OVERSTRAND MUNICIPALITY

DRAFT BUDGET

2015/2016

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

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Speech by the Executive Mayor, delivered at the OMAF meeting held on 18 February 2015

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Abbreviations and Acronyms

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

FOREWORD

EXECUTIVE MAYOR: OMAF 18 FEBRUARY 2015
2015/16 BUDGET AND IDP REVIEW

Good evening Ladies and Gentleman,

Tonight is our initial discussion with OMAF role-players on the 2015/16 draft budget and draft IDP review for 2015/16 that will be tabled in Council on 25 March 2015.

Later, I will elaborate on the planned public participation process for April 2015.

Before I proceed with my address, I'd like to re-affirm that I proclaimed "2015 as my Caring Year". As Executive Mayor this year will be all about caring and making mutual respect the order of the day. I'd like to share the following motto with fellow Overstranders:

Before you assume, learn the facts.
Before you judge, understand why.
Before you hurt someone, feel.
Before you speak, think.

Council is all too aware that the cost of living seems to be rising unchecked and that, for the foreseeable future at least, load shedding will be an unavoidable part of South Africans' lives.

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

The preparation of the 2015/16 draft budget was informed by the 3rd review of our 5 year Integrated Development Plan (IDP). Rochelle Louw (Snr Manager: Strategic Services) will later refresh our minds on the strategic focus areas of the IDP.

Let me start to briefly reflect on the broader economic factors that also informed the compiling of the draft Budget for 2015/16 -

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

"GDP growth is projected to improve over the medium term as infrastructure constraints ease, private investment recovers and exports grow. Economic growth is expected to rise gradually over the medium term, reaching 3 per cent by 2017."

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

The recent drop in the petrol price has posed a positive change for South African consumers. It was however mentioned in an article on Moneyweb, that, "The extra few rands the lower petrol price put in the pockets of South Africans may be reduced in the next two months as a result of a recovery in oil prices and an increase in levies, this according to two independent economists."

Councillor Coetzee, Member of the Mayoral Committee for Finance and Local Economic Development, will deal with our 2014/15 Adjustments Budget which is to serve before Council on 26 February 2015.

The municipality should also be in a position to finance investment in much needed replacement and expansion of ICT Infrastructure, tarring of roads, provision of storm-water reticulation, replacement of our vehicle fleet as well as furniture, tools and equipment.

Suffice for me to say that, apart from the administration being called upon to ensure that costs are contained in every possible way, we also need to put in place measures to generate a more substantial surplus.
To an extent this has been achieved with the adjustments budget, and with the allocation of a Municipal Disaster Recovery Grant of R1,27m as announced on 31 December 2014.

This grant relates to the application lodged by the municipality, after substantial damage due to the heavy rainfall and floods we had in November 2013.

I now turn to the Municipality's 2015/16 Draft Budget which is to be tabled in Council on 25 March 2015 for consideration and adoption, following a public participation process.

As stated in my opening remark, tonight is our initial discussion with OMAF members. Our planned public participation process in April 2015 will include a special public meeting in each of our 13 wards, where role-players can interrogate the draft budget and draft IDP review documents. Due to the special public meetings in April, no OMAF will be scheduled. Members and the broader public are encouraged to attend these April public meetings, the dates will be communicated in the relevant local media.

Whilst preparing the 2015/16 Draft Budget we were and still are mindful of the "*affordability and subsequently the ability of consumers to pay for services."* Cllr Coetzee will comment on the proposed tariff structure for 2015/16 in his presentation later in the program.

It is also a fact that municipal revenues and cash flows are expected to remain under pressure in 2015/16 and so we had to adopt a conservative approach when projecting our expected revenues and cash receipts. It is against this background that we had to compile a draft budget for 2015/16.

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

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

National Treasury stated that "these unfunded/underfunded mandates pose an institutional and financial risk to the municipality as substantial amounts of own funding is allocated to non-core functions at the expense of service delivery."

For purposes of proper service delivery to our communities we however once again had to budget in our Operational Budget for unfunded mandates to the amount of approximately R28,8 million, which includes:

- R 1,25 million for Libraries;
- R 12,27 million for Fire Brigade Services;
- R 5,59 million for Housing Administration and Development;
- R 2,74 million for Tourism; and
- R 6,94 million for Environmental Services.

Our Library Grant allocated from Province amounts to R8,32m of which R5,24m contributes to staffing costs and R3,08m for the completion of the Kleinmond Library and minor assets on the capital budget.

Service at our Libraries has been acknowledged in the past few days in the form of the following awards by the Western Cape Government:

1. Best Public Library: Youth Services Hawston Public Library,

2. Best Big Public Library Hermanus Public Library,

3. Ministerial Award for Outstanding Achievement of Youth in Libraries

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

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

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

Our consumers will again this year be negatively affected by the excessive electricity increase approved for Eskom, which will have a huge negative impact on the electricity tariffs of the Municipality.

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

From my side, I only appointed one Mayco Member following the retirement of two Mayco members last year. This is in addition to the vacancy that already existed on my Mayco.

