRASTRUCTURE INVESTMENT (OPMII) FOR 2021

Given the focus on infrastructure investment, a decision was taken to enhance the budget documentation by publishing an Overview of Provincial and Municipal Infrastructure Investment (OPMII) with the 2019 Main Budget, in accordance with section 27(3) of the PFMA. The OPMII will again be published with the 2021 Main Budget and the following guidance and formats are to be used by departments in populating Part B of the OPMII.

The OPMII will consist of five chapters namely:

- Chapter 1: Infrastructure Development: PT will provide a strategic overview of infrastructure developments in the provincial and local government spheres in the Western Cape as well as at the national level.
- Chapter 2: Infrastructure Portfolio Management and Delivery: A section per infrastructure department inclusive of public entity infrastructure information. The tables are to be populated from the Database and departments need to provide a narrative as it relates to the tables as well as a review of infrastructure performance and an outlook for the 2021 MTEF (similar to the 2020 publication).
- Chapter 3: Infrastructure financing: This will discuss the various sources of finance for infrastructure programmes, including potential future sources of finance by type of asset
- Chapter 4: Spatial distribution of provincial infrastructure spending.
- Chapter 5: Municipal Infrastructure Spending.

Departments/public entities are requested to complete and submit Chapter 2 on the same date as your budget submission for the Main Budget (Estimates of Provincial Revenue and Expenditure). A template will be accessible at the following file path: T:\PT DATA\A Budget\Vote XX.

For more assistance on the publication, please do not hesitate to contact Mr Klaas Langenhoven or Mr Adriaan Visagie on 021 483 6849/ 084 257 7170 or 021 483 2264/ 076 423 0823 respectively.

## 5. FINALISATION OF THE 2021/22 ANNUAL PERFORMANCE PLANS

The Departments of the Premier, Local Government, and Environmental Affairs and Development Planning conducted assessments on the 2nd draft APPs/Corporate Plans of all departments/public entities and issued assessment reports at the beginning of December 2020. The reports provided observations, considerations, and recommendations to departments/entities on how to improve and strengthen the APPs/Corporate Plans to ensure that they are aligned to the strategic priorities of the Western Cape Government and Local Government.

Departments/Entities can also include changes to their 5-Year Strategic Plans, if needed, as an Annexure to the final APP. For more assistance on the final draft APP, please do not hesitate to contact Mr Clive Stuurman at [Clive.Stuurman@westerncape.gov.za](mailto:Clive.Stuurman@westerncape.gov.za) or Mr Jacques Barnard at [Jacques.Barnard@westerncape.gov.za](mailto:Jacques.Barnard@westerncape.gov.za).

## 6. BUDGET PROCESS AND CRITICAL DATES

The critical dates for remainder of the 2021 integrated planning and budgeting process are provided in the table below:

DATE	PROVINCIAL BUDGET PROCESS
9 December 2020	National Treasury Benchmark Meeting
Mid December 2020 TBC	National Treasury issues 2 <sup>nd</sup> Allocation Letters to provinces (Conditional Grants). Provincial Treasury to inform the relevant Provincial Departments.
15 January 2021	Departments impacted by the Conditional Grant Changes, to submit NT MTEC databases
18 January 2021	AOs to submit final draft APPs to DotP and PT. Changes to the SP can be submitted in an Annexure to the final draft APP.
21 January 2021	DotP conducts cursory assessments of final draft APPs.
25 – 29 January 2021	PG MTEC 2 Engagements
2 February 2021	MTBPC 2 engagement
10 February 2021 TBC	<b>Budget Policy Committee</b> Meeting: 2021 MTEF Final Allocations Recommendation
09 – 10 February 2021	Cabinet Bosberaad
11 February 2021 TBC	<b>State of the Nation Address (SONA)</b>
12 February 2021 TBC	Special <b>Provincial Top Management</b> Meeting: 2021 MTEF Final Allocations Recommendation
12 February 2021	AOs to submit final printer's proof APPs to DotP and PT
15 February 2021 TBC	<b>Provincial Cabinet</b> approves 2021 MTEF final allocations
16 February 2021	Issue 2021 MTEF Final Allocation letters to Votes
22 February 2021	AOs (Dpts) to submit final EPRE's (BS2s), OPMII input, Appropriation Bill Schedules and Provincial Gazette to PT



DATE	PROVINCIAL BUDGET PROCESS
	AOs (Public Entities) submit final NT MTEC databases
24 February 2021 TBC	<b>State of the Province Address (SOPA)</b>
28 January 2021	DotP issues cursory assessment reports on final draft APPs
01 March 2021	<b>AOs and MECs final sign-off:</b> EPREs (BS2s), OPMII, Appropriation Bill Schedules and Provincial Gazette including APPs
3 March 2021	AOs to submit final Strategic Plans and Annual Performance Plans to <b>DotP (10 copies), Provincial Treasury (10 copies)</b> and to Secretariat of the Provincial Parliament (60 copies) and electronic copies to be sent to <a href="mailto:BizPerformance@westerncape.gov.za">BizPerformance@westerncape.gov.za</a> (Departments and Public Entities)
10 March 2021	<b>Provincial Budget Day:</b> Budget tabled before Provincial Parliament

## 7. CONCLUSION

The Provincial Treasury thanks all partners for their continued commitment toward an enabling and sustainable provincial budget particularly considering the challenging circumstances. All Votes must please ensure that their Political Principals are kept informed of and duly updated on the budget process and approach.

If you require any clarification on the content of this Circular, you are welcome to contact the following officials:

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Provincial Treasury (Budget documentation)	Mr P Pienaar	<a href="mailto:Paul.Pienaar@westerncape.gov.za">Paul.Pienaar@westerncape.gov.za</a>
Provincial Treasury (Infrastructure)	Mr K Langenhoven	<a href="mailto:Klaas.Langenhoven@westerncape.gov.za">Klaas.Langenhoven@westerncape.gov.za</a>
Department of the Premier (Strategic Planning)	Dr H Fast	<a href="mailto:Hildegard.Fast@westerncape.gov.za">Hildegard.Fast@westerncape.gov.za</a>

**Roy Havemann** Digitally signed by Roy Havemann  
Date: 2020.12.15 18:29:31 +02'00'

**DR R HAVEMANN**  
**DEPUTY DIRECTOR GENERAL: FISCAL AND ECONOMIC SERVICES**  
**DATE:** 15 December 2020



## ANNEXURE A PG MTEC 2 Engagement

<b>SCHEDULE FOR PG MTEC 2 MEETINGS WITH VOTES/ENTITIES ON 2021/22 BUDGET SUBMISSIONS (INCL INFRASTRUCTURE) 25 JANUARY TO 29 JANUARY 2021</b>			
<b>Venue: Conference Room, 7<sup>th</sup> Floor, 4 Dorp Street, Cape Town/Hybrid engagement to take place via MS Teams</b>			
VOTE/PUBLIC ENTITY	DATE	TIME	ATTENDEES
Economic Development and Tourism SBIDZ Atlantis Special Economic Zone (ASEZ) Wesgro	25 January 2021, Monday	09:15 – 13:00	Minister David Maynier Provincial Treasury (HoPT & PT delegates) Department: HoD, CFO and other key representatives Public Entity: CEO, CFO and delegates
<i>Lunch</i>		13:00 – 13:30	
Agriculture  Casidra	25 January 2021, Monday	13:30 – 16:00	Minister David Maynier & Minister Ivan Meyer Provincial Treasury (HoPT & PT delegates) Department: HoD, CFO and other key representatives Public Entity: CEO, CFO and delegates
Provincial Treasury	26 January 2021, Tuesday	09:30 – 11:00	Minister David Maynier Provincial Treasury (HoPT & PT delegates) Department: HoD, CFO and other key representatives
<i>Break</i>		11:00 – 11:15	
Social Development	26 January 2021, Tuesday	11:15 – 12:45	Minister David Maynier & Minister Sharna Fernandez Provincial Treasury (HoPT & PT delegates) Department: HoD, CFO and other key representatives
<i>Lunch</i>		12:45 – 13:00	
Health & Infrastructure	26 January 2021, Tuesday	13:00 – 15:00	Minister David Maynier & Minister Nomafrench Mbombo Provincial Treasury (HoPT & PT delegates) Department: HoD, CFO and other key representatives
<i>Break</i>		15:00 – 15:15	
Cultural Affairs & Sport  WC Heritage WC Language Committee WC Cultural Commission	26 January 2021, Tuesday	15:15 – 17:45	Minister David Maynier & Minister Anroux Marais Provincial Treasury (HoPT & PT delegates) Department: HoD, CFO and other key representatives Public Entity: CEO, CFO and delegates
<i>Break</i>		17:45 – 18:00	
Local Government	26 January 2021, Tuesday	18:00 – 19:30	Minister David Maynier & Minister Anton Bredell Provincial Treasury (HoPT & PT delegates) Department: HoD, CFO and other key representatives
Transport & Public Works & Infrastructure  GMT	27 January 2021, Wednesday	14:15 – 17:15	Minister David Maynier & Minister Bonginkosi Madikizela Provincial Treasury (HoPT & PT delegates) Department: HoD, CFO and other key representatives Public Entity: CEO, CFO and delegates
Education & Infrastructure	28 January 2021, Thursday	10:00 – 12:00	Minister David Maynier & Minister Deborah Schäfer Provincial Treasury (HoPT & PT delegates) Department: HoD, CFO and other key representatives
<i>Lunch</i>		12:00 – 12:30	
Premier	28 January 2021, Thursday	12:30 – 14:00	Minister David Maynier & Premier Alan Winde Provincial Treasury (HoPT & PT delegates) Department: HoD, CFO and other key representatives
Community Safety  Western Cape Liquor Authority	29 January 2021, Friday	10:00 – 12:30	Minister David Maynier & Minister Albert Fritz Provincial Treasury (HoPT & PT delegates) Department: HoD, CFO and other key representatives Public Entity: CEO, CFO and delegates
<i>Lunch</i>		12:30 – 13:00	
Environmental Affairs & Development Planning  CapeNature	29 January 2021, Friday	13:00 – 15:30	Minister David Maynier & Minister Anton Bredell Provincial Treasury (HoPT & PT delegates) Department: HoD, CFO and other key representatives Public Entity: CEO, CFO and delegates
<i>Break</i>		15:30 – 15:45	
Human Settlements	29 January 2021, Friday	15:45 – 17:15	Minister David Maynier & Minister Tertius Simmers Provincial Treasury (HoPT & PT delegates) Department: HoD, CFO and other key representatives



Reference: RCS/C.5

Private Bag X9165  
CAPE TOWN  
8000

## TREASURY CIRCULAR MUN. NO. 5/2021

THE MAYOR, CITY OF CAPE TOWN: MR D PLATO  
THE MAYOR, WEST COAST DISTRICT MUNICIPALITY: MR H CLEOPHAS  
THE MAYOR, MATZIKAMA MUNICIPALITY: MS M BAINS  
THE MAYOR, CEDERBERG MUNICIPALITY: MS S QUNTA  
THE MAYOR, BERGRIVIER MUNICIPALITY: MR R VAN ROOY  
THE MAYOR, SALDANHA BAY MUNICIPALITY: MR M KOEN  
THE MAYOR, SWARTLAND MUNICIPALITY: MR T VAN ESSEN  
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 THE ACCOUNTING OFFICER: VOTE 8: HUMAN SETTLEMENTS (MS J SAMSON)  
 THE ACCOUNTING OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR P VAN ZYL)  
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 THE ACCOUNTING OFFICER: VOTE 11: AGRICULTURE (DR M SEBOPETSA)  
 THE ACCOUNTING OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MR S FOURIE)  
 THE ACCOUNTING OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MR B WALTERS)  
 THE ACCOUNTING OFFICER: VOTE 14: LOCAL GOVERNMENT (MR G PAULSE)

## TABLE OF CONTENTS

1. INTRODUCTION.....	3
2. LEGISLATIVE CONTEXT.....	3
3. FISCAL AND ECONOMIC CONTEXT .....	4
4. NATIONAL TREASURY AND PROVINCIAL TREASURY GUIDELINES .....	6
5. 2021/22 STRATEGIC INTEGRATED MUNICIPAL ENGAGEMENTS (SIME) PROCESS.....	10
6. OTHER MATTERS .....	14
7. CONCLUSION .....	15

## MUNICIPAL BUDGET CIRCULAR FOR THE 2021/22 MTREF AND ASSOCIATED STRATEGIC INTEGRATED MUNICIPAL ENGAGEMENTS: 2021

### 1. INTRODUCTION

This Provincial budget circular is a follow-up to the Provincial Treasury (PT) Circular 20/2020 issued on 18 December 2020 and should be read in conjunction with National Treasury (NT) MFMA Circular No. 107 and MFMA Circular No. 108 issued on 04 December 2020 and 08 March 2021 respectively.

The purpose of this circular is to:

- Provide guidance to municipalities with the finalisation of the 2021/22 Medium Term Revenue and Expenditure Framework (MTREF) Budgets and accompanied budget documentation, and
- Brief municipalities on the 2021 Strategic Integrated Municipal Engagements (SIME) process and related matters.

### 2. LEGISLATIVE CONTEXT

The Western Cape Provincial Government (WCG) has institutionalised the Strategic Integrated Municipal Engagements (SIME; previously referred to as LGMTEC) process in fulfilment of its obligations under:

- Sections 5, 22 and 23 of the Local Government: Municipal Finance Management Act (MFMA), Act No. 56 of 2003;
- Chapter 5 of the Local Government: Municipal Systems Act (Act No. 32 of 2000) [MSA];
- Chapter 3 of the National Environmental Management Act (Act No. 107 of 1998) (NEMA); and
- Chapter 4 of the Spatial Planning and Land Use Management Act (Act No. 16 of 2013) (SPLUMA).

The 2021 SIME process will give effect to the "Integrated Work Plan" adopted in 2017. It builds on the 2020 integrated municipal and provincial processes to strengthen alignment between municipal and provincial planning and budgeting and drives the theme of "Integrated service delivery", specifically as municipalities are preparing for the final year of the current five (5) year Integrated Development Planning Cycle.

### 3. FISCAL AND ECONOMIC CONTEXT

#### 3.1 2021 National Budget

The key highlights of the 2021 National Budget which was tabled by the Minister of Finance, Tito Mboweni on 24 February 2021, are summarised below.

- Government will support economic recovery by extending short-term economic support and undertaking reforms to lower the cost of doing business and stabilize the public finances. While real GDP is expected to grow at 3.3 per cent in 2021 and 2.2 per cent in 2022, the global economic outlook is uncertain; however, additional policy stimulus packages and the successful rollout of COVID-19 vaccines will boost global growth.
- A successful rollout of COVID-19 vaccines will also support economic recovery and global trade. Government will also take steps to promote faster growth by stabilizing electricity supply, supporting industries with high employment potential and undertaking partnerships with the private sector. Operation Vulindlela, a joint initiative of the National Treasury and President's office to rollout economic reforms, will further support the implementation of key structural reforms, however still faster progress is needed to generate an economic recovery.
- To support economic recovery, government will not raise any additional tax revenue in the 2021 budget. The personal income tax brackets and rebates will increase above the inflation rate of 4 per cent. However, government will increase excise duties on alcohol and tobacco by 8 per cent for 2021/22 while inflation-related increases of 15c/litre and 11c/litre will be implemented for the general fuel levy and the RAF levy, respectively, with effect from 7 April 2021. The Unemployment Insurance Fund (UIF) contribution ceiling has been set at R17 711.58 per month from 1 March 2021.
- In response to the spending and economic pressures of the COVID-19 pandemic, the budget deficit has been revised to 14 per cent of GDP in 2020/21. Gross debt increased from 65.6 per cent to 80.3 per cent of GDP for 2020/21. The 2021 Budget also proposes measures to narrow the main budget primary deficit from 7.5 per cent of GDP in the current year to 0.8 per cent in 2023/24. The proposed fiscal framework will stabilize debt at 88.9 per cent of GDP in 2025/26. Over the medium term, debt-service costs are expected to average 20.9 per cent of gross tax revenue.
- Total consolidated spending amounts to R2 trillion each year over the medium term with the bulk of the 2021/22 spending being allocated to learning and culture (R402.9 billion), social development (R335.2 billion) and health (R248.8 billion). The fastest-growing functions over the medium term are economic development, community development and general public services. The majority of funding for new and urgent priorities is provided through the reprioritisation and reallocation of existing baselines. Government will roll out a fee mass COVID-19 vaccination campaign for which R9 billion has been allocated in the medium term.

The 2021 National Budget documentation is available at: <http://www.treasury.gov.za/documents/National%20Budget/2021/>

### 3.2 2021 Western Cape Provincial Budget

The WCG tabled the Western Cape Recovery Plan in cabinet in March 2021. The Recovery Plan is based on the following four themes:

- **COVID-19 Recovery:** The pandemic is still with us; existing health measures must continue, and new ones put in place, and we must also deal with the secondary impacts of COVID-19 on the delivery of health services.
- **Jobs:** The economic impact of COVID-19 has been severe. We can only recover if our economy grows and our citizens generate income.
- **Safety:** This is the overarching theme for the Provincial Strategic Plan, and it is equally relevant going forward. It is inextricably linked with Well-being, as Safety cannot be achieved if basic human needs are not met.
- **Well-being:** Government must ensure that the basic human needs of our citizens are realised, as guaranteed in the Constitution.

The full Western Cape Recovery Plan can be found at this link:

[https://www.westerncape.gov.za/sites/www.westerncape.gov.za/files/assets/departments/premier/western\\_cape\\_recovery\\_plan.pdf](https://www.westerncape.gov.za/sites/www.westerncape.gov.za/files/assets/departments/premier/western_cape_recovery_plan.pdf)

In April 2020, the WCG adopted a three-phased approach to the budget process in order to ensure resources are reprioritised and deployed with the agility necessary to respond to the pandemic and its social and economic consequences. The Immediate Phase focused on the public health response through reprioritising resources and deploying available reserves. The Short-term Phase focused on policy-led repositioning towards the Western Cape Recovery Plan's priorities of Jobs, Safety and Well-being.

On Tuesday, 16 March 2021, the Western Cape Minister for Finance and Economic Opportunities, David Maynier, tabled the 2021 Western Cape Budget Address in the provincial legislature.

The 2021 MTEF, along with the 3<sup>rd</sup> 2020 adjusted budget, represent the final phase of this approach and sets the course for recovery and fiscal sustainability over the medium to long term. Given the complexities, uncertainties and moving variables related to the budget process and the fiscal outlook, the Medium-term Phase required difficult decisions in order to support economic and social recovery, re-introduce fiscal stability and maintain fiscal sustainability through rebuilding Provincial Reserves.

While responding to immediate pressures, the 2021 MTEF Budget also protects spending on the Western Cape's constitutionally and legally mandated functions. The 2021 MTEF Budget has four main objectives:

- **Protecting the health platform**, by allowing for an agile response to the risk of a COVID-19 resurgence and the need to have an effective vaccination programme. Dealing decisively with the COVID-19 pandemic will both allow the economy to open up and support a rebound in economic growth and dramatically reduce the health effects of the pandemic.
- **Enabling the Western Cape Recovery Plan (Recovery Plan)**, by protecting jobs and stimulating employment, accelerating implementation of the Provincial Safety Plan, enhancing well-being and providing targeted social relief.



- **Managing risks, particularly those arising from the COVID-19 pandemic**, ensuring resources are available to respond to ongoing vulnerabilities in communities, and ensuring that money is set aside for other disasters, particularly environmental ones. Transversal risks include a) severe COVID-19 pressures on the fiscal framework and the likely economic and social implications, b) Compensation of Employees pressures resulting in the inability to fill critical posts and having implications for staff well-being and burnout, c) Insufficient infrastructure investment including ICT infrastructure constraining service delivery and d) Deterioration of Local Government finances and the need to enhance the Joint District Metro Approach (JDMA).
- **Supporting the transition to long-term fiscal sustainability**. Measures are required to restructure the composition of Provincial Government expenditures and rebuild reserves in light of national spending reductions and the utilisation of reserves to fund the COVID-19 response. In particular, expenditure on the compensation of employees should not overwhelm spending on infrastructure or goods and services. This in turn requires the adoption of new technologies and ways of working to enhance the efficiency and effectiveness of service delivery.

These priority areas/objectives are as relevant to the local government space as it is to the Western Cape as a whole and has informed the formulation of the 2021 SIME theme i.e. Recovery, Responsiveness, Resilience. Municipalities are urged to familiarise themselves with the fiscal strategy underlining the 2021 WCG MTEF Budget and to take cognisance of the Provincial expenditure allocations (including infrastructure investments) within the respective municipal areas. The 2021 Main Budget documentation can be found here: <https://www.westerncape.gov.za/provincial-treasury/western-cape-budget-202122>

#### 4. NATIONAL TREASURY AND PROVINCIAL TREASURY GUIDELINES

- Municipalities are advised to consult MFMA Circular No. 107 and MFMA Circular No. 108 as well as the Provincial Treasury Circular No. 20/2020 (December 2020) for guidance with respect to 2021/22 planning and budgeting. Key focus areas from MFMA Circular No. 108 are highlighted in section 4.1 below.
- Municipalities MUST include the National and Provincial Treasury Budget Circulars as part of the source documents consulted in the preparation of the 2021/22 MTREF Budget documents and table it as part of the budget documentation in the Municipal Council.

##### 4.1 Key focus areas from MFMA Circular No. 108

###### Changes to local government allocations

Over the next three years, municipalities will have to adjust to significant changes in expenditure plans while improving accountability.

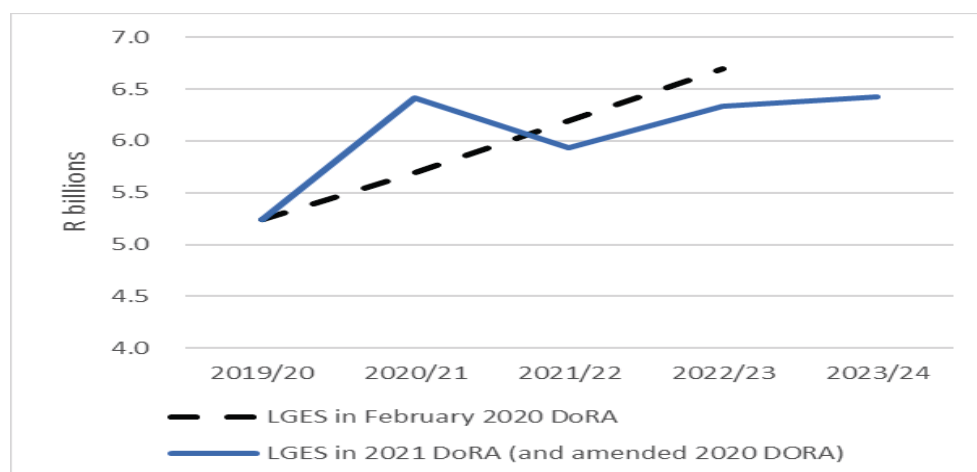
Local government transfers grow by an annual average of 5.2 per cent over the MTEF; the equitable share declines by 4.4 per cent and conditional grants grow by 7.3 per cent. As part of government's fiscal consolidation policies over the medium term, transfers to local government are reduced by R19.4 billion, including R14.7 billion from the local government equitable share, R2.7 billion from the general fuel levy and R2 billion in direct conditional grants.

###### Local government equitable share

Following the additional allocations made to municipalities through the local government equitable share for 2020/21 in the national Special Adjustment Budget in June last year, equitable share allocations to Western Cape municipalities decline by an average of 7.5 per cent from 2020/21 to 2022/23. Equitable share allocations then increase by an average of 6.9 per cent from 2021/22 to

2022/23. However, municipalities are cautioned to note that from 2022/23 to 2023/24 the average increase is only 1.4 per cent. This will be the first time that equitable share increases will be less than inflation. This increase will not compensate for population growth or the rising cost of services. Municipalities must therefore identify reprioritisations and savings that can be implemented in time to offset the impact of lower equitable share increases by the end of the 2021 MTREF period.

**Figure 1: Comparison of total local government equitable share (LGES) allocations for Western Cape municipalities in the 2020 and 2021 Division of Revenue Acts**



It should also be noted that some municipalities will face steeper changes than the average growth rates cited above. Some municipalities in the Western Cape face a decline in allocations from 2020/21 to 2021/22 of as much as 10.2 per cent and increases from 2021/22 to 2022/23 of as much as 9.6 per cent. In 2023/24 two municipalities in the Province are projected to see negative growth in their nominal equitable share allocations.

A national census is due to be conducted in 2021, and this data should be expected to be used to update the local government equitable share formula. Depending on the timelines for the release of the Census data, these updates could be phased into the equitable share formula from 2022/23 or 2023/24. National Treasury may also take this opportunity to implement other changes to the structure of the equitable share formula. Municipalities should therefore be aware of a higher degree of uncertainty on their equitable share allocations for the outer years of the MTREF.

**Conditional grants**

- Municipalities are reminded that all allocations included in their budgets must correspond to the allocations listed in the 2021 Division of Revenue Bill. All the budget documentation can be accessed from the National Treasury website at the following link:

<http://www.treasury.gov.za/documents/national%20budget/2021/>

**2021 Local government elections and the budget process**

- Municipalities are advised to refer to MFMA Circular No. 107 and MFMA Circular No. 108 and highlighted in Provincial Budget Circular 20/2020 for details on risks related to the Local Government elections, issues to be considered and transitional processes in development and adoption of the 2021/22 MTREF IDPs and budgets.



- As detailed in MFMA Circular No. 108, Municipal Managers, together with the Chief Financial Officers (CFOs) and Senior Managers are also encouraged to prepare a hand-over report that can be tabled at the first meeting of the newly elected council. This hand-over report aims 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. A detailed list of what is proposed should be included is included in Circular No. 108. In addition to the hand-over report, each new councillor should be given the municipalities' revised IDP, the adopted 2021/22 MTREF budget, the mid-year budget and performance assessment report for 2020/21, the latest monthly financial statement, and the annual report for 2019/20.
- Municipal Managers should submit their municipality's hand-over report to the relevant provincial department responsible for local government, to the Department of Co-operative Governance (DCoG) and National and Provincial Treasuries.

### Electricity supply and tariffs

- The National Energy Regulator of South Africa (NERSA) published their Municipal Tariff Guideline Increase Benchmarks for 2021/22 on Friday, 12th March 2021.
- In March 2019, NERSA approved a Multi-Year Price Determination that allowed for tariff increases for Eskom of 9.4 per cent in 2019/20, 8.1 per cent in 2020/21 and 5.2 per cent in 2021/22. However, for a variety of reasons, these are not the actual bulk tariff increases applied to municipalities in any of these years.
  - In 2019/20 the bulk tariff increase for municipalities was 15.63 per cent (and the NERSA guideline for the municipal retail tariff increase was 13.07 per cent).
  - In 2020/21 the bulk tariff increase for municipalities was 6.9 per cent (and the NERSA guideline for the municipal retail tariff increase was 6.22 per cent).
  - In 2021/22 the bulk tariff increase for municipalities was 17.8 per cent (and the NERSA guideline for the municipal retail tariff increase was 15.49 per cent).

**Table 1: Electricity tariff increases, 2019/20 – 2021/22**

	<b>MYPD tariff increase for Eskom customers (national financial year)</b>	<b>Revised bulk tariff (national financial year)</b>	<b>Bulk increase for municipalities (municipal financial year)</b>	<b>NERSA guideline tariff increase for municipal customers</b>
2019/20	9.4%		15.63%	13.07%
2020/21	8.4%		6.9%	6.22%
2021/22	5.2%	15.63%	17.8%	15.49%

- On 17 February 2021, the North Gauteng High Court ruled in Eskom's favour, ordering NERSA to add R10 billion to Eskom's allowable revenue to be recovered from tariff customers in the 2021/22 financial year. NERSA calculates that this will result in a tariff increase of 15.63 per cent in the 2021/22 national financial year. However, given that the increase only comes into effect in July for municipalities, NERSA typically allows a higher percentage increase so that Eskom can recover the additional allowable revenue from municipalities over the 9 months before the national financial year ends.

- The higher bulk tariff for municipalities will extend past the end of the 2020/21 national financial year (which ends on 30 March 2021). As a result, there is likely to be an over-recovery of bulk costs from municipalities in the period from April to June 2021. Such an over-recovery is typically offset against the following year's bulk tariff increase. So, it is anticipated that the 2021/22 municipal tariff increases will be lower than those for Eskom customers. This pattern of over-recovery followed by an offset is the reason for the "see-saw" pattern in which tariff increases for Municipal customers are higher in one year (e.g. 2019/20) and then higher for Eskom customers in the next year (e.g. 2020/21).
- In 2021/22 the NERSA guideline issued on 12 March 2021 assumes that bulk costs make up 76 per cent of municipalities' retail electricity costs. As other costs (for salaries, repairs, capital and other costs) are all expected to be much closer to CPI, the guideline retail tariff will be somewhat lower than the bulk tariff for municipalities.
- NERSA's "Municipal Tariff Guidelines Increases, Benchmarks and Proposed Timelines for Municipal Tariff Approval Process for the 2021/22 financial year" publication should be consulted before the tabling of the budgets.
- Municipalities should note that the increase in the free basic services subsidy used in the local government equitable share formula used a bulk electricity increase of 9.9 per cent. As a result, the increase in the cost of free basic electricity may not be fully covered by the equitable share.

### **Cost of employment**

- The Salary and Wage Collective Agreement for the period 01 July 2018 to 31 June 2020 has come to an end and a new agreement has not yet been negotiated.
- In the absence of any information from the South African Local Government Bargaining Council (SALGBC), National Treasury has advised municipalities to take into account their financial sustainability when considering salary increases.
- National Treasury acknowledges that several municipalities cannot afford any wage increase and suggests that they consider budgeting for a zero per cent increase. Several municipalities in the Western Cape applied for exemptions from implementing the 6.25 per cent increase in 2020/21 as they could not afford it. However, most of these applications were not successful in the SALGBC process. Although the option to apply for exemptions has been provided for in previous wage agreements and may be included again, it is difficult to budget on the basis of applying for an exemption.
- Provincial Treasury has observed that several municipalities in the Province appear to be responding to financial pressures and uncertainty in 2020/21 by delaying the filling of vacant posts. After the first six months of 2020/21 employee related spending by municipalities in the Province was R569.04 million lower than projected, largely as a result of unfilled posts. This offers one option for how municipalities can respond to the uncertainty of not having a wage agreement in place. If a municipality chooses to budget for a zero percent wage increase, they could nonetheless budget to fill all vacant posts. Then if the wage agreement includes an increase, the municipality can respond by no longer filling vacant posts in order to offset the cost of the increase. In this way, the same overall level of compensation spending can be achieved in two different ways: either with a smaller number of staff receiving wage increases, or a larger staff contingent, with static wages.
- Municipalities should note that national and provincial budgets have been prepared on the basis zero per cent cost of living increases for the 2020/21 to 2023/24 financial years. However,

even with these zero percent increases some other cost of employment related costs are still projected to increase, including medical and housing allowances and progression rates (which are equivalent to a 1.5 per cent increase). Technical details of the approach used for the other spheres can be seen at:

<http://www.treasury.gov.za/publications/guidelines/2021%20MTEF%20COE%20guidelines.pdf>

This may be useful both as a precedent for how zero per cent increases have been budgeted for in other spheres, and in identifying other compensation-related cost factors that will increase at different rates.

- It must be noted however that national and provincial government cannot set wages on behalf of municipalities and can only offer advice in the absence of a finalised wage agreement concluded through the SALGBC processes.

### **Mayor's discretionary funds and similar discretionary budget allocations**

Discretionary funds and similar discretionary budget allocations are regarded as bad practice because:

- It is not clear how they are aligned to the constitutional requirement that municipalities structure their budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community (see Section 153(a) of the Constitution);
- They do not provide for the appropriation of funds for the purposes of a department or functional area of the Municipality (see the definition of 'vote' in section 1 of the MFMA);
- They undermine the budget consultation processes since the intended use of the funds is not transparently reflected in the tabled budget; and
- There is a risk that they may be abused for personal gain or to improperly benefit another person or organisation.

National and Provincial Treasury will exercise close oversight of all discretionary type allocations in municipal budgets. If there are any concerns about the use of these funds, section 74 of the MFMA will be used to request information in this regard and analyse it for consistency with the MFMA legal framework.

## **5. 2021/22 STRATEGIC INTEGRATED MUNICIPAL ENGAGEMENTS (SIME) PROCESS**

### **5.1 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 at a council meeting at least 90 days (i.e. by 31 March 2021) before the start of the budget year.

It is important to note that there is no explicit requirement for council to endorse or approve the tabled budget or reviewed/amended IDP tabled by the mayor for public participation. The municipal council only has the legal authority to consider a tabled budget and reviewed/amended IDP after the completion of one or more public participation processes undertaken pursuant to Section 22, read with section 23 of the MFMA. Council will only consider for approval "*the product of an inclusive budget preparation and consultative process*" when the proposed annual budget (as amended, if applicable) is placed before council in terms of section 24(1) of the MFMA.

Given that the preparation, consultation, adoption and implementation of a municipality's annual budget is inextricably linked to, and must be substantially aligned to and informed by the contents of that municipality's IDP, it would be procedurally flawed for the mayor to proceed with the tabling of the proposed annual budget (and commence with public participation process required in terms of section 22 of the MFMA) at a time when the annual review and/or revision of the Municipality's IDP has not been completed.

If a municipality has failed to complete the relevant processes applicable for the review and revision of the annual budget and IDP in time for the deadline applicable to the tabling of the proposed annual budget (i.e. 31 March), the mayor must submit an application for an extension of the said deadline. As per section 27 of the MFMA, the mayor of a municipality must, upon becoming aware of any impending non-compliance by the municipality of any provisions of the Act or any other legislation pertaining to the tabling or approval of the annual budget or compulsory consultation processes, inform the MEC for Finance in the province in writing of any impending non-compliance.

If the impending non-compliance pertains to a time provision, except section 16(1) of the MFMA, the mayor may apply to the MEC for Finance for an extension, which must be in accordance with Schedule G of the Municipal Budget and Reporting Regulations.

Municipalities are kindly requested to indicate any changes to the confirmed tabling dates as per **Appendix A** with the Provincial Treasury to [Tania.Bosser@westerncape.gov.za](mailto:Tania.Bosser@westerncape.gov.za) by **23 March 2021**.

## 5.2 Submitting budget documentation and schedules for 2021/22 MTREF

- Section 22 (b)(i) of the MFMA requires that, immediately after an annual budget is tabled in municipal council, it must be submitted to the National Treasury and the relevant provincial treasury.
- If the annual budget is tabled in council on 31 March 2021, the final date of submission of the electronic budget documents and corresponding **mSCOA data strings** is Thursday, 01 April 2021.
- Section 24(3) of the MFMA, read together with Regulation 20(1) of the Municipal Budget and Reporting Regulations (MBRR), requires that municipalities must submit the approved annual budget to both National Treasury and the relevant provincial treasury within ten (10) working days after the council has approved the annual budget. E.g. if the council approves the annual budget on 31 May 2021, given the new timeframe for the evaluation of the municipal budgets, the adopted budget data strings and documentation must be submitted by the latest Monday, 14 June 2021.
- The accompanying document submission checklist (**see Appendix B**) provides a list of the documentation required from Provincial Government. Electronic budget related documents must be provided in PDF format. The designated municipal official needs to complete and sign the accompanying checklist (**Appendix B**) as confirmation that the set of budget, IDP and related documents have been submitted.

- Municipalities are **no longer** expected to submit hard copies of all required documents including budget-related, Integrated Development Plan, Service Delivery Budget and Implementation Plan (SDBIP), Annual Financial Statements and Annual Reports to National Treasury via post or courier services. Electronic copies must be uploaded by approved registered users in PDF format to the **LG Upload portal at <https://lguploadportal.treasury.gov.za/>**. Also note that the LG Upload Portal requires all documents: 1. To be in PDF format only; and that 2. Each PDF file must NOT contain multiple document e.g. council resolution and quality certificate within the budget document. Each document type must be identified clearly and uploaded separately.
- Municipalities should submit electronic documents to **Provincial Treasury** to: [MFMA.MFMA@westerncape.gov.za](mailto:MFMA.MFMA@westerncape.gov.za) or if too large (exceeds 3 MB), must be submitted via One Drive. Instructions for uploading the budget and related documents via **One Drive** are provided in **Appendix C**.
- If municipalities require advice with the compilation of their respective budgets, they should direct their enquiries to the following WC Provincial Treasury officials:

Directorate	Official	Tel. No.	Email
<b>Public Finance</b>	Chris Mapeyi	021 483 6100	<a href="mailto:Christopher.Mapeyi@westerncape.gov.za">Christopher.Mapeyi@westerncape.gov.za</a>
	Elizabeth de Lange	021 483 4540	<a href="mailto:Elizabeth.deLange@westerncape.gov.za">Elizabeth.deLange@westerncape.gov.za</a>
	Elton Johannes – CoCT	021 483 4229	<a href="mailto:Elton.Johannes@westerncape.gov.za">Elton.Johannes@westerncape.gov.za</a>
<b>Budget Office</b>	Dian Cronje	021 483 0390	<a href="mailto:Dian.Cronje@westerncape.gov.za">Dian.Cronje@westerncape.gov.za</a>
	Nadia Rinqest	021 483 8692	<a href="mailto:Nadia.Rinqest@westerncape.gov.za">Nadia.Rinqest@westerncape.gov.za</a>
	Kim Engel	021 483 8459	<a href="mailto:Kim.Engel@westerncape.gov.za">Kim.Engel@westerncape.gov.za</a>
<b>Fiscal Policy</b>	Dr Ndodana Nleya	021 483 6707	<a href="mailto:Ndodana.Nleya@westerncape.gov.za">Ndodana.Nleya@westerncape.gov.za</a>

Municipalities may also contact the following officials at National Treasury for assistance.

Responsible Area	Official	Tel. No.	Email
<b>Western Cape Cape Town George</b>	Kgomotso Baloyi	012 315 5866	<a href="mailto:Kgomotso.Baloyi@treasury.gov.za">Kgomotso.Baloyi@treasury.gov.za</a>
	Willem Voigt	012 315 5830	<a href="mailto:WillemCordes.Voigt@treasury.gov.za">WillemCordes.Voigt@treasury.gov.za</a>
	Mandla Gilimani	012 315 5807	<a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a>
<b>Technical issues with Excel formats</b>	Elsabe Rossouw	012 315 5534	<a href="mailto:lgdataqueries@treasury.gov.za">lgdataqueries@treasury.gov.za</a>

### 5.3 Publication of budgets on municipal website

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.

## 5.4 Strategic Integrated Municipal Engagement Process

Integrated planning and budgeting focusses on strengthening the alignment of planning and budgeting in the Province, and places particular emphasis on enhancing the provincial and local government interface. The Strategic Integrated Municipal Engagements which takes place in April and May precedes the approval and implementation of municipal budgets. The engagements afford Provincial Government the opportunity to provide feedback on its assessment of the of Municipal planning and budgeting efforts for the upcoming financial year and for the 2021/22 MTREF.

The assessments are based on compliance and performance information obtained from the Western Cape Monitoring and Evaluation System (WCMES) as well as an assessment on conformance, responsiveness, credibility and sustainability of the municipality's draft budget, IDP, SDF and supporting plans. It is therefore important that all Municipalities timeously submit all the required information as per the WCMEC. The assessment of the tabled IDPs will be undertaken by the Department of Local Government working with all relevant sector departments in the Province impacting on municipalities, to ensure alignment between the IDPs and all the Provincial strategic priorities and plans.

The SIME engagements will primarily focus on strategic issues emanating from the municipalities IDPs, SDFs and tabled annual budgets in order to gear municipalities for sustainable growth and development.

A key focus of the 2021/22 SIME process will be on local governments responsiveness, resilience and recovery plans in dealing with its socio-economic environment, and in particular, in relation to the effects of the COVID-19 pandemic that has had far reaching economic and social impacts. Although the future path of the pandemic is still uncertain, municipalities must chart a way through the difficult environment to ensure that it continues to deliver on its mandate.

The overall objectives of the 2021/22 SIME process and the key messages therefore emphasises:

- Aligning strategic intent as encapsulated within the Integrated Development Plans (IDP) and municipal budgets to create public value based on the community needs/priorities identified through the public participation processes;
- Safeguarding of municipal sustainability by ensuring that municipalities table funded budgets and the strengthening of municipal financial management;
- Ensure optimal and targeted service delivery through strategic spatial planning and alignment;
- Deepening of an integrated approach to service delivery with the intention of creating synergies through the consolidation/concentration of resources, also across different spheres of government;
- Identification of areas that require support as well as opportunities for collaboration and partnerships.

The discussions at the engagements are strategic in nature. The representation at the SIME 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 relevant provincial departments.
- Municipalities - Municipal Manager, section 56 Managers, Budget and Treasury officials, IDP Manager/officials and Planning officials.



**Due to the COVID-19 pandemic and measures taken to minimize the risk of the spread of the disease, the Strategic Integrated Municipal Engagements will take place via videoconferencing, on Microsoft Teams.**

- The SIME engagements are provisionally scheduled to take place from 29 April 2021 to 10 May 2021 and is subject to confirmation from the municipalities. PT will communicate with each Municipality on an individual basis to confirm the date and time of the engagement.

## **6. OTHER MATTERS**

### **6.1 Annual Report submission**

Municipalities are reminded to ensure that Annual Reports are tabled within the legislated timeframes, which read together with Exemption Notice 43582, stipulates that Municipalities and municipal entities must comply within two months after the deadline, that is, by end March 2021.

If the mayor is unable to table the Annual Report within the legislated timeframe, as per section 127(3)(a) of MFMA, the mayor must promptly submit to the council a written explanation referred to in section 133(1)(a) setting out the reasons for the delay, together with any components of the annual report listed in section 121(3) or (4) that are ready. If the Audit Report is not yet available at this time, all other components of the Annual Report must be tabled by this date. As per section 127(3)(b) of the MFMA, the mayor must submit to the council the outstanding annual report or the outstanding components of the annual report as soon as may be possible.

### **6.2 Performance Reporting Obligations: Implementation of MFMA Circular 88 (2017) for the 2021/22 municipal financial year**

Municipalities are reminded to familiarise themselves with MFMA Circular No. 88 of 2017, its accompanying annexures and subsequent addendums which provide guidance to municipalities on the adoption and internalisation of a common set of performance indicators. Experience since the 2018/19 implementation of the original circular has shown that the on-going planning, budgeting and reporting reforms process is complex and requires sufficient time and change management for incremental roll-out, growth and institutionalisation. Addendum 2 (released in December 2020) introduced a significant shift in the reforms in four respects: 1) it more closely integrates and guides planning, budgeting and reporting reforms; 2) it significantly expands and revises the set of MFMA Circular No. 88 indicators applicable to metropolitan municipalities; 3) it expands the application of the reforms and the indicators to differential categories of municipalities and levels of readiness, for application in 2021/22 MTREF cycle going forward; and 4) it introduces evaluations in the context of these reforms.

For immediate implementation purposes, municipalities should be able to identify the indicators in Appendix A to Addendum 2 that are listed as Tier 1 or Tier 2 for their category of municipality and start establishing baselines for those measurements (if they are not already being tracked). Understanding the standard definitions will require engaging with the technical indicator descriptions (TID) in Appendix B to Addendum 2. Municipalities should be able to navigate Appendix A without any further guidance to understand what is going to apply to them for the 2021/22 financial year and be able to refer to Appendix B to get the detail on the standard formulation of each indicator.

Importantly, please note that intermediate cities, districts and local municipalities will not yet for 2021/22 be required to incorporate these indicators in their IDPs and SDBIPs. Instead, the relevant indicators should be included as an annexure to the IDP and SDBIP. Although the indicators do not formally have to be included in the IDP/SDBIP, municipalities will be required to report on performance against said indicators on a quarterly and annual basis. Municipalities are therefore

advised to put in place the necessary standard operating procedures and portfolios of evidence to ensure timeous reporting throughout 2021/22 to ultimately strengthen the link between planning, budgeting and reporting. Please do note that the roll-out process will for 2021/22 remain a pilot project. Reporting against these indicators will as such not be audited for 2021/22.

## 7. CONCLUSION

Municipalities should take into account and apply the contents of this budget circular in the 2021/22 planning and budgeting process.

Please direct any queries regarding this circular to Dian Cronje at:

[Dian.Cronje@westerncape.gov.za](mailto:Dian.Cronje@westerncape.gov.za).

A handwritten signature in black ink, appearing to read 'R Havemann', with a long horizontal stroke extending to the right and a diagonal line below it.

**DR R HAVEMANN**  
**DEPUTY DIRECTOR-GENERAL: FISCAL AND ECONOMIC SERVICES**  
**DATE:** 17 March 2021



## CONFIRMED 2021 BUDGET TABLING DATES

<b>Municipality</b>	<b>Confirmed date</b>
City of Cape Town	Wednesday, 31 March 2021
Matzikama	Tuesday, 30 March 2021
Cederberg	Wednesday, 31 March 2021
Bergrivier	Tuesday, 30 March 2021
Saldanha Bay	Tuesday, 30 March 2021
Swartland	Tuesday, 30 March 2021
West Coast District Municipality	Monday, 29 March 2021
Witzenberg	Wednesday, 31 March 2021
Drakenstein	Wednesday, 31 March 2021
Stellenbosch	Wednesday, 31 March 2021
Breede Valley	Tuesday, 30 March 2021
Langeberg	Tuesday, 30 March 2021
Cape Winelands District Municipality	Thursday, 25 March 2021
Theewaterskloof	Tuesday, 30 March 2021
Overstrand	Wednesday, 31 March 2021
Cape Agulhas	Tuesday, 30 March 2021
Swellendam	Wednesday, 31 March 2021
Overberg District Municipality	Monday, 29 March 2021
Kannaland	Wednesday, 31 March 2021
Hessequa	Wednesday, 31 March 2021
Mossel Bay	Wednesday, 31 March 2021
George	Wednesday, 31 March 2021
Oudtshoorn	Wednesday, 31 March 2021
Bitou	Wednesday, 31 March 2021
Knysna	Wednesday, 31 March 2021
Garden Route District Municipality	Wednesday, 31 March 2021
Laiingsburg	Wednesday, 31 March 2021
Prince Albert	Wednesday, 31 March 2021
Beaufort West	Wednesday, 31 March 2021
Central Karoo District Municipality	Thursday, 25 March 2021

## DOCUMENT SUBMISSION CHECKLIST FOR THE 2021/22 TABLED INTEGRATED DEVELOPMENT PLAN, BUDGET AND RELATED DOCUMENTATION

**MUNICIPALITY:** \_\_\_\_\_

In completing and signing the Budget and IDP documentation checklist below, the municipality confirms that Schedule A1 **complies with the Municipal Budget and Reporting Regulations (MBRR)** and that the main tables and the relevant supporting tables (as listed below) are in **version 6.5** of Schedule A1 and **drawn directly from the municipal financial system**.

The Integrated Development Plan 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 must be submitted as required in terms of budget circulars.

<b>Budget Documentation</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>
Council Resolution in terms of the Tabled Budget			
The Budget Documentation as set out in the MBRR. The Budget Document must include the main A1 Schedule Tables (A1-A10)			
The non-financial supporting tables A10, SA9, SA11, SA12, SA13, SA24 <b>and any information not contained in the financial data string in <u>the A1 in the prescribed mSCOA data string in the format published with Version 6.5 of the A1 schedule</u></b>			
Council Resolution in terms of the Tabled Budget			
Draft Service Delivery and Budget Implementation Plan			
Procurement Plan			
Draft Service Level Standards			
Signed Quality Certificate as prescribed in the MBRR			
<b>Budget Related Policies</b>			
Information on any amendments to budget related policies			
Suite of budget related policies			
<b>IDP and Related Documentation</b>			
Council Resolution in terms of the IDP			
Proposed amendments to the IDP			
The draft memorandum referred to in Regulation 3(2) of the Local Government: Municipal Planning and Performance Management Regulations of 2001			
Process Plan/Time schedule according to Section 29) of the MSA read in conjunction with section 21(b) of the MFMA			
Spatial Development Framework			
Council Resolution in terms of the adoption of the <i>Spatial Development Framework</i>			
Applicable Disaster Management Plan			
Council Resolution in terms of the adoption of the <i>Disaster Management Framework</i>			

<b>Budget Documentation</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>
Integrated Waste Management Plan			
Air Quality Management Plan			
Coastal Management Plan ( <i>Coastal Municipalities only</i> )			
Human Settlement Plan			
Local Economic Development Strategy			
Water Services Development Plan			
Storm Water Master Plan			
Integrated Transport Plan			
Electricity Master Plan			
Infrastructure Growth Plan			
Workplace Skills Plan			

**MUNICIPAL REPRESENTATIVE:**

**Designation:** \_\_\_\_\_

**Name:** \_\_\_\_\_

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

**Date:** \_\_\_\_\_

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7. Click the Share Button

**File names in following sequence for budget related documents to be submitted to MFMA:**

- Demarcation code
- "ccyy" century and year (eg.2021)
- Name of document submitted (e.g. Draft Budget, Draft IDP, Draft SDBIP etc.)

E.g.: DC1 2021 Draft IDP

E.g.: DC1 2021 MTREF Main Budget

E.g.: DC1 2021 Draft SDBIP



**Western Cape  
Government**

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## **OVERBERG DISTRICT MUNICIPALITY**

### **INTEGRATED PLANNING AND BUDGETING ASSESSMENT: ANALYSIS OF MUNICIPAL IDP, SDF AND BUDGET**

**Western Cape Government**

**APRIL/MAY 2021**

## TABLE OF CONTENTS

SECTION 1: INTRODUCTION .....	5
SECTION 2: PUBLIC VALUE CREATION .....	6
2.1 Integrated Planning .....	6
2.2 Integrated Planning Analysis .....	6
2.3 Environmental and Planning Analysis .....	11
SECTION 3: ECONOMIC SUSTAINABILITY .....	14
3.1 Introduction.....	14
3.2 Socio-Economic Context .....	14
3.3 Municipal and Provincial Budget analysis .....	15
3.4 District Budget Allocations .....	18
3.5 Utilising Procurement as a Lever to Enhance Local Economic Development .....	20
SECTION 4: FINANCIAL SUSTAINABILITY.....	24
4.1 Review of the Historical Information .....	24
4.2 Credibility of Funded Budget.....	31
4.3 Review of the new (2020/21) MTREF .....	33
SECTION 5: KEY FINDINGS, RISKS AND RECOMMENDATIONS .....	45

## LIST OF ACRONYMS

AQMP	Air Quality Management Plan
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
DEA&DP	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
LUPA	Land Use Planning Act
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 of 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
WDM	Water Demand Management
WSDP	Water Service Development Plan
WTW	Water Treatment Works
WWTW	Wastewater Treatment Works



## SECTION 1: INTRODUCTION

The 2021/22 MTREF planning and budgeting documents are drafted at an unprecedented time. An already weakened economy has been exacerbated by the impact of the COVID-19 pandemic and state spending is placed under severe pressure. It is therefore crucial that planning and budgeting are 'Responsive' to the current reality facing municipalities and their citizens. Municipalities' revenue is under downward pressure as a result of the COVID-19 related restrictions and its impact on the income of citizens, while the demand for municipal services are on the rise. Municipalities therefore have to be 'Resilient' against these pressures until the economic crisis has subdued. As per the 2020 Western Cape Recovery Plan, municipalities cannot only focus on responding to the pandemic, but there is also a need to look forward and make provision for economic and financial 'Recovery' over the medium-term. The 2021 municipal integrated development plans and budgets will therefore be assessed by the Provincial Government against the principles of 'Responsiveness, Resilience and Recovery'.

The importance of the integrated planning and budgeting 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). These annual 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 2021/22 MTREF Budget, 2021/22 reviewed Integrated Development Plan (IDP) and Spatial Development Framework (SDF).

The assessment covers the following key areas:

- Conformance with the MFMA, MSA & Municipal Budget and Reporting Regulations (MBRR);
- Responsiveness of draft budget, IDP and SDF; and
- Credibility and sustainability of the Budget.

The MBRR A-Schedules, budget documentation, IDP and SDF submitted by the Municipality are the primary sources for the analysis. The quality of this assessment report therefore depends on the credibility of the information contained in the documents submitted by the Municipality.

The Provincial Government plans to meet the executives of your Municipality on 10 May 2021 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.

All the information related to the assessment and analysis of the annual budget, IDP and SDF are found in the report below.

## **SECTION 2: PUBLIC VALUE CREATION**

### **2.1 INTEGRATED PLANNING**

#### **2.1.1 Introduction**

An Integrated Development Plan (IDP) is the principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development in a municipality. An IDP provides the strategic direction for all the activities of a municipality over five years linked to the council term of office.

Each municipal council must annually review and may amend the IDP of the Municipality. Should the review process determine that an amendment is required, a municipality should follow the process as stipulated in Regulation 3 of the Local Government: Municipal Planning and Performance Management Regulations of 2001.

The 2021/22 review of the IDP of the Overberg District Municipality (the Municipality) is the fourth and last review of the 2017 - 2022 IDP. The 2021/22 IDP review approach took into consideration an assessment of the performance measurements of the Municipality and the extent that changing circumstances so demand. Based on the review of the tabled IDP at the end of March 2021, the Municipality intends to adopt a review of the IDP in May 2021.

### **2.2 INTEGRATED PLANNING ANALYSIS**

#### **2.2.1 IDP Overview**

The 2021/22 IDP Review reflects that the Municipality's strategic direction was reaffirmed as captured in the Five-year IDP as well as the subsequent reviews. The Vision, Mission, Strategic Objectives and alignment to National and Provincial Priorities will therefore remain unchanged. This was confirmed at a strategic session held on 18 January 2021.

Due to the uncertainty caused by the COVID-19 pandemic, municipalities were forced to reconsider traditional methods of communicating with the public. In July 2020, the Municipality initiated the Overberg Community Outreach Project to assist all local municipalities in the Overberg District, by way of a door-to-door survey with the assistance of Community Development Workers, Youth Community Outreach Programme Ambassadors, ODM Environmental Health Practitioners and Local Municipalities in the region. The survey aimed to establish the importance of wearing a mask; interest in municipal public participation engagements and affairs of the Municipality; and preferred communication methods.

The 2020 Municipal Economic Review and Outlook (MERO) indicates that the Overberg District's economy was valued at R20.5 billion in 2018 and contributed 3.5 per cent per cent to the Western Cape's total GDP. The Theewaterskloof municipal area is the largest contributor to GDP in the Overberg District, with an economy valued at R8.4 billion in 2018, and it contributed approximately 41.0 per cent to the Overberg District's total GDP. This is followed by the Overstrand municipal area, which accounted for 31.2 per cent of the total district GDP. Between 2014 and 2018, the Overberg District's grew at an average annual rate of 1.8 per cent, which was 0.4 percentage points higher than the average annual growth rate of the Provincial economy during the same period. At 2.2 per cent and 2.5 per cent respectively, the Theewaterskloof and Swellendam municipal areas – the largest and smallest economies in the Overberg District's – realised growth rates above the District level. The estimated growth rates for 2019 of the Western Cape and all four municipal areas in the Overberg District's had significantly lower growth rates than the averages observed in the preceding five years.

However, the Overberg District's real GDP growth of 0.4 per cent is marginally higher than the Province's GDP growth at 0.3 per cent.

The 2021/22 IDP Review reflects that economic slowdown was experienced across all districts in the Province between 2015 and 2016, which can mainly be attributed to the contraction of the agriculture, forestry and fishing sector owing to the drought conditions, as well as an overall weakening of the national economy. Throughout the period under review, the Swellendam and Theewaterskloof municipal areas have maintained the highest growth rates.

The MERO indicates that the tertiary sector was the Overberg District's largest contributor to GDP, valued at R13.6 billion in 2018, accounting for 66.4 per cent of the District's total GDP – nearly double the primary and secondary sectors' combined contribution. The main drivers of economic activity in the tertiary sector are the finance, insurance, real estate and business services sector (19.8 per cent), the wholesale and retail trade, catering and accommodation sector (19.7 per cent) and the transport, storage and communication sector (11.0 per cent).

The 2021/22 IDP Review reflects that despite having the largest employment contributions and labour force participation rates in the Overberg, the Overstrand and Theewaterskloof municipal areas registered the highest unemployment rates, 13.9 per cent and 8.1 per cent respectively. Despite having the third highest unemployment rate (7.3 per cent) in the Overberg, the Cape Agulhas municipal area has the highest labour absorption rate (71.5 per cent), indicating that a large proportion of the municipal area's population is employed. However, the high labour force participation rate across the Overberg indicates that most of the District's working-age population are actively engaging in the labour market, either by working or looking for work. The annual movements in the Overberg from 2018 to 2019 mirrors those in the Western Cape. All the municipal areas in the District experienced an increase in the unemployment rate, and a decrease in the labour force participation rate and labour absorption rate.

The MERO reflects that given the impact of COVID-19 on the national economy; it is expected that the economy of the Overberg Municipality will contract by an estimated 6.4 per cent. Most sectors are expected to contract severely as a result of lockdown restrictions, which limited businesses' activities, particularly in the second quarter of the year. The economy of the Municipality is expected to recover somewhat in 2021, with most sectors rebounding after the severe contractions experienced in 2020. However, the growth will not be substantial enough to bring economic activity back to levels prior to 2020. The economy of the Overberg District is therefore expected to recover only in the medium to long term.

The 2021/22 IDP Review reflects that access to services is relatively well spread across the different services in the Overberg, but slightly more consumers have access to water and sanitation, compared with the with access to electricity and solid waste removal services. The Overstrand municipal area had the largest increase in access to services at 3 768 consumers, followed by the Theewaterskloof municipal area at 2 139 consumers.

The Mero indicates that between 2017 and 2018, 3 282 more consumers had access to water, followed by 1 338 more consumers with access to solid waste removal services and 1 275 more consumers with access to electricity. Access to sanitation increased by 649 consumers in 2018. The Overstrand municipal area had the largest increase in access to services of 3 768 consumers, followed by the Theewaterskloof municipal area at 2 139 consumers. Free basic services are available to households that qualify as indigent households.

The MERO also highlights certain risks in the Overberg District, with specific reference to towns such as Caledon, Botrivier, Riviersonderend, Hermanus, Struisbaai, Napier, Buffeljagsrivier, Suurbrak and Barrydale that are experiencing growth pressures. The rising populace is increasing the demand for

housing, particularly subsidised housing. Unmet housing demand and an influx of job seekers in more urban areas such as Grabouw and Hermanus often lead to an increase in informal housing. This increase also increases the demand for basic services. Towns that have a higher risk in terms of access to service delivery pressures include Villiersdorp, Kleinmond, Gansbaai, Pearly Beach, Bredasdorp, Railton and Buffeljagsrivier.

Considering the above, the number of indigents and households receiving free basic services in the District has shown a decline from 17 437 in 2017 to 16 885 in 2018, and access to free basic services also declined across all service delivery categories.

The 2021/22 IDP Review provides a situational analysis section identifying key challenges and backlogs under Chapter 3 through infographics obtained from the 2020 Socio-Economic Profile of Local Government. The situational analysis section could be improved by including a narrative on the interpretation of statistics on demographics, education, health, poverty, basic service delivery as well as safety and security. This will enable communities, possible investors and other stakeholders to gain a better understanding of the Municipality's current socio-economic status.

A list of statutory and non-statutory plans is reflected in the 2021/22 IDP Review, which indicates the status of the Municipality's sector plans and policies, including the plans of the local municipalities. It is noted that all listed sector plans have been adopted or reviewed within this period.

### 2.2.2 IDP process

In terms of Sections 28 and 29 of the Municipal Systems Act 32 of 2000 (MSA), a municipality must follow a prescribed process when reviewing and/or amending an IDP. Furthermore, key activities and deadlines for the process must be set out in a Time Schedule adopted in terms of Section 21 of the Municipal Finance Management Act 56 of 2003 (MFMA).

The MSA and Municipal Planning and Performance Management Regulations requires that a district municipality must consult with the local municipalities when reviewing and/or amending its IDP. Similarly, local municipalities are required to consult the district municipality.

In line with Section 27 of the MSA, the Municipality adopted, a District Framework Plan and Process Plan that are binding to the local municipalities within the District. These plans clearly define the structures, activities and timeframes to be utilised in reviewing the municipal IDPs for the 2017-2022 period and outline the mechanisms established for public consultation. Effective and functional structures coordinated at district level enable the Municipality in endorsing the notion of planning-led budgeting. This promotes inclusive strategic analysis, intergovernmental co-ordination, informed prioritisation and the integration of plans and policies for all spheres of government.

### 2.2.3 IDP compliance

Section 26 of the MSA refers to the core components of an IDP and states that an IDP must reflect:

- the municipal council's vision for the long-term development of the municipality;
- an assessment of the existing level of development in the municipality;
- the council's development priorities and objectives for its elected term;
- the council's development strategies which must be aligned with any national or provincial sectoral plans and planning requirements binding on the municipality in terms of legislation;
- a Spatial Development Framework;

- the council's operational strategies;
- applicable disaster management plans;
- a financial plan; and
- the key performance indicators and performance targets determined in terms of section 41 of the MSA.

An assessment of the 2021/22 IDP Review read in conjunction with the 2017-2022 IDP, as well as with all subsequent reviews of the 5-year IDP reflects compliance with all requirements of the MSA and relevant Regulations.

#### 2.2.4 IDP alignment

According to Section 32 of the MSA the MEC may within 30 days of receiving a copy of an IDP, or within such reasonable period as may be approved, the MEC may request a municipality to adjust the plan or amendment in accordance with the MEC's proposal if it is in conflict with or is not aligned with or negates any of the development strategies of other affected municipalities or organs of state. Section 26 of the MSA further requires that IDPs must be aligned with and not negate the national and provincial development plans and planning requirements binding on the Municipality in terms of legislation.

In order to ensure improved alignment between the 2021/22 IDP Review and national/provincial plans, various sector departments formed part of the assessment as found below:

#### **Economic Development**

The 2021/22 reflects that the Municipality adopted a District Regional Economic Development (RED) and Tourism Strategy in June 2019. It is noted that key focus areas of the District RED/Tourism Strategy will be included in the 2021/22 Reviewed IDP. The Municipality also has an Overberg District Economic Recovery Plan, which serves as an Addendum to the RED and Tourism Strategy. The Overberg District Economic Recovery Plan is well-aligned to the Western Cape Government Economic Recovery Plan and was compiled and updated with comments from all four Local Municipalities and Department Economic Development and Tourism (DEDAT). Feedback on the Recovery Plan was submitted to National Department Cooperative Governance and DEDAT at the end of February 2021.

#### **Human Settlements and Transport**

The 2021/22 IDP Review indicates that the Municipality has an approved Integrated Transport Plan for the District which was adopted on 30 October 2017 with certain conditions and was compiled with the assistance from the Provincial Department of Transport and Public Works.

#### **Health, Social Services and Amenities**

The 2021/22 IDP Review reflects that the Municipality, headed by the Disaster Management Centre, in collaboration with Municipal Health Services Department, Provincial Department of Health and all relevant stakeholders, has been proactive in putting measures in place to mitigate the rapidly spreading virus. The broader Overberg Disaster Management Centre has identified certain objectives ensure seamless integration of National and Provincial actions in support of and coordinating with local municipalities and stakeholders in the district. These objectives are as follow:

- Protect the public's health by slowing the spread of the COVID-19 in the community;
- Achieve and maintain situational awareness regarding COVID-19 in the Overberg District, impacts on the healthcare system and at-risk communities;

- Support the medical resource and data needs of public and private partners;
- Provide timely and accurate information to the public and stakeholders;
- Support the continuity of health operations;
- Provide support to clusters; and
- Prepare for the widespread transmission of COVID-19 in the Overberg District.

The 2021/22 IDP Review also reflects that a Social Development Implementation Plan was developed to give effect to key actions and projects identified at a District Social Development Summit, held in September 2019. The summit paved the way for integrated cooperation and participation among the Local Municipalities in the region, as well as Provincial Sector Departments. The Social Development Coordinating Forum, chaired by the Municipality, has agreed that the focus areas of this forum be amended and identified the new focus areas as: Substance Abuse; Gender-based Violence; and Youth development.

### **Safe and Cohesive Communities**

The 2017 – 2022 Five-year IDP reflects that the Municipality has a District Safety Plan, which was compiled in collaboration with Department of Community Safety. The 2021/22 IDP Review reflects the District Safety Forum with representatives from all the local municipalities in the District, South African Police Services, Community Policing Forum, Law Enforcement and the South African National Defence Force. The purpose of this forum is to address critical safety and security challenges, strengthening of Overberg-wide, district safety planning documentation, discussing and improving the law enforcement and traffic operations in the entire Overberg, and determining policing needs and priorities.

#### **2.2.5 IDP Implementation**

The 2021/22 IDP Review constitutes the fourth and last annual review cycle of the 2017 – 2022 IDP and therefore an important milestone to assess whether the Municipality might be at risk of not achieving its strategic objectives.

A comparative analysis between the 2017-2022 IDP and the 2021/22 IDP Review reveals that the Municipality's 5 Strategic Goals remained unchanged from the start of the term of office to date. The same applies to 48 Key Performance Indicators (KPIs) initially developed in the 2017-2022 IDP, the 2021/22 IDP Review also reflects 48 KPIs.

As per the 2020/21 Technical Integrated Management Engagement (TIME) report of the mid-year non-financial performance per strategic objective, the Municipality's 2020/21 SDBIP approved on 22 June 2020, contains a total of 48 KPIs of which 25 had targets set for the period 1 July 2020 to 31 December 2020. The Municipality measured 25 KPIs for the period 1 July 2020 to 31 December 2020, meaning that 52.1 per cent of the KPIs were measured. Of the 25 indicators for which targets were set, the Municipality managed to achieve 72.0 per cent. The TIME report also reflects that seven out of 25 KPIs were not met, these include targets not met and almost met reflecting a variance of more than 20 per cent between planned and actual performance. Reasons and corrective measures put in place are provided where targets were not performed as planned. Two Departments achieved only 50 per cent of their targets; and a total of 23 KPIs were not yet measured during the mid-year review period. This might put pressure on service delivery in the last two quarters of the financial year.

Due to the impact of COVID-19 and the regulatory lockdown on operations, certain targets could not be met, but corrective measure are indicated.



## 2.2.6 Outstanding areas for improvement

The Municipality adequately responded to the identified areas for further improvement.

## 2.3 ENVIRONMENTAL AND PLANNING ANALYSIS

### 2.3.1 Compliance, Performance, Implementation and Changing Circumstances:

In terms of Spatial Planning, the IDP is responsive to DSDP proposal 4 contained in its 'capital investment framework' (titled Implementation Framework) which entails the upgrade of the Caledon to Hermanus Road to increase tourism potential is responded to by the Phase 1 Upgrading of the Hemel-en-Aarde Road to Sandbaai (MR 269) - R6 million allocated for 2021/22 and R20 million is allocated for 2022/23.

The DSDP's Implementation Framework excluded several projects such as the Kaarwyderskraal Landfill site and Investment in Disaster Management Infrastructure. Several road infrastructure projects are budgeted for but are not aligned with the MSDP proposal list in the Implementation Framework. Section 7 of the DSDP 'Monitoring and evaluation framework' sets out a simple M&E framework for monitoring its progress, but the Municipality has not demonstrated use of this M&E framework.

The largest impact on changing circumstances for the Municipality in the next financial year has to do with significant budget cuts and reduced revenues as a result of the COVID-19 pandemic and its severe impact on the economy. This will have downstream impacts on equitable share, MIG allocations, rates income and the ability to manage aging infrastructure networks sustainably.

In terms of Biodiversity management, the Overberg District Municipality notes in their Integrated Development Plan 2017-22 that the Western Cape Biodiversity Spatial Plan must be used to inform the principles of sustainability for developments. It includes a small diagram of the Map of Biodiversity Categories and Extent within the Western Cape Province but lacks further detail specific to its area. This Municipality is a participant in the Local Action for Biodiversity: Wetlands South Africa programme that has resulted in an Overberg Wetland Report which outlines the status quo of wetland management in the area. It adopted in its Spatial Development Plan, the United Nations Educational, Scientific and Cultural Organisation's (UNESCO) Man and the Biosphere Programme as a general basis and premise for the implementation of bioregional planning and management throughout the ODM,

In the Municipality's response to climate change, it lists the removal of invasive alien plants as part of its functions in terms of environmental planning, conservation and management and fire management. It has drafted an Alien Invasive Species (IAS) Monitoring, Control and Eradication Plan for all its properties according to the set guidelines (pending feedback from Department Environmental Affairs). Budget to implement is a constraint as there is a lack of funds available for environmental functions. Alien clearing features prominently in the project list undertaken by key stakeholders in the area and is undertaken by partners in the landscape e.g. Agulhas Biodiversity Initiative as well as through Department of Environmental Affairs projects. The Municipality lists in its Integrated Development Plan review, a focus on biodiversity capacity building and mainstreaming for those municipalities that require it the most according to the SDF analysis. The Municipality revised its IAS monitoring, control and eradication plan with associated annual budgets in the 21/22 IPA Review and identified that alternative sources of funding need to be obtained for successful implementation of the plan. Priority areas for alien clearing were based on factors namely important biodiversity areas, riparian zones, fire risk, infrastructure protection and current clearing initiatives.

In the 21/22 IDP final review, the ODM, in partnership with DEFF, has established the Overberg Climate Change and Biodiversity Forum to assist local municipalities to address the responsibilities in Chapter 3 of the National Climate Change Bill. It specifies the projects implemented in terms of climate change mitigation and adaptations aligned with the Climate Change Response Framework.

In terms of Climate Change, the Overberg District is more climate change aware than most municipalities, and even makes an attempt at tagging budget items for climate change relevance. This is commended and should be expanded on. This is also well matched with a disaster-aware position, although any specific climate change response is 'hidden' in normal operational and maintenance budgets and planning. The Overberg District also seems to downplay the impact of coastal erosion and flooding, despite the coastline being a very important tourist and business attraction. Agriculture gets a similar treatment.

In terms of Coastal Management, Overberg District Municipality has indicated that they have not determined or adjusted a coastal boundary for coastal access land, and they have not yet adopted the necessary municipal coastal access by-law as prescribed in ICMA.

DEA&DP has concluded a coastal access audit for the Overberg and is continuing to support the implementation of the coastal access pilot project for Middlevelei. The Overberg District is actively participating in the National Coastal Access Project. This will directly contribute to the development of the municipal IDP.

The review of the CMP was concluded in the previous financial year and implementation will only happen as budget allows.

The coordination function, including the Municipal Coastal Committee (MCC) of the District is satisfactory although consistent participation from local municipalities is lacking. The Overberg District has appointed another official who participates at the EAFS.