An Independent Financial Assessment of the Overstrand Municipality was prepared by INCA Portfolio Managers in 2014.

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

It was recommended that the municipality, amongst others –

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

With regard to shared services, the municipality has approved participation in a shared service based appointment of a Risk Manager, where this appointment will benefit all municipalities in the Overberg District.

As is the case with the 2014/15 Adjustment Budget, Cllr Coetzee will also share with you information regarding our 2015/16 Draft Capital and Operational budgets.

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

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

I share the quote of the Late Madiba : "Accountability of leaders to the rank and file and the accountability of members to the structures to which they are affiliated is the flip side of the coin of democracy. Such accountability must extend also to the relations existing between the movement as a whole and our people."

I thank you.

Part 1 – Annual Budget

1.1 Mayor's Report

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

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

1.2 Council Resolution

The following is the resolution that will be considered for the approval and adoption of the annual budget for 2015/2016:

RECOMMENDATION TO THE COUNCIL:

1. that in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) the annual budget of the Overstrand Municipality for the 2015/16 to 2017/18 MTREF (Medium Term Revenue and Expenditure Framework) period **be approved and adopted** as set out in the following schedules:

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

2. that in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) the property rates reflected in **Annexure A, be imposed** for the budget year 2015/16;

3. that in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) tariffs and charges reflected in **Annexure A, be approved** for the budget year 2015/16;

4. that the Municipal Manager be authorised to sign all necessary agreements and documents to give effect to the borrowing for the 2015/2016 MTREF capital programme for external loans amounting to R30 million per year;

5. that the following schedules be noted:

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

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

7. that **cognisance be taken** of the 2015/2016 Budget Report.

1.3 Executive Summary

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

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

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

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

The following are extracts from the preamble to the regulations:

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

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

The segments classification consists of the following:

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

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

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

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

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

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

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

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

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

The main challenges experienced during the compilation of the 2015/16 MTREF can be summarised as follows:

- The on-going difficulties in the national and local economy;
- Ever aging water, roads, sewage and electricity infrastructure;
- Sustainable refuse disposal;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities of the municipality;
- The increased cost of bulk electricity (due to tariff increases by Eskom in excess of inflation), which is placing upward pressure on service tariffs to residents. Continuous high bulk tariff increases are not sustainable, as there will be point where services will no longer be affordable;
- Revenue recovery from cost reflective core municipal services;
- Wage increases for municipal staff that have exceeded headline consumer inflation in the past, as well as the need to restructure certain components for operational efficiencies;
- Affordability of capital projects – original allocations were reduced with respect to the borrowing programme and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2015/16 MTREF process; and
- Maintaining a positive cash flow.

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

- The 2014/2015 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget informed the upper limits for the new baselines for the 2015/16 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and any backlog eradication goals;
- Tariffs and property rates increases should aim to be affordable. The rate of increases in property rates has lagged in the past years;
- Some price increases in the input costs of services are beyond the control of the municipality, for instance the cost of bulk electricity, fuel and chemicals. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure maintenance and backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

- The following cost saving measures were applied:
  - Restructuring of the personnel corps in protection services and introduction of a shift system;
  - Abolishment of twenty three posts;
  - Reduction in the borrowing programme;
  - Principle of 0% increase in non-core general expenses unless valid motivations dictate.

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

Table 1 Consolidated Overview of the 2015/16 MTREF

	Budget Year 2014/15	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18			
Revenue	810 548	908 211	973 373	1 028 569	12.0%	7.2%	5.7%
Expenditure	932 125	977 508	1 037 493	1 098 292	4.9%	6.1%	5.9%
Surplus / (Deficit)	(121 577)	(69 296)	(64 120)	(69 723)			
Capital	117 588	85 515	94 606	103 561	-27.3%	10.6%	9.5%

Total operating revenue has grown by 12 per cent for the 2015/16 financial year when compared to the 2014/2015 Adjustments Budget. For the two outer years, operational revenue will increase by 7,2 and 5,7 per cent respectively. The higher increase for 2015/16 is informed by increased grant funding, which includes additional equitable share of R12,5m and housing top structures amounting to R30m.

Total operating expenditure for the 2015/16 financial year has been appropriated at R977m and translates into a budgeted deficit of R69.2m. When compared to the 2014/2015 Adjustments Budget, operating expenditure has grown by 4,7 per cent in the 2015/16 budget and by 6,1 and 5,9 per cent for each of the respective outer years of the MTREF. The increase of 4,9 per cent for 2015/16 is notwithstanding an additional R30m expenditure for housing top structures.

It should be noted that although the 2015/2016 operational budget and indicative years indicate budgeted deficits, this does not reflect the actual cash position. These circumstances arose as the result of the implementation of GRAP, with special reference to GRAP 17 (Property, Plant and Equipment-PPE). The asset value before depreciation is in excess of R6,1 billion, which relates to substantially high depreciation charges. Although accurately reflecting asset value, the cost of a substantial portion of these assets had been fully redeemed previously, but the useful life of assets were extended as well as ever increasing assets funded by grants. The replacement thereof can thus not be recouped via current tariffs as this would lead to taxation in advance of need and no reserves may be established for these purposes. The principle of recovering actual cash costs during each financial period is adhered to.

The capital budget of R85,5m for 2015/16 is 27,3 per cent less when compared to the 2014/2015 Adjustments Budget. The reduction is due to the available resources to fund the capital budget. The capital programme increases to R94,6m and R103,6 m in the outer years, notwithstanding that an estimated R100m is required annually to sustain capital infrastructure. The reduction in own funding (borrowing) is largely due to cost containment measures as a smaller portion of the capital budget (32%) will be funded from borrowing over the MTREF with anticipated borrowings of R90m. The balance will be funded from internally generated funds (3%) and capital grants (65%). The Municipality had reached its prudential borrowing limit of 60% of operational revenue in 2012 and has embarked on a strategy to manage this rate down by at least 10%. At the current borrowing programme this rate will be managed down to 44% by 2017/18 in this MTREF. National Treasury has recommended an upper limit of 45% in the norms and ratios published in 2014. As a result there is limited scope to increase these borrowing levels over the medium-term. The repayment of

capital and interest (debt services costs) had increased over the previous five years as a result of the aggressive capital infrastructure programme implemented over those five years. The repayment of capital and interest (debt services costs) remains within the acceptable norms. Consequently, the capital budget remains relatively flat over the medium-term.

1.4 Operating Revenue Framework

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

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

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

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

Table 2 Summary of revenue classified by main revenue source

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source									
Property rates	108 913	120 799	134 813	148 640	153 509	153 509	162 730	173 308	184 573
Property rates - penalties & collection charges	925	772	821	1 050	1 050	1 050	891	980	1 078
Service charges - electricity revenue	224 950	247 663	268 362	310 085	310 085	310 085	338 877	371 635	407 747
Service charges - water revenue	83 755	85 243	95 136	95 897	95 897	95 897	102 045	107 700	113 691
Service charges - sanitation revenue	57 212	56 895	62 798	63 455	63 455	63 455	66 375	70 081	74 010
Service charges - refuse revenue	39 498	46 637	52 957	56 130	56 130	56 130	59 488	63 061	66 849
Service charges - other					–	–			
Rental of facilities and equipment	6 743	7 212	7 591	7 966	7 966	7 966	11 859	12 953	14 176
Interest earned - external investments	6 881	7 555	6 352	6 166	6 166	6 166	6 348	6 348	6 348
Interest earned - outstanding debtors	2 331	2 199	2 118	2 288	2 288	2 288	2 437	2 680	2 948
Dividends received				–	–	–			
Fines	5 278	14 244	22 739	7 965	30 875	30 875	31 859	32 766	33 763
Licences and permits	1 786	1 968	1 956	2 229	2 229	2 229	2 190	2 408	2 649
Agency services	1 912	2 025	2 395	2 480	2 480	2 480	2 970	3 267	3 594
Transfers recognised - operational	38 005	41 680	67 835	58 407	62 032	62 032	103 363	107 886	97 173
Other revenue	17 375	68 978	10 504	21 717	16 387	16 387	16 781	18 301	19 972
Gains on disposal of PPE	1 920								
Total Revenue (excluding capital transfers and contributions)	**597 482**	**703 871**	**736 376**	**784 474**	**810 548**	**810 548**	**908 211**	**973 373**	**1 028 569**

Table 3 Percentage growth in revenue by main revenue source

Description R thousand	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework					
		Budget Year 2015/16		Budget Year +1 2016/17		Budget Year +2 2017/18	
Revenue By Source							
Property rates	153 509	162 730	6.01%	173 308	6.50%	184 573	6.50%
Property rates - penalties & collection charge	1 050	891	-15.14%	980	10.00%	1 078	10.00%
Service charges - electricity revenue	310 085	338 877	9.29%	371 635	9.67%	407 747	9.72%
Service charges - water revenue	95 897	102 045	6.41%	107 700	5.54%	113 691	5.56%
Service charges - sanitation revenue	63 455	66 375	4.60%	70 081	5.58%	74 010	5.61%
Service charges - refuse revenue	56 130	59 488	5.98%	63 061	6.01%	66 849	6.01%
Rental of facilities and equipment	7 966	11 859	48.86%	12 953	9.23%	14 176	9.44%
Interest earned - external investments	6 166	6 348	2.94%	6 348	0.00%	6 348	0.00%
Interest earned - outstanding debtors	2 288	2 437	6.49%	2 680	10.00%	2 948	10.00%
Fines	30 875	31 859	3.19%	32 766	2.84%	33 763	3.04%
Licences and permits	2 229	2 190	-1.77%	2 408	10.00%	2 649	10.00%
Agency services	2 480	2 970	19.78%	3 267	10.00%	3 594	10.00%
Transfers recognised - operational	62 032	103 363	66.63%	107 886	4.38%	97 173	-9.93%
Other revenue	16 387	16 781	2.41%	18 301	9.06%	19 972	9.13%
Total Revenue (excluding capital transfers and contributions)	**810 548**	**908 211**	**12.05%**	**973 373**	**7.17%**	**1 028 569**	**5.67%**