In terms of waste management, the Municipality has a designated Waste Management Officer to oversee waste matters. The Municipality's IWMP meets the minimum requirements as stipulated in NEMWA. The IWMP needs to be fully integrated into the IDP.

The Overberg District Municipality has 3 waste management facilities registered on the IPWIS (Integrated Pollutant and Waste Information System), namely Karwyderskraal Landfill Site, Karwyderskraal C&D Waste Recovery and Karwyderskraal Organic Waste Composting Facility. The Municipality submitted 6/6 waste management reports from January and February 2021. Through the IPWIS report submissions; the Municipality achieved a compliancy score of 100 per cent within this period. 7 806 tonnes of waste were disposed to landfills and 3 597 tonnes of waste was diverted from landfills. Thus, achieving a diversion rate of 31.5 per cent for this period.

The Overberg District Municipality (ODM) does not have a Waste Management by-law in terms of the National Environmental Management: Waste Act (NEM: WA), as it is not mandated to implement waste services at a local municipal level, and a by-law in this regard may therefore be optional. However, the ODM's Municipal Health Services By-Law (January 2019) partially addresses waste in various settings such as beauty salons, and other premises & mainly addresses health care risk waste.

Furthermore, the ODM has an Organic Waste Diversion Plan in place, and the regional landfill site allows for chipping and composting of waste from local municipalities. In addition, small construction and demolition (C&D) waste, approximately up to the size of a brick, is used as cover, while larger C&D waste is diverted from the Karwyderskraal Landfill Site for crushing.

In terms of Waste Management Awareness initiatives, the ODM publishes Waste management awareness information in its annual reports and the IDP, and further information circulated is to surrounding property owners at the Karwyderskraal Landfill Site to inform them based on the outcomes of external audit reports, giving them an opportunity to provide inputs. Waste Management outcomes are also communicated to local municipalities at regional waste forums, as the distribution of waste



management awareness is coordinated with and done through local municipalities to avoid duplication of such distribution by the district municipality.

The Overberg DM manages the Karwyderskraal WDF with great success. Departmental Audits have indicated that the Facility is in constant compliance and well maintained. The Municipality submits all required documentation to the Department which includes internal, external audit reports as well as the Organic Waste Diversion Plan.

In terms of Air Quality management, Section 14(3) and Section 15(2) of the National Environmental Management: Air Quality Act (NEM: AQA), a Municipality must designate an Air Quality Officer and adopt an Air Quality Management Plan (AQMP) within its jurisdiction. To ensure that a budget is allocated for air quality management, each municipality must include in its Integrated Development Plan (IDP), an AQMP.

The designated Air Quality Officer for the Overberg District Municipality (ODM) has retired, and another Air Quality Officer needs to be designated. The ODM has adopted an AQMP, as per the NEM: AQA however, the Municipality must allocate funding to implement the AQMP, particularly in terms of monitoring ambient air quality to manage potential air pollution that may result from increased urbanisation.

## SECTION 3: ECONOMIC SUSTAINABILITY

### 3.1 INTRODUCTION

This section examines to what extent the tabled 2021/22 MTREF Budget is responsive from a socio-economic perspective as well as the District's ability to meet the community expectations for services from its limited resources to contribute towards achieving economic recovery and maximising benefits for its residents.

Firstly, the socio-economic reality and needs within the community is examined to gain an understanding of the implications thereof. This is followed by an analysis of the budgetary allocations to the strategic objectives and the municipal and provincial expenditure to determine their respective responsiveness to the socio-economic reality of the region area.

### 3.2 SOCIO-ECONOMIC CONTEXT

#### 3.2.1 Socio-economic Overview

**Table 1 Socio-Economic indicator analysis**

Socio-economic Indicator		NDP Goal	District Average	Western Cape Average
Population	Population Growth (2021)	0.5 -1% p.a.	1.8%	1.8%
Health (2019)	Teenage pregnancy	-	13.1%	-
	Maternal mortality	100 to 500 per 100 000 live births	0.0	-
Education (2019)	Matric pass rate	-	85.9%	-
	Learner retention	90%	66.1%	-
Access to basic services (2016)	Formal housing	-	81.8%	82.4%
	Water	100%	96.9%	99.0%
	Electricity	95%	94.3%	94.6%
	Sanitation	-	96.1%	96.5%
	Refuse	-	88.8%	86.8%
Crime (per 100 000)	Murder	-	46	57
	Residential Burglaries	-	1 021	515
	Driving under the influence	-	247	176
	Drug related offences	-	884	895
Economy	Unemployment Rate (2019)	14% by 2020	10.4%	19.4%
	GDP growth (2019e)	4.5% per annum	0.4%	0.3%
Human Development	Human Development Index (2018)	-	0.76	0.75

#### Comments:

- The information in the table above was sourced from Overberg District Municipality's 2020 Socio-economic Profile (SEP-LG) developed by Provincial Treasury.

- The data indicates that even though some of the latest socio-economic show improvements, in general, indicators related to learner retention, crime as well as the economy are still concerning.
- Although learner retention rates are low, they are improving slightly, while the most recent matric outcomes also shows a slight improvement. Lower learner retention rates contribute to lower levels of education which affects future earning potential of youth as they are under-skilled and struggle to find gainful employment.
- The most recent increase in murder rate in the Overberg District is concerning as high levels of crime hampers growth, discourages investment, negates local capital accumulation and has a negative impact on the economy. Safety is also one of the key focus areas in the WCG Recovery Plan.
- Economic growth has fallen from an average annual growth of 1.8 per cent between 2014 and 2018 to an estimated 0.4 per cent in 2019. Over the past decade, the unemployment rate has also been slowly increasing. Unemployment has a direct impact on household income and the ability to afford basic services. It also forces more households to register as indigents households in order to qualify for the provision of free basic services which further strains municipal resources.
- Overberg District's Human Development Index (HDI), a composite indicator reflecting on education levels, health and income, has steadily increased over the past number of years.

### 3.3 MUNICIPAL AND PROVINCIAL BUDGET ANALYSIS

This section analyses the responsiveness of the budget and strategic objectives to the socio-economic reality of the Municipality.

#### 3.3.1 Key budget priorities in terms of IDP Strategic Objectives

The 2021/22 MTREF budget breakdown in terms of the strategic objectives is indicated in the table below. Overberg District Municipality budgeted for a total operating expenditure of R243.840 million and a total capital budget of R4.989 million in the 2021/22 financial year.

**Table 2 Strategic Objectives for the 2021/22 Medium Term Revenue & Expenditure Framework**

Strategic Objective	2021/22 Medium Term Revenue & Expenditure Framework OPEX				2021/22 Medium Term Revenue & Expenditure Framework CAPEX			
	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24	Average Annual Growth	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24	Average Annual Growth
Good governance and Community Participation	15 978	16 278	16 728	2.3%	-	-	-	-
Basic Services and Infrastructure	169 561	175 988	182 541	3.8%	3 077	11 739	5 275	-
Local Economic Development	15 591	15 005	15 564	-0.1%	412	827	305	-14.0%
Financial Viability	25 960	26 550	27 191	2.3%	250	-	-	-100.0%
Municipal Transformation & Institutional Development	16 751	17 164	17 710	2.8%	1 250	3 341	200	-60.0%
<b>Total Expenditure</b>	<b>243 840</b>	<b>250 986</b>	<b>259 734</b>	<b>3.2%</b>	<b>4 989</b>	<b>15 906</b>	<b>5 780</b>	<b>7.6%</b>

Source: Overberg District Municipality, A-Schedules

#### Comments:

- The strategic objectives (goals) noted in budget tables SA5 and SA6 for the 2021/22 MTREF are aligned to the strategic goals in the IDP and reflects financial commitments for all five strategic goals.
- The District's strategic goals are aligned to the National Development Plan 2030 as well as the Provincial Strategic Plan.

- It is clear from the budgetary allocation to the strategic objectives that the Municipality's 2021/22 MTREF budget priorities is focused on service delivery. The bulk of 2021/22 MTREF operating budget expenditure relates to the Basic Services and Infrastructure (R169.561 million or 69.5 per cent in 2021/22). This strategic objective also represents the bulk of the capital budget (R3.077 million or 61.7 per cent).
- The Basic Services and Infrastructure strategic objective is correlated with the strategic goal which aims to ensure health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure in terms of disaster management, municipal health, environmental management and roads.

### 3.3.2 Municipal and Provincial Expenditure

**Table 3 Comparison of Provincial and Estimated Municipal Expenditure: 2021/22 (R'000)**

Type	2021/22 (R'000)	
	Provincial Infrastructure Spend	Overberg District Capital Infrastructure Spend
<b>Economic Expenditure</b>	355 132	-
Road Transport and Public Works	355 132	-
Planning and Development	-	-
<b>Social Expenditure</b>	245 049	3 234
Education	27 000	-
Health	27 470	22
Social Development	-	-
Housing	190 579	-
Sports and Recreation	-	412
Public Safety	-	2 800
<b>Trading Services</b>	-	255
Electricity	-	-
Water	-	-
Waste Water Management	-	-
Waste Management	-	255
Other	-	1 500
<b>Total Expenditure</b>	<b>600 181</b>	<b>4 989</b>

Source: 2020 Western Cape EPRE (Provincial spend), National Treasury Database (Municipal spend)

- For the 2021/22 financial year, the WCG will spend an estimated R600.181 million within the Overberg District area (includes spending across all local municipalities). The highest spending departments are Transport and Public Works (59.2 per cent) and Human Settlements (31.8 per cent). Together these two departments represent 91.0 per cent of WCG spend in the Overberg District area. The Departments of Health and Education make up the balance, with 4.6 per cent and 4.5 per cent of total Provincial infrastructure spend respectively.
- This largest of the allocations are for road transport projects, which will mainly be directed towards refurbishment and rehabilitation as well as upgrades and additions to existing road transport infrastructure, the biggest of these for 2021 being for the Hermanus-Gansbaai project (R120.0 million), the Caledon-Sandbaai project (R44.192 million) and the reseal of the Stanford-Riversondered road (R35.0 million).

### 3.3.2.1 Economic Expenditure Analysis

This section will consider provincial and municipal allocations over the MTREF and its potential contribution to economic growth in the region.

#### Road Transport

- District municipalities perform an important roads agency function on behalf of the Provincial Department of Transport and Public Works. This allocation for the 2021/22 financial year amounts to R110.420 million or 45.3 per cent of the District's total operating budget.
- The repair and maintenance of road infrastructure in the District is critical to maintain and enhance connectivity within the area. As road infrastructure is a key enabler of economic growth, expenditure on the upkeep and maintenance of road infrastructure enhances connectivity and can have a positive impact on economic growth in the area.
- The District has indicated insufficient funds, ageing equipment, the lack of human resources and the unpredictable weather of the area as challenges.

### 3.3.2.2 Social Expenditure Analysis

This section will consider provincial and municipal allocations over the MTREF and its potential contribution to economic growth in the municipal area and region.

#### Municipal Health Services

- Provincial investment in social infrastructure (education, health, social development and human settlements) is done at the local municipal level and not at District level.
- The District has allocated R16.560 million towards its municipal health function (operating budget) and as well as a capital budget allocation of R22 000 in 2021/22. Districts are mandated to provide municipal health services which includes the surveillance and prevention of communicable diseases such as the current COVID-19 pandemic which continues to persist. The allocation for municipal health is part of an investment in future health provision. The importance of strengthening this function and providing it with adequate resources is crucial in times of crisis.

### 3.4 DISTRICT BUDGET ALLOCATIONS

**Table 4 District Mandated Budgetary Allocations**

Function(s) required by legislation	Legislation	Section	Y/N	Opex (Actual) R'000	Capex (Actual) R'000	Total Capex + Opex R'000	% Total
Solid waste disposal sites, management, control and regulation.	Municipal Structures Act	84(1)(e)	Yes	8 030	255	8 285	3.3%
Municipal Health services.	Municipal Structures Act	84(1)(i)	Yes	16 560	22	16 582	6.7%
Fire-fighting services serving the area of the district municipality as a whole (Emergency services).	Municipal Structures Act	84(1)(j)	Yes	31 469	2 800	34 269	13.8%
Establish a Municipal (District) Disaster Management Centre	Disaster Mgt. Act	44,&47-49	No	-	-	-	0.0%
Promote Bulk Infrastructure Development and Services.	Municipal Structures Act		No	-	-	-	0.0%
Promote the equitable distribution of resources between the local municipalities in its area to ensure appropriate levels of municipal services within the area.	Municipal Structures Act	84(1)(d)	No	-	-	-	0.0%
Municipal roads which form an integral part of a road transport system for the area of the district municipality as a whole.	Municipal Structures Act	84(1)(f)	Yes	110 420	-	110 420	44.4%
Regulation of passenger transport services.	Municipal Structures Act	84(1)(g)	Yes	9 119	-	9 119	3.7%
Potable water supply systems.	Municipal Structures Act	84(1)(b)	No	-	-	-	0.0%
Bulk supply of electricity.	Municipal Structures Act	84(1)(c)	No	-	-	-	0.0%
Domestic waste-water and sewage disposal systems.	Municipal Structures Act	84(1)(d)	No	-	-	-	0.0%
Municipal airports serving the area of the district municipality as a whole.	Municipal Structures Act	84(1)(h)	No	-	-	-	0.0%
Municipal Public Works relating to any of the above functions or any other functions assigned to the district municipality.	Municipal Structures Act	84(1)(n)	No	-	-	-	0.0%
Integrated Development Planning for the district municipality as a whole including a Framework for Integrated Development Plans of all municipalities in the area.	Municipal Structures Act	83(3)(a) & 84(1)(a)	Yes	1 380	-	1 380	0.6%
Building the capacity of local municipalities in its area to perform their functions and exercise their powers where such capacity is lacking.	Municipal Structures Act	83(3)(c)	No	-	-	-	0.0%
Must have (establish) District Intergovernmental Forums (incl councillors costs).	IGR ACT	24-27	No	-	-	-	0.0%
Promotion of local tourism. (Sport and recreation - Recreational facilities)	Municipal Structures Act	84(1)(m)	No	15 591	412	16 003	6.4%
The receipt, allocation and, if applicable, the distribution of grants made to the district municipality.	Municipal Structures Act	84(1)(o)	No	-	-	-	0.0%
The imposition and collection of taxes, levies and duties as related to the above functions or as may be assigned to the district municipality in terms of national legislation.	Municipal Structures Act	84(1)(p)	No	-	-	-	0.0%
<b>OTHER EXPENDITURE</b>				51 271	1 500	52 771	21.2%
<b>TOTAL EXPENDITURE</b>				<b>243 840</b>	<b>4 989</b>	<b>248 829</b>	<b>100.0%</b>

The table above depicts the District's specific allocations as per the mandated functions of district municipalities. The significant allocations are elaborated further below.

### 3.3.1 Fire Fighting Services

The Overberg District Municipality performs a fire and disaster management functions in the District, conducted by the Emergency Services Department of the Municipality. The functions are controlled from the regional control centre in Bredasdorp. During the 2019/20 financial year, the Overberg District's fire services attended to 2 202 incidents.

The District has allocated a total operating budget of R31.469 million to the provision of fire-fighting services for 2021/22. A capital budget of R2.8 million towards emergency services is geared primarily towards vehicle replacement (R2.7 million) and the supply of rescue equipment (R100 000). In total, allocations towards fire-fighting services equates to 13.8 per cent of the overall 2021/22 budget.

The Municipality has indicated that the lack resources remains its greatest challenge in order to perform the service according to the SANS standards.

### 3.3.2 Disaster Management

The National State of Disaster declared on 15 March 2020 as per section 27(1) of the Disaster Management Act, 2002 (Act No. 57 of 2002) is still in effect. This Act requires that each metropolitan and district municipality must establish a Municipal Disaster Management Centre (MDMC) which is the primary functional unit for disaster risk management (DRM) in metropolitan and district municipalities. A key function of the Municipal Disaster Management Centre is to provide support to the National Disaster Management Centre (NDMC) and the relevant Provincial Disaster Management Centre (PDMC).

Within the Overberg District, Disaster Management is performed as per the requirements of the applicable act and framework. The District noted that the mandatory administrative part of the function, as described in the act, is adhered to as allowed by financial resources. The District has however highlighted that Disaster Management is still an unfunded mandate and remains very difficult to fulfil the full function with the limited budget.

The District noted that Disaster Management does not have its own operational budget and forms part of, and relies on the budget, the Emergency Services Department, which makes the implementation of special Disaster Management Projects impossible.

As the COVID-19 pandemic will most likely persist for the unforeseen future, it is of important that the disaster management is able to function efficiently. A lack of resources for this critical function remains a challenge.

### 3.3.3 Local Economic Development, Tourism and Resorts

Local economic development, tourism and resorts all fall under the Department: LED, Tourism, Resorts and EPWP. For LED and Tourism, the District has a Regional Economic Development focus, where it aims to, in partnership with the local municipalities and respective industries, create an environment for significant growth and job creation over the medium term.

The tourism sector was hit hardest as a result of the COVID-19 lockdown restrictions, and Overberg's tourism sector is estimated to have contracted by 84.1 per cent (GVA) in the 12 months post lockdown, together with a 60.0 per cent drop in employment for this sector for the same period. Although there has been some recovery, it will take time before the sector returns to a 'pre-pandemic' level.



This decline in activity is also noted in the Resorts, where the District operates two resorts, namely Uilenkraalsmond and Die Dam. Uilenkraalsmond Resort is being managed by the Municipality under a management agreement with Department Public Works (DPW). The Die Dam Resort is owned and managed by the Municipality. The decline in activity and lower occupancy also negatively impacts municipal revenue.

For 2021/22, the District has allocated R15.591 million of its operational budget to the 'Sport and Recreation'; the corresponding capital allocation for the year is R412 000. The ageing infrastructure and insufficient funds for total renovation and upgrading remains a challenge for resorts. However, if resorts are well managed and maintained, upgraded and appropriately marketed, it can play a role in promoting domestic and international tourism within the region.

### 3.5 UTILISING PROCUREMENT AS A LEVER TO ENHANCE LOCAL ECONOMIC DEVELOPMENT

The impact that the pandemic has had on the economy and the fiscus requires that a post-disaster recovery strategy is enabled to utilise procurement as a lever for recovery that supports not only the creation of jobs, but enables Provincial priorities such as safety and well-being through purchasing.

Key lessons and learnings will be customised for municipal requirements considering capabilities, capacity and maturity of the municipal sphere through the following key focus areas which have been identified as priorities for the implementation of the SCM strategy through the following Local Government initiatives in the future

- e-Procurement and Supplier Evidence Bank;
- Procurement Planning Toolkits;
- District Transversal Contracts (Upfront Participation and collaboration keeping in mind regulation 32 and 36 challenges); and
- Asset Management Capacitation and Development Programmes

These initiatives will be driven through the four-pronged SCM approach

- SCM Governance
- SCM Capacitation and Training
- Strategic Procurement
- SCM Technology

#### 3.5.1 SCM Technology

##### **Key outcomes of Municipal System Insight Reports Analysed**

The intent of this report is to provide performance information in terms of Supply Chain Management (SCM) to accounting officers in order to improve planning and decision-making processes as well as to measure results or outcomes that has been achieved by municipalities in terms of suppliers registered on CSD, conflict of interest, monitoring the implementation of the Preferential Procurement Policy Framework Regulations, 2017 (PPPFR) by analysing awards to designated BEEE groupings and COVID-19 Emergency expenditure.

The ultimate purpose is to drive good governance through compliance that builds business confidence and trust, which can be used as an enabler to attract capital investment into the municipal region.

## Analytical Trends

The analysis identified the following challenge with municipal data in that there is no standardised allocation methodology for transactions that categorise goods and/or services-:

- Certain transactions could not be matched to a specific commodity, due to incorrect allocation;
- Items that have been procured could not be matched to certain projects or determined whether certain expenses forms part of operational cost;
- Data integrity issues that relate to incorrect linkages, inconsistent capturing, in a format that is difficult to analyse; and
- The system does not make provision for demographic reporting.

## Improvement Initiatives

- A workgroup to be established to assist municipalities on how to use data as an enabler in making strategic decisions for future procurement.
- Municipalities to prioritise correct system usage as this is the main enabler for meaningful and reliable reporting.
- Provincial Treasury is committed to continuously assist and guide the Municipality in this regard.

### 3.5.2 Strategic Procurement

#### Key outcomes of Municipal Procurement Plans Assessed

The assessment of municipal procurement plans is to provide a diagnostic analysis of planned expenditure in order to provide technical support to municipalities in keeping with the resolutions taken at the LED-SCM Indaba 2019. The procurement analysis focuses on municipal infrastructure spend as a theme to Public Value Creation and Economic Sustainability as investments in infrastructure are vital to the municipal region's economic development and prosperity. Infrastructure connects various supply chains and is the catalyst for the efficient movement of goods and services across borders and regional boundaries. Infrastructure also connects households across metropolitan areas to higher quality opportunities for employment, healthcare and education:

## Analytical Trends

Data integrity issues that relate to incorrect linkages, inconsistent capturing, dual language capturing and in a format that is difficult to analyse.

## Improvement Initiatives

- a) Local Economic Development: Empowerment focused initiatives; relooking and reconsidering the economic focus on post disaster recovery initiatives to stimulate the market differently; and supplier development and linkages to Strategic Sourcing.
- b) Framework Agreements and Transversal Contracting: Use opportunities for alternative strategic sourcing initiatives that leverages on economies of scale, SMME and job creation focus as opportunities.

- c) Consideration could be given towards an alternative “Sourcing Business Model” to strengthen strategic supplier relationships where the aim is to leverage against productivity driven improvements that requires a more flexible contractual relationship e.g. Preferred Provider, Performance Based Managed Services, Vested Relationship etc.

### 3.5.3 Strategic Procurement & SCM Technology

#### **Key outcomes of the Municipal Districts assisted with SCM & Asset Management Business Practices to Continuously improve Maturity Levels Analysis**

Asset Management is an integrated discipline between accounting, engineering, project management, supply chain management, governance & risk management and financial management which impacts on Municipal Sustainability, Economical Cost Saving, Reliable Service Delivery and the Performance of a Municipality as Whole.

Modern society is heavily reliant on physical assets in order to function effectively:

- The managing of assets provides services now, and into the future;
- Is a core part of the local economy, providing the platform for local investment and job creation;
- Asset Management is about extracting value more than what you invest into assets;
- It's about using assets to deliver public value and achieve the municipality's business objectives.

#### **Generic Trends in Expenditure on Repairs & Maintenance post COVID-19**

The aftermath of COVID-19 and the downturn in the economy caused some municipalities to postpone maintenance activities, a practice commonly known as Deferred Maintenance in order to save costs, meet budget funding levels, or to realign available budget monies when revenue collection is low. Others have shifted to a reliance on Corrective Maintenance as an alternative strategy

#### **Improvement Initiatives**

##### a) **Deferred Maintenance**

Deferred Maintenance should only be used in the short-term as long-term exposure of limited to no maintenance could result in costly entire system failure that would put a strain on the Municipality's financial resources, completely wiping out the savings the Municipality hoped to achieve through the deferred strategy. Long-term exposure to this strategy has the following risk attached to it:

- Safety and Health Risks to occupants within the region if waste system shuts down (e.g. pollution).
- Possible fines from a regulatory agency.
- Possible protest action for non-delivery of essential services.
- The escalation of crime within the area (Vandalism of Municipal Property).

##### b) **Corrective Maintenance**

Municipalities to explore an autonomous Strategy instead of a one-dimensional corrective maintenance strategy as this increases the maintenance backlogs that is currently experienced at many Municipalities. The risks associated with this:

- Increased long-term costs due to unplanned equipment downtime will put an additional burden on the already constraint finances of a Municipality.



- Possible secondary equipment or process damage also known as "Collateral Damage"/Entire system failure.
- Decreased reliability due to neglect of assets that in long run could lead to decreased reliability due to equipment downtime.
- Increased Unpredictability – Can lead to a backlog of maintenance work orders.
- Increased cost of Maintenance – deteriorating parts may not be detected and found as quickly as under condition assessment.





## SECTION 4: FINANCIAL SUSTAINABILITY





### 4.1 REVIEW OF THE HISTORICAL INFORMATION

#### The Financial Performance as per the Annual Financial Statements





Table 5 Financial ratios and norms






Financial ratios and norms		2016 Audited	2017 Audited	2018 Audited	2019 Audited	2020 Audited	CAGR*	Projection based on historical trends	Comments	Overall Assessment
<b>Asset Management</b>										
1	Capital Expenditure to Total Expenditure: 10% - 20%	2.2%	4%	2.7%	14.8%	1.4%	-11%	1.2%	The ratio results reflect year-on-year fluctuations from 2017 to 2020 financial year. In the 2019/20 FY capex decrease by R33.98 million, causing the ratio result to decline from 14.8% to 1.4%. The ratio result is not within the acceptable NT norm of 10 – 20%.	
2	Capital Expenditure Budget Implementation Indicator: 95 – 100%	89.7%	88.5%	119.3%	116%	53.1%	-12.3%	46.6%	The ratio results reflect a fluctuating trend. In the 2019/20 financial year the Municipality under spent its capital expenditure budget (R2.65 million). The ratio decreased to 53.1% in the 2019/20 financial year. The ratio result is way below the acceptable NT norm of 95% – 100%. The Municipality under performed on the capital project expenditure by only spending 53% of the Adjusted Capital Budget, mainly due to the procurement processes of some capital projects were not able to be completed due to the lockdown resulting from the COVID-19 pandemic. Thus, projects to the value of R2.5 million were rolled over to the next financial year, R574 000 from own funds and nearly R2 million from grant funding which was applied for roll over at Provincial Treasury.	




Financial ratios and norms		2016 Audited	2017 Audited	2018 Audited	2019 Audited	2020 Audited	CAGR*	Projection based on historical trends	Comments	Overall Assessment
3	Impairment of Property, Plant and Equipment, Investment Property and Intangible Assets (Carrying Value): 0%	0.0%	0.0%	0.0%	1.9%	0.0%	N/A	N/A	The ratio results decreased in the final year. The ratio result of 0.0% in the 2019/20 financial year is within the acceptable NT norm of 0.0%. The ratio results indicate that there has been virtually no impairment of assets over the past 5 years. This is exceptional given the jurisdiction of the Municipality and the level of service delivery that is required. For the Municipality to remain rigorous in its approach to zero tolerance on impairment of assets, it should challenge its current asset management strategies to improve efficiency.	
4	Repairs and Maintenance as a % of Property, Plant and Equipment, Investment Property (Carrying Value): 8%	182.0%	158.1%	9.4%	7.4%	10.9%	-50.6%	5.4%	The ratio results fluctuate year-on-year, in the 2020 financial year the results grew to above the acceptable NT norm of 8.0%. Ratio results within acceptable norm.	
5	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure: (None)	95.5%	66%	83.3%	96%	77%	-5.3%	72.9%	The Municipality is showing a fluctuating trend over the last five (5) financial years. The ratio results indicate that the Municipality has provided an average of over 70% of the required cost of capital projects from its own funds and borrowings for capital projects between 2015/16 to 2019/20. Approximately more than 20% of capital expenditure funds relate to external funding for capital projects	
6	Own funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure: (None)	25%	35.4%	83.3%	35.6%	77%	32.5%	100%	The ratio results reflect a fluctuating trend over the period under review. The ratio result increased from 35.6% in 2018/19 financial year to 77% in the 2019/20 financial year. The ratio result indicates that the Municipality is not heavily dependent on borrowings and Capital grants to finance its capital expenditure.	

Financial ratios and norms		2016 Audited	2017 Audited	2018 Audited	2019 Audited	2020 Audited	CAGR*	Projection based on historical trends	Comments	Overall Assessment
<b>Revenue Debtors and Liquidity Management (cash availability)</b>										
7	Net debtor's days: ≤ 30 days	105 days	55 days	69 days	24 days	42 days	-21%	33 days	The ratio results indicate that the Municipality collects cash from debtors after 42 days. It has fluctuated and approximated this average over the past 5 years and well beyond the norm of 30 days. The Municipality should consider alternative methods to improve its collectability within the required norm. The COVID-19 impact on the collection of debt was material.	
8	Bad Debts Written-off as % of Provision for Bad Debt: 100%	0%	0%	9.1%	94.7%	7.0%	0%	0%	The ratio results indicate a fluctuating trend over the period under review, and the Municipality generally overestimated the bad debts to be written off. In the 2019/20 financial year the bad debts written-off amounts to R0.14 million (7%) of the provision for bad debts which amounted to R2.06 million. It's noted as it is a district municipality and does not render services to the community. The Debt provision over the 5-year period under review, which is far below the envisaged write-off of 100.0% of provision for bad debts.	
9	Operating Revenue Budget Implementation Indicator: 95% - 100%	100.8%	101.3%	103.9%	107.8%	95.6%	-1.3%	94.4%	The ratio results fluctuated year-on year. The ratio is within the acceptable NT norm of 95 – 100%. The result is an indication that the Municipality not only budgets correctly, but also strives to meet all targets set for its revenue base.	
10	Service Charges and Property Rates Revenue Budget: 95% - 100%	65.5%	145.7%	13.6%	67.7%	106.9%	13%	120.9%	The ratio results fluctuated year-on-year over the 5-year period under review. The ratio result is slightly outside the acceptable NT norm of 95 - 100%.	



Financial ratios and norms		2016 Audited	2017 Audited	2018 Audited	2019 Audited	2020 Audited	CAGR*	Projection based on historical trends	Comments	Overall Assessment
11	Revenue Growth (%) - Excluding capital grants: = CPI	28.8% (CPI 6.3%)	-2.7% (CPI 5.1%)	16.7% (CPI 4.6%)	14.6% (CPI 4.5%)	3.9% (CPI 2.2%)	-38.7%	2.4%	The revenue growth excluding capital grants fluctuated year-on-year. During the 2017 financial year the Municipality experienced a decrease in revenue of -2.7% but made up for the decrease in revenue in the 2018 financial year. The 2020 performance of the Municipality is impressive as the revenue growth has increased above inflation albeit during a global pandemic (COVID-19) and the stringent economic conditions globally.	
12	Cash/Cost Coverage Ratio (Excluding Unspent Conditional Grants): 1 - 3 months	1 month	2 months	2 months	2 months	2 months	19.6%	2 months	The ratio results remained the same year-on-year and stayed within the NT norm across the 5 years. It appears that the Municipality has sufficient funds to meet its monthly fixed operating commitments without collecting any other additional revenue.	
13	Current Ratio: 1.5 - 2:1	1.8:1	1.7:1	1.3:1	1.5:1	1.5:1	-4.8%	1.4:1	The ratio results fluctuated year-on-year over the 5-year period under review but remained within the acceptable NT norm of 1.5-2:1 except for the 2018 financial year. The Municipality should monitor this ratio and be putting measures in place to increase the liquidity of the Municipality. The ratio results indicate that the Municipality has reasonable current assets to cover its short-term obligations.	
<b>Liability Management</b>										
14	Debt (Total Borrowings)/ Revenue: 45%	9.3%	13.6%	2.3%	20.1%	17.2%	16%	20%	The ratio results improved in the 2019/20 financial under review, and ratio result in 2019/20 financial year is performing better than the acceptable NT norm of 45%. The Municipality appears to be conservative when accessing debt. This approach may be seen as a positive. This is significantly less than the norm of 45% set for municipalities which implies that Overberg has capacity to take on additional debt should it be required.	

Financial ratios and norms		2016 Audited	2017 Audited	2018 Audited	2019 Audited	2020 Audited	CAGR*	Projection based on historical trends	Comments	Overall Assessment
15	Capital Cost (Interest Paid and Redemption) as a % of Total Operating Expenditure: 6% - 8%	0.4%	1.0%	4.9%	4.4%	5.1%	85.3%	9.5%	The ratio results reflect capital cost which appears to be affordable. The ratio results display a fluctuating trend over the period under review. The Municipality is performing better than the acceptable NT norm of 6% - 8%. There is however capacity to take on additional debt which will increase capital cost should the Municipality decide to take up additional funding.	
16	Creditors Payment Period (Trade Creditors): 30 days	3 days	5 days	15 days	10 days	10 days	34.9%	14 days	The ratio results fluctuated year-on-year over the past five years. The ratio is performing better than the NT norm of 30 days.	
<b>Expenditure Management</b>										
17	Operating Expenditure Budget Implementation Indicator: 95% - 100%	100.1%	97.6%	99%	104.3%	90.8%	-2.4%	88.6%	The ratio results fluctuated year-on-year. The ratio result in 2019/20 is not within the acceptable NT norm of 95% - 100%. The Municipality performed well with spending their operating budget from 2016 - 2019. The main cause for the under-expenditure in the 2019/20 financial year is the COVID-19 pandemic.	
18	Remuneration as a % of Total Operating Expenditure: 25% - 40%	50.6%	54.2%	51.5%	50.5%	53.6%	1.5%	54.4%	The ratio results fluctuated year-on-year, the results of the ratio is outside the NT norm of 25 - 40%.	
19	Contracted Services as a % of Total Operating Expenditure: 2% - 5%	7.9%	7.9%	7.7%	7.2%	8.1%	0.5%	8.1%	The ratio results increased year-on-year over the period under review, but slightly decreased in the 2019/20 financial year. The ratio results are above the acceptable NT norm of 2% - 5%. The ratio is outside of the acceptable norm - but with the introduction of mSCOA the classification of expenditure had an impact on items now classified as contracted services which in the past were classified as expenditure.	

Financial ratios and norms	2016 Audited	2017 Audited	2018 Audited	2019 Audited	2020 Audited	CAGR*	Projection based on historical trends	Comments	Overall Assessment	
20	Irregular, Fruitless and Wasteful and Unauthorised Expenditure/Total Operating Expenditure: 0%	1.6%	2.2%	2.1%	15.7%	4.6%	N/A	N/A	The ratio results indicate a fluctuating trend over the period under review, and a sharp decline (R23.51 million) in the Irregular, Fruitless and Wasteful and Unauthorised Expenditure as a percentage of Total Operating Expenditure in the 2019/20 financial year, which is an improvement. The ratio results over the period under review are not within the acceptable NT norm of 0.0%. In addition, the Municipality should implement strategies to prevent further occurrences. However, we take note that there are various transversal Supply Chain Regulations that affect the results of this ratio, some of those are still under discussion between National Treasury, Provincial Treasury and Auditor-General of South Africa.	
<b>Grant Dependency</b>										
21	Own Source Revenue to Total Operating Revenue (Including Agency Revenue): None	20.5%	20.3%	66.2%	66%	66.3%	34.1%	88.9%	Own source revenue was constant in the last three years. Total operating revenue has increased by R8.39 million or 3.93% from R213.08 million 2018/19 to R221.48 million in 2019/20 financial year. It is noted as it is the district municipality and does not render services to the community and does not have Property rates.	
<b>Net Asset Position (Going Concern)</b>										
22	Total Liabilities to Total Assets: <50%	19.7%	87.3%	86.2%	74.8%	71%	37.7%	97.8%	The ratio results fluctuated year-on-year. The ratio results are not within the acceptable NT norm over the 5-year period under review. However, the Municipality's liquidity position is sound as indicated by the current ratio. The Municipality should however put mitigating measures in place to reduce its liabilities or increase its asset base to ensure alignment with applicable NT norm.	