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

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. The increase in revenue of 6 per cent represents the tariff increase for rates, water, sanitation and refuses revenue. Rates and service charge revenues comprise 82% of the total operating revenue mix. In the 2014/2015 financial year, revenue from rates and services charges totalled R690m. This increases to R745m, R802m and R865m in the respective financial years of the MTREF. This growth can be mainly attributed to the increased share that the sale of electricity contributes to the total revenue mix, which in turn is due to rapid increases in the Eskom tariffs for bulk electricity, above anticipated inflation growth and operational grants. The above table includes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality. Details in this regard are contained in Table 61 MBRR SA1 (see page 93).

After service charges, property rates is the second largest revenue source. The third largest source is operational grants from national and provincial government, which has shown growth over the MTREF, followed by fines and 'other revenue' which consists of various items such as income received from permits and licenses, building plan fees, connection fees, advertisement fees etc. Departments delivering these services have been urged to review the tariffs of these items on an annual basis to ensure they are cost reflective and market related. Some revenue categories indicate distorted trends between 2014/15 and 2015/16 as indicated by rentals, licenses and other revenue. The is mainly due to reclassification of revenue categories in line with mSCOA

Operating grants and transfers total R103,4 million in the 2015/16 financial year. This increases to R107,9m in 2016/17 and decreases to R97,1m in 2017/18 of the MTREF. Equitable share increases substantially over the MTREF (53%) in terms of the equitable share formula after the release of the 2011 census figures, as a result of the population growth in the Overstrand area. The increase in the housing allocation is due to the building of top structures for housing development (R66,6m) anticipated over the MTREF. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 4 Operating Transfers and Grant Receipts

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
RECEIPTS:									
Operating Transfers and Grants									
National Government:	**33 973**	**38 956**	**45 033**	**54 673**	**56 511**	**56 511**	**67 709**	**74 702**	**82 187**
Local Government Equitable Share	31 156	36 146	41 949	52 021	52 021	52 021	64 598	72 270	79 604
Finance Management	1 250	698	1 300	884	1 450	1 450	1 450	1 475	1 550
Municipal Systems Improvement	790	780	540					957	1 033
EPWP Incentive	777	1 332	1 244	1 768	1 768	1 768	1 661		
Municipal Disaster Receovery Grant					1 272	1 272			
Provincial Government:	**10 697**	**2 703**	**23 332**	**3 734**	**4 371**	**4 371**	**35 654**	**33 184**	**14 986**
Housing	9 914	1 659	18 669	183	288	288	30 226	27 480	8 876
Emergency Housing Programme (EHP)	–	–	–	220	220	220			
Provincial Library Grant	640	691	795	3 182	3 182	3 182	5 242	5 557	5 890
Finanicial Management Support Grant	–	–	800		514	514			
Community Development Worker Grant	78	70	49	52	70	70	72	76	80
Main Road Subsidy	65	65	2 651	97	97	97	114		
Nelson Mandela commemoration Grant	–	–	100						
Greenest Municipality	–	–	50						
Thusong Service centre grant	–	218	218					71	140
Other grant providers:	**270**	**652**	**586**	**–**	**185**	**185**	**–**	**–**	**–**
Prov Govt. ICT Projects for Libraries	–	–	27						
Table Mountain Fund	–	–	240						
Samras Usergroup	–	22	–						
Friedrich Naumann Foundation	–	–	319		185	185			
Spaces 4 Sport	270	630	–						
Total Operating Transfers and Grants	**44 940**	**42 311**	**68 951**	**58 407**	**61 067**	**61 067**	**103 363**	**107 886**	**97 173**

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in possible higher levels of non-payment.

The increase in property rates has been limited to only 6,85% notwithstanding the lagging of rates increases below inflation over previous years before 2014/15. Furthermore, increases in service charges have been kept at average inflation, with the electricity consumption tariff equal to the NERSA approval of Eskom tariffs. This contributes to the eroding of surpluses on services due to higher than inflation input costs. Notwithstanding that surpluses on services have traditionally subsidised community services, the decrease in these surpluses can also be viewed positively as this decreases the level of cross subsidisation. See the table below.

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

The following table sets out the costing of services.

Table 5 Costing of services

COSTING OF SERVICES	Amended Budget 2014/2015	Original Budget 2015/2016	
Service : 1200 ELECTRICITY			
** SALARIES, WAGES & ALLOWANCES	16 008 002		
** GENERAL EXPENSES	213 578 651		
** REPAIRS & MAINTENANCE	4 560 080		
** CAPITAL CHARGES	38 213 845		
Bulk Purchases		193 573 082	
Contracted Services		2 531 636	
Depreciation and Amortisation		22 144 494	
Employee Related Cost		19 049 774	
Interest Dividends and Rent on Land		15 927 856	
Inventory		3 644 998	
Operational Cost		406 200	
Costing: overheads (dept charges)		43 951 492	
TOTAL EXPENDITURE	**272 360 578**	**301 229 532**	**10.60%**
TOTAL INCOME	**-310 085 306**	**-338 360 730**	**9.12%**
(SURPLUS)/DEFICIT	**-37 724 728**	**-37 131 198**	
	13.85%	**12.33%**	
Service : 1300 WATER			
** SALARIES, WAGES & ALLOWANCES	16 672 866		
** GENERAL EXPENSES	28 603 656		
** REPAIRS & MAINTENANCE	9 909 706		
** CAPITAL CHARGES	37 871 229		
** EMPLOYEE RELATED COST		17 250 742	
** OPERATIONAL COST		203 765	
** BULK PURCHASES		3 263 296	
** CONTRACTED SERVICES		7 968 743	
** INTEREST DIVIDEND RENT ON LAND		18 022 914	
** DEPRECIATION AND AMORTISATION		18 968 693	
** INVENTORY		12 696 587	
Costing: overheads (dept charges)		16 564 152	
TOTAL EXPENDITURE	**93 057 457**	**94 938 892**	**2.02%**
TOTAL INCOME	**-96 871 828**	**-102 644 773**	**5.96%**
(SURPLUS)/DEFICIT	**-3 814 371**	**-7 705 881**	
	4.10%	**8.12%**	
Service : 1400 WASTE WATER MANAGEMENT			
** SALARIES, WAGES & ALLOWANCES	18 433 913		
** GENERAL EXPENSES	9 734 044		
** REPAIRS & MAINTENANCE	8 439 440		
** CAPITAL CHARGES	24 486 603		
Bulk Purchases		720 915	
Contracted Services		6 492 674	
Depreciation and Amortisation		17 060 567	
Employee Related Cost		17 409 311	
Interest Dividends and Rent on Land		7 783 445	
Inventory		4 729 979	
Operational Cost		255 724	
Costing: overheads (dept charges)		9 650 956	
TOTAL EXPENDITURE	**61 094 000**	**64 103 571**	**4.93%**
TOTAL INCOME	**-63 324 796**	**-66 925 990**	**5.69%**
(SURPLUS)/DEFICIT	**-2 230 796**	**-2 822 419**	
	3.65%	**4.40%**	
Service : 1500 WASTE MANAGEMENT			
** SALARIES, WAGES & ALLOWANCES	20 315 436		
** GENERAL EXPENSES	25 859 582		
** REPAIRS & MAINTENANCE	1 789 307		
** CAPITAL CHARGES	5 524 816		
** CONTRIBUTION TO PROVISIONS	3 000 000		
** EMPLOYEE RELATED COST		21 432 276	
** OPERATIONAL COST		4 821 959	
** CONTRACTED SERVICES		18 432 173	
** INTEREST DIVIDEND RENT ON LAND		1 751 952	
** DEPRECIATION AND AMORTISATION		5 159 240	
** INVENTORY		2 666 294	
Costing: overheads (dept charges)		8 545 653	
TOTAL EXPENDITURE	**56 489 141**	**62 809 547**	**11.19%**
TOTAL INCOME	**-56 130 000**	**-59 544 160**	**6.08%**
(SURPLUS)/DEFICIT	**359 141**	**3 265 387**	
	-0.64%	**-5.20%**	

Notes:

1. Disparity of expenditure categories frm implementation of mSCOA.
2. Increased refuse expenditure resulting from new waste disposal infrastructure
3. Secondary costs indicated in line with previous allocations + 5%
4. The waste management deficit adressed in para. 1.4.5

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

1.4.1 Property Rates

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

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

The following stipulations in the Property Rates Policy are highlighted:

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

FARMS	General Tax: Farming Properties	Smallholdings used for bona fide farming purposes outside municipal service area	Agricultural purpose in relation to the use of a property, excludes the use of a property for the purpose of ecotourism or for the trading in or hunting of game.
FARMS	Conservation land	Privately owned properties whether designated or used for conservation purposes.	Not rateable in terms of section 17(1)(e) of the act.
REBU2 **REBU3** **REBU4**	Other Rebates	Single residential properties, Group Housing, Retirement Villages, Flats, Sectional Schemes	- Property must be occupied permanently; - The applicant must be the registered owner; - Only one residential unit allowed on the property - Applicant may not be the registered owner of more than one property • A rebate of 100% to approved applicants, in terms of the **Property Rates** Policy, who's gross monthly household income may not exceed the amount of two times (2X) of state funded social pensions per month; • A rebate of 50% to approved applicants, in terms of the **Property Rates** Policy, who are older than 60 with a gross monthly household income less than four times (4X) of state funded social pensions per month; • A rebate of 40% to approved applicants, in terms of the **Property Rates**, who are older than 60 with a gross monthly household income of more than four times (4X) but less than eight times (8X) of state funded social pensions per month.