\* CAGR = Compound annual growth rate is a business and investing specific term for the geometric progression ratio that provides a constant rate of return over the time period.  $CAGR = [(End\ Value/Beginning\ Value)^{1/number\ of\ years\ of\ growth}] - 1$

## Key observations and recommendations:

### 4.1.1 Asset Management

- **Capital expenditure to Total expenditure:** The ratio results shows a fluctuating trend over the 5-year period and has remained less than the acceptable norm of 10-20 per cent for the 2019/20 financial year. The level of investment on assets has decreased by 13.4 percentage points from 14.8 to 1.4 per cent in the 2019/20 financial year. Also, the ratio results are below the National Treasury norm in 2019/20 financial year. Overberg District allocates inadequate funds to capital expenditure relative to total expenditure and in line with the norm. There is a tacit implication that insufficient funds are utilised for capital expenditure and that management should implement a process to increase this ratio.
- **Capital Expenditure Budget Implementation Indicator:** The ratio result reflects a fluctuating trend over the 5-year period under review. The ratio results deteriorated from 116 per cent in 2018/19 to 53.09 per cent in 2019/20 financial year. In the 2019/20 financial year the Municipality under-spent its capital expenditure budget by 46.91 per cent (R2.65 million). The ratio result is not within the National Treasury norm of 100.00 per cent. The Municipality under performed on the capital project expenditure by only spending 53 per cent of the Adjusted Capital Budget, mainly due to the procurement processes of some capital projects were not able to be completed due to the lockdown resulting from the COVID-19 pandemic. Thus, projects to the value of R2.5 million were rolled over to the next financial year, R574 000 from own funds and nearly R2 million from grant funding which was applied for roll over at Provincial Treasury. Two major projects, Caledon Fire Station and the expansion of Karwyderskraal Landfill facility, to the total value of R9 million was postponed to the next financial year due to the following reasons:
  1. The capital project "Fire Station" to the amount of R 2,9 million was removed as properties will not be sold timeously in the 2019/20 financial year to finance the project.
  2. The capital project "Karwyderskraal" to the amount of R 6 128 111 was removed as the adjacent property owners are not willing to sell their properties next to Karwyderskraal and a new project needs to be identified.
- Overberg District utilises a combination of own funds, borrowings and grants to fund capital expenditure according to its funding strategy.

### 4.1.2 Revenue, Debtors and Liquidity Management (cash availability)

- **Bad Debts Written-off as % of Provision for Bad Debt:** The bad debt as a percentage of the provision of bad debt ratio results trend indicates that the Municipality generally overestimates the bad debts to be written off. The ratio results years fluctuated year on year, but debt-write offs remain within the total amount provided for the impairment of debtors. The amount of debtor's write-off will continue to grow as it includes traffic fines that are recognised as revenue as per the requirements of iGRAP1 but are almost immediately impaired. The Municipality appears to have adequate amounts provided for non-payment which greatly contributes to the credibility of the budget.

### 4.1.3 Liability Management

- **Creditors Payment Period (Trade Creditors): Creditors Payment Period (Trade Creditors):** The ratio results fluctuated year-on-year over the 5-year period under review. The Municipality took 10 days to pay its creditors in the 2019/20 financial year which is impressive as in the 2019 – 2020 financial year all spheres of government was affected by the COVID-19.

- The Municipality's lending strategies seemed to have targeted a set level of 20 per cent which has been approximated over the past 5 years. The targeted level of borrowing implies that there is capacity to take on additional debt should it be required. The available lending capacity is further supported by the actual capital cost incurred relative to Total Operating Expenditure and compared to the norm of 6 per cent to 8 per cent.

#### 4.1.4 Expenditure Management

- **Operating Expenditure Budget Implementation Indicator: Operating Expenditure Budget:** The trend analysis indicates that the ratio results fluctuated over the 5-year period under review. The ratio result deteriorated from 104.33 per cent in 2018/19 to 90.80 per cent in 2019/20 financial year. The ratio result is not within the acceptable NT norm of 95 - 100 per cent. In the 2019/20 financial year the Municipality underspent its operating expenditure budget by 9.19 per cent (R21.82 million), mainly due to Other expenditure materials by R10.21 million or 12.69 per cent and contracted services by R5.69 million or 24.71 per cent which were less than budgeted and cost savings and National Lockdown during March 2020.
- **Remuneration as % of Total Operating Expenditure:** The trend analysis indicates that the ratio results fluctuated from 51.54 per cent in 2017/18 to 50.58 per cent in 2018/19 and finally to 53.60 per cent in 2019/20 financial year. The ratio result is not within the National Treasury norm of 25 – 40 per cent. This is mainly due to the increase in employee costs by R8.07 million or 7.97 per cent and remuneration of councillors by R0.66 million or 1.06 per cent in 2019/20 financial year. The Municipality should strive to keep the salaries of employees and municipal councillors at manageable levels. This can be done by assessment of the current structure compared to the service delivery mandate and staff requirement of the District Municipality. Furthermore, by doing this assessment, the Municipality will detect any areas where there is excessive staff complement.
- **Contracted Services as a % of Total Operating Expenditure:** The results of the ratio indicates an upward trend over the past 4-years, with a slight decline from 7.3 per cent in 2018/19 financial year to 8.1 per cent in the 2019/20 financial year, but remains outside the acceptable NT norm. These results indicate that the Municipality outsources some of the functions to consultants. It is recommended that the senior officials of the Municipality should monitor the transfer of skills and knowledge to the responsible municipal officials. Included in the service level agreement should be a clause regarding the transfer of skills from the service provider to the Municipality's employees. This could reduce the use of consultants.
- **Irregular, Fruitless and Wasteful and Unauthorised Expenditure/Total Operating Expenditure:** The results of the ratio after the condonement fluctuated year-on-year and a sharp decreased by 11.11 percentage point from 15.71 per cent in 2018/19 to 4.60 per cent in the 2019/20 financial year. The Municipality reported in the 2019/20 audited AFS note 43 amounts incurred of irregular expenditure amount to R9.91 million. With regard to the unauthorised, irregular, fruitless and wasteful expenditure, the Municipality should continue to take measures to prevent, identify, investigate and respond appropriately according to the MFMA, and ensure that officials are accountable.

#### 4.1.5 Grant Dependency

The ratio results indicate that the Municipality is not dependent on grants to fund its operations. There is always room to improve the revenue base.

## 4.2 CREDIBILITY OF FUNDED BUDGET Observations on the Current Financial Year

**Table 6 Budgeted Performance against Audited Performance and current year**

D03 Overberg - Table A1 Budget Summary	2018/19			2019/20			Current Year 2020/21			
R thousands	Adjusted Budget	Audited Outcome	Diff %	Adjusted Budget	Audited Outcome	Diff %	Original Budget	Adjusted Budget	Difference	Diff %
<b>Financial Performance</b>										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	3 107	1 744	-43.9	10 723	12 933	20.6	12 418	12 206	(212)	-1.7
Investment revenue	1 400	2 159	54.2	2 500	1 896	-24.1	1 800	1 800	-	-
Transfers recognised - operational	74 503	71 478	-4.1	180 906	169 680	-6.2	182 093	201 815	19 722	10.8
Other own revenue	120 832	124 171	2.8	36 715	28 773	-21.6	40 782	39 236	(1 545)	-3.8
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>199 841</b>	<b>199 552</b>	<b>-0.1</b>	<b>230 844</b>	<b>213 283</b>	<b>-7.6</b>	<b>237 092</b>	<b>255 057</b>	<b>17 965</b>	<b>7.6</b>
Employee costs	100 300	93 668	-6.6	113 507	105 831	-6.8	128 811	115 641	(13 170)	-10.2
Remuneration of councillors	6 326	6 264	-1.0	6 618	6 197	-6.3	6 341	6 341	-	-
Depreciation & asset impairment	3 576	3 792	6.1	3 576	3 553	-0.6	3 576	3 576	-	-
Finance charges	3 280	5 935	80.9	9 154	3 855	-57.9	6 492	6 395	(96)	-1.5
Materials and bulk purchases	48 048	48 585	1.1	48 514	42 327	-12.8	42 932	65 819	22 887	53.3
Transfers and grants	480	360	-25.0	484	-	-100.0	401	680	279	69.6
Other expenditure	42 371	43 230	2.0	55 381	46 129	-16.7	51 306	56 602	5 296	10.3
<b>Total Expenditure</b>	<b>204 380</b>	<b>201 834</b>	<b>-1.2</b>	<b>237 233</b>	<b>207 893</b>	<b>-12.4</b>	<b>239 858</b>	<b>255 054</b>	<b>15 196</b>	<b>6.3</b>
<b>Surplus/(Deficit)</b>	<b>(4 539)</b>	<b>(2 282)</b>	<b>-49.7</b>	<b>(6 389)</b>	<b>5 390</b>	<b>-184.4</b>	<b>(2 766)</b>	<b>3</b>	<b>2 769</b>	<b>-100.1</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>31 869</b>	<b>38 773</b>	<b>21.7</b>	<b>5 652</b>	<b>(10 498)</b>	<b>-285.7</b>	<b>8 465</b>	<b>4 744</b>	<b>(3 721)</b>	<b>-44.0</b>
Transfers recognised - capital	-	-	-	2 650	-	-100.0	2 100	3 705	1 605	76.4
0	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	4 900	-	(4 900)	-100.0
Internally generated funds	24 391	-	-100.0	3 002	-	-100.0	1 465	1 039	(426)	-29.1
<b>Total sources of capital funds</b>	<b>24 391</b>	<b>-</b>	<b>-100.0</b>	<b>5 652</b>	<b>-</b>	<b>-100.0</b>	<b>8 465</b>	<b>4 744</b>	<b>(3 721)</b>	<b>-44.0</b>

Source: Overberg District Municipality 2021/22 MTREF Draft Budget A1-Schedule – mSCOA data strings

- The above table sets out the past and current performance of the Municipality's operating and capital budget as reported by the Municipality to the National Treasury database. Over the past 2 audited years, the Municipality recovered 99.9 per cent against planned operating revenue in 2018/19 which is within the National Treasury norm of 95-100 per cent while 92.46 per cent was recovered in 2019/20 which is below the National Treasury norm of 95-100 per cent.
- Operating revenue showed gradual decreases of 0.1 per cent and 7.6 per cent between the totals of the Adjusted Budget and Audited years of 2018/19 and 2019/20. This can mainly be attributed to the impact of COVID-19 and the disaster management restrictions. An under recovery of 4.09 per cent was observed against the year to date as at 28 February 2021 however, an improved performance is expected in the forthcoming months. These performances can be used as a baseline for budget planning and projections for the following year's budget, i.e. 2021/22 MTREF period after taking into cognisance all the economic factors.
- The implementation of the operating expenditure budget was 98.8 per cent in 2018/19 which is in line with the NT norm however the 87.6 per cent performance for 2019/20 is below the NT norm of between 95 – 100 per cent.
- There was an increase in the operating expenditure of 3.01 per cent between 2018/19 to 2019/20. The major increases were from employee related costs (13 per cent), Other expenditure (14.9 per cent) and Contracted services (11.10 per cent). The Employee related costs and Contracted services costs are driven by the SABL increases and the Service level agreements between the Municipality and contractor. The total expenditure as at 28 February 2021 showed an under spending of 6.3 per cent against the year to date budget. This could be as a result of the COVID-19 impact and non-cash items to be recorded later in the year.



For the current financial year (2020/21) the tabled capital expenditure budget has been adjusted downwards mainly due to the removal of the Fire station capital project as the projected sale of properties to fund the project did not materialise.

The Municipality is encouraged review capital budget implementation controls as well as monitor risks of slow spending.

### 4.3 REVIEW OF THE NEW (2020/21) MTREF

#### 4.3.1 Review of the Budget Assumptions

<b>Description of Budget Assumptions</b>
While awaiting wage negotiation outcomes the municipality budgeted for a 1.5% notch and medical fund increase.
Municipality assumes no current employees to resign.
In line with Budget circular 108; No annual increments have been provided for.
The costs of services and fuel to increase according to CPI inflation target provided by NT.
Capital projects 2021/22 to be completed during the FY: Depreciation budgeted - GRAP.
Depreciation on new capital expenditure calculated at a varying rate ranging between 3 and 50 years. The useful life of assets was reviewed during the current year.
R&M: The municipal infrastructure and assets to be maintained as per previous years with no major breakages during the year.
Capital Costs: Interest rates to be stable. Provision for capital was not decreased.
Grants: National and Provincial grants to be ito DoRb will be received in 2021/22 FY.
ODM move to a surplus during 2020/21 Adjustment Budget and should maintain this position in future not to budget for a deficit.

Source: Overberg District Municipality 2021/22 MTREF Draft Budget document

- The budget assumptions listed in the budget document are used as benchmark in predicting the expected operating revenues and expenditures as well as the capital expenditure given the current realities facing the Municipality and its ability to manage its financial administration. These include amongst others policy decisions of different spheres of government affecting municipal operations, external factors influencing municipal revenue and expenditure patterns and the management of internal factors to minimise the impact on both the Municipality and its clients that they serve.
- The overall budget assumptions are credible and aligned to the prescribed regulatory framework as contemplated by the Municipal Budget and Reporting Regulations (MBRR), read together with the Municipal Financial Management Act (MFMA) and is also guided by the MFMA Circular 107 and 108.
- Maintaining sustainability and financial viability remain a strategic focus area of the Municipality and the impact of uncertainty in the current global, regional and local government outlook remains a concern as the effects of the pandemic is far reaching. These factors were amongst others key considerations in the Overberg District Municipality's MTREF budget planning which provides a backdrop for revenue and expenditure projections.
- Given that, the Municipality has tabled a budget based on tariff increases in line with CPI and significant effort in reducing costs are noted. No increase in the salary budget will be effected and provision for only the notch increases were made.

- In terms of the provisions as set out in the Constitution the District Municipalities has a role to, amongst other; assist and capacitate local municipalities to enable them to provide and sustain the provision of services in their areas and promote economic development in the district.
- In view of the afore-mentioned roles of District Municipalities, the Municipality must find a balance between exercising its mandated role and the limited resources available to do so. The revenue base of the Municipality is mainly made up of National and Provincial grant funding, service charges for refuse revenue generated from the Karwyderskraal Landfill dumping site, resorts and from its Roads agency function roll. Careful consideration must be given to the funding of expenditure pressures in the context of the afore-mentioned external challenges.

#### 4.3.2 Budget Overview

**Table 7 Budget Overview**

Description	CURRENT YEAR			MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK						ASSUMPTIONS & CALCULATIONS		
	2020/21 Original Budget	2020/21 Adjusted Budget	2020/21 Treasury Calculatio n	2021/22 Budget Year +0	2021/22 Treasury Calculatio n	2022/23 Budget Year +1	2022/23 Treasury Calculatio n	2023/24 Budget Year +2	2023/24 Treasury Calculatio n	2021/22 % Change	2022/23 % Change	2023/24 % Change
Total Revenue (excluding capital transfers and contributions)	237 092	255 057	255 057	241 823	241 823	249 393	249 393	258 113	258 113	-5,2%	3,1%	3,5%
Total Expenditure	239 858	255 054	255 054	243 840	243 840	250 986	250 986	259 734	259 734	-4,4%	2,9%	3,5%
Surplus/(Deficit)	(2 766)	3	3	(2 018)	(2 018)	(1 592)	(1 592)	(1 621)	(1 621)	-75277,8%	-21,1%	1,8%
Depreciation and asset impairment	3 576	3 576	3 576	4 614	4 614	4 808	4 808	5 019	5 019	29,0%	4,2%	4,4%
Restated Surplus/Deficit	810	3 578	3 578	2 596	2 596	3 215	3 215	3 398	3 398	-27,4%	23,9%	5,7%
Total Capital Expenditure - Functional	8 465	4 744	4 744	4 989		15 906	15 906	5 780	5 780	5,2%	218,9%	-63,7%
Funded by												
Transfers recognised - capital	2 100	3 705	3 705	-		-	-	-	-	-100,0%	-	-
Borrowing	4 900	-	-	-		4 900	4 900	-	-	-	-	-100,0%
Internally generated funds	1 465	1 039	1 039	4 989		11 006	11 006	5 780	5 780	380,1%	120,6%	-47,5%
A5 - Total Capital Funding	8 465	4 744	4 744	4 989		15 906	15 906	5 780	5 780	5,2%	218,9%	-63,7%
A8 - Cash/cash equivalents at the year end:	244 988	303 321	23 217	287 444	22 278	282 455	16 225	280 576	16 147	-5,2%	-1,7%	-0,7%

Source: Overberg District Municipality 2021/22 MTREF Draft Budget A1-Schedule – mSCOA data

- The below-mentioned analysis of the tabled budget is based on the data strings submitted to the National Treasury database on 2 April 2021. It must be noted that the downloaded A1 Budget Summary (NT) shows misalignments with the draft budget A1 Schedule that was tabled in Council. The misalignments mainly refer to the Transfers recognised – operational amounts reflected on the budget schedule.
- The Municipality tabled a budget that is projected to yield an operational deficit throughout the 2021/22 MTREF period which is as a result of decreased revenue when compared to the 2020/21 adjusted budget, which decreased by 5.2 per cent. The operating expenditure is projected to decrease by 4.4 per cent in 2021/22.

Although the total operating expenditure for 2021/22 decreased, there were expenditure line items that showed increases, such as employee related cost (14.9 per cent), remuneration of councillors (3.3 per cent) and depreciation and asset impairment (29 per cent).



The Municipality tabled a capital budget that shows an increase of 5.2 per cent in 2020/21, a 218.9 per cent in 2022/23 and a 63.7 per cent substantial decrease in 2023/24. Such substantial decreases raise some concern however, these are indicated in the indicative years which can be reconsidered in the next MTREF budget.

- In view of the current economic realities, the Municipality is urged to continue to apply fiscal discipline and prudent financial management in order to ensure long term financial sustainability.

#### 4.3.3 Operating Revenue Budget

**Table 8 Operating Revenue**

DC3 - Overberg	CURRENT YEAR			MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK						SSUMPTIONS & CALCULATION		
Description	2020/21	2020/21	2020/21	2021/22	2021/22	2022/23	2022/23	2023/24	2023/24	2021/22	2022/23	2023/24
R thousand	Original Budget	Adjusted Budget	Treasury Calculation	Budget Year +0	Treasury Calculation	Budget Year +1	Treasury Calculation	Budget Year +2	Treasury Calculation	% Change	% Change	% Change
<b>Revenue By Source</b>												
Property rates	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	412	200	200	947	947	1 004	1 004	1 065	1 065	373,7%	6,0%	6,0%
Service charges - water revenue	6	6	6	-	-	-	-	-	-	-100,0%	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	12 000	12 000	12 000	12 613	12 613	12 991	12 991	13 381	13 381	5,1%	3,0%	3,0%
Rental of facilities and equipment	11 919	10 839	10 839	11 012	11 012	11 133	11 133	11 800	11 800	1,6%	1,1%	6,0%
Interest earned - external investments	1 800	1 800	1 800	2 144	2 144	2 234	2 234	2 332	2 332	19,1%	4,2%	4,4%
Interest earned - outstanding debtors	163	144	144	256	256	271	271	287	287	77,3%	6,0%	6,0%
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits	300	300	300	166	166	173	173	181	181	-44,5%	4,2%	4,4%
Agency services	10 561	11 110	11 110	13 250	13 250	13 807	13 807	14 414	14 414	19,3%	4,2%	4,4%
Transfers and subsidies	182 093	201 815	202 406	193 065	193 065	199 152	199 152	205 590	205 590	-4,3%	3,2%	3,2%
Other revenue	8 420	7 423	7 423	8 370	8 370	8 629	8 629	9 063	9 063	12,7%	3,1%	5,0%
Gains	9 420	9 420	9 420	-	-	-	-	-	-	-100,0%	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>237 092</b>	<b>255 057</b>	<b>255 648</b>	<b>241 823</b>	<b>241 823</b>	<b>249 393</b>	<b>249 393</b>	<b>258 113</b>	<b>258 113</b>	<b>-5,2%</b>	<b>3,1%</b>	<b>3,5%</b>

**Source:** Overberg District Municipality 2021/22 MTREF Draft Budget A1-Schedule – mSCOA data strings

- The operating revenue budget is R241.8 million, R249.4 million and R258.1 million in the 2021/22, 2022/23 and 2023/24 financial years, which shows a gradual increase over the MTREF period, except in 2021/22 that showed a decrease of 5.2 per cent. The Municipality anticipates on realising an average increase in total operating revenue of only 0.5 per cent for the entire 2021/22 MTREF period which represents an acceptable growth pattern when discounted against inflation.
- The operating revenue budget is projected to decrease by 5.2 per cent in 2021/22. The decrease is as a result of a decline in transfers and subsidies and gains and losses. The Municipality is highly reliant on grant funding and the agency function and in view of the current slow economic growth experienced by government, which was further exacerbated by the impact of COVID-19, it places significant pressure on the National and Provincial Government Revenue envelope as well of a Municipality. However, given that the District does not have much of its own revenue and heavily dependent on grants, any further reductions on the government grants might affect the Municipality adversely on service delivery projects and funding own operations. Therefore, if these reductions were

to occur and persist, they might pose risks associated to going concern and affect the long-term financial sustainability of the Municipality.

- The Municipality's service charges for refuse revenue generation from the Karwyderskraal Landfill dumping site is budgeted to increase with R613 000 or 5.1 per cent, from R12 million (2020/21) to R12.61 million in 2021/22 and 3 per cent increases in the outer 2 years of the MTREF. The increase in 2021/22 is slightly higher than the 4 per cent tariff increase. A further budget for refuse removal is budgeted to decline in the indicative years to 3.0 per cent respectively, therefore, the Municipality should ensure all costs are considered to determine an accurate surplus.
- The operating revenue from rental of facilities is projected to increase by 1.6 per cent in 2021/22, a 1.1 per cent in 2022/23 and 6 per cent in 2023/24. We observed that the Municipality projected a marginal growth which might be as a result of the COVID-19 pandemic and the lockdown effects where facilities of the Municipality are not usable, especially the resorts. As part of the Budget Funding overview (page 32) the Municipality suggested that the expected revenue from resorts will be R15.49 million however expenditure of R14.54 million (page 9) is planned in the 2021/22 financial year which leaves a small profit margin. Careful consideration must be given to the impact of the current COVID-19 pandemic and a possible a third wave will further affect these revenue sources.
- The interest earned on investment are projected to increase by 19.1 per cent which is of a concern especially that the interest rates are low as compared to the previous financial years. It is unlikely that the Municipality might earn such growth given the realities of our economy as the country. Therefore, the Municipality must take careful consideration when budgeting for revenue that is dependent on the volatility of the markets. The Municipality anticipates to realise R8.37 million in other revenue which is 12.7 per cent higher than the current year. This increase does not consider the current under performance of 49.8 per cent against the YTD budget and the Municipality should review this in the final budget.
- Fire fighting and protection is a function required for the safety and protection of citizens however the funding on these services remains limited for the expected costs. Cost are expected to decline by 5.5 per cent and revenue by 2.8 per cent in this regard, however the deficit of R27.45 million projected remains. This poses a significant risk to the Municipality's sustainability and further reviews on cost saving mechanisms on this function should be explored while all efforts to improve the actual collection from municipalities and other citizens must be implemented
- Transfers and Subsidies (operational) is the highest component of the operating revenue budget and it is projected to generate R193.07 million over the 2021/22 MTREF. The Municipality is advised to maintain sufficient long-term receivables to cover long term provisions through effective budgeting and planning in respect of the road agency function in conjunction with the relevant Provincial Department.
- The Municipality is highly reliant on grants as the Transfers and subsidies constitute 79.8 per cent of the 2021/22 operating budget mainly attributed by the equitable share amounts.

An analysis of the 2 major services over the MTREF is partly informed by the table below:

**Table 9 Surplus/Deficit of Trading Services**

Description R thousand	2017/18	2018/19	2019/20	Current Year 2020/21	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
	Audited Outcome	Audited Outcome	Audited Outcome				
<b>Revenue:A4</b>	<b>75</b>	<b>1 744</b>	<b>12 933</b>	<b>12 200</b>	<b>13 560</b>	<b>13 995</b>	<b>14 445</b>
Service charges - electricity revenue	15	-	-	200	947	1 004	1 065
Service charges - refuse revenue	60	1 744	12 933	12 000	12 613	12 991	13 381
<b>Expenditure: A2</b>	<b>2 343</b>	<b>5 146</b>	<b>8 495</b>	<b>8 974</b>	<b>8 030</b>	<b>7 899</b>	<b>7 852</b>
Energy sources							
Waste management	2 343	5 146	8 495	8 974	8 030	7 899	7 852
<b>Surplus/Deficit</b>	<b>(2 268)</b>	<b>(3 401)</b>	<b>4 438</b>	<b>3 238</b>	<b>5 530</b>	<b>6 096</b>	<b>6 593</b>
Electricity	15	-	-	200	947	1 004	1 065
Refuse	(2 283)	(3 401)	4 438	3 026	4 582	5 092	5 529
<b>Surplus/Deficit</b>	<b>-3034%</b>	<b>-195%</b>	<b>34%</b>	<b>27%</b>	<b>41%</b>	<b>44%</b>	<b>46%</b>
Electricity	100%	#DIV/0!	#DIV/0!	100%	100%	100%	100%
Refuse	-3805%	-195%	34%	25%	36%	39%	41%

Source: Overberg Municipality 2021/22 MTREF Draft Budget A1-Schedule – mSCOA data strings

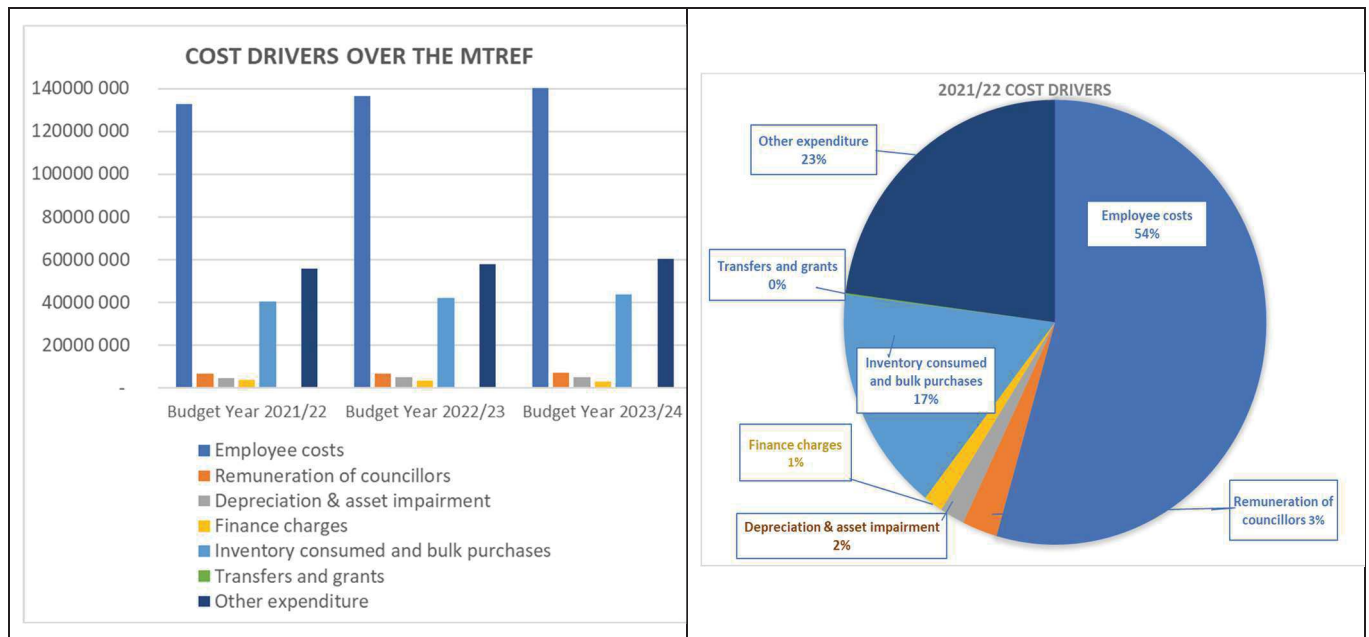
- From the above table it is noted that the Municipality is maintaining operating surpluses on the electricity and refuse trading services over the MTREF period. However, the Municipality did not provide any reference to the costs of providing the electricity to the resorts which distort the projected surplus amounts.
- Surpluses generated from the Karwyderskraal landfill site is projected at R4.58 million, R5.09 million and R5.53 million (A4 Service charges: Refuse revenue compared to A2 Waste management expenditure) over the MTREF. Revenue generation is largely dependent on volumes dumped by surrounding municipalities and strategies around increasing those volumes should be devised. Cognisance should further be taken of any integrated waste initiatives; the local municipalities may embark upon that could impact on volumes to the Karwyderskraal.
- Surpluses generated from the 'Electricity services' is projected at R947 000, R1.04 million and R1.07 million. The Service charges - electricity revenue relates to an electricity tariff charged to semi-permanent residents occupying the municipal resorts.
- The current (as at 28 February 2021) outstanding debtors recorded was R3.22 million of which R3.11 million relates to the refuse dumping of Karwyderskraal. Debtors owed for more than 90 days amounts to R794 000 or 24.6 per cent.

#### 4.3.4 Operating Expenditure Budget

- The Municipality's planned operating expenditure is R754.56 million over the MTREF period with a decline of 4.4 per cent projected for 2021/22 and increases of 2.9 per cent and 3.5 per cent for 2022/23 and 2023/24 respectively. The Municipality is commended for applying the zero-based budgeting approach where management was required to justify their departmental budget estimates before they can be incorporated into the MTREF budget. The Municipality projected their operating expenditure budget using the NT provided CPI inflation indicators except in cases where specific contract agreements already exists with escalation clauses.

- The major cost drivers are presented in the below graphs:

**Graph 1 Cost Drivers over the MTREF period**



- Employee related cost during the 2021/22 financial year is budgeted at R132.83 million which represents an increase of 14.9 per cent during the 2021/22 financial year. According to MFMA Circular 107, the new agreement is under consultation and municipalities are advised to consider their financial sustainability when considering salary increases. Overberg District Municipality will only increase its salaries by the notch of 1.5 per cent.
- This cost driver, on average, contributes 54.4 per cent over the 2021/22 total operating expenditure period and is not within the NT norm of 25 – 40 per cent.
- The Municipality's summary of personnel numbers in Table SA24 reflects a projected increase in the number of permanent employees from 326 in 2020/21 to 364 in 2021/22. The Municipality's budget documents indicates that the vacancies within the Municipality are budgeted for and are indeed funded. The MFMA Circular 107 indicated that the municipalities should refrain from incurring any additional expenditure including the filling of non-critical vacancies, that will have an impact in increasing the acceptable NT Norm. The District is cautioned against increases in the wage bill (personnel numbers) that will be unsustainable in the foreseeable future which may negatively impact the Municipality's long-term financial sustainability and strategy.
- **Contracted Services** amount to R22.2 million in 2021/22 and constitute 9.1 per cent of the total operating expenditure for 2021/22. Provincial Treasury notes the reduction in the budget amount; however, it remains above the recommended national threshold of 5 per cent. The main contributions of contracted services are Consultants and Professional Services (averaging R22.60 million over the MTREF) as reflected on SA1. Further considerations should be given for the transferring of skills from Contracted Services in support of internal capacity building.
- **Depreciation and asset impairment** is projected to increase by 29.0 per cent, 4.2 per cent and 4.4 per cent over the 2020/21 MTREF period as the book value of property plant and equipment (PPE) is projected to increase by R3.48 million or 4.6 per cent from R92.1 million currently to R96.3 million in 2021/22 and R111.4 million in 2022/23.

- **Repairs and Maintenance** remains a key factor to the overall sustainability of service delivery and can be achieved by maintaining assets in line with maintenance plans. The Municipality's repairs and maintenance as a percentage of the value of PPE is 5 per cent is below the 8 per cent norm prescribed by National Treasury and poses a risk to the sustainability of assets.
- The Municipality reported that the amount for Repairs and Maintenance amounts to R8.81 million which will be spend on own assets which equates to 6.3 per cent of total expenditure of R139 million, excluding the Roads division. The repairs and maintenance which the Roads Division is spending on Provincial Assets is not considered.
- The above analysis indicates that the Municipality employed concerted efforts to reduce many expenditure items, however, to attain an affordable and sustainable budget, expenditure must be contained within realistic revenue collections and resources used effectively, efficiently and economically.