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

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

RATES TARIFFS 2015/2016

Tariff Code	Detail	2015/2016		2014/2015		1.0685
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
RATES	**YEAR OF GENERAL VALUATION: 02 JULY 2011**					
RATE1*	Commercial Land with Improvements	0.00670	0.00670	0.00627	0.00627	6.8500%
RATE2*	Residential Land with Improvements	0.00442	0.00442	0.00414	0.00414	6.8500%
	**** See attached schedule of Exemptions and Rebates applicable***					
RATE3	Municipal Properties: Investment Properties	Applicable tariff for Commercial or Residential	Applicable tariff for Commercial or Residential	Applicable tariff for Commercial or Residential	Applicable tariff for Commercial or Residential	
RATE4	Municipal Properties: Property, Plant and Equipment	0.00000	0.00000	0.00000	0.00000	
RATE5	Improvement District Surcharge (HPP) on total rates payable on approved Improvement District	0.10000	0.10000	0.10000	0.10000	0.0000%
RATE6	Building Clause	Equals to tariff for rates on property	Equals to tariff for rates on property	Equals to tariff for rates on property	Equals to tariff for rates on property	
RATE7	Farm/Agriculture (Bona-fide)	0.00111	0.00111	0.00104	0.00104	6.8500%
RATE8	Undeveloped erven	0.00605	0.00605	0.00566	0.00566	6.8500%
RATE9	Government Properties: Commercial	0.00670	0.00670	0.00627	0.00627	6.8500%
RATE10	Government Properties: Residential	0.00442	0.00442	0.00414	0.00414	6.8500%
PLEASE NOTE: VAT IS LEVIED AT A RATE OF 0% ON ASSESSMENT RATES						

1.4.2 Sale of Water and Impact of Tariff Increases

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

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

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

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

Tariff increases as from 1 July 2015 are indicated in the list of tariffs in Annexure C. The 6 kℓ free water per 30-day period has since 2014 only been granted to registered indigents. The second level of phasing in the increases in the 0 – 6 kℓ category as implemented during 2013/14, to recover minimum cost of the production of water, further postponed in 2014/15, has now been implemented. This is the reason for the higher than 6% increase in this category of the tariffs.

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

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

Tariff Code	Detail	2015/2016		2014/2015		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
W1B	**CONSUMPTION - HOUSEHOLDS**					
	Normal Tariff					
W1B1	0 - 6 kl per kl	3.62	4.13	3.25	3.71	11.50%
W1B2	7 - 18 kl per kl	9.12	10.39	8.60	9.80	6.00%
W1B3	19 - 30 kl per kl	14.79	16.86	13.95	15.90	6.00%
W1B4	31 - 45 kl per kl	22.76	25.95	21.48	24.48	6.00%
W1B5	46 - 60 kl per kl	29.57	33.71	27.90	31.81	6.00%
W1B6	>60kl per kl	39.43	44.95	37.20	42.40	6.00%

1.4.3 Sale of Electricity and Impact of Tariff Increases

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

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

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

Registered indigents will again be granted 50 kWh per 30-day period free of charge.

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

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

Tariff Code	Detail		2015/2016		2014/2015		
			Exclude VAT	Include VAT	Exclude VAT	Include VAT	
E1A	**Two-Part Tariff: Credit meters up to 60 Amp (13.8 kVA BDMD) (Including Resorts)**						
E1A1	Basic Monthly charge per meter	**R**	216.83	247.19	204.56	233.20	6.00%
	kWH Unit cost						
E1A2	IBT BLOCK 1 0 - 350 kWh	**c**	107.67	122.74	95.96	109.39	12.20%
E1A3	IBT BLOCK 2 351 - 600 kWh	**c**	145.88	166.30	130.02	148.22	12.20%
E1A4	IBT BLOCK 3 > 600 kWh	**c**	175.82	200.43	156.70	178.64	12.20%
E1B	**Two-Part Tariff: Pre-Paid up to 60 Amp (13.8 kVA BDMD) (Included Resorts)**						
E1B1	Basic Monthly charge per meter	**R**	216.83	247.19	204.56	233.20	6.00%
	kWH Unit cost						
E1B2	IBT BLOCK 1 0 - 350 kWh	**c**	99.45	113.38	88.64	101.05	12.20%
E1B3	IBT BLOCK 2 351 - 600 kWh	**c**	137.46	156.71	122.52	139.67	12.20%
E1B4	IBT BLOCK 3 > 600 kWh	**c**	169.00	192.66	150.62	171.71	12.20%

The stepped tariff for electricity as previously proposed by NERSA has continued. Tariffs have increased across all blocks at the same rate. The municipality will maintain the current stepped structure for the electricity tariffs. The reduced tariffs for prepaid meters will continue as in the past.

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

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

Owing to the high increases in Eskom's bulk tariffs, it is clearly not possible to fund further necessary upgrades through increases in the municipal electricity tariff – as the resultant tariff increases would be unaffordable for the consumers. The taking up of loans as a strategy for the funding of infrastructure is considered to spread the burden over the life span of the assets. As part of the 2015/16 medium-term capital programme, funding has been allocated to electricity infrastructure.

The full proposed tariffs are included in Annexure C.

1.4.4 Sanitation and Impact of Tariff Increases

A tariff increase of 6 per cent for sanitation (consumption) and 6 per cent for basic charges is proposed from 1 July 2015. This is based on tariff increases related to inflation increases as mentioned earlier in this report. It should be noted that electricity costs contributes towards waste water treatment input costs and therefore the limited increase in expenditure will have to be made up from operational efficiencies.

The following factors inform the proposed tariffs:

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

The following table compares the current and proposed tariffs:

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

Tariff Code	Detail	2015/2016		2014/2015		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
SE7A	**SEWERAGE - SINGLE AND INTERMEDIATE RESIDENTIAL (Dwelling house and Duplex flats, Conventional Sewers, small bore sewers and conservancy tanks)**					
SE7A1	0 - 35kl per kl (based on 70% of 50kl water usage) - per unit per month , Conservancy tank service only during office hours per month. For after hours service, refer to tariff SE9B.	10.88	12.40	10.26	11.70	6.00%
SE8	**BASIC CHARGE**					
SE8A	Basic Monthly Charge Developed sites per erf/unit per month	96.61	110.13	91.14	103.90	6.00%

1.4.5 Waste Removal and Impact of Tariff Increases

Solid waste removal is operating marginally below breakeven. The Municipality will have to revise the solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to the cost impact on this service are increased capital and operational costs for the new solid waste disposal infrastructure and general expenditure.

The re-opening of the Karwyderskraal waste disposal site by the Overstrand municipality, who will operate the site, has been resolved by the entering into a long term lease agreement with the District municipality for a portion of the land at Karwyderskraal to further develop cells. This will channel solid waste disposal from Hermanus and Kleinmond to this site, to improve operational efficiencies. The Theewaterskloof municipality previously disposed of solid waste at Karwyderskraal when it was operated by the District municipality. Indications are that the Theewaterskloof municipality will once again opt to utilise this service. No additional revenue has been budgeted in this regard, pending service agreements. This aspect will be reviewed during the mid-year review for 2015/2016 and revenue adjustments will be considered at that stage.

An increase of 6 per cent in the waste removal tariff is proposed from 1 July 2015. Higher increases will not be viable at this stage owing to the increases implemented in the preceding financial year. The acceptability of the draft budgeted figures, after due consideration, is viewed as appropriate in context with the anticipated participation by Theewaterskloof municipality, which will grant a more realistic performance of this service later on during the 2015/16 financial year. Any further increase would also have been counter-productive and will result in affordability challenges for individual consumers.

The following table compares current and proposed amounts payable from 1 July 2015:

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

Tariff Code	Detail	2015/2016		2014/2015		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
SAN1	**REFUSE REMOVAL (1 removal per week of 4 bags or 1X240 Bin)**	**R**	**R**	**R**	**R**	
SAN1A	Residential (All registered erven/unit with approved building plan) 1 x removal per week (R/Month)	137.99	157.30	130.18	148.40	6.00%

All proposed refuse tariffs are listed in Annexure C.

1.4.6 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on medium and small household consumers, as well as an indigent household receiving free basic services.

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

Medium Consumption with prepaid elect meter		2014/2015	2015/2016	Amount	%
Valuation	R2 500 000				
Rates		676.20	722.52	46.32	6.85
Sewer	**SE7A1+SE8A**	270.69	287.01	16.32	6.03
Infrastructure Basic Charge Water, Electricity & Sewer		41.70	41.70	0.00	0.00
Refuse	**1X Per Week**	130.18	137.99	7.81	6.00
Water	25 kl	322.63	343.11	20.48	6.35
VAT		107.13	113.37	6.25	5.83
SUB TOTAL		**1 548.53**	**1 645.70**	**97.18**	**6.28**
Electricity Prep	800 kWh	1 122.32	1 246.55	124.24	11.07
VAT		157.12	174.52	17.39	11.07
TOTAL		**2 827.97**	**3 066.77**	**238.81**	**8.44**
HPP if applicable		*67.62*	*72.25*	*4.63*	*6.85*

Medium Consumption with prepaid elect meter		2014/2015	2015/2016	Amount	%
Valuation	R2 500 000				
Rates		676.20	722.52	46.32	6.85
Sewer	**SE7A1+SE8A**	270.69	287.01	16.32	6.03
Infrastructure Basic Charge Water, Electricity & Sewer		41.70	41.70	0.00	0.00
Refuse	**1X Per Week**	130.18	137.99	7.81	6.00
Water	25 kl	322.63	343.11	20.48	6.35
VAT		107.13	113.37	6.25	5.83
SUB TOTAL		**1 548.53**	**1 645.70**	**97.18**	**6.28**
Electricity Prep	800 kWh	1 122.32	1 246.55	124.24	11.07
VAT		157.12	174.52	17.39	11.07
TOTAL		**2 827.97**	**3 066.77**	**238.81**	**8.44**
HPP if applicable		*67.62*	*72.25*	*4.63*	*6.85*