#### 4.3.5 Capital Budget

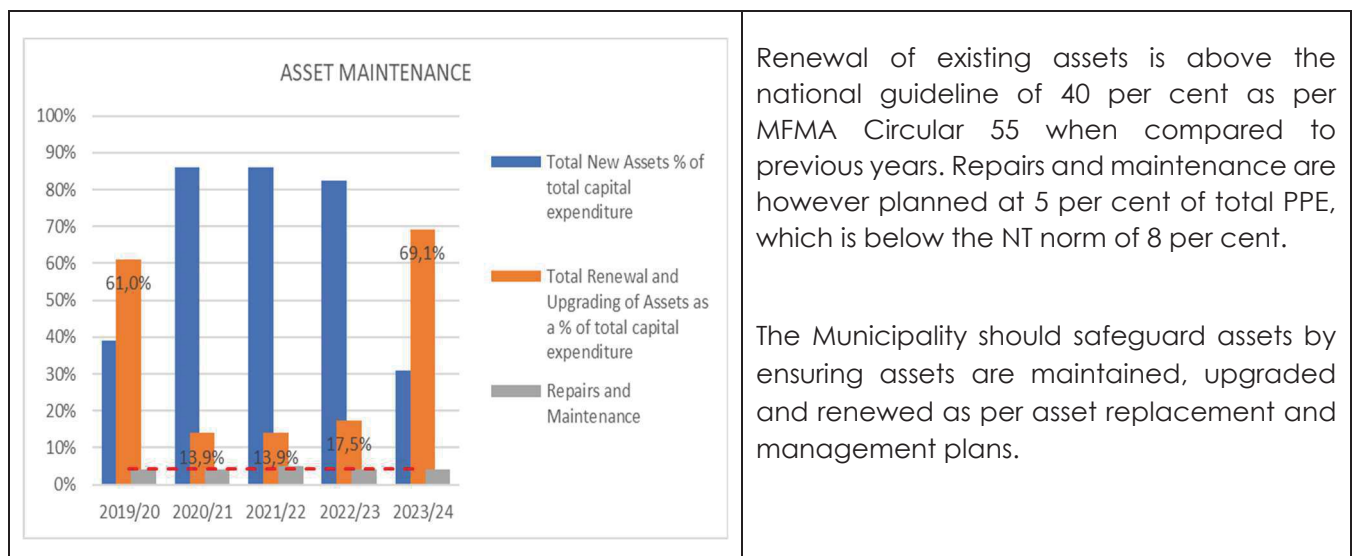
**Table 10 2020/21 MTREF Capital Expenditure Budget**

Vote Description	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework			Growth over the 2021/22 Medium Term Revenue & Expenditure Framework			Average Growth
	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24	
<b>Capital Expenditure - Functional</b>									
<i>Municipal governance and administration</i>	265	545	1 500	3 341	200	175.2%	122.7%	-94.0%	68.0%
Executive and council	40	240				-100.0%			-33.3%
Finance and administration	225	305	1 500	3 341	200	391.8%	122.7%	-94.0%	140.2%
Internal audit									
<i>Community and public safety</i>	3 300	4 194	3 234	5 487	5 580	-22.9%	69.7%	1.7%	16.2%
Community and social services									0.0%
Sport and recreation	200	394	412	827	305	4.4%	100.9%	-63.2%	14.1%
Public safety	3 100	3 800	2 800	4 380	5 200	-26.3%	56.4%	18.7%	16.3%
Housing									
Health			22	280	75				
<i>Economic and environmental services</i>	-	5	-	-	-	-100.0%			-33.3%
Planning and development									
Road transport									
Environmental protection		5							
<i>Trading services</i>	4 900	-	255	7 079	-	0.0%	2676.0%	-100.0%	858.7%
Energy sources									
Water management									
Waste water management									
Waste management	4 900		255	7 079			2676.0%		892.0%
<i>Other</i>									
<b>Total Capital Expenditure - Functional</b>	<b>8 465</b>	<b>4 744</b>	<b>4 989</b>	<b>15 906</b>	<b>5 780</b>	<b>5.2%</b>	<b>218.9%</b>	<b>-63.7%</b>	<b>53.5%</b>
<b>Funded by:</b>									
National Government									
Provincial Government	2 100	3 700				-100.0%		0.0%	0.0%
District Municipality									
Transfers and subsidies - capital (monetary)		5				-100.0%			-33.3%
<b>Transfers recognised - capital</b>	<b>2 100</b>	<b>3 705</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>			
<b>Borrowing</b>	<b>4 900</b>			<b>4 900</b>					
<b>Internally generated funds</b>	<b>1 465</b>	<b>1 039</b>	<b>4 989</b>	<b>11 006</b>	<b>5 780</b>	<b>380.1%</b>	<b>120.6%</b>	<b>-47.5%</b>	<b>151.1%</b>
<b>Total Capital Funding</b>	<b>8 465</b>	<b>4 744</b>	<b>4 989</b>	<b>15 906</b>	<b>5 780</b>	<b>5.2%</b>	<b>218.9%</b>	<b>-63.7%</b>	<b>53.5%</b>

Source: Overberg Municipality 2021/22 MTREF Draft Budget A1-Schedule – mSCOA data strings

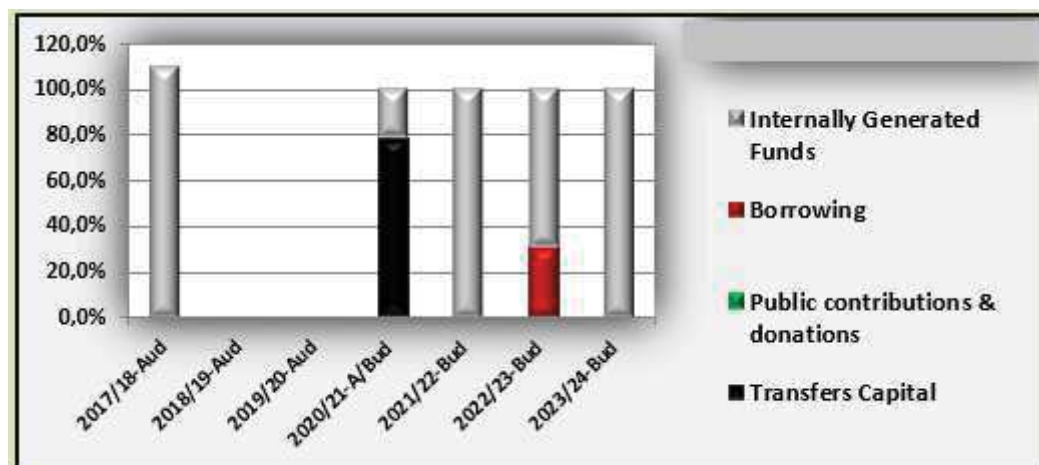
- The Municipality's capital budget over the 2021/22 MTREF period amounts to R4.99 million with a large focus on the Community and public safety constituting 64.8 per cent followed by Governance and administration services of 30.1 per cent.
- The total capital budget over the entire MTREF period amounts to R26.67 million of which R4.99 million will be spent in the 2021/22 financial year. The Municipality has projected to increase its capital budget by 5.2 per cent from the current year but will significantly increase by 218.9 per cent and decrease by 63.7 per cent in the outer years over the MTREF, mainly due to the borrowed funds that will be spent in 2022/23. It is imperative for Overberg Municipality to carefully consider its investment in capital and the margin of return on investment especially from own funds.
- Provincial Treasury encourages the Municipality to continuously monitor the implementation strategies with the management of the capital budget and apply project management principles to adhere to the procurement plan and prevent further escalation.

**Graph 2 Asset Management**



**Capital Budget Funding mix**

**Graph 3 Capital Budget Funding Mix**



- The 2021/22 Capital funding mix consists of R4.99 million from internally generated funds, indicating a higher reliance on internally generated funds. However, the 2022/23 Capital funding mix consists of R4.90 million from borrowings and R11.01 million from internally generated funds.

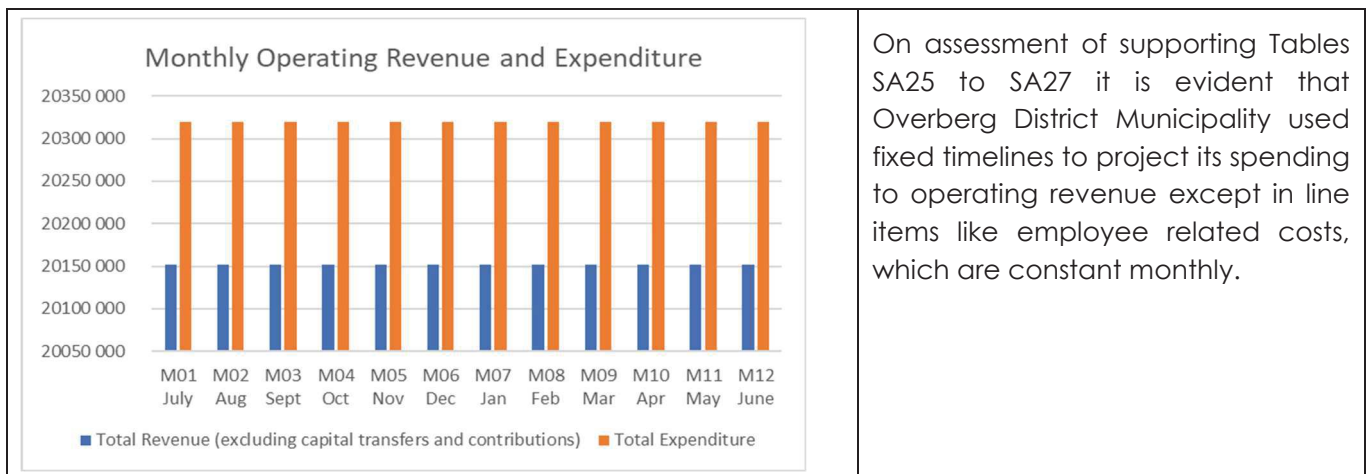


- The Municipality only spent 4.13 per cent of its capital grants at the end of February 2021. The Municipality is cautioned against a slow spending rate as it will result in either roll-over grants or the repayment of grants should they not be fully spent by 30 June 2021.
- Provincial Treasury notes the commitment to build the CRR funds for future capital expansion and the Municipality is encouraged to strictly implement the principles that guides this fund.
- Borrowing remains an important element of the funding model and will ensure that the user pay for use of infrastructure over the lifetime of the asset whilst leveraging its healthy capital replacement reserve for smoothing over the medium to long term. An assessment on the realities around the waste management expansion project must be compiled in view of the impact this loan has on the operating budget.
- The Municipality is encouraged to enhance the quality of capital infrastructure to unlock future economic investment by maintaining operating surpluses to contribute to reserves.

#### 4.3.6 Forecasting and Multi-Year Budgeting

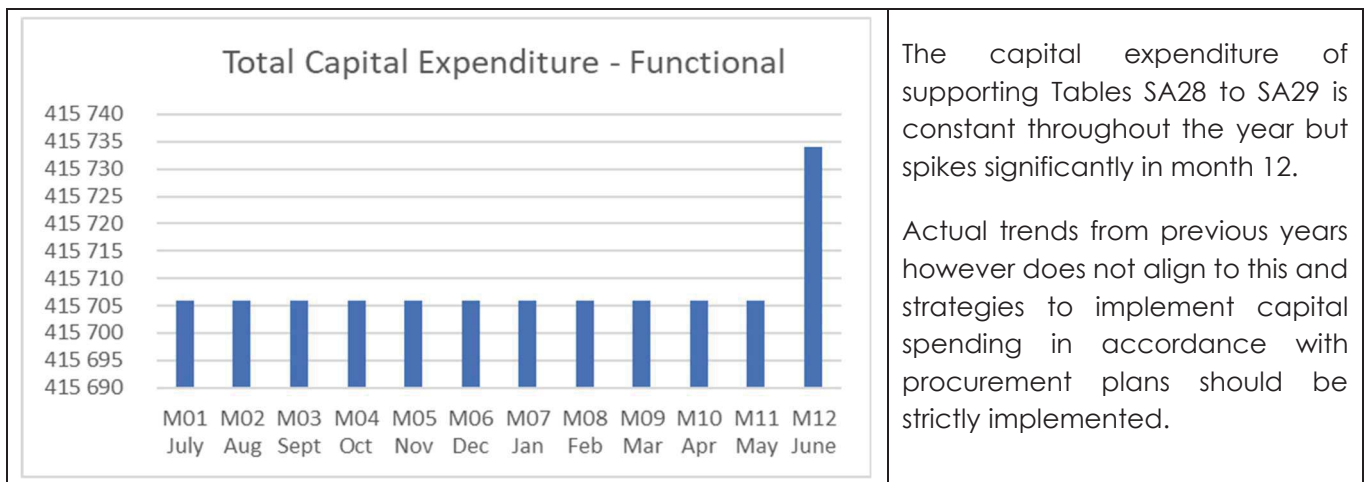
- On assessment of supporting Tables SA25 to SA30 it is evident that Overberg District Municipality has considered seasonal fluctuations as evidenced by the below graphs.

**Graph 4 Forecasting and Multi-Year Budgeting**



Source: Municipality 2021/22 MTREF Draft Budget Data strings

**Graph 5 Monthly Capital Budgeting**



Source: Municipality 2021/22 MTREF Draft Budget Data strings



### 4.3.7 Table A6 – Financial Position

#### Financial Position

- The analysis of the A6 (Budgeted Financial Position) data strings and budget submitted by the Municipality indicated that the Municipality forecasted a positive working capital after taking the short-term obligations of the Municipality into account for the 2021/22, 2022/23 and 2023/24 MTREF years. The data strings and the budget submitted by the Municipality is inconsistent for the 2021/22, 2022/23 and 2023/24 MTREF years. Furthermore, it is noted that the total current liabilities and total community health columns for the 2023/24 is R0.00.

#### Current Ratio

- The Municipality shows a trend analysis where the Municipality's current ratio is fluctuating from 1.18 (2021/22), 0.76:1 (2022/23) and due to a R0.00 closing balance for current liabilities no ratio was calculated (2023/24) when using the data strings. The budget submitted by the Municipality indicated a trend analysis of 1.49:1 (2021/22), 1.14:1 (2022/23) and 1.07:1 (2023/24). The outcome of the ratios indicate that the Municipality does not have adequate financial resources to settle its short-term debts as the outcome of the ratios are all below the national Treasury recommended norm of 1.5-2:1. The funding model of the Municipality is that the Municipality generate majority of its revenue from grants.

#### Liquidity Ratio

- The anticipated liquidity ratios are reported as 1.06:1 (2021/22), 0.65:1 (2022/23) and no ratio was calculated for the 2023/24 year when using the data strings. This depicts that the Municipality is anticipating that it should have adequate financial resources to settle its short-term debts immediately. The data strings for cash and cash equivalents are understated during the 2021/22 - 2022/23, and 2023/24 MTREF years and are reported as R32.39 million, R20.77 million and R8.09 million respectively when comparing it to the budget of R40.95, R29.60 and R28.39 million submitted by the Municipality. Furthermore, it is noted that in the budget submitted by the Municipality ratio calculations is more than the 1:1 National Treasury recommended norm for the MTREF years 2021/22 to 2023/24 and is reported as 1.13:1, 0.78:1 and 0.73:1 respectively.

#### Cost Coverage Ratio

- The ratio outcomes of the data strings and budget submitted by the Municipality appears to be below the National Treasury recommended norm of between 1-3 months over the MTREF years except for the data string 2021/22 ratio which is 1 month.

#### Debt to total Operating Revenue

- It is noted that the debt to total Operating Revenue ratio is reported as ratios ranging between negative 4 to 15 per cent for the data strings and budget submitted by the Municipality.
- The short-term portion of long-term borrowings for the 2021/22 and 2022/23 years are similar in amount whereas the outer MTREF year are reported as R0.00 for data strings and R6.51 (2023/24) budget submitted by the Municipality. With reference to the long-term portion there are inconsistencies for the data strings and budget submitted by the Municipality for the 2022/23 and 2023/24 year. The Municipality does have capacity to take on additional borrowings, however this should be considered within the cash flow requirements, affordability parameters and solvency of the Municipality.

#### Capital Cost (Interest Paid and Redemption/Total Operating Expenditure)

- The Municipality reported capital cost ratios below the 6-8 per cent National Treasury norm over the MTREF period.

#### 4.3.8 Table A7 - Cash

The data strings of the Municipality reported a budgeted positive cash and cash equivalents balance which is inconsistent with the budget submitted by the Municipality. It is noted that there are variances for the 2021/22, 2022/23 and 2023/24 MTREF years when comparing the data strings to that of the submitted budget of the Municipality. The suppliers and employees, finance charges and transfers and grants line items are not populated. Although the Municipality is forecasting a positive cash and cash equivalents balance, adjustments must be made for the data strings and the budget submitted by the Municipality, in order for both to be identical.

#### 4.3.9 mSCOA Implementation

To ensure that the relevant budget data strings are accurate, a segment use analysis on 2020/21 draft budget data strings (TABB) was conducted the following was identified:

**Table 11 mSCOA Segment Analysis**

mSCOA Western Cape TABB Segment Analysis		
No	Vendor Segment	Bytes Overberg
<b>1</b>	<b>Project Segment</b>	
<b>1.1</b>	<b>Maintenance</b>	Limited use of the Project Operational Maintenance available options.
<b>1.1.1</b>	<b>Corrective Maintenance</b>	
1.1.1.1	Planned	Budget Allocated
1.1.1.2	Emergency	Budget Allocated
<b>1.1.2</b>	<b>Preventative Maintenance</b>	
1.1.2.1	Condition Based	Budget Allocated
1.1.2.2	Interval Based	No budget allocated
<b>1.2</b>	<b>Typical Work Streams</b>	Substantial use of available options
<b>1.3</b>	<b>Municipal Running Costs</b>	Substantial use of available options
<b>1.4</b>	<b>Default</b>	Sufficiently used the project default for revenue items.
<b>2</b>	<b>Fund Segment</b>	
2.1	Use of Fund Segment	Inadequate use of the funding segment. This segment balance should be zero (expenditure equals to income)
<b>3</b>	<b>Function Segment</b>	
<b>3.1</b>	<b>Use of Function Segment</b>	Substantial use of available options
<b>4</b>	<b>Costing Segment</b>	
<b>4.1</b>	<b>Use of Costing Segment</b>	Not used correctly everything has lumped under the primary transactions and no indirect cost / secondary costs which have been disclosed (Charges and Recoveries), This is a concern as by now Municipalities were supposed to have been using this segment.
<b>5</b>	<b>Region Segment</b>	
<b>5.1</b>	<b>Use of Region Segment</b>	Adequate use of the Region Segment
<b>6</b>	<b>Item Segment :</b>	
<b>6.1</b>	<b>Property Rates</b>	Not applicable to a District Municipality
<b>6.2</b>	<b>Service Charges</b>	Limited use by Overberg District Municipality
<b>6.3</b>	<b>Fines</b>	No budget allocated
<b>6.4</b>	<b>Employee Related Costs</b>	
6.4.1	Senior Management	Adequately use of available options and balance to SA22
6.4.2	Municipal Staff	Adequately use of available options and balance to SA22
<b>6.5</b>	<b>Councillors Remuneration</b>	Adequately use of available options and balance to SA22
<b>6.6</b>	<b>Bulk Purchases</b>	No budget for Bulk purchases
<b>6.8</b>	<b>Debt Impairment</b>	No budget allocated
<b>7.1</b>	<b>Contracted Services</b>	
7.1.1	Outsourced	No budget allocated
7.1.2	Consultants and Professional Services	Appropriately used the available options

mSCOA Western Cape TABB Segment Analysis		
	Vendor	Bytes
No	Segment	Overberg
7.1.3	Contractors	No budget allocated
<b>8.</b>	<b>Other Materials</b>	
7.1.2	Inventory Consumed	Inventory consumed is not reconciling with the inventory account issues as only opening balance has been reported.
7.1.3	Water Inventory	No budget for water inventory
<b>8.</b>	<b>COVID - 19 Budget</b>	Created their data strings in accordance with MSCOA Circular No.9 the correct Operational Projects with the correct Sub projects for the COVID-19.

Source: Overberg District Municipality 2020/21 MTREF Draft Budget A1-Schedule – mSCOA data strings

- The Municipality is commended for the progress made towards implementing mSCOA in the Municipality and for the timeous submission of data strings.
- The above table provides an analysis on the TABB submitted and the complete excel documents were provided for consideration with the final budget.

The Municipality applied balance sheet budgeting on most items, however budgeting and misalignment issues still remains.

Adequate use of all segments was used as indicated in the above table.

## SECTION 5: KEY FINDINGS, RISKS AND RECOMMENDATIONS

This section outlines the main points and risks/recommendations based on the SIME Assessment.

### ***Integrated Development Planning***

The following risks need to be highlighted:

- All the municipal areas in the District experienced an increase in the unemployment rate, and a decrease in the labour force participation rate and labour absorption rate.
- That the District pay attention to towns such as Caledon, Botrivier, Riviersonderend, Hermanus, Struisbaai, Napier, Buffeljagsrivier, Suurbraak and Barrydale that are experiencing growth pressures which will lead to an increase in informal housing and undoubtedly increase the demand for basic services.

It is recommended that the Municipality should consider improving Chapter 3 of the 2021/22 IDP Review by providing a narrative on the interpretation of statistics related to the situational analysis displayed on the socio-economic infographics in the Reviewed 2021/22 IDP.

### ***Environment and Development Planning***

DEA&DP is currently drafting the Overberg DSDP in conjunction with ODM without an Intergovernmental Steering Committee.

Although the SDF is to be completed in 2021/2022 financial year, it is recommended that the Municipality prepare itself for the adoption of the DSDP with the new IDP cycle in 2022, rather than adopt the DSDP in August/ September as planned. This will prevent the duplication of adoption process including advertising and gazetting costs.

The Municipality could then use this opportunity to spend additional time on the development of a CEF and a Monitoring and Evaluation Framework to monitor to what extent the DSDP projects and tasks have been implemented in accordance with a programme

Currently the reference to the Western Cape Biodiversity Spatial Plan in the IDP is generic and should be expanded on. While it is evident that the Municipality made use of the biodiversity information available at the time the SDF was drafted, for the next version of their SDF they must integrate the latest information in the 2017 Western Cape Biodiversity Spatial Plan by applying the categories to specific areas within their area and assigning the correct spatial planning categories (Core 1 and/or the highest conservation priority) to Critical Biodiversity Areas (CBAs) and Ecological Support Areas (ESAs).

More can be done to make development in the Overberg resilient in the face of anticipated climatic changes. In particular, the District should look at coastal erosion and flooding, and climate-proofing agricultural development. It would also not go amiss to investigate renewable energy investments. The suggestion of revitalised passenger rail services is welcome in the context of a future where transport, especially of tourists, would need to be increasingly energy efficient or even carbon neutral.

The Municipality must ensure that their IWMP is fully integrated into the IDP. The Municipality must ensure that annual reporting includes information on the implementation of the IWMP as per s13(2) a-j of the Waste Act. The Municipality must send proof of Council adoption of the IWMP, to the Department.

Overberg District Municipality is compliant and reports consistently on the IPWIS. They registered two new registrations on the IPWIS for the activity of recovery and recycling and treatment (Karwyderskraal C&D Waste Recovery, Karwyderskraal Organic Waste Composting). Waste diversion initiatives must be reported to the IPWIS. Continuous and regular waste reporting must be submitted to the IPWIS.

The ODM is not mandated to implement waste services at local level, thus not being required to have an integrated waste management by-law in terms of NEM: WA - it is, however, recommended that one be developed, to cover municipalities that do not have by-laws, and *not to be* in conflict with existing by-laws of municipalities that do indeed have in this regard.

Furthermore, it is recommended that the ODM continues providing commendable support to its local municipalities, Swellendam in particular, as co-operation from the local municipality is of concern.

A budget allocation to implement the Overberg District Municipality's AQMP is to be secured in its IDP to:

- monitor ambient air quality (passive or continuous monitoring of air pollutants via either a fully equipped ambient air quality monitoring station or low-cost air quality sensors),
- train Air Quality Officers in air quality management, and
- implement air quality management intervention strategies in its jurisdiction.

The implementation of the Overberg District Municipality's AQMP is also required to be measurable in order to assess and review its performance and achievements after five (5) years, as assigned in the 2017 National Framework for Air Quality Management in the Republic of South Africa (DEFF, 2018).

### **Economic Sustainability**

- As the COVID-19 pandemic will most likely persist for the foreseeable future, it is important that the disaster management service is able to function efficiently. The lack of resources/funding has been highlighted as a challenge facing the Overberg District.
- Fire services (together with Disaster Management) conducted by the Emergency Services Department, has also indicated a lack of resources as its greatest challenge in order to perform the service according to the SANS standards.
- Overall, the tourism sector has faced the largest contraction in growth over the past year due to travel restrictions as a result of the pandemic. By focusing on regional tourism, resorts and development of capacity within the tourism industry, the District can play a crucial role in sustaining the industry with its limited resources and should continue to prioritise local economic development over the medium term.

### **Financial Sustainability**

- The Municipality must find a balance between exercising its mandated role against performing non-mandated functions which may increase waste and unnecessary expenditure for the 2021/22 MTREF.
- In view of the current economic realities, the Municipality is urged to continue to apply fiscal discipline and prudent financial management in order to ensure long term financial sustainability.
- Careful consideration must be given to the funding of expenditure pressures in the context of the aforementioned external challenges.

- The main fiscal challenge remains to elicit other sources of revenue to expand the current revenue base to be able to finance increasing expenditures. Given pressures in achieving this, the Municipality is encouraged to balance affordability to while ensuring sufficient operational surpluses. This should be achieved by identifying internal efficiencies in order to maintain healthy CRR levels. Exercising these prudent financial decisions can only be achieved within an effective governance model and the Municipality is encouraged to further build on past successes.
- It is imperative for Overberg Municipality to carefully consider its investment in capital and the margin of return on investment especially from own funds.
- Provincial Treasury encourages the Municipality to continuously monitor the implementation strategies with the management of the capital budget and apply project management principles to adhere to the procurement plan.
- The Municipality is commended for the progress made towards implementing mSCOA in the Municipality and for the timeous submission of data strings.
- The Municipality applied balance sheet budgeting on most items, however budgeting and misalignment issues still remains.

### **Cash Management**

- The cash and cash equivalents of the data strings of the outer MTREF 2022/23 and 2023/24 year are understated compared to the amounts in the budget submitted by the Municipality.
- Short/long term borrowings and intangible assets are incorrectly classified and are appearing as negative amounts on the A6 Financial position of the Municipality.
- Inconsistencies between the data strings and the budget submitted by the Municipality have been identified therefore the credibility of the data strings submitted for the outer MTREF years, 2022/23 and 2023/24 is of concern.

# **OVERBERG DISTRICT MUNICIPALITY**



## **Medium Term Revenue and Expenditure Framework (MTREF) 2021/2022 - 2023-2024**

## **Service Level Standards 2021/22**



**Overberg District Municipality (DC 03) - Schedule of Service Delivery Standards Table**

Description	
Standard	Service Level
<b>Solid Waste Removal</b>	
Premise based removal (Residential Frequency)	No Service
Premise based removal (Business Frequency)	No Service
Bulk Removal (Frequency)	No Service
Removal Bags provided(Yes/No)	No Service
Garden refuse removal Included (Yes/No)	No Service
Street Cleaning Frequency in CBD	No Service
Street Cleaning Frequency in areas excluding CBD	No Service
How soon are public areas cleaned after events (24hours/48hours/longer)	No Service
Clearing of illegal dumping (24hours/48hours/longer)	No Service
Recycling or environmentally friendly practices(Yes/No)	No Service
Licensed landfill site(Yes/No)	yes
<b>Water Service</b>	
Water Quality rating (Blue/Green/Brown/N0 drop)	No Service
Is free water available to all? (All/only to the indigent consumers)	No Service
Frequency of meter reading? (per month, per year)	No Service
Are estimated consumption calculated on actual consumption over (two month's/three month's/longer period)	No Service
On average for how long does the municipality use estimates before reverting back to actual readings? (months)	No Service
Duration (hours) before availability of water is restored in cases of service interruption (complete the sub questions)	No Service
One service connection affected (number of hours)	No Service
Up to 5 service connection affected (number of hours)	No Service
Up to 20 service connection affected (number of hours)	No Service
Feeder pipe larger than 800mm (number of hours)	No Service
What is the average minimum water flow in your municipality?	No Service
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	No Service
How long does it take to replace faulty water meters? (days)	No Service
Do you have a cathodic protection system in place that is operational at this stage? (Yes/No)	No Service
<b>Electricity Service</b>	
What is your electricity availability percentage on average per month?	No Service
Do your municipality have a ripple control in place that is operational? (Yes/No)	No Service
How much do you estimate is the cost saving in utilizing the ripple control system?	No Service
What is the frequency of meters being read? (per month, per year)	No Service
Are estimated consumption calculated at consumption over (two month's/three month's/longer period)	No Service
On average for how long does the municipality use estimates before reverting back to actual readings? (months)	No Service
Duration before availability of electricity is restored in cases of breakages (immediately/one day/two days/longer)	No Service
Are accounts normally calculated on actual readings? (Yes/no)	No Service
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	No Service
How long does it take to replace faulty meters? (days)	No Service
Do you have a plan to prevent illegal connections and prevention of electricity theft? (Yes/No)	No Service
How effective is the action plan in curbing line losses? (Good/Bad)	No Service
How soon does the municipality provide a quotation to a customer upon a written request? (days)	No Service
How long does the municipality takes to provide electricity service where existing infrastructure can be used? (working days)	No Service
How long does the municipality takes to provide electricity service for low voltage users where network extension is not required? (working days)	No Service
How long does the municipality takes to provide electricity service for high voltage users where network extension is not required? (working days)	No Service
<b>Sewerage Service</b>	
Are your purification system effective enough to put water back in to the system after purification?	No Service
To what extend do you subsidize your indigent consumers?	No Service
How long does it take to restore sewerage breakages on average	No Service
Severe overflow? (hours)	No Service
Sewer blocked pipes: Large pipes? (Hours)	No Service
Sewer blocked pipes: Small pipes? (Hours)	No Service
Spillage clean-up? (hours)	No Service
Replacement of manhole covers? (Hours)	No Service

# **OVERBERG DISTRICT MUNICIPALITY**



## **Medium Term Revenue and Expenditure Framework (MTREF) 2021/2022 - 2023-2024**

## **Procurement Plan 2021/2022**

**Draft Capital Demand / Procurement plan 2021/2022**

Directorate	Sub-Directorate	Project Name	Project Description	Start Date	End Date	Budget	UKEY	Draft tender specs	Draft RFO specs	3(three) Quotations	BSC	Advertisement on e-portal, website and/or media	Closing of tenders and/or RFO's	BEC	BAC	Appeal Period End Date	Completion Date	Budget 2022/23	Budget 2023/24
Corporate Services	Corporate Services	Installation of a power generator and UPS backup system for financial system	HQ Bredasdorp Main Building	2021/07/01	2023/02/01	750000.00		Jul 21	NA	NA	Aug 21	Aug 21	Oct 21	Oct 21	Oct 21	Nov 21	Feb 23	250000.00	0.00
Corporate Services	Information Services	Replacement of old and broken computer equipment	Purchase old and broken computer equipment for identified employees and councillors	2021/07/01	2024/03/01	500000.00		Jul 21	NA	NA	Aug 21	Aug 21	Oct 21	Oct 21	Oct 21	Nov 21	Mar 24	300000.00	200000.00
Finance	Financial Services	Acquisition of a small pick-up utility vehicle - Asset Management	pick-up utility vehicle for asset management (part of fleet)	2021/07/01	2022/01/30	250000.00		Jul 21	NA	NA	Aug 21	Aug 21	Oct 21	Oct 21	Oct 21	Nov 21	Jan 22	0.00	0.00
Community Services	Municipal Health	Fridges for storing samples	Procure 2 fridges for sample storage (Bredasdorp and Caledon)	2021/07/01	2022/03/31	18000.00		NA	NA	Oct 21	NA	NA	NA	NA	NA	NA	Mar 22	0.00	0.00
Community Services	Municipal Health	3 in 1 printer	Procure a 3 in 1 printer for the Kleinmond office	2021/07/01	2021/12/31	4000.00		NA	NA	Oct 21	NA	NA	NA	NA	NA	NA	Dec 21	0.00	0.00
Community Services	Environmental Management	Water back-up system for Karwyderskraal	Water back-up system for Karwyderskraal	2021/07/01	2022/06/30	255000.00		Jul 21	NA	NA	Aug 21	Aug 21	Oct 21	Oct 21	Oct 21	Nov 21	Jun 22	0.00	0.00
Community Services	Resorts	Wooden House	Uitenkroalsmond - Repair of Dune erosion adjacent to the chalet	2022/01/01	2022/06/30	57000.00		NA	Jan 22	NA	NA	Jan 22	Jan 22	NA	NA	Mar 22	Jun 22	0.00	0.00
Community Services	Resorts	Upgrading of bungalows - Uitenkroalsmond	Uitenkroalsmond - Upkeep of bungalows - age limit reached	2021/07/01	2024/06/30	304500.00		Jul 21	NA	NA	Aug 21	Aug 21	Oct 21	Oct 21	Oct 21	Nov 21	Jun 24	456750.00	304500.00
Community Services	Resorts	Equipment for bungalows and centralised office - Uitenkroalsmond	Purchasing of equipment for bungalows and centralised office - Uitenkroalsmond	2021/07/01	2022/06/30	50000.00		NA	Jul 21	NA	Aug 21	Aug 21	Sep 21	NA	NA	Oct 21	Jun 22	0.00	0.00
Community Services	Emergency Services	Rescue Equipment	Purchase rescue equipment to conduct daily emergency services activities	2021/07/01	2024/06/30	100000.00		NA	Aug 21	NA	Aug 21	Sep 21	Oct 21	Nov 21	Nov 21	Dec 21	Jun 24	180000.00	200000.00
Community Services	Emergency Services	Vehicle replacement	Replacement of a fire truck	2021/07/01	2024/06/30	2100000.00		NT Transversal tender in place	NA	NA	NA	NA	NA	NA	NA	NA	Jun 24	3200000.00	3000000.00
Community Services	Emergency Services	Vehicle upgrade / refurbishment	Vehicle upgrade / refurbishment	2021/07/01	2022/06/30	600000.00		Jul 21	NA	NA	Aug 21	Aug 21	Oct 21	Oct 21	Oct 21	Nov 21	Jun 22	0.00	0.00

# **OVERBERG DISTRICT MUNICIPALITY**



## **Medium Term Revenue and Expenditure Framework (MTREF) 2021/2022 - 2023-2024**

## **Budget Schedules 2021/2022**

DC3 Overberg - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand											
<b>REVENUE ITEMS:</b>											
<b>Property rates</b>											
Total Property Rates	6										
<i>Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)</i>											
Net Property Rates		-	-	-	-	-	-	-	-	-	
<b>Service charges - electricity revenue</b>											
Total Service charges - electricity revenue	6	15			412	200	200	200	747	704	765
<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>											
Net Service charges - electricity revenue		15	-	-	412	200	200	200	747	704	765
<b>Service charges - water revenue</b>											
Total Service charges - water revenue	6				6	6	6	6			
<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>											
Net Service charges - water revenue		-	-	-	6	6	6	6	-	-	-
<b>Service charges - sanitation revenue</b>											
Total Service charges - sanitation revenue											
<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		-	-	-	-	-	-	-	-	-	-
<b>Service charges - refuse revenue</b>											
Total refuse removal revenue	6										
Total landfill revenue		60	2 102	11 468	12 000	12 000	12 000	12 000	12 413	12 991	13 381
<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		60	2 102	11 468	12 000	12 000	12 000	12 000	12 413	12 991	13 381
<b>Other Revenue by source</b>											
Fuel Levy											
Other Revenue		5 160	4 310	9 254	109 629	7 468	7 468	7 468	8 170	9 579	10 263
Total 'Other' Revenue	1	5 160	4 310	9 254	109 629	7 468	7 468	7 468	8 170	9 579	10 263
<b>EXPENDITURE ITEMS:</b>											
<b>Employee related costs</b>											
Basic Salaries and Wages	2	62 278	69 130	75 645	87 343	76 478	76 478	76 478	89 173	84 371	87 312
Pension and UIF Contributions		9 727	11 055	12 084	14 265	14 265	14 265	14 265	14 863	15 803	16 344
Medical Aid Contributions		3 814	4 168	4 421	5 101	5 101	5 101	5 101	5 433	5 644	5 811
Overtime		2 455	2 768	2 723	2 050	1 980	1 980	1 980	2 075	2 190	2 251
Performance Bonus		-	-	-	188	188	188	188	194	197	202
Motor Vehicle Allowance		4 996	4 899	4 775	5 985	5 955	5 955	5 955	5 382	6 122	6 317
Cellphone Allowance		378	435	423	497	503	503	503	488	533	549
Housing Allowances		645	599	742	825	885	885	885	796	944	980
Other benefits and allowances		3 618	4 165	4 562	5 559	4 867	4 867	4 867	6 381	6 506	6 699
Payments in lieu of leave		835	1 520	2 033	1 520	1 520	1 520	1 520	450	469	490
Long service awards		379	274	618	518	711	711	711	741	772	806
Post-retirement benefit obligations	4	1 185	(3 762)	(2 196)	904	5 934	5 934	5 934	6 328	6 593	6 883
<i>sub-total</i>	5	90 308	95 249	105 831	124 756	118 387	118 387	118 387	132 303	130 145	134 644
<i>Less: Employees costs capitalised to PPE</i>											
		-	-	-	-	-	-	-	-	-	-
Total Employee related costs	1	90 308	95 249	105 831	124 756	118 387	118 387	118 387	132 303	130 145	134 644

<b>Depreciation &amp; asset impairment</b>										
Depreciation of Property, Plant & Equipment	4 653	3 558	3 568	3 576	3 576	3 576	3 576	4 614	4 808	5 019
Lease amortisation	-	-	-	-	-	-	-	-	-	-
Capital asset impairment	-	-	-	-	-	-	-	-	-	-
<b>Total Depreciation &amp; asset impairment</b>	<b>4 653</b>	<b>3 558</b>	<b>3 568</b>	<b>3 576</b>	<b>3 576</b>	<b>3 576</b>	<b>3 576</b>	<b>4 614</b>	<b>4 808</b>	<b>5 019</b>
<b>Bulk purchases - electricity</b>										
Electricity bulk purchases	-	-	-	-	-	-	-	400	420	440
<b>Total bulk purchases</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>400</b>	<b>420</b>	<b>440</b>
<b>Transfers and grants</b>										
Cash transfers and grants	120	360	-	401	680	680	680	250	-	-
Non-cash transfers and grants	-	-	-	-	-	-	-	-	-	-
<b>Total transfers and grants</b>	<b>120</b>	<b>360</b>	<b>-</b>	<b>401</b>	<b>680</b>	<b>680</b>	<b>680</b>	<b>250</b>	<b>-</b>	<b>-</b>
<b>Contracted services</b>										
Outsourced Services	-	-	-	-	-	-	-	-	-	-
Consultants and Professional Services	14 517	15 518	17 356	19 479	22 715	22 715	22 715	27 410	23 216	23 894
Contractors	-	-	-	-	-	-	-	-	-	-
<b>Total contracted services</b>	<b>14 517</b>	<b>15 518</b>	<b>17 356</b>	<b>19 479</b>	<b>22 715</b>	<b>22 715</b>	<b>22 715</b>	<b>27 410</b>	<b>23 216</b>	<b>23 894</b>
<b>Other Expenditure By Type</b>										
Collection costs	-	-	-	-	-	-	-	-	-	-
Contributions to 'other' provisions	-	-	-	-	-	-	-	-	-	-
Audit fees	2 535	3 064	3 323	3 316	3 710	3 710	3 710	3 000	3 126	3 264
Other Expenditure	18 766	22 410	25 088	27 619	29 986	29 986	29 986	30 774	31 646	33 034
<b>Total 'Other' Expenditure</b>	<b>21 300</b>	<b>25 474</b>	<b>28 411</b>	<b>30 935</b>	<b>33 697</b>	<b>33 697</b>	<b>33 697</b>	<b>33 774</b>	<b>34 772</b>	<b>36 297</b>
<b>by Expenditure Item</b>										
Employee related costs	-	-	-	-	-	-	-	-	-	-
Inventory Consumed	-	-	-	229	244	244	244	214	222	232
Contracted Services	4 832	5 781	8 306	8 592	9 672	9 672	9 672	12 094	8 814	9 202
Other Expenditure	747	179	244	26	34	34	34	23	24	25
<b>Total Repairs and Maintenance Expenditure</b>	<b>5 579</b>	<b>5 960</b>	<b>8 550</b>	<b>8 848</b>	<b>9 950</b>	<b>9 950</b>	<b>9 950</b>	<b>12 331</b>	<b>9 061</b>	<b>9 460</b>
<b>Inventory Consumed</b>										
Inventory Consumed - Water	-	-	-	-	-	-	-	-	-	-
Inventory Consumed - Other	43 286	48 585	42 327	42 932	65 819	65 819	65 819	44 869	41 859	43 698
<b>Total Inventory Consumed &amp; Other Material</b>	<b>43 286</b>	<b>48 585</b>	<b>42 327</b>	<b>42 932</b>	<b>65 819</b>	<b>65 819</b>	<b>65 819</b>	<b>44 869</b>	<b>41 859</b>	<b>43 698</b>

**DC3 Overberg - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)**

Description	Ref	Vote 1 - Municipal Manager	Vote 2 - Management Services	Vote 3 - Corporate Services	Vote 4 - Finance	Vote 5 - Community Services	Total
<b>R thousand</b>	1						
<b>Revenue By Source</b>							
Property rates		-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	747	747
Service charges - water revenue		-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-
Service charges - refuse revenue		-	-	-	-	12 413	12 413
Rental of facilities and equipment		-	-	29	-	11 815	11 844
Interest earned - external investments		-	-	-	2 144	-	2 144
Interest earned - outstanding debtors		-	-	-	-	256	256
Dividends received		-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-
Licences and permits		-	-	-	-	166	166
Agency services		11 436	-	-	-	-	11 436
Other revenue		-	-	-	83 713	110 851	194 564
Transfers and subsidies		774	-	0	116	7 279	8 170
Gains		13 485	-	-	-	-	13 485
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>25 695</b>	<b>-</b>	<b>29</b>	<b>85 973</b>	<b>143 527</b>	<b>255 224</b>
<b>Expenditure By Type</b>							
Employee related costs		7 778	-	7 750	16 203	100 572	132 303
Remuneration of councillors		6 548	-	-	-	-	6 548
Debt impairment		-	-	-	-	200	200
Depreciation & asset impairment		320	-	137	1 520	2 637	4 614
Finance charges		-	-	-	559	3 023	3 582
Bulk purchases - electricity		-	-	-	-	400	400
Inventory consumed		39	-	414	120	44 296	44 869
Contracted services		857	-	4 072	6 379	16 102	27 410
Transfers and subsidies		-	-	-	250	-	250
Other expenditure		1 200	-	4 308	4 795	23 471	33 774
Losses		-	-	-	-	-	-
<b>Total Expenditure</b>		<b>16 742</b>	<b>-</b>	<b>16 682</b>	<b>29 826</b>	<b>190 701</b>	<b>253 950</b>
<b>Surplus/(Deficit)</b>		<b>8 954</b>	<b>-</b>	<b>(16 652)</b>	<b>56 147</b>	<b>(47 174)</b>	<b>1 274</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>8 954</b>	<b>-</b>	<b>(16 652)</b>	<b>56 147</b>	<b>(47 174)</b>	<b>1 274</b>



DC3 Overberg - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>R thousand</b>											
<b>ASSETS</b>											
<b>Consumer debtors</b>											
Consumer debtors		3 216	4 135	8 968	1 414	2 968	4 041	4 041	4 041	4 041	4 041
Less: Provision for debt impairment		(119)	(181)	(325)	(181)	(517)	(517)	(517)	(717)	(917)	(1 117)
<b>Total Consumer debtors</b>	2	<b>3 097</b>	<b>3 954</b>	<b>8 642</b>	<b>1 233</b>	<b>2 451</b>	<b>3 525</b>	<b>3 525</b>	<b>3 325</b>	<b>3 125</b>	<b>2 925</b>
<b>Debt impairment provision</b>											
Balance at the beginning of the year		137	119	181	181	325	325	325	517	717	917
Contributions to the provision		15	61	145	-	191	191	191	200	200	200
Bad debts written off		(33)	-	-	-	-	-	-	-	-	-
<b>Balance at end of year</b>		<b>119</b>	<b>181</b>	<b>325</b>	<b>181</b>	<b>517</b>	<b>517</b>	<b>517</b>	<b>717</b>	<b>917</b>	<b>1 117</b>
<b>Closing balance - Agricultural</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Consumables</b>											
<b>Standard Rated</b>											
<b>Opening Balance</b>		<b>1 026</b>	<b>1 026</b>	<b>788</b>	<b>788</b>	<b>700</b>	<b>700</b>	<b>700</b>	<b>700</b>	<b>700</b>	<b>700</b>
Acquisitions		32 129	35 626	30 937	31 038	58 125	58 125	58 125	31 796	28 237	29 477
Issues	7	(32 129)	(35 864)	(31 025)	(31 038)	(58 125)	(58 125)	(58 125)	(31 796)	(28 237)	(29 477)
Adjustments	8										
Write-offs	9										
<b>Closing balance - Consumables Standard Rated</b>		<b>1 026</b>	<b>788</b>	<b>700</b>	<b>788</b>	<b>700</b>	<b>700</b>	<b>700</b>	<b>700</b>	<b>700</b>	<b>700</b>
<b>Zero Rated</b>											
<b>Opening Balance</b>											
Acquisitions		11 157	12 721	11 302	11 894	7 694	7 694	7 694	13 073	13 622	14 222
Issues	7	(11 157)	(12 721)	(11 302)	(11 894)	(7 694)	(7 694)	(7 694)	(13 073)	(13 622)	(14 222)
Adjustments	8										
Write-offs	9										
<b>Closing Balance - Inventory &amp; Consumables</b>		<b>1 026</b>	<b>788</b>	<b>700</b>	<b>788</b>	<b>700</b>	<b>700</b>	<b>700</b>	<b>700</b>	<b>700</b>	<b>700</b>
<b>Property, plant and equipment (PPE)</b>											
PPE at cost/valuation (excl. finance leases)		80 833	98 725	99 221	122 648	103 063	102 995	102 995	107 983	123 889	129 669
Leases recognised as PPE		4 427	2 074	2 074	2 074	2 074	2 074	2 074	2 074	2 074	2 074
Less: Accumulated depreciation		37 757	33 018	35 385	42 006	38 784	38 784	38 784	43 380	48 168	53 165
<b>Total Property, plant and equipment (PPE)</b>	2	<b>47 502</b>	<b>67 782</b>	<b>65 911</b>	<b>82 716</b>	<b>66 353</b>	<b>66 285</b>	<b>66 285</b>	<b>66 678</b>	<b>77 796</b>	<b>78 578</b>
<b>LIABILITIES</b>											
<b>Current liabilities - Borrowing</b>											
Short term loans (other than bank overdraft)		-	-	-	-	-	-	-	-	-	-
Current portion of long-term liabilities		2 556	2 872	2 949	3 296	3 296	3 296	3 296	3 684	4 120	4 593
<b>Total Current liabilities - Borrowing</b>		<b>2 556</b>	<b>2 872</b>	<b>2 949</b>	<b>3 296</b>	<b>3 296</b>	<b>3 296</b>	<b>3 296</b>	<b>3 684</b>	<b>4 120</b>	<b>4 593</b>
<b>Trade and other payables</b>											
Trade Payables	5	2 640	3 221	2 829	3 116	2 829	2 829	2 829	2 829	2 829	2 829
Other creditors		14 843	8 582	7 136	8 582	7 484	7 484	7 484	7 484	7 484	7 484
Unspent conditional transfers		2 189	4 332	7 484	1 261	3 717	3 717	3 717	3 717	3 717	3 717
VAT		-	1 060	2 634	852	2 634	2 634	2 634	2 634	2 634	2 634
<b>Total Trade and other payables</b>	2	<b>19 672</b>	<b>17 194</b>	<b>20 084</b>	<b>13 811</b>	<b>16 664</b>	<b>16 664</b>	<b>16 664</b>	<b>16 664</b>	<b>16 664</b>	<b>16 664</b>
<b>Non current liabilities - Borrowing</b>											
Borrowing	4	104	25 161	22 211	18 916	18 916	18 916	18 916	15 232	11 112	6 519
Finance leases (including PPP asset element)		154	-	-	-	-	-	-	-	-	-
<b>Total Non current liabilities - Borrowing</b>		<b>258</b>	<b>25 161</b>	<b>22 211</b>	<b>18 916</b>	<b>18 916</b>	<b>18 916</b>	<b>18 916</b>	<b>15 232</b>	<b>11 112</b>	<b>6 519</b>
<b>Provisions - non-current</b>											
Retirement benefits		57 649	51 479	46 622	56 224	48 769	48 990	48 990	51 440	54 011	56 712
Refuse landfill site rehabilitation		2 816	4 494	2 600	36 882	2 596	2 860	2 860	3 147	3 461	3 807
Other		-	-	-	-	-	-	-	-	-	-
<b>Total Provisions - non-current</b>		<b>60 465</b>	<b>55 972</b>	<b>49 222</b>	<b>93 106</b>	<b>51 365</b>	<b>51 850</b>	<b>51 850</b>	<b>54 586</b>	<b>57 473</b>	<b>60 519</b>
<b>CHANGES IN NET ASSETS</b>											
<b>Accumulated Surplus/(Deficit)</b>											
Accumulated Surplus/(Deficit) - opening balance		20 609	37 631	38 251	18 777	46 310	44 318	44 318	38 605	39 879	40 796
GRAP adjustments		19 699	-	-	-	-	-	-	-	-	-
Restated balance		40 309	37 631	38 251	18 777	46 310	44 318	44 318	38 605	39 879	40 796
Surplus/(Deficit)		(2 678)	621	6 067	(666)	3 707	3 707	3 707	1 274	917	342
Transfers to/from Reserves							(9 420)	(9 420)			
Depreciation offsets											
Other adjustments											
<b>Accumulated Surplus/(Deficit)</b>	1	<b>37 631</b>	<b>38 251</b>	<b>44 318</b>	<b>18 111</b>	<b>50 018</b>	<b>38 605</b>	<b>38 605</b>	<b>39 879</b>	<b>40 796</b>	<b>41 138</b>
<b>Reserves</b>											
Housing Development Fund											
Capital replacement							9 420	9 420	9 420	9 420	9 420
Self-insurance											
Other reserves											
Revaluation											
<b>Total Reserves</b>	2	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9 420</b>	<b>9 420</b>	<b>9 420</b>	<b>9 420</b>	<b>9 420</b>
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>37 631</b>	<b>38 251</b>	<b>44 318</b>	<b>18 111</b>	<b>50 018</b>	<b>48 025</b>	<b>48 025</b>	<b>49 299</b>	<b>50 216</b>	<b>50 558</b>

DC3 Overberg - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Good governance and Community Participation	To ensure good governance practices by providing a democratic and pro-active accountable government and ensuring community participation through existing IDP structures	A		11 402	10 481	10 533	20 748	21 297	21 297	25 695	13 657	14 213
Basic Services and Infrastructure	To ensure health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure in terms of disaster management, Municipal Health, Environmental Management and Roads			85 567	99 557	111 706	120 160	133 989	133 989	128 870	130 171	135 912
Local Economic Development	To promote Local economic development by supporting initiatives in the District for the development of a sustainable economy.			15 843	16 313	15 651	16 791	14 485	14 485	16 980	16 150	16 495
Financial Viability	To attain and maintain financial viability and sustainability by executing accounting services in accordance with National Policy and guidelines			67 746	76 130	76 297	81 430	88 927	88 927	83 650	86 238	87 708
Municipal Transformation & Institutional Development	To ensure Municipal Trnsformation & Institutional Development by creating a staff structure that would adhere to the proniciples of employment equity and promote skills development			28	25	48	64	64	64	29	30	32
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	180 586	202 504	214 236	239 192	258 762	258 762	255 224	246 246	254 360

DC3 Overberg - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24	
Good governance and Community Participation	To ensure good governance practices by providing a democratic and pro-active accountable government and	A		14 915	14 169	14 132	16 650	16 607	16 607	16 742	16 278	16 728	
Basic Services and Infrastructure	To ensure health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure in	B		121 494	142 352	149 035	163 766	178 079	178 079	171 327	169 712	176 185	
Local Economic Development	To promote Local economic development by supporting initiatives in the District for the development of a sustainable	C		18 584	18 238	16 825	16 810	17 252	17 252	16 875	15 625	16 204	
Financial Viability	To attain and maintain financial viability and sustainability by executing accounting services in accordance with National Policy	D		19 193	16 185	15 093	24 872	25 290	25 290	27 864	26 550	27 191	
Municipal Transformation & Institutional Development	To ensure Municipal Trnsformation & Institutional Development by creating a staff structure that would adhere to the	E		9 077	10 940	13 085	17 760	17 827	17 827	21 143	17 164	17 710	
Allocations to other priorities													
<b>Total Expenditure</b>				1	183 264	201 884	208 170	239 858	255 054	255 054	253 950	245 330	254 018

DC3 Overberg - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand												
Good governance and Community Participation	To ensure good governance practices by providing a democratic and pro-active accountable government and	A		36	11	-	40	240	240	-	-	-
Basic Services and Infrastructure	To ensure health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure in	B		4 156	36 271	2 459	4 900	3 805	3 805	3 077	11 739	5 275
Local Economic Development	To promote Local economic development by supporting initiatives in the District for the development of a sustainable	C		265	364	119	200	394	394	412	827	305
Financial Viability	To attain and maintain financial viability and sustainability by executing accounting services in accordance with National Policy	D		779	32	19	3 100	80	80	250	-	-
Municipal Transformation & Institutional Development	To ensure Municipal Trnsformation & Institutional Development by creating a staff structure that would adhere to the	E		95	303	403	225	225	225	1 250	3 341	200
		F										
Allocations to other priorities			3									
Total Capital Expenditure			1	5 332	36 982	3 001	8 465	4 744	4 744	4 989	15 906	5 780

Choose name from list - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>Vote 1 - Municipal Manager</b>										
<b>Function 1 - (name)</b>										
<b>Executive</b>										
People from employment equity target groups employed	Number of people employed		1	1	1	1	1	1		
<b>Executive Support</b>										
<b>Internal Audit</b>										
Develop a Risk-based Audit Plan (RBAP) for 2020/2021	Annual RBAP developed and	1	1	1	1	1	1	1	1	1
Execute audit projects in terms of the Risk Base Audit P	Number of audits executed		18	16	18	18	18	18	18	18
<b>IDP &amp; Communication</b>										
Coordinate IDP and Public Participation & Communica	Number engagements				1	1	1	2	2	2
Publishing of External Newsletters bi-annually to Stakeh	Number of external	2	2	2	2	2	2	2	2	2
<b>Performance &amp; Risk Management</b>										
Prepare Top Layer Service Delivery budget implementa	Top Layer SDBIP submitted	1	1	1	1	1	1	1	1	1
Review annually the TL SDBIP to inform Council should	SDBIP reviewed by January			1	1	1	1	1	1	1
Submit the Annual Performance Report to the AG by Au	Annual Performance Report s			1	1	1	1	1	1	1
<b>Shared Services</b>										
Report quarterly to the DCFTech on the Shared Service	Number of reports submitted			4	4	4	4	4	4	4
<b>Vote 2- Management Services</b>										
<b>Vote 3 - Corporate Services</b>										
<b>Human Resources</b>										
Compile and submit WSP to LGSETA by April	WSP submitted	1	1	1	1	1	1	1	1	1
Coordinate health & safety evacuation drills at ODM wor	Number of drills coordinated		2	2	2	2	2	2	2	2
Percentage of Municipal budget actually spend on the in	% of budget spent on the		0.23%	0.02%	0.05%	0.04%	0.04%	?		
<b>Corporate Support</b>										
<b>Committee, Records &amp; Councillor Support</b>										
<b>ICT</b>										
<b>Vote 4 - Finance</b>										
<b>Executive</b>										
Measured financial viability in terms of the municipality's	The number of times the		16.99	6.81	8.90	8.90	8.90	6	6	6
Measured financial viability in terms of the available cas	Number of months Cash		2.17	2.18	2	2	2	2	2	2
Measured financial viability in terms of percentage outst	% Outstanding service	8.24%	19.26%	31.00%	14.00%	31.00%	31.00%	31.00%	31.00%	31.00%
Report on Percentage Capital budget actually spend on	% of capital budget actually	88.00%	119.29%	53.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%
<b>Financial Support</b>										
Report to the Audit and Performance Audit Committee o	Number of quarterly reports				1	1	1	1	1	1
<b>Revenue</b>										
<b>Expenditure</b>										
<b>Supply Chain Management</b>										
Report bi-annually to Council on the performance of ser	Number of reports submitted		2	2	2	2	2	2	2	2
Invite service providers to register on the suppliers data	Invitation placed in local		1	1	1	1	1	1	1	1
<b>Vote 5 - Community Services</b>										
<b>Executive</b>										
<b>Community Services Support</b>										
<b>Municipal Health</b>										
Take domestic drinking water samples in towns and con	Number of samples taken	474	543	434	400	400	400	300	300	300
Take food samples to monitor the quality of Food ito the	Number of samples taken	389	386	407	400	400	400	400	400	400
Take water sample at Sewerage Final Outflow to monit	Number of samples taken	130	144	169	120	115	115	160	160	160
<b>Comprehensive Health</b>										
<b>Environmental Management</b>										
Report quarterly to the Community Services Portfolio Co	Number of reports submitted	4	3	4	4	4	4	4	4	4
Create temporary job opportunities through the alien veg	Number of job opportunities		44	22	25	25	25	25	25	25
Report quarterly to CS Portfolio Committee on the activi	Number of reports							4	4	4
Revise the District SDF by June	Revised SDF				1	0	0	1		
<b>Solid Waste</b>										
Report annually to the Community Portfolio Committee c	Report submitted to the				1	1	1	1	1	1
Report quarterly to the Community Portfolio Committee c	Number of reports submitted	4	3	4	4	4	4	4	4	4
<b>Emergency Services</b>										
Table the revised Disaster Risk Management Plan to Co	Revised Disaster	1	1	1	1	1	1	1	1	1
Table to Council the revised Disaster Management Fran	Revised Disaster	1	1	1	1	1	1	1	1	1
Revised annually the Safer Communities Project Plan at	Revised Safer Community	1	1	1	1	1	1	1	1	1
Present annually the Revised Festive and Fire Season F	Revised Festive and Season	1	1	1	1	1	1	1	1	1
Report quarterly to the DCF Tech on current disaster ris	Number of current risk		4	4	4	4	4	4	4	4
Facilitate integrated fire management sessions with land	Number of sessions			5	8	6	6	4	4	4
<b>LED, Tourism, Resorts &amp; EPWP</b>					4	4	4	4	4	4
Report quarterly on the progress of planned deliverables	Number of progress reports							2		
Create temporary job opportunities through the municipa	Number of temporary created	238	743	138	58	58	58	?		

<b>Roads</b>										
Upgrade of roads to permanent surface	Number of kilometers road upgraded per annum	5.02	3.32	3.72	4.50	0.00	0.00	1.32		
Kilometers of gravel roads to be regavelled	Number of kilometers road regavelled per annum	34.84	50.22	37.01	48.83	48.83	48.83	59.16		
Kilometers of gravel roads to be bladed	Number of kilometers roads	6284.38	6812.49	5822.42	6500	6500	6500	6500	6000	6000
Kilometers of roads reseal	Number of kilometers of road				28.30	28.19	28.19	13.17		
Submit annually a business plan for provincial roads bud	Annual business plan	1	1	1	1	1	1	1	1	1
<b>Social services</b>										
Report quarterly on progress ito Social Development	Number of reports tabled				2	2	2	4	4	4
Report on the progress made on of the establishment	Number of reports tabled							2		

DC3 Overberg - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>Borrowing Management</b>											
Credit Rating		N/A	N/A	N/A	N/A	N/A	N/A	N/A			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2.2%	2.1%	3.2%	5.8%	2.6%	2.6%	2.6%	2.7%	2.8%	2.8%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	11.7%	12.3%	15.3%	9.0%	12.4%	12.4%	12.4%	11.3%	13.6%	13.5%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	80.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Safety of Capital</b>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	200.8%	200.8%	161.7%	118.0%	69.2%
<b>Liquidity</b>											
Current Ratio	Current assets/current liabilities	1.4	1.5	1.5	1.2	1.4	1.6	1.6	1.5	1.2	1.1
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.4	1.5	1.5	1.2	1.4	1.6	1.6	1.5	1.2	1.1
Liquidity Ratio	Monetary Assets/Current Liabilities	1.1	1.2	1.0	1.1	1.2	1.2	1.2	1.2	0.8	0.8
<b>Revenue Management</b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		97.4%	72.5%	84.8%	96.6%	116.2%	116.2%	116.2%	100.0%	100.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		97.4%	72.5%	84.8%	96.6%	116.2%	116.2%	116.2%	100.0%	100.0%	100.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	18.2%	15.8%	17.2%	13.1%	12.7%	12.7%	12.7%	12.9%	13.8%	13.7%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Creditors Management</b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		7.2%	8.4%	7.7%	9.3%	6.8%	6.8%	6.8%	6.7%	9.1%	9.6%
<b>Other Indicators</b>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Total Cost of Losses (Rand '000)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	% Volume (units purchased and generated less units sold)/units purchased and generated	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Water Distribution Losses (2)	Total Volume Losses (kℓ)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Total Cost of Losses (Rand '000)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	% Volume (units purchased and generated less units sold)/units purchased and generated	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Employee costs	Employee costs/(Total Revenue - capital revenue)	50.3%	47.4%	49.6%	52.6%	46.4%	46.4%	46.4%	51.8%	52.9%	52.9%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	53.7%	50.5%	52.5%	55.3%	48.9%	48.9%	48.9%	54.4%	55.6%	55.6%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	3.1%	3.0%	4.0%	3.7%	3.9%	3.9%	3.9%	4.8%	3.7%	3.7%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	4.2%	2.6%	3.5%	6.2%	2.8%	2.8%	2.8%	3.2%	3.3%	3.2%
<b>IDP regulation financial viability indicators</b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	7.6	7.2	9.0	31.9	31.9	31.9	9.4	9.8	7.6	7.8
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	61.9%	58.6%	79.0%	10.6%	16.7%	56.2%	56.2%	49.2%	46.9%	45.2%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	3.2	3.1	2.8	2.1	2.6	2.6	2.6	2.5	2.0	1.8



DC3 Overberg - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2017/18	2018/19	2019/20	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
<b>Demographics</b>												
Population			204	213	258			294	306	311		
Females aged 5 - 14			18		19			23	24	25		
Males aged 5 - 14			18		20			23	24	27		
Females aged 15 - 34			35		42			54	57	60		
Males aged 15 - 34			42		45			55	58	59		
Unemployment				17				28	30	31		
<b>Monthly household income (no. of households)</b>												
No income	1, 12								13	14		
R1 - R1 600									20	21		
R1 601 - R3 200									20	21		
R3 201 - R6 400									25	24		
R6 401 - R12 800									13	12		
R12 801 - R25 600									5	5		
R25 601 - R51 200									2	1		
R52 201 - R102 400									1	1		
R102 401 - R204 800									1	1		
R204 801 - R409 600									-	-		
R409 601 - R819 200									-	-		
> R819 200												
<b>Poverty profiles (no. of households)</b>												
< R2 060 per household per month	13											
Insert description	2											
<b>Household/demographics (000)</b>												
Number of people in municipal area												
Number of poor people in municipal area												
Number of households in municipal area												
Number of poor households in municipal area												
Definition of poor household (R per month)												
<b>Housing statistics</b>												
Formal	3											
Informal												
<b>Total number of households</b>			-	-	-	-	-	-	-	-	-	-
Dwellings provided by municipality	4											
Dwellings provided by province/s												
Dwellings provided by private sector	5											
<b>Total new housing dwellings</b>			-	-	-	-	-	-	-	-	-	-
<b>Economic</b>												
Inflation/inflation outlook (CPIX)	6											
Interest rate - borrowing												
Interest rate - investment												
Remuneration increases												
Consumption growth (electricity)												
Consumption growth (water)												
<b>Collection rates</b>												
Property tax/service charges	7											
Rental of facilities & equipment												
Interest - external investments												
Interest - debtors												
Revenue from agency services												

DC3 Overberg Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>Funding measures</b>												
Cash/cash equivalents at the year end - R'000	18(1)b	1	36 715	38 448	36 647	33 534	41 306	41 306	41 306	42 115	31 048	29 560
Cash + investments at the yr end less applications - R'000	18(1)b	2	39 636	55 065	44 706	50 451	57 326	45 267	50 179	41 326	34 928	33 608
Cash year end/monthly employee/supplier payments	18(1)b	3	3.2	3.1	2.8	2.1	2.6	2.6	2.6	2.5	2.0	1.8
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(2 678)	621	6 067	(666)	3 707	3 707	3 707	1 274	917	342
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	2706.5%	439.4%	2.3%	(7.7%)	(6.0%)	(6.0%)	1.8%	(1.9%)	(2.7%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	73.6%	110.6%	76.5%	101.3%	113.9%	113.9%	113.9%	98.1%	96.8%	97.0%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	19.7%	98.3%	1.3%	3.2%	1.6%	1.6%	1.6%	1.5%	1.5%	1.4%
Capital payments % of capital expenditure	18(1)c;19	8	100.0%	66.4%	100.0%	100.0%	99.9%	99.9%	99.9%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	80.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	3.6%	75.1%	(85.5%)	49.5%	236.4%	0.0%	219.5%	(1.6%)	(1.7%)
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	(6.1%)	(12.1%)	49.7%	0.0%	(31.5%)	0.0%	(27.7%)	6.0%	5.5%
R&M % of Property Plant & Equipment	20(1)(vi)	13	11.7%	8.8%	13.0%	10.7%	15.0%	15.0%	18.6%	18.5%	11.6%	12.0%
Asset renewal % of capital budget	20(1)(vi)	14	43.8%	32.1%	21.4%	2.8%	5.1%	5.1%	0.0%	11.0%	22.6%	3.5%

DC3 Overberg - Supporting Table SA11 Property rates summary

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>Valuation:</b>	1									
Date of valuation:										
Financial year valuation used										
Municipal by-laws s6 in place? (Y/N)	2									
Municipal/assistant valuer appointed? (Y/N)										
Municipal partnership s38 used? (Y/N)										
No. of assistant valuers (FTE)	3									
No. of data collectors (FTE)	3									
No. of internal valuers (FTE)	3									
No. of external valuers (FTE)	3									
No. of additional valuers (FTE)	4									
Valuation appeal board established? (Y/N)										
Implementation time of new valuation roll (mths)										
No. of properties	5									
No. of sectional title values	5									
No. of unreasonably difficult properties s7(2)										
No. of supplementary valuations										
No. of valuation roll amendments										
No. of objections by rate payers										
No. of appeals by rate payers										
No. of successful objections	8									
No. of successful objections > 10%	8									
Supplementary valuation										
Public service infrastructure value (Rm)	5									
Municipality owned property value (Rm)										
<b>Valuation reductions:</b>										
Valuation reductions-public infrastructure (Rm)										
Valuation reductions-nature reserves/park (Rm)										
Valuation reductions-mineral rights (Rm)										
Valuation reductions-R15,000 threshold (Rm)										
Valuation reductions-public worship (Rm)										
Valuation reductions-other (Rm)										
<b>Total valuation reductions:</b>		-	-	-	-	-	-	-	-	-
Total value used for rating (Rm)	5									
Total land value (Rm)	5									
Total value of improvements (Rm)	5									
Total market value (Rm)	5									
<b>Rating:</b>										
Residential rate used to determine rate for other categories? (Y/N)										
Differential rates used? (Y/N)	5									
Limit on annual rate increase (s20)? (Y/N)										
Special rating area used? (Y/N)										
Phasing-in properties s21 (number)										
Rates policy accompanying budget? (Y/N)										
Fixed amount minimum value (R'000)										
Non-residential prescribed ratio s19? (%)										
<b>Rate revenue:</b>										
Rate revenue budget (R'000)	6									
Rate revenue expected to collect (R'000)	6									
Expected cash collection rate (%)										
Special rating areas (R'000)	7									
Rebates, exemptions - indigent (R'000)										
Rebates, exemptions - pensioners (R'000)										
Rebates, exemptions - bona fide farm. (R'000)										
Rebates, exemptions - other (R'000)										
Phase-in reductions/discounts (R'000)										
<b>Total rebates, exemptns, reductns, discs (R'000)</b>		-	-	-	-	-	-	-	-	-

DC3 Overberg - Supporting Table SA12a Property rates by category (current year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.	
<b>Current Year 2020/21</b>																		
<b>Valuation:</b>																		
No. of properties																		
No. of sectional title property values																		
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	5																	
No. of successful objections > 10%	5																	
Estimated no. of properties not valued																		
Years since last valuation (select)																		
Frequency of valuation (select)																		
Method of valuation used (select)																		
Base of valuation (select)																		
Phasing-in properties s21 (number)																		
Combination of rating types used? (Y/N)																		
Flat rate used? (Y/N)																		
Is balance rated by uniform rate/variable rate?																		
<b>Valuation reductions:</b>																		
Valuation reductions-public infrastructure (Rm)																		
Valuation reductions-nature reserves/park (Rm)																		
Valuation reductions-mineral rights (Rm)																		
Valuation reductions-R15,000 threshold (Rm)																		
Valuation reductions-public worship (Rm)																		
Valuation reductions-other (Rm)	2																	
<b>Total valuation reductions:</b>																		
Total value used for rating (Rm)	6																	
Total land value (Rm)	6																	
Total value of improvements (Rm)	6																	
Total market value (Rm)	6																	
<b>Rating:</b>																		
Average rate	3																	
Rate revenue budget (R'000)																		
Rate revenue expected to collect (R'000)																		
Expected cash collection rate (%)	4																	
Special rating areas (R'000)																		
Rebates, exemptions - indigent (R'000)																		
Rebates, exemptions - pensioners (R'000)																		
Rebates, exemptions - bona fide farm. (R'000)																		
Rebates, exemptions - other (R'000)																		
Phase-in reductions/discounts (R'000)																		
<b>Total rebates,exemptns,eductns,discs (R'000)</b>																		

DC3 Overberg - Supporting Table SA12b Property rates by category (budget year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.	
<b>Budget Year 2021/22</b>																		
<b>Valuation:</b>																		
No. of properties																		
No. of sectional title property values																		
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	5																	
No. of successful objections > 10%	5																	
Estimated no. of properties not valued																		
Years since last valuation ( <b>select</b> )																		
Frequency of valuation ( <b>select</b> )																		
Method of valuation used ( <b>select</b> )																		
Base of valuation ( <b>select</b> )																		
Phasing-in properties s21 (number)																		
Combination of rating types used? (Y/N)																		
Flat rate used? (Y/N)																		
Is balance rated by uniform rate/variable rate?																		
<b>Valuation reductions:</b>																		
Valuation reductions-public infrastructure (Rm)																		
Valuation reductions-nature reserves/park (Rm)																		
Valuation reductions-mineral rights (Rm)																		
Valuation reductions-R15,000 threshold (Rm)																		
Valuation reductions-public worship (Rm)																		
Valuation reductions-other (Rm)	2																	
<b>Total valuation reductions:</b>																		
Total value used for rating (Rm)	6																	
Total land value (Rm)	6																	
Total value of improvements (Rm)	6																	
Total market value (Rm)	6																	
<b>Rating:</b>																		
Average rate	3																	
Rate revenue budget (R'000)																		
Rate revenue expected to collect (R'000)																		
Expected cash collection rate (%)	4																	
Special rating areas (R'000)																		
Rebates, exemptions - indigent (R'000)																		
Rebates, exemptions - pensioners (R'000)																		
Rebates, exemptions - bona fide farm. (R'000)																		
Rebates, exemptions - other (R'000)																		
Phase-in reductions/discounts (R'000)																		
<b>Total rebates,exemptns,eductns,discs (R'000)</b>																		

DC3 Overberg - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2017/18	2018/19	2019/20	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
							Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>Property rates (rate in the Rand)</b>	1								
Residential properties									
Residential properties - vacant land									
Formal/informal settlements									
Small holdings									
Farm properties - used									
Farm properties - not used									
Industrial properties									
Business and commercial properties									
Communal land - residential									
Communal land - small holdings									
Communal land - farm property									
Communal land - business and commercial									
Communal land - other									
State-owned properties									
Municipal properties									
Public service infrastructure									
Privately owned towns serviced by the owner									
State trust land									
Restitution and redistribution properties									
Protected areas									
National monuments properties									
<b>Exemptions, reductions and rebates (Rands)</b>									
<b>Residential properties</b>									
R15 000 threshold rebate			15 000	15 000	15 000	15 000	15 000	15 000	15 000
General residential rebate									
Indigent rebate or exemption									
Pensioners/social grants rebate or exemption									
Temporary relief rebate or exemption									
Bona fide farmers rebate or exemption									
<b>Other rebates or exemptions</b>	2								
<b>Water tariffs</b>									
<b>Domestic</b>									
Basic charge/ fixed fee (Rands/month)									
Service point - vacant land (Rands/month)									
Water usage - flat rate tariff (c/k)									
Water usage - life line tariff		(describe structure)							
Water usage - Block 1 (c/k)		(fill in thresholds)							
Water usage - Block 2 (c/k)		(fill in thresholds)							
Water usage - Block 3 (c/k)		(fill in thresholds)							
Water usage - Block 4 (c/k)		(fill in thresholds)							
<b>Other</b>	2								
<b>Waste water tariffs</b>									
<b>Domestic</b>									
Basic charge/ fixed fee (Rands/month)									
Service point - vacant land (Rands/month)									
Waste water - flat rate tariff (c/k)									
Volumetric charge - Block 1 (c/k)		(fill in structure)							
Volumetric charge - Block 2 (c/k)		(fill in structure)							
Volumetric charge - Block 3 (c/k)		(fill in structure)							
Volumetric charge - Block 4 (c/k)		(fill in structure)							
<b>Other</b>	2								
<b>Electricity tariffs</b>									
<b>Domestic</b>									
Basic charge/ fixed fee (Rands/month)									
Service point - vacant land (Rands/month)									
FBE		(how is this targeted?)							
Life-line tariff - meter		(describe structure)							
Life-line tariff - prepaid		(describe structure)							
Flat rate tariff - meter (c/kwh)									
Flat rate tariff - prepaid (c/kwh)									
Meter - IBT Block 1 (c/kwh)		(fill in thresholds)							
Meter - IBT Block 2 (c/kwh)		(fill in thresholds)							
Meter - IBT Block 3 (c/kwh)		(fill in thresholds)							
Meter - IBT Block 4 (c/kwh)		(fill in thresholds)							
Meter - IBT Block 5 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 1 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 2 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 3 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 4 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 5 (c/kwh)		(fill in thresholds)							
<b>Other</b>	2								
<b>Waste management tariffs</b>									
<b>Domestic</b>									
Street cleaning charge									
Basic charge/ fixed fee									
80l bin - once a week									
250l bin - once a week									

DC3 Overberg - Supporting Table SA13b Service Tariffs by category - explanatory

Description	Ref	Provide description of tariff structure where appropriate	2017/18	2018/19	2019/20	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
							Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>Exemptions, reductions and rebates (Rands)</b> <i>(Insert lines as applicable)</i>									
<b>Water tariffs</b> <i>(Insert blocks as applicable)</i>		(fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds)							
<b>Waste water tariffs</b> <i>(Insert blocks as applicable)</i>		(fill in structure) (fill in structure) (fill in structure) (fill in structure) (fill in structure) (fill in structure) (fill in structure)							
<b>Electricity tariffs</b> <i>(Insert blocks as applicable)</i>		(fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds)							

DC3 Overberg - Supporting Table SA14 Household bills

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22 % incr.	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>Rand/cent</b>											
<b>Monthly Account for Household - 'Middle Income Range'</b>	1										
<b>Rates and services charges:</b>											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal											
Other											
<b>sub-total</b>		-	-	-	-	-	-	-	-	-	-
VAT on Services											
<b>Total large household bill:</b>		-	-	-	-	-	-	-	-	-	-
<b>% increase/-decrease</b>			-	-	-	-	-	-	-	-	-
<b>Monthly Account for Household - 'Affordable Range'</b>	2										
<b>Rates and services charges:</b>											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal											
Other											
<b>sub-total</b>		-	-	-	-	-	-	-	-	-	-
VAT on Services											
<b>Total small household bill:</b>		-	-	-	-	-	-	-	-	-	-
<b>% increase/-decrease</b>			-	-	-	-	-	-	-	-	-
<b>Monthly Account for Household - 'Indigent' Household receiving free basic services</b>	3										
<b>Rates and services charges:</b>											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal											
Other											
<b>sub-total</b>		-	-	-	-	-	-	-	-	-	-
VAT on Services											
<b>Total small household bill:</b>		-	-	-	-	-	-	-	-	-	-
<b>% increase/-decrease</b>			-	-	-	-	-	-	-	-	-



DC3 Overberg - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>R thousand</b>										
<b>Parent municipality</b>										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank					20 000	20 000	20 000	20 000	20 000	20 000
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
<b>Municipality sub-total</b>	1	-	-	-	20 000	20 000	20 000	20 000	20 000	20 000
<b>Entities</b>										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
<b>Entities sub-total</b>		-	-	-	-	-	-	-	-	-
<b>Consolidated total:</b>		-	-	-	20 000	20 000	20 000	20 000	20 000	20 000

DC3 Overberg - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
		Yrs/Months												
<b>Parent municipality</b>														
Short term investments Banks										20 000	-	-	-	20 000
														-
														-
														-
														-
														-
<b>Municipality sub-total</b>										20 000		-	-	20 000
<b>Entities</b>														
														-
														-
														-
														-
														-
<b>Entities sub-total</b>										-		-	-	-
<b>TOTAL INVESTMENTS AND INTEREST</b>	1									20 000		-	-	20 000

**DC3 Overberg - Supporting Table SA17 Borrowing**

Borrowing - Categorised by type	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>R thousand</b>										
<b>Parent municipality</b>										
Annuity and Bullet Loans		104	25 161	22 211	18 916	18 916	18 916	15 232	11 112	6 519
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		154	-	-	-	-	-	-	-	-
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
<b>Municipality sub-total</b>	1	<b>258</b>	<b>25 161</b>	<b>22 211</b>	<b>18 916</b>	<b>18 916</b>	<b>18 916</b>	<b>15 232</b>	<b>11 112</b>	<b>6 519</b>
<b>Entities</b>										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
<b>Entities sub-total</b>	1	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Borrowing</b>	1	<b>258</b>	<b>25 161</b>	<b>22 211</b>	<b>18 916</b>	<b>18 916</b>	<b>18 916</b>	<b>15 232</b>	<b>11 112</b>	<b>6 519</b>
<b>Unspent Borrowing - Categorised by type</b>										
<b>Parent municipality</b>										
Long-Term Loans (annuity/reducing balance)					12	4 912	4 912	4 912	12	12
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
<b>Municipality sub-total</b>	1	<b>-</b>	<b>-</b>	<b>-</b>	<b>12</b>	<b>4 912</b>	<b>4 912</b>	<b>4 912</b>	<b>12</b>	<b>12</b>
<b>Entities</b>										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
<b>Entities sub-total</b>	1	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Unspent Borrowing</b>	1	<b>-</b>	<b>-</b>	<b>-</b>	<b>12</b>	<b>4 912</b>	<b>4 912</b>	<b>4 912</b>	<b>12</b>	<b>12</b>

DC3 Overberg - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		62 321	72 676	76 939	79 494	82 406	82 406	82 136	83 826	85 193
Local Government Equitable Share		57 286	67 902	71 776	74 636	77 548	77 548	77 375	79 984	81 348
Finance Management		1 250	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000
EPWP Incentive		1 142	1 125	1 243	1 188	1 188	1 188	1 053	-	-
Rural Roads Asset Management Grant		2 643	2 649	2 807	2 670	2 670	2 670	2 708	2 842	2 845
Municipal Disaster Relief Grant		-	-	113						
Other transfers/grants [insert description]										
<b>Provincial Government:</b>		82 704	95 381	97 493	1 389	118 064	118 064	112 428	111 484	116 388
PT - PAWK		81 191	93 654	94 629	-	115 907	115 907	109 595	108 781	113 763
Seta		137	202	204	-	-	-			
Health Subsidy		164	162	159	200	200	200	203	211	221
Financial Management Grant		-	-	-	-	-	-			
Municipal Capacity Building Grant		-	-	-	-	-	-			
Financial Management Support Grant		780	752	-	-	-	-			
Greenest Municipality		70	-	-	-	-	-			
CDW Operational Support Grant		56	-	112	56	56	56	57	57	57
Local Government Graduate Internship Grant		66	-	80	-	-	-			
Human Capacity Building Grant		240	360	380	401	301	301	250	-	-
Finance Management (Resorts)		-	-	650	-	-	-			
Fire Safety Plan		-	250	900	732	1 600	1 600	2 323	2 435	2 347
mSCOA Support Grant		-	-	280	-	-	-			
LG Support Grant - Human Relief		-	-	100	-	-	-			
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total Operating Transfers and Grants</b>	5	145 025	168 057	174 432	80 883	200 470	200 470	194 564	195 310	201 581
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		-	-	66	-	-	-	-	-	-
Municipal Disaster Relief Grant				66						
Other capital transfers/grants [insert desc]										
<b>Provincial Government:</b>		890	3 933	200	2 100	1 232	1 232	-	-	-
Other capital transfers/grants [insert description]										
WC Financial Management Grant		-	-	-	-	-	-			
Fire Safety Plan		-	750	200	-	732	732			
CDW		-	-	-	-	-	-			
Risk		-	-	-	-	-	-			
Disaster Management		90	-	-	-	-	-			
Fire Service Capacity Building Grant		800	3 183	-	2 100	500	500			
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total Capital Transfers and Grants</b>	5	890	3 933	266	2 100	1 232	1 232	-	-	-
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		145 915	171 990	174 698	82 983	201 702	201 702	194 564	195 310	201 581

DC3 Overberg - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand										
<b>EXPENDITURE:</b>	1									
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		61 958	71 923	74 010	79 494	82 406	82 406	82 136	83 826	85 193
Local Government Equitable Share		57 286	67 902	71 776	74 636	77 548	77 548	77 375	79 984	81 348
Finance Management		1 250	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000
EPWP Incentive		1 142	1 125	1 121	1 188	1 188	1 188	1 053	-	-
Rural Roads Asset Management Grant		2 280	1 896	-	2 670	2 670	2 670	2 708	2 842	2 845
Municipal Disaster Relief Grant				113			-			
Other transfers/grants [insert description]										
<b>Provincial Government:</b>		82 632	95 106	95 670	1 389	119 364	119 364	112 428	111 484	116 388
PT - PAWK		81 191	93 654	94 629	-	115 907	115 907	109 595	108 781	113 763
Seta		146	133	52			-			
Health Subsidy		164	162	159	200	200	200	203	211	221
Financial Management Grant		-	-		-		-			
Municipal Capacity Building Grant		-	-		-		-			
Financial Management Support Grant		207	186		-		-			
Greenest Municipality		645	542		-		-			
CDW Operational Support Grant		70	-		56	168	168	57	57	57
Local Government Graduate Internship Grant		25	3	13		67	67			
Human Capacity Building Grant		65	-		401	680	680	250	-	-
Finance Management (Resorts)		120	360			650	650			
Fire Safety Plan		-	-	457	732	1 692	1 692	2 323	2 435	2 347
mSCOA Support Grant		-	65	189						
LG Support Grant - Human Relief				78						
Municipal Service Delivery and Capacity Building Grant - Fire				94						
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total operating expenditure of Transfers and Grants:</b>		144 591	167 029	169 680	80 883	201 770	201 770	194 564	195 310	201 581
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		-	-	66	-	-	-	-	-	-
Municipal Disaster Relief Grant				66						
Other capital transfers/grants [insert desc]										
<b>Provincial Government:</b>		890	1 483	625	2 100	3 700	3 700	-	-	-
WC Financial Management Grant										
Fire Safety Plan						1 468	1 468			
CDW										
Risk										
Disaster Management		90	-							
Fire Service Capacity Building Grant		800	1 483		2 100	2 231	2 231			
Municipal Service Delivery and Capacity Building Grant - Fire				625						
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total capital expenditure of Transfers and Grants</b>		890	1 483	691	2 100	3 700	3 700	-	-	-
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		145 481	168 512	170 371	82 983	205 469	205 469	194 564	195 310	201 581

DC3 Overberg - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>R thousand</b>										
<b>Operating transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year			363	1 115	1 115	2 929	2 929	2 929	2 929	2 929
Returned to NT/PT		-	-	(1 115)						
Current year receipts		62 321	72 676	76 939	79 494	82 406	82 406	82 136	83 826	85 193
<b>Conditions met - transferred to revenue</b>		<b>61 958</b>	<b>71 923</b>	<b>74 010</b>	<b>79 494</b>	<b>82 406</b>	<b>82 406</b>	<b>82 136</b>	<b>83 826</b>	<b>85 193</b>
Conditions still to be met - transferred to liabilities		363	1 115	2 929	1 115	2 929	2 929	2 929	2 929	2 929
<b>Provincial Government:</b>										
Balance unspent at beginning of the year		1 755	1 827	766	146	2 088	2 088	788	788	788
Returned to NT/PT		-	(1 335)	(59)						
Current year receipts		82 704	95 381	97 493	1 389	118 064	118 064	112 428	111 484	116 388
<b>Conditions met - transferred to revenue</b>		<b>82 632</b>	<b>95 106</b>	<b>95 670</b>	<b>1 389</b>	<b>119 364</b>	<b>119 364</b>	<b>112 428</b>	<b>111 484</b>	<b>116 388</b>
Conditions still to be met - transferred to liabilities		1 827	766	2 530	146	788	788	788	788	788
<b>District Municipality:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities										
<b>Other grant providers:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities										
<b>Total operating transfers and grants revenue</b>		<b>144 591</b>	<b>167 029</b>	<b>169 680</b>	<b>80 883</b>	<b>201 770</b>	<b>201 770</b>	<b>194 564</b>	<b>195 310</b>	<b>201 581</b>
<b>Total operating transfers and grants - CTBM</b>	2	<b>2 189</b>	<b>1 882</b>	<b>5 459</b>	<b>1 261</b>	<b>3 717</b>	<b>3 717</b>	<b>3 717</b>	<b>3 717</b>	<b>3 717</b>
<b>Capital transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year										
Current year receipts		-	-	66	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>		<b>-</b>	<b>-</b>	<b>66</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities										
<b>Provincial Government:</b>										
Balance unspent at beginning of the year		-	-	2 450	-	2 468	2 468	-	-	-
Current year receipts		890	3 933	200	2 100	1 232	1 232	-	-	-
<b>Conditions met - transferred to revenue</b>		<b>890</b>	<b>1 483</b>	<b>625</b>	<b>2 100</b>	<b>3 700</b>	<b>3 700</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities		-	2 450	2 025	-	-	-	-	-	-
<b>District Municipality:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities										
<b>Other grant providers:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities										
<b>Total capital transfers and grants revenue</b>		<b>890</b>	<b>1 483</b>	<b>691</b>	<b>2 100</b>	<b>3 700</b>	<b>3 700</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total capital transfers and grants - CTBM</b>	2	<b>-</b>	<b>2 450</b>	<b>2 025</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>		<b>145 481</b>	<b>168 512</b>	<b>170 371</b>	<b>82 983</b>	<b>205 469</b>	<b>205 469</b>	<b>194 564</b>	<b>195 310</b>	<b>201 581</b>
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>		<b>2 189</b>	<b>4 332</b>	<b>7 484</b>	<b>1 261</b>	<b>3 717</b>	<b>3 717</b>	<b>3 717</b>	<b>3 717</b>	<b>3 717</b>

References

DC3 Overberg - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>Cash Transfers to other municipalities</b>											
<i>Insert description</i>	1										
<b>Total Cash Transfers To Municipalities:</b>		-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to Entities/Other External Mechanisms</b>											
<i>Insert description</i>	2										
<b>Total Cash Transfers To Entities/Ems'</b>		-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to other Organs of State</b>											
<i>Insert description</i>	3										
<b>Total Cash Transfers To Other Organs Of State:</b>		-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to Organisations</b>											
<i>Insert description</i>											
<b>Total Cash Transfers To Organisations</b>		-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to Groups of Individuals</b>											
<i>Grants Paid to Institutions</i>											
<i>Bursaries</i>		120	360	-	401	680	680	680	250	-	-
<b>Total Cash Transfers To Groups Of Individuals:</b>		120	360	-	401	680	680	680	250	-	-
<b>TOTAL CASH TRANSFERS AND GRANTS</b>	6	120	360	-	401	680	680	680	250	-	-
<b>Non-Cash Transfers to other municipalities</b>											
<i>Insert description</i>	1										
<b>Total Non-Cash Transfers To Municipalities:</b>		-	-	-	-	-	-	-	-	-	-
<b>Non-Cash Transfers to Entities/Other External Mechanisms</b>											
<i>Insert description</i>	2										
<b>Total Non-Cash Transfers To Entities/Ems'</b>		-	-	-	-	-	-	-	-	-	-
<b>Non-Cash Transfers to other Organs of State</b>											
<i>Insert description</i>	3										
<b>Total Non-Cash Transfers To Other Organs Of State:</b>		-	-	-	-	-	-	-	-	-	-
<b>Non-Cash Grants to Organisations</b>											
<i>Insert description</i>	4										
<b>Total Non-Cash Grants To Organisations</b>		-	-	-	-	-	-	-	-	-	-
<b>Groups of Individuals</b>											
<i>Insert description</i>	5										
<b>Total Non-Cash Grants To Groups Of Individuals:</b>		-	-	-	-	-	-	-	-	-	-
<b>TOTAL NON-CASH TRANSFERS AND GRANTS</b>		-	-	-	-	-	-	-	-	-	-
<b>TOTAL TRANSFERS AND GRANTS</b>	6	120	360	-	401	680	680	680	250	-	-

DC3 Overberg - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand		A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages		3 860	4 011	4 001	4 097	4 097	4 097	4 294	4 358	4 467
Pension and UIF Contributions		200	208	189	183	183	183	138	140	144
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		1 682	1 645	1 607	1 662	1 662	1 662	1 716	1 742	1 785
Cellphone Allowance		400	400	400	400	400	400	400	406	416
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
<b>Sub Total - Councillors</b>		<b>6 142</b>	<b>6 264</b>	<b>6 197</b>	<b>6 341</b>	<b>6 341</b>	<b>6 341</b>	<b>6 548</b>	<b>6 646</b>	<b>6 812</b>
<b>% increase</b>	4		<b>2.0%</b>	<b>(1.1%)</b>	<b>2.3%</b>	<b>-</b>	<b>-</b>	<b>3.3%</b>	<b>1.5%</b>	<b>2.5%</b>
<b>Senior Managers of the Municipality</b>	2									
Basic Salaries and Wages		2 391	2 974	3 910	4 302	4 302	4 302	4 479	4 522	4 635
Pension and UIF Contributions		12	135	246	284	284	284	292	292	300
Medical Aid Contributions		-	-	23	37	37	37	38	38	39
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	188	188	188	194	197	202
Motor Vehicle Allowance	3	351	346	352	429	429	429	424	430	441
Cellphone Allowance	3	32	41	47	60	60	60	60	61	62
Housing Allowances	3	4	5	8	5	5	5	6	6	7
Other benefits and allowances	3	23	8	35	40	40	40	35	35	36
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>2 815</b>	<b>3 510</b>	<b>4 619</b>	<b>5 344</b>	<b>5 344</b>	<b>5 344</b>	<b>5 529</b>	<b>5 583</b>	<b>5 722</b>
<b>% increase</b>	4		<b>24.7%</b>	<b>31.6%</b>	<b>15.7%</b>	<b>-</b>	<b>-</b>	<b>3.5%</b>	<b>1.0%</b>	<b>2.5%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		59 887	66 155	71 736	83 041	72 176	72 176	84 694	79 849	82 677
Pension and UIF Contributions		9 714	10 920	11 838	13 980	13 980	13 980	14 571	15 511	16 045
Medical Aid Contributions		3 814	4 168	4 398	5 065	5 065	5 065	5 395	5 606	5 771
Overtime		2 455	2 768	2 723	2 050	1 980	1 980	2 075	2 190	2 251
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	4 645	4 552	4 424	5 557	5 527	5 527	4 958	5 692	5 876
Cellphone Allowance	3	346	393	377	437	443	443	428	472	487
Housing Allowances	3	640	594	734	820	880	880	789	937	974
Other benefits and allowances	3	3 594	4 157	4 528	5 519	4 827	4 827	6 345	6 471	6 663
Payments in lieu of leave		835	1 520	2 033	1 520	1 520	1 520	450	469	490
Long service awards		379	274	618	518	711	711	741	772	806
Post-retirement benefit obligations	6	1 185	(3 762)	(2 196)	904	5 934	5 934	6 328	6 593	6 883
<b>Sub Total - Other Municipal Staff</b>		<b>87 494</b>	<b>91 740</b>	<b>101 212</b>	<b>119 412</b>	<b>113 043</b>	<b>113 043</b>	<b>126 774</b>	<b>124 563</b>	<b>128 922</b>
<b>% increase</b>	4		<b>4.9%</b>	<b>10.3%</b>	<b>18.0%</b>	<b>(5.3%)</b>	<b>-</b>	<b>12.1%</b>	<b>(1.7%)</b>	<b>3.5%</b>
<b>Total Parent Municipality</b>		<b>96 450</b>	<b>101 513</b>	<b>112 028</b>	<b>131 097</b>	<b>124 728</b>	<b>124 728</b>	<b>138 851</b>	<b>136 791</b>	<b>141 456</b>
			<b>5.2%</b>	<b>10.4%</b>	<b>17.0%</b>	<b>(4.9%)</b>	<b>-</b>	<b>11.3%</b>	<b>(1.5%)</b>	<b>3.4%</b>
<b>Board Members of Entities</b>										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Board Fees		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
<b>Sub Total - Board Members of Entities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>% increase</b>	4		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



<b>Senior Managers of Entities</b>										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
<b>Sub Total - Senior Managers of Entities</b>		-	-	-	-	-	-	-	-	-
<b>% increase</b>	4		-	-	-	-	-	-	-	-
<b>Other Staff of Entities</b>										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
<b>Sub Total - Other Staff of Entities</b>		-	-	-	-	-	-	-	-	-
<b>% increase</b>	4		-	-	-	-	-	-	-	-
<b>Total Municipal Entities</b>		-	-	-	-	-	-	-	-	-
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>96 450</b>	<b>101 513</b>	<b>112 028</b>	<b>131 097</b>	<b>124 728</b>	<b>124 728</b>	<b>138 851</b>	<b>136 791</b>	<b>141 456</b>
<b>% increase</b>	4		<b>5.2%</b>	<b>10.4%</b>	<b>17.0%</b>	<b>(4.9%)</b>	<b>-</b>	<b>11.3%</b>	<b>(1.5%)</b>	<b>3.4%</b>
<b>TOTAL MANAGERS AND STAFF</b>	5,7	<b>90 308</b>	<b>95 249</b>	<b>105 831</b>	<b>124 756</b>	<b>118 387</b>	<b>118 387</b>	<b>132 303</b>	<b>130 145</b>	<b>134 644</b>

DC3 Overberg - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package 2.
<b>Rand per annum</b>								
<b>Councillors</b>	3							
Speaker	4	1	552 938	82 941	123 600			759 479
Chief Whip		-	-	-	-	-		-
Executive Mayor		1	670 388	-	267 863			938 251
Deputy Executive Mayor		1	536 309	-	223 170			759 479
Executive Committee		4	1 390 365	-	507 857			1 898 222
Total for all other councillors		14	1 144 040	55 345	992 970			2 192 355
<b>Total Councillors</b>	8	21	4 294 040	138 286	2 115 460			6 547 786
<b>Senior Managers of the Municipality</b>	5							
Municipal Manager (MM)		1	1 454 600	2 126	228 511	194 130		1 879 367
Chief Finance Officer		1	1 037 823	2 126	131 201	145 646		1 316 796
Executive (Corporate Services)		1	827 659	224 426	6 000	68 972		1 127 057
Executive (Community Services)		1	811 420	136 694	124 613	133 127		1 205 854
								-
								-
<i>List of each official with packages &gt;= senior manager</i>								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
<b>Total Senior Managers of the Municipality</b>	8,10	4	4 131 502	365 372	490 325	541 875		5 529 074
<b>A Heading for Each Entity</b>	6,7							
List each member of board by designation								-
								-
								-
								-
								-
								-
								-
								-
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								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
<b>Total for municipal entities</b>	8,10	-	-	-	-	-		-
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	10	25	8 425 542	503 658	2 605 785	541 875		12 076 860

DC3 Overberg - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2019/20			Current Year 2020/21			Budget Year 2021/22		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>										
Councillors (Political Office Bearers plus Other Councillors)		21	6	15	21	6	15	21	6	15
Board Members of municipal entities	4									
<b>Municipal employees</b>	5									
Municipal Manager and Senior Managers	3	3		3	4	1	3	4	1	3
Other Managers	7	10	10		12	6		12	10	1
Professionals		15	14	1	14	12	-	14	13	-
<i>Finance</i>		6	5	1	4	3	-	4	4	
<i>Spatial/town planning</i>										
<i>Information Technology</i>		1	1		1	1		1	1	
<i>Roads</i>		4	4		5	4		5	4	
<i>Electricity</i>										
<i>Water</i>										
<i>Sanitation</i>										
<i>Refuse</i>										
<i>Other</i>		4	4		4	4		4	4	
Technicians		303	298	5	320	275	5	320	306	6
<i>Finance</i>		18	13	5	16	12	4	16	14	5
<i>Spatial/town planning</i>										
<i>Information Technology</i>		1	1		1	1		1	1	
<i>Roads</i>		191	191		214	181		214	210	
<i>Electricity</i>										
<i>Water</i>										
<i>Sanitation</i>										
<i>Refuse</i>										
<i>Other</i>		93	93		89	81	1	89	81	1
Clerks (Clerical and administrative)		30	27	3	28	22	5	28	24	3
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators		4	4		4	4		4	4	
Elementary Occupations										
<b>TOTAL PERSONNEL NUMBERS</b>	9	<b>386</b>	<b>359</b>	<b>27</b>	<b>403</b>	<b>326</b>	<b>28</b>	<b>403</b>	<b>364</b>	<b>28</b>
% increase					4.4%	(9.2%)	3.7%	-	11.7%	-
<b>Total municipal employees headcount</b>	6, 10		<b>359</b>	<b>27</b>		<b>326</b>	<b>28</b>		<b>368</b>	<b>28</b>
Finance personnel headcount	8, 10	<b>24</b>	<b>22</b>	<b>2</b>	<b>24</b>	<b>22</b>	<b>2</b>	<b>24</b>	<b>24</b>	<b>1</b>
Human Resources personnel headcount	8, 10	<b>4</b>	<b>4</b>		<b>5</b>	<b>2</b>	<b>2</b>	<b>5</b>	<b>4</b>	<b>1</b>

DC3 Overberg - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>Revenue By Source</b>																
Property rates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		62	62	62	62	62	62	62	62	62	62	62	62	747	704	765
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		1 034	1 034	1 034	1 034	1 034	1 034	1 034	1 034	1 034	1 034	1 034	1 034	12 413	12 991	13 381
Rental of facilities and equipment		987	987	987	987	987	987	987	987	987	987	987	987	11 844	12 133	12 200
Interest earned - external investments		179	179	179	179	179	179	179	179	179	179	179	179	2 144	2 234	2 332
Interest earned - outstanding debtors		21	21	21	21	21	21	21	21	21	21	21	21	256	271	287
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits		14	14	14	14	14	14	14	14	14	14	14	14	166	173	181
Agency services		953	953	953	953	953	953	953	953	953	953	953	953	11 436	11 351	11 871
Transfers and subsidies		16 214	16 214	16 214	16 214	16 214	16 214	16 214	16 214	16 214	16 214	16 214	16 214	194 564	195 310	201 581
Other revenue		681	681	681	681	681	681	681	681	681	681	681	681	8 170	9 579	10 263
Gains		-	-	11 985	1 500	-	-	-	-	-	-	-	-	13 485	1 500	1 500
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>20 145</b>	<b>20 145</b>	<b>32 130</b>	<b>21 645</b>	<b>20 145</b>	<b>20 145</b>	<b>20 145</b>	<b>20 145</b>	<b>20 145</b>	<b>20 145</b>	<b>20 145</b>	<b>20 145</b>	<b>255 224</b>	<b>246 246</b>	<b>254 360</b>
<b>Expenditure By Type</b>																
Employee related costs		10 179	10 179	10 179	10 179	16 929	13 582	10 179	10 179	10 179	10 179	10 179	10 180	132 303	130 145	134 644
Remuneration of councillors		546	546	546	546	546	546	546	546	546	546	546	546	6 548	6 646	6 812
Debt impairment		17	17	17	17	17	17	17	17	17	17	17	17	200	200	200
Depreciation & asset impairment		384	384	384	384	384	384	384	384	384	384	385	385	4 614	4 808	5 019
Finance charges		298	298	298	298	298	298	298	298	298	298	298	298	3 582	3 264	3 013
Bulk purchases - electricity		33	33	33	33	33	33	33	33	33	33	33	33	400	420	440
Inventory consumed		3 729	3 729	3 745	3 734	3 745	3 734	3 745	3 734	3 745	3 734	3 750	3 750	44 869	41 859	43 698
Contracted services		2 086	2 004	2 648	2 114	2 523	2 239	2 228	2 409	2 353	2 114	2 228	2 463	27 410	23 216	23 894
Transfers and subsidies		21	21	21	21	21	21	21	21	21	21	21	21	250	-	-
Other expenditure		2 448	2 698	3 798	3 198	3 198	3 048	2 448	2 448	2 798	2 448	2 798	2 798	33 774	34 772	36 297
Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>19 742</b>	<b>19 909</b>	<b>21 670</b>	<b>20 524</b>	<b>27 694</b>	<b>23 903</b>	<b>19 899</b>	<b>20 070</b>	<b>20 375</b>	<b>19 774</b>	<b>19 899</b>	<b>20 491</b>	<b>253 950</b>	<b>245 330</b>	<b>254 018</b>
<b>Surplus/(Deficit)</b>		<b>403</b>	<b>236</b>	<b>10 460</b>	<b>1 121</b>	<b>(7 549)</b>	<b>(3 758)</b>	<b>245</b>	<b>75</b>	<b>(230)</b>	<b>371</b>	<b>245</b>	<b>(346)</b>	<b>1 274</b>	<b>917</b>	<b>342</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>403</b>	<b>236</b>	<b>10 460</b>	<b>1 121</b>	<b>(7 549)</b>	<b>(3 758)</b>	<b>245</b>	<b>75</b>	<b>(230)</b>	<b>371</b>	<b>245</b>	<b>(346)</b>	<b>1 274</b>	<b>917</b>	<b>342</b>
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>403</b>	<b>236</b>	<b>10 460</b>	<b>1 121</b>	<b>(7 549)</b>	<b>(3 758)</b>	<b>245</b>	<b>75</b>	<b>(230)</b>	<b>371</b>	<b>245</b>	<b>(346)</b>	<b>1 274</b>	<b>917</b>	<b>342</b>

References

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

DC3 Overberg - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>Revenue by Vote</b>																
Vote 1 - Municipal Manager		1 017	1 017	13 003	2 517	1 017	1 017	1 017	1 017	1 017	1 017	1 017	1 017	25 695	13 657	14 213
Vote 2 - Management Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		2	2	2	2	2	2	2	2	2	2	2	29	30	32	
Vote 4 - Finance		7 164	7 164	7 164	7 164	7 164	7 164	7 164	7 164	7 164	7 164	7 164	85 973	88 673	90 055	
Vote 5 - Community Services		11 961	11 961	11 961	11 961	11 961	11 961	11 961	11 961	11 961	11 961	11 961	143 527	143 886	150 060	
<b>Total Revenue by Vote</b>		<b>20 145</b>	<b>20 145</b>	<b>32 130</b>	<b>21 645</b>	<b>20 145</b>	<b>20 145</b>	<b>20 145</b>	<b>20 145</b>	<b>20 145</b>	<b>20 145</b>	<b>20 145</b>	<b>255 224</b>	<b>246 246</b>	<b>254 360</b>	
<b>Expenditure by Vote to be appropriated</b>																
Vote 1 - Municipal Manager		1 277	1 277	1 402	1 277	1 753	1 840	1 277	1 277	1 402	1 277	1 277	1 403	16 742	16 278	16 728
Vote 2 - Management Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		1 169	1 169	1 519	1 169	1 585	2 354	1 169	1 169	1 519	1 169	1 169	1 520	16 682	13 029	13 472
Vote 4 - Finance		2 101	2 268	3 101	2 768	3 531	3 613	2 101	2 018	2 101	2 018	2 101	29 826	28 282	28 967	
Vote 5 - Community Services		15 194	15 194	15 647	15 309	20 825	16 095	15 352	15 605	15 352	15 309	15 352	190 701	187 741	194 851	
<b>Total Expenditure by Vote</b>		<b>19 742</b>	<b>19 909</b>	<b>21 670</b>	<b>20 524</b>	<b>27 694</b>	<b>23 903</b>	<b>19 899</b>	<b>20 070</b>	<b>20 375</b>	<b>19 774</b>	<b>19 899</b>	<b>253 950</b>	<b>245 330</b>	<b>254 018</b>	
<b>Surplus/(Deficit) before assoc.</b>		<b>403</b>	<b>236</b>	<b>10 460</b>	<b>1 121</b>	<b>(7 549)</b>	<b>(3 758)</b>	<b>245</b>	<b>75</b>	<b>(230)</b>	<b>371</b>	<b>245</b>	<b>(346)</b>	<b>1 274</b>	<b>917</b>	<b>342</b>
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>403</b>	<b>236</b>	<b>10 460</b>	<b>1 121</b>	<b>(7 549)</b>	<b>(3 758)</b>	<b>245</b>	<b>75</b>	<b>(230)</b>	<b>371</b>	<b>245</b>	<b>(346)</b>	<b>1 274</b>	<b>917</b>	<b>342</b>

DC3 Overberg - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>Revenue - Functional</b>																
<b>Governance and administration</b>		8 184	8 184	20 170	9 684	8 184	8 184	8 184	8 184	8 184	8 184	8 184	8 184	111 697	102 361	104 300
Executive and council		953	953	12 938	2 453	953	953	953	953	953	953	953	953	24 921	12 851	13 371
Finance and administration		7 231	7 231	7 231	7 231	7 231	7 231	7 231	7 231	7 231	7 231	7 231	7 231	86 776	89 510	90 929
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		1 781	1 781	1 781	1 781	1 781	1 781	1 781	1 781	1 781	1 781	1 781	1 781	21 369	21 957	22 753
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		1 415	1 415	1 415	1 415	1 415	1 415	1 415	1 415	1 415	1 415	1 415	1 415	16 980	16 150	16 495
Public safety		335	335	335	335	335	335	335	335	335	335	335	335	4 020	5 423	5 856
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		31	31	31	31	31	31	31	31	31	31	31	31	369	385	402
<b>Economic and environmental services</b>		9 144	9 144	9 144	9 144	9 144	9 144	9 144	9 144	9 144	9 144	9 144	9 144	109 730	108 922	113 910
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		9 133	9 133	9 133	9 133	9 133	9 133	9 133	9 133	9 133	9 133	9 133	9 133	109 595	108 781	113 763
Environmental protection		11	11	11	11	11	11	11	11	11	11	11	11	135	141	147
<b>Trading services</b>		1 036	1 036	1 036	1 036	1 036	1 036	1 036	1 036	1 036	1 036	1 036	1 036	12 428	13 007	13 397
Energy sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		1 036	1 036	1 036	1 036	1 036	1 036	1 036	1 036	1 036	1 036	1 036	1 036	12 428	13 007	13 397
<b>Other</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>		20 145	20 145	32 130	21 645	20 145	20 145	20 145	20 145	20 145	20 145	20 145	20 145	255 224	246 246	254 360
<b>Expenditure - Functional</b>																
<b>Governance and administration</b>		4 628	4 795	6 103	5 295	7 075	7 888	4 628	4 545	5 103	4 545	4 628	5 104	64 340	58 590	60 191
Executive and council		834	834	959	834	1 052	959	834	834	959	834	834	959	10 722	10 701	10 997
Finance and administration		3 641	3 809	4 991	4 309	5 784	6 339	3 641	3 559	3 991	3 559	3 641	3 992	51 255	45 961	47 211
Internal audit		153	153	153	153	239	591	153	153	153	153	153	153	2 364	1 927	1 983
<b>Community and public safety</b>		5 201	5 201	5 359	5 316	7 488	6 102	5 359	5 316	5 359	5 316	5 359	5 474	66 849	65 074	67 081
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		1 255	1 255	1 413	1 370	1 706	1 370	1 413	1 370	1 413	1 370	1 413	1 528	16 875	15 625	16 204
Public safety		2 600	2 600	2 600	2 600	3 723	2 600	2 600	2 600	2 600	2 600	2 600	2 600	32 327	32 487	33 445
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		1 346	1 346	1 346	1 346	2 058	2 131	1 346	1 346	1 346	1 346	1 346	1 346	17 648	16 962	17 432
<b>Economic and environmental services</b>		9 243	9 243	9 539	9 243	12 462	9 243	9 243	9 539	9 243	9 243	9 243	9 243	114 731	113 767	118 894
Planning and development		112	112	112	112	180	112	112	112	112	112	112	112	1 409	1 402	1 438
Road transport		8 906	8 906	8 906	8 906	11 624	8 906	8 906	8 906	8 906	8 906	8 906	8 906	109 595	108 781	113 763
Environmental protection		225	225	521	225	659	225	225	521	225	225	225	225	3 727	3 584	3 692
<b>Trading services</b>		669	669	669	669	669	669	669	669	669	669	669	669	8 030	7 899	7 852
Energy sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		669	669	669	669	669	669	669	669	669	669	669	669	8 030	7 899	7 852
<b>Other</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>		19 742	19 909	21 670	20 524	27 694	23 903	19 899	20 070	20 375	19 774	19 899	20 491	253 950	245 330	254 018
<b>Surplus/(Deficit) before assoc.</b>		403	236	10 460	1 121	(7 549)	(3 758)	245	75	(230)	371	245	(346)	1 274	917	342
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	1	403	236	10 460	1 121	(7 549)	(3 758)	245	75	(230)	371	245	(346)	1 274	917	342

DC3 Overberg - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>R thousand</b>																
<b>Multi-year expenditure to be appropriated</b>	1															
Vote 1 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Management Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	600	150	-	-	-	-	-	-	-	-	-	750	250	-
Vote 4 - Finance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-	-	-	-	5 900	2 000
<b>Capital multi-year expenditure sub-total</b>	2	-	600	150	-	-	-	-	-	-	-	-	-	750	6 150	2 000
<b>Single-year expenditure to be appropriated</b>																
Vote 1 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Management Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	250	-	-	250	-	-	-	-	-	-	500	3 091	200
Vote 4 - Finance		-	-	-	250	-	-	-	-	-	-	-	-	250	-	-
Vote 5 - Community Services		-	42	250	712	420	50	655	300	735	-	325	-	3 489	6 665	3 580
<b>Capital single-year expenditure sub-total</b>	2	-	42	500	962	420	300	655	300	735	-	325	-	4 239	9 756	3 780
<b>Total Capital Expenditure</b>	2	-	642	650	962	420	300	655	300	735	-	325	-	4 989	15 906	5 780

DC3 Overberg - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>Capital Expenditure - Functional</b>	1															
<i>Governance and administration</i>		-	600	400	250	-	250	-	-	-	-	-	-	1 500	3 341	200
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance and administration		-	600	400	250	-	250	-	-	-	-	-	-	1 500	3 341	200
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	42	50	657	420	50	655	300	735	-	325	-	3 234	5 487	5 580
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	20	50	57	120	-	55	-	110	-	-	-	412	827	305
Public safety		-	-	-	600	300	50	600	300	625	-	325	-	2 800	4 380	5 200
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	22	-	-	-	-	-	-	-	-	-	-	22	280	75
<i>Economic and environmental services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	200	55	-	-	-	-	-	-	-	-	255	7 079	-
Energy sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	200	55	-	-	-	-	-	-	-	-	255	7 079	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	2	-	642	650	962	420	300	655	300	735	-	325	-	4 989	15 906	5 780
<b>Funded by:</b>																
National Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	4 900	-
Internally generated funds		-	642	650	962	420	300	655	300	735	-	325	-	4 989	11 006	5 780
<b>Total Capital Funding</b>		-	642	650	962	420	300	655	300	735	-	325	-	4 989	15 906	5 780



DC3 Overberg - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>R thousand</b>															
<b>Cash Receipts By Source</b>													1		
Property rates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	62	62	62	62	62	62	62	62	62	62	62	62	747	704	765
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	1 034	1 034	1 034	1 034	1 034	1 034	1 034	1 034	1 034	1 034	1 034	1 034	12 413	12 991	13 381
Rental of facilities and equipment	987	987	987	987	987	987	987	987	987	987	987	987	11 844	12 133	12 200
Interest earned - external investments	179	179	179	179	179	179	179	179	179	179	179	179	2 144	2 234	2 332
Interest earned - outstanding debtors	21	21	21	21	21	21	21	21	21	21	21	21	256	271	287
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits	14	14	14	14	14	14	14	14	14	14	14	14	166	173	181
Agency services	953	953	953	953	953	953	953	953	953	953	953	953	11 436	11 351	11 871
Transfers and Subsidies - Operational	37 250	9 202	9 202	9 202	9 202	37 250	9 202	9 202	37 250	9 202	9 202	9 202	194 564	195 310	201 581
Other revenue	629	629	629	629	629	629	629	629	629	629	629	629	7 548	8 345	9 064
<b>Cash Receipts by Source</b>	<b>41 129</b>	<b>13 081</b>	<b>13 081</b>	<b>13 081</b>	<b>13 081</b>	<b>41 129</b>	<b>13 081</b>	<b>13 081</b>	<b>41 129</b>	<b>13 081</b>	<b>13 081</b>	<b>13 081</b>	<b>241 117</b>	<b>243 513</b>	<b>251 661</b>
<b>Other Cash Flows by Source</b>															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets	1 124	1 124	1 124	1 124	1 124	1 124	1 124	1 124	1 124	1 124	1 124	1 124	13 485	1 500	1 500
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Receipts by Source</b>	<b>42 253</b>	<b>14 205</b>	<b>14 205</b>	<b>14 205</b>	<b>14 205</b>	<b>42 253</b>	<b>14 205</b>	<b>14 205</b>	<b>42 253</b>	<b>14 205</b>	<b>14 205</b>	<b>14 205</b>	<b>254 602</b>	<b>245 013</b>	<b>253 161</b>
<b>Cash Payments by Type</b>															
Employee related costs	9 988	9 988	9 988	9 988	19 976	9 988	9 988	9 988	9 988	9 988	9 988	9 988	129 842	127 545	131 899
Remuneration of councillors	546	546	546	546	546	546	546	546	546	546	546	546	6 548	6 646	6 812
Finance charges	201	201	201	201	201	201	201	201	201	201	201	201	2 415	2 032	1 709
Bulk purchases - electricity	33	33	33	33	33	33	33	33	33	33	33	33	400	420	440
Acquisitions - water & other inventory	3 739	3 739	3 739	3 739	3 739	3 739	3 739	3 739	3 739	3 739	3 739	3 739	44 869	41 859	43 698
Contracted services	2 284	2 284	2 284	2 284	2 284	2 284	2 284	2 284	2 284	2 284	2 284	2 284	27 410	23 216	23 894
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	21	21	21	21	21	21	21	21	21	21	21	21	250	-	-
Other expenditure	2 815	2 815	2 815	2 815	2 815	2 815	2 815	2 815	2 815	2 815	2 815	2 815	33 774	34 772	36 297
<b>Cash Payments by Type</b>	<b>19 627</b>	<b>19 627</b>	<b>19 627</b>	<b>19 627</b>	<b>29 615</b>	<b>19 627</b>	<b>19 627</b>	<b>19 627</b>	<b>19 627</b>	<b>19 627</b>	<b>19 627</b>	<b>19 627</b>	<b>245 509</b>	<b>236 490</b>	<b>244 750</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	-	-	642	650	962	420	300	655	300	735	-	325	4 989	15 906	5 780
Repayment of borrowing	275	275	275	275	275	275	275	275	275	275	275	275	3 296	3 684	4 120
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Payments by Type</b>	<b>19 901</b>	<b>19 901</b>	<b>20 543</b>	<b>20 551</b>	<b>30 851</b>	<b>20 321</b>	<b>20 201</b>	<b>20 556</b>	<b>20 201</b>	<b>20 636</b>	<b>19 901</b>	<b>20 226</b>	<b>253 793</b>	<b>256 080</b>	<b>254 649</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>22 351</b>	<b>(5 697)</b>	<b>(6 339)</b>	<b>(6 347)</b>	<b>(16 646)</b>	<b>21 931</b>	<b>(5 997)</b>	<b>(6 351)</b>	<b>22 051</b>	<b>(6 432)</b>	<b>(5 697)</b>	<b>(6 022)</b>	<b>809</b>	<b>(11 067)</b>	<b>(1 488)</b>
Cash/cash equivalents at the month/year begin:	41 306	63 657	57 961	51 622	45 276	28 629	50 561	44 564	38 213	60 265	53 833	48 137	41 306	42 115	31 048
Cash/cash equivalents at the month/year end:	63 657	57 961	51 622	45 276	28 629	50 561	44 564	38 213	60 265	53 833	48 137	42 115	42 115	31 048	29 560

DC3 Overberg - NOT REQUIRED - municipality does not have entities

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>R million</b>										
<b>Financial Performance</b>										
Property rates										
Service charges										
Investment revenue										
Transfers recognised - operational										
Other own revenue										
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)										
<b>Total Revenue (excluding capital transfers and contributions)</b>		-	-	-	-	-	-	-	-	-
Employee costs										
Remuneration of Board Members										
Depreciation & asset impairment										
Finance charges										
Inventory consumed and bulk purchases										
Transfers and grants										
Other expenditure										
<b>Total Expenditure</b>		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>		-	-	-	-	-	-	-	-	-
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>										
Transfers recognised - operational										
Borrowing										
Internally generated funds										
<b>Total sources</b>		-	-	-	-	-	-	-	-	-
<b>Financial position</b>										
Total current assets										
Total non current assets										
Total current liabilities										
Total non current liabilities										
Equity										
<b>Cash flows</b>										
Net cash from (used) operating										
Net cash from (used) investing										
Net cash from (used) financing										
<b>Cash/cash equivalents at the year end</b>										

DC3 Overberg - Supporting Table SA32 List of external mechanisms

External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1. Number	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2. R thousand

DC3 Overberg - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework			Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Total Contract Value
		Total	Original Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
R thousand	1,3													
<b>Parent Municipality:</b>														
<b>Revenue Obligation By Contract</b>	2													
<i>Contract 1</i>														-
<i>Contract 2</i>														-
<i>Contract 3 etc</i>														-
<b>Total Operating Revenue Implication</b>		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Expenditure Obligation By Contract</b>	2													
<i>Contract 1</i>														-
<i>Contract 2</i>														-
<i>Contract 3 etc</i>														-
<b>Total Operating Expenditure Implication</b>		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital Expenditure Obligation By Contract</b>	2													
<i>Contract 1</i>														-
<i>Contract 2</i>														-
<i>Contract 3 etc</i>														-
<b>Total Capital Expenditure Implication</b>		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Parent Expenditure Implication</b>		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Entities:</b>														
<b>Revenue Obligation By Contract</b>	2													
<i>Contract 1</i>														-
<i>Contract 2</i>														-
<i>Contract 3 etc</i>														-
<b>Total Operating Revenue Implication</b>		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Expenditure Obligation By Contract</b>	2													
<i>Contract 1</i>														-
<i>Contract 2</i>														-
<i>Contract 3 etc</i>														-
<b>Total Operating Expenditure Implication</b>		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital Expenditure Obligation By Contract</b>	2													
<i>Contract 1</i>														-
<i>Contract 2</i>														-
<i>Contract 3 etc</i>														-
<b>Total Capital Expenditure Implication</b>		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Entity Expenditure Implication</b>		-	-	-	-	-	-	-	-	-	-	-	-	-

DC3 Overberg - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand	1									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	-	-	-	-	-	255	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	255	-	-
Landfill Sites		-	-	-	-	-	-	255	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-

<b>Community Assets</b>	<b>125</b>	<b>-</b>	<b>-</b>	<b>1 000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 000</b>	<b>2 000</b>	
Community Facilities	125	-	-	1 000	-	-	-	1 000	2 000	
Halls	-	-	-	-	-	-	-	-	-	
Centres	-	-	-	-	-	-	-	-	-	
Crèches	-	-	-	-	-	-	-	-	-	
Clinics/Care Centres	-	-	-	-	-	-	-	-	-	
Fire/Ambulance Stations	125	-	-	1 000	-	-	-	1 000	2 000	
Testing Stations	-	-	-	-	-	-	-	-	-	
Museums	-	-	-	-	-	-	-	-	-	
Galleries	-	-	-	-	-	-	-	-	-	
Theatres	-	-	-	-	-	-	-	-	-	
Libraries	-	-	-	-	-	-	-	-	-	
Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-	
Police	-	-	-	-	-	-	-	-	-	
Parks	-	-	-	-	-	-	-	-	-	
Public Open Space	-	-	-	-	-	-	-	-	-	
Nature Reserves	-	-	-	-	-	-	-	-	-	
Public Ablution Facilities	-	-	-	-	-	-	-	-	-	
Markets	-	-	-	-	-	-	-	-	-	
Stalls	-	-	-	-	-	-	-	-	-	
Abattoirs	-	-	-	-	-	-	-	-	-	
Airports	-	-	-	-	-	-	-	-	-	
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-	
Indoor Facilities	-	-	-	-	-	-	-	-	-	
Outdoor Facilities	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
<b>Heritage assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Monuments	-	-	-	-	-	-	-	-	-	
Historic Buildings	-	-	-	-	-	-	-	-	-	
Works of Art	-	-	-	-	-	-	-	-	-	
Conservation Areas	-	-	-	-	-	-	-	-	-	
Other Heritage	-	-	-	-	-	-	-	-	-	
<b>Investment properties</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Revenue Generating	-	-	-	-	-	-	-	-	-	
Improved Property	-	-	-	-	-	-	-	-	-	
Unimproved Property	-	-	-	-	-	-	-	-	-	
Non-revenue Generating	-	-	-	-	-	-	-	-	-	
Improved Property	-	-	-	-	-	-	-	-	-	
Unimproved Property	-	-	-	-	-	-	-	-	-	
<b>Other assets</b>	<b>13</b>	<b>78</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57</b>	<b>-</b>	<b>-</b>	
Operational Buildings	-	-	-	-	-	-	-	-	-	
Municipal Offices	-	-	-	-	-	-	-	-	-	
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-	
Building Plan Offices	-	-	-	-	-	-	-	-	-	
Workshops	-	-	-	-	-	-	-	-	-	
Yards	-	-	-	-	-	-	-	-	-	
Stores	-	-	-	-	-	-	-	-	-	
Laboratories	-	-	-	-	-	-	-	-	-	
Training Centres	-	-	-	-	-	-	-	-	-	
Manufacturing Plant	-	-	-	-	-	-	-	-	-	
Depots	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
Housing	13	78	-	-	-	-	57	-	-	
Staff Housing	-	-	-	-	-	-	-	-	-	
Social Housing	13	78	-	-	-	-	57	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
<b>Biological or Cultivated Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	
<b>Intangible Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Servitudes	-	-	-	-	-	-	-	-	-	
Licences and Rights	-	-	-	-	-	-	-	-	-	
Water Rights	-	-	-	-	-	-	-	-	-	
Effluent Licenses	-	-	-	-	-	-	-	-	-	
Solid Waste Licenses	-	-	-	-	-	-	-	-	-	
Computer Software and Applications	-	-	-	-	-	-	-	-	-	
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-	
Unspecified	-	-	-	-	-	-	-	-	-	
<b>Computer Equipment</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>750</b>	<b>250</b>	<b>-</b>	
Computer Equipment	14	-	-	-	-	-	750	250	-	
<b>Furniture and Office Equipment</b>	<b>(1)</b>	<b>289</b>	<b>272</b>	<b>-</b>	<b>80</b>	<b>80</b>	<b>4</b>	<b>280</b>	<b>75</b>	
Furniture and Office Equipment	(1)	289	272	-	80	80	4	280	75	
<b>Machinery and Equipment</b>	<b>2 794</b>	<b>493</b>	<b>835</b>	<b>2 300</b>	<b>3 548</b>	<b>3 548</b>	<b>100</b>	<b>180</b>	<b>200</b>	
Machinery and Equipment	2 794	493	835	2 300	3 548	3 548	100	180	200	
<b>Transport Assets</b>	<b>-</b>	<b>1 707</b>	<b>762</b>	<b>-</b>	<b>657</b>	<b>657</b>	<b>2 950</b>	<b>3 200</b>	<b>3 000</b>	
Transport Assets	-	1 707	762	-	657	657	2 950	3 200	3 000	
<b>Land</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Land	-	-	-	-	-	-	-	-	-	
<b>Zoo's, Marine and Non-biological Animals</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	
<b>Total Capital Expenditure on new assets</b>	<b>1</b>	<b>2 945</b>	<b>2 568</b>	<b>1 869</b>	<b>3 300</b>	<b>4 285</b>	<b>4 285</b>	<b>4 116</b>	<b>4 910</b>	<b>5 275</b>

DC3 Overberg - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>R thousand</b>	<b>1</b>									
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	105	-	-	-	-	-	2 179	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	105	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	105	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	2 179	-
Landfill Sites		-	-	-	-	-	-	-	2 179	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Halls		-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-

Clinics/Care Centres	-									
Fire/Ambulance Stations	-									
Testing Stations	-									
Museums	-									
Galleries	-									
Theatres	-									
Libraries	-									
Cemeteries/Crematoria	-									
Police	-									
Parks	-									
Public Open Space	-									
Nature Reserves	-									
Public Ablution Facilities	-									
Markets	-									
Stalls	-									
Abattoirs	-									
Airports	-									
Taxi Ranks/Bus Terminals	-									
Capital Spares	-									
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-	-
Indoor Facilities										
Outdoor Facilities										
Capital Spares										
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-	-
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-	-
Improved Property										
Unimproved Property										
Non-revenue Generating	-	-	-	-	-	-	-	-	-	-
Improved Property										
Unimproved Property										
<b>Other assets</b>	169	410	-	-	-	-	-	650	-	-
Operational Buildings	-	-	-	-	-	-	-	650	-	-
Municipal Offices								650	-	-
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares										
Housing	169	410	-	-	-	-	-	-	-	-
Staff Housing										
Social Housing	169	410	-	-	-	-	-	-	-	-
Capital Spares										
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets										
<b>Intangible Assets</b>	6	-	-	-	-	-	-	-	-	-
Servitudes										
Licences and Rights	6	-	-	-	-	-	-	-	-	-
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications	6	-	-	-	-	-	-	-	-	-
Load Settlement Software Applications										
Unspecified										
<b>Computer Equipment</b>	133	-	-	200	200	200	500	300	200	
Computer Equipment	133	-	-	200	200	200	500	300	200	
<b>Furniture and Office Equipment</b>	123	122	19	40	40	40	50	463	-	
Furniture and Office Equipment	123	122	19	40	40	40	50	463	-	
<b>Machinery and Equipment</b>	-	-	625	-	-	-	-	-	-	
Machinery and Equipment			625	-	-	-	-	-	-	
<b>Transport Assets</b>	740	-	-	-	-	-	-	-	-	
Transport Assets	740	-	-	-	-	-	-	-	-	
<b>Land</b>	1 164	11 234	-	-	-	-	-	-	-	
Land	1 164	11 234	-	-	-	-	-	-	-	
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals										
<b>Total Capital Expenditure on renewal of existing assets</b>	1	2 336	11 872	643	240	240	240	550	3 592	200
<b>Renewal of Existing Assets as % of total capex</b>		4573.7%	32.1%	21.4%	2.8%	5.1%	5.1%	11.0%	22.6%	3.5%
<b>Renewal of Existing Assets as % of deprecn"</b>		50.2%	333.6%	18.0%	6.7%	6.7%	6.7%	11.9%	74.7%	4.0%



DC3 Overberg - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	-	-	4 696	4 693	4 693	5 017	5 228	5 458
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	4 696	4 693	4 693	5 017	5 228	5 458
Landfill Sites		-	-	-	4 696	4 693	4 693	5 017	5 228	5 458
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Halls		-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-

Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria										
Police										
Parks										
Public Open Space										
Nature Reserves										
Public Ablution Facilities										
Markets										
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares										
Sport and Recreation Facilities										
Indoor Facilities										
Outdoor Facilities										
Capital Spares										
<b>Heritage assets</b>										
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
<b>Investment properties</b>										
Revenue Generating										
Improved Property										
Unimproved Property										
Non-revenue Generating										
Improved Property										
Unimproved Property										
<b>Other assets</b>	873	1 399	4 749	694	1 334	1 334	5 489	1 843	1 924	
Operational Buildings							5 319	1 665	1 739	
Municipal Offices							5 319	1 665	1 739	
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares										
Housing	873	1 399	4 749	694	1 334	1 334	170	177	185	
Staff Housing										
Social Housing	873	1 399	4 749	694	1 334	1 334	170	177	185	
Capital Spares										
<b>Biological or Cultivated Assets</b>										
Biological or Cultivated Assets										
<b>Intangible Assets</b>										
Servitudes										
Licences and Rights										
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications										
Load Settlement Software Applications										
Unspecified										
<b>Computer Equipment</b>										
Computer Equipment										
<b>Furniture and Office Equipment</b>	73	50								
Furniture and Office Equipment	73	50								
<b>Machinery and Equipment</b>	2 539	2 000	1 327	1 270	1 058	1 058	716	734	767	
Machinery and Equipment	2 539	2 000	1 327	1 270	1 058	1 058	716	734	767	
<b>Transport Assets</b>	2 093	2 510	2 475	2 188	2 865	2 865	1 109	1 256	1 311	
Transport Assets	2 093	2 510	2 475	2 188	2 865	2 865	1 109	1 256	1 311	
<b>Land</b>										
Land										
<b>Zoo's, Marine and Non-biological Animals</b>										
Zoo's, Marine and Non-biological Animals										
<b>Total Repairs and Maintenance Expenditure</b>	1	5 579	5 960	8 550	8 848	9 950	12 331	9 061	9 460	
<b>R&amp;M as a % of PPE</b>		11.7%	8.8%	13.0%	10.7%	15.0%	15.0%	18.6%	13.6%	12.2%
<b>R&amp;M as % Operating Expenditure</b>		3.0%	3.0%	4.1%	3.7%	3.9%	3.9%	4.8%	3.6%	3.9%

DC3 Overberg - Supporting Table SA34d Depreciation by asset class

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>Depreciation by Asset Class/Sub-class</b>	1	1 092	675	1 264	524	1 618	1 618	185	193	201
<b>Infrastructure</b>										
Roads Infrastructure		154	-	-	154	-	-	-	-	-
Roads		154	-	-	154	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		33	-	-	33	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		33	-	-	33	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		37	-	-	37	-	-	-	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		35	-	-	35	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		2	-	-	2	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		300	-	-	300	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		300	-	-	300	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		568	675	1 264	-	1 618	1 618	185	193	201
Landfill Sites		568	50	308	-	486	486	185	193	201
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares Solid Waste		-	624	956	-	1 132	1 132	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		1	0	0	14	-	-	-	-	-
Community Facilities		1	0	0	14	-	-	-	-	-
Halls		-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	13	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-

Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria										
Police										
Parks										
Public Open Space	1	0	0	0						
Nature Reserves										
Public Ablution Facilities				0						
Markets										
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares										
Sport and Recreation Facilities										
Indoor Facilities										
Outdoor Facilities										
Capital Spares										
<b>Heritage assets</b>										
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
<b>Investment properties</b>							16	17	18	
Revenue Generating										
Improved Property										
Unimproved Property										
Non-revenue Generating							16	17	18	
Improved Property										
Unimproved Property							16	17	18	
<b>Other assets</b>	254	268	189	211	661	661	685	714	745	
Operational Buildings	75	268	189	35	661	661	685	714	745	
Municipal Offices	75			34			135	141	147	
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores	0			0						
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares Operational		268	189		661	661	550	573	598	
Housing	179			176						
Staff Housing	1			1						
Social Housing	178			175						
Capital Spares										
<b>Biological or Cultivated Assets</b>										
Biological or Cultivated Assets										
<b>Intangible Assets</b>	76	55	8	51	71	71	2	3	4	
Servitudes										
Licences and Rights	76	55	8	51	71	71	2	3	4	
Water Rights										
Effluent Licences										
Solid Waste Licences										
Computer Software and Applications	76	55	8	51	71	71	2	3	4	
Load Settlement Software Applications										
Unspecified										
<b>Computer Equipment</b>	272	208	223	272	588	588	595	620	647	
Computer Equipment	272	208	223	272	588	588	595	620	647	
<b>Furniture and Office Equipment</b>	675	1 291	405	705	638	638	595	654	749	
Furniture and Office Equipment	675	1 291	405	705	638	638	595	654	749	
<b>Machinery and Equipment</b>	837	250	292	1 311			36	38	39	
Machinery and Equipment	837	250	292	1 311			36	38	39	
<b>Transport Assets</b>	436	811	1 187	488			2 500	2 570	2 615	
Transport Assets	436	811	1 187	488			2 500	2 570	2 615	
<b>Land</b>	1 010									
Land	1 010									
<b>Zoo's, Marine and Non-biological Animals</b>										
Zoo's, Marine and Non-biological Animals										
<b>Total Depreciation</b>	1	4 653	3 558	3 568	3 576	3 576	3 576	4 614	4 888	5 019

DC3 Overberg - Supporting Table SA34e Capital expenditure on the upgrading of existing assets by asset class

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>R thousand</b>	1									
<b>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	22 316	-	4 900	-	-	-	4 900	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	22 316	-	4 900	-	-	-	4 900	-
Landfill Sites		-	22 316	-	4 900	-	-	-	4 900	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Halls		-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria		-	-	-	-	-	-	-	-	-
Police		-	-	-	-	-	-	-	-	-
Parks		-	-	-	-	-	-	-	-	-

Public Open Space										
Nature Reserves										
Public Ablution Facilities										
Markets										
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares										
Sport and Recreation Facilities										
Indoor Facilities										
Outdoor Facilities										
Capital Spares										
<b>Heritage assets</b>										
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
<b>Investment properties</b>										
Revenue Generating										
Improved Property										
Unimproved Property										
Non-revenue Generating										
Improved Property										
Unimproved Property										
<b>Other assets</b>			84		194	194	305	2 505	305	
Operational Buildings								1 678		
Municipal Offices								1 678		
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares										
Housing			84		194	194	305	827	305	
Staff Housing										
Social Housing			84		194	194	305	827	305	
Capital Spares										
<b>Biological or Cultivated Assets</b>										
Biological or Cultivated Assets										
<b>Intangible Assets</b>										
Servitudes										
Licences and Rights										
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications										
Load Settlement Software Applications										
Unspecified										
<b>Computer Equipment</b>	49	226	384							
Computer Equipment	49	226	384							
<b>Furniture and Office Equipment</b>	2		19	25	25	25	18			
Furniture and Office Equipment	2		19	25	25	25	18			
<b>Machinery and Equipment</b>										
Machinery and Equipment										
<b>Transport Assets</b>										
Transport Assets										
<b>Land</b>										
Land										
<b>Zoo's, Marine and Non-biological Animals</b>										
Zoo's, Marine and Non-biological Animals										
<b>Total Capital Expenditure on upgrading of existing assets</b>	1	51	22 542	488	4 925	219	219	323	7 405	305
<i>Upgrading of Existing Assets as % of total capex</i>		0.0%	61.0%	16.3%	58.2%	4.6%	4.6%	6.5%	46.6%	5.3%
<i>Upgrading of Existing Assets as % of deprecn"</i>		1.1%	633.5%	13.7%	137.7%	6.1%	6.1%	7.0%	154.0%	6.1%

DC3 Overberg - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2021/22 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Present value
<b>R thousand</b>								
<b>Capital expenditure</b>	1							
Vote 1 - Municipal Manager		-	-	-				
Vote 2 - Management Services		-	-	-				
Vote 3 - Corporate Services		1 250	3 341	200				
Vote 4 - Finance		250	-	-				
Vote 5 - Community Services		3 489	12 565	5 580				
<i>List entity summary if applicable</i>								
<b>Total Capital Expenditure</b>		<b>4 989</b>	<b>15 906</b>	<b>5 780</b>	-	-	-	-
<b>Future operational costs by vote</b>	2							
Vote 1 - Municipal Manager								
Vote 2 - Management Services								
Vote 3 - Corporate Services								
Vote 4 - Finance								
Vote 5 - Community Services								
<i>List entity summary if applicable</i>								
<b>Total future operational costs</b>		-	-	-	-	-	-	-
<b>Future revenue by source</b>	3							
Property rates								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Rental of facilities and equipment								
<i>List other revenues sources if applicable</i>								
<i>List entity summary if applicable</i>								
<b>Total future revenue</b>		-	-	-	-	-	-	-
<b>Net Financial Implications</b>		<b>4 989</b>	<b>15 906</b>	<b>5 780</b>	-	-	-	-

DC3 Overberg - Supporting Table SA36 Detailed capital budget

R thousand	Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	2021/22 Medium Term Revenue & Expenditure Framework		
										Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>Parent municipality:</b>												
<i>List all capital projects grouped by Function</i>												
Corporate Services	Power Generator and UPS backup system for		1				Municipal Transformation & Institutional Dev	Computer Equipment	Computer Equipment	750	250	-
Corporate Services	Removal of Asbestos Roofs & Replacement		2				Municipal Transformation & Institutional Dev	Other assets	Municipal Offices	-	1 678	-
Corporate Services	Erecting of perimeter fence and access gate		3				Municipal Transformation & Institutional Dev	Other assets	Municipal Offices	-	650	-
Information Technology	Replacement of old and broken computer ex		4				Municipal Transformation & Institutional Dev	Computer Equipment	Computer Equipment	500	300	200
Information Technology	Replacement of the council chamber's micro		5				Municipal Transformation & Institutional Dev	Furniture and Office Equipment	Furniture and Office Equipment	-	400	-
Information Technology	Installation of a Time and Attendance system		6				Municipal Transformation & Institutional Dev	Furniture and Office Equipment	Furniture and Office Equipment	-	63	-
Finance	Acquisition of a small pick-up utility vehicle		7				Financial Viability	Transport Assets	Transport Assets	250	-	-
Municipal Health	Office Equipment		8				Basic Services and Infrastructure	Furniture and Office Equipment	Furniture and Office Equipment	-	70	-
Municipal Health	2 FRIDGES FOR STORING SAMPLES		9				Basic Services and Infrastructure	Furniture and Office Equipment	Furniture and Office Equipment	18	-	-
Municipal Health	Mobile Air Conditioners		10				Basic Services and Infrastructure	Furniture and Office Equipment	Furniture and Office Equipment	-	150	-
Municipal Health	3 in 1 Printer		11				Basic Services and Infrastructure	Furniture and Office Equipment	Furniture and Office Equipment	4	-	-
Municipal Health	Mobile fridges		12				Basic Services and Infrastructure	Furniture and Office Equipment	Furniture and Office Equipment	-	60	60
Municipal Health	Air Conditioners		13				Basic Services and Infrastructure	Furniture and Office Equipment	Furniture and Office Equipment	-	-	15
Environmental Management	Elim Excavation, removal and remediation v		14				Basic Services and Infrastructure	Solid Waste Infrastructure	Landfill Sites	-	2 179	-
Environmental Management	Water back-up system for Karwyderskraal		15				Basic Services and Infrastructure	Solid Waste Infrastructure	Landfill Sites	255	-	-
Resorts	Wooden House		16				Local Economic Development	Housing	Social Housing	57	-	-
Resorts	Upgrading of Bungalows - Uilenkraalsmond		17				Local Economic Development	Housing	Social Housing	305	457	305
Resorts	Purchasing of equipment for Bungalows and		18				Local Economic Development	Furniture and Office Equipment	Furniture and Office Equipment	50	-	-
Resorts	Upgrading of ablution facilities - Uilenkraals		19				Local Economic Development	Housing	Social Housing	-	370	-
Emergency Services	Capital Rescue Equipment		20				Basic Services and Infrastructure	Machinery and Equipment	Machinery and Equipment	100	180	200
Emergency Services	Capital Vehicle replacement		21				Basic Services and Infrastructure	Transport Assets	Transport Assets	2 100	3 200	3 000
Emergency Services	Vehicle upgrade/refurbishment		22				Basic Services and Infrastructure	Transport Assets	Transport Assets	600	-	-
Waste Management	KWK Landfill site		23				Basic Services and Infrastructure	Solid Waste Infrastructure	Landfill Sites	-	4 900	-
Emergency Services	Caledon Fire Station		24				Basic Services and Infrastructure	Community Facilities	Fire/Ambulance Stations	-	1 000	2 000
<b>Parent Capital expenditure</b>										<b>4 989</b>	<b>15 906</b>	<b>5 780</b>
<b>Entities:</b>												
<i>List all capital projects grouped by Entity</i>												
<b>Entity A</b>												
Water project A												
<b>Entity B</b>												
Electricity project B												
<b>Entity Capital expenditure</b>										<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital expenditure</b>										<b>4 989</b>	<b>15 906</b>	<b>5 780</b>



DC3 Overberg - Supporting Table SA37 Projects delayed from previous financial year/s

R thousand	Function	Project name	Project number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Previous target year to complete	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
														Original Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>Parent municipality:</b> <i>List all capital projects grouped by Function</i>																		
<b>Entities:</b> <i>List all capital projects grouped by Entity</i>																		
<b>Entity Name</b> <i>Project name</i>																		

DC3 Overberg - Supporting Table SA38 Consolidated detailed operational projects

R thousand	Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Prior year outcomes		2021/22 Medium T
													Audited Outcome 2019/20	Current Year 2020/21 Full Year Forecast	Budget Year 2021/22
<b>Parent municipality:</b>															
<i>List all operational projects grouped by Function</i>															
Environmental protection	Basic Services and Infrastructure												2 292	2 706	3 727
Executive and council	Good governance and Community Participation												10 401	11 193	10 722
Finance and administration	Financial Viability												15 093	25 290	27 864
Finance and administration	Good governance and Community Participation												1 153	2 105	2 247
Finance and administration	Local Economic Development												-	-	-
Finance and administration	Municipal Transformation & Institutional Development												13 085	17 827	21 143
Health	Basic Services and Infrastructure												14 245	17 360	17 648
Internal audit	Good governance and Community Participation												1 325	1 905	2 364
Planning and development	Good governance and Community Participation												1 253	1 404	1 409
Public safety	Basic Services and Infrastructure												29 252	33 132	32 327
Road transport	Basic Services and Infrastructure												94 751	115 907	109 595
Sport and recreation	Local Economic Development												16 825	17 252	16 875
Waste management	Basic Services and Infrastructure												8 495	8 974	8 030
<b>Parent Operational expenditure</b>													<b>208 170</b>	<b>255 054</b>	<b>253 950</b>
<b>Entities:</b>															
<i>List all Operational projects grouped by Entity</i>															
<b>Entity A</b>															
Water project A															
<b>Entity B</b>															
Electricity project B															
<b>Entity Operational expenditure</b>													-	-	-
<b>Total Operational expenditure</b>													<b>208 170</b>	<b>255 054</b>	<b>253 950</b>