Life-Line Consumption (ONE PART) (Indigent)		2014/2015	2015/2016	Amount	%
Valuation	R50 000				
Rates		0.00	0.00	0.00	0.00
Sewer	**SE7A1**	14.36	15.23	0.87	6.04
Infrastructure Basic Charge Water, Electricity & Sewer		41.70	41.70	0.00	0.00
Refuse	**1X Per Week**	0.00	0.00	0.00	0.00
Water	8 kl	17.20	18.24	1.04	6.05
VAT		10.26	10.52	0.27	2.60
SUB TOTAL		**83.52**	**85.70**	**2.18**	**2.60**
Electricity Pre-p	300 kWh	263.70	295.87	32.17	12.20
VAT		36.92	41.42	4.50	12.20
TOTAL		**384.14**	**422.99**	**38.85**	**10.11**

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Table 11 MBRR Table SA14 – Household bills

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
Rand/cent	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16 % incr.	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Monthly Account for Household - 'Middle Income Range'										
Rates and services										
Property rates	141.26	151.25	156.00	179.40	179.40	179.40	7.0%	191.69	203.19	215.38
Electricity: Basic levy	151.75	157.89	192.98	204.56	204.56	204.56	6.0%	216.83	229.84	243.63
Electricity: Consumption	953.00	1 056.28	1 126.62	1 219.00	1 219.00	1 219.00	11.0%	1 357.95	1 439.43	1 525.79
Water: Basic levy	87.72	92.98	96.49	102.28	102.28	102.28	6.0%	108.42	114.93	121.82
Water: Consumption	168.48	224.44	273.66	273.66	273.66	273.66	15.0%	313.77	332.60	352.55
Sanitation	245.92	264.87	288.62	305.94	305.94	305.94	6.0%	325.09	344.60	365.27
Refuse removal	83.33	113.16	122.81	130.18	130.18	130.18	6.0%	137.99	146.27	155.05
Other										
sub-total	**1 831.46**	**2 060.87**	**2 257.18**	**2 415.02**	**2 415.02**	**2 415.02**	**9.8%**	**2 651.74**	**2 810.84**	**2 979.50**
VAT on Services	236.63	267.35	294.17	312.99	312.99	312.99		344.41	365.07	386.98
Total large household bill:	**2 068.09**	**2 328.22**	**2 551.35**	**2 728.00**	**2 728.00**	**2 728.00**	**9.8%**	**2 996.15**	**3 175.92**	**3 366.47**
% increase/-decrease		**12.6%**	**9.6%**	**6.9%**	**–**	**–**		**9.8%**	**6.0%**	**6.0%**
Monthly Account for Household - 'Affordable Range'										
Rates and services										
Property rates	97.80	104.70	108.00	124.20	124.20	124.20	7.0%	132.71	140.67	149.11
Electricity: Basic levy	151.75	157.89	192.98	204.56	204.56	204.56	6.0%	216.83	229.84	243.63
Electricity: Consumption	399.00	438.62	456.59	494.01	494.01	494.01	11.0%	550.31	583.33	618.33
Water: Basic levy	87.72	92.98	96.49	102.28	102.28	102.28	6.0%	108.42	114.93	121.82
Water: Consumption	133.38	164.44	207.86	220.35	220.35	220.35	7.0%	236.54	250.73	265.78
Sanitation	231.74	234.17	254.84	270.13	270.13	270.13	6.0%	287.01	304.23	322.48
Refuse removal	83.33	113.16	122.81	130.18	130.18	130.18	6.0%	137.99	146.27	155.05
Other										
sub-total	**1 184.72**	**1 305.96**	**1 439.57**	**1 545.71**	**1 545.71**	**1 545.71**	**8.0%**	**1 669.81**	**1 770.00**	**1 876.20**
VAT on Services	152.17	168.18	186.42	199.01	199.01	199.01		215.19	228.11	241.79
Total small household bill:	**1 336.88**	**1 474.14**	**1 625.99**	**1 744.72**	**1 744.72**	**1 744.72**	**8.0%**	**1 885.00**	**1 998.10**	**2 117.99**
% increase/-decrease		**10.3%**	**10.3%**	**7.3%**	**–**	**–**		**8.0%**	**6.0%**	**6.0%**
Monthly Account for Household - 'Indigent' Household receiving free										
Rates and services										
Property rates	54.33	58.16	60.00	69.00	69.00	69.00	7.0%	73.73	78.15	82.84
Electricity: Basic levy	151.75	157.89	192.98	204.56	204.56	204.56	6.0%	216.83	229.84	243.63
Electricity: Consumption	252.00	278.39	286.75	310.24	310.24	310.24	11.0%	345.59	366.33	388.30
Water: Basic levy	87.72	92.98	96.49	102.28	102.28	102.28	6.0%	108.42	114.93	121.82
Water: Consumption	98.28	104.44	123.67	131.10	131.10	131.10	6.0%	139.02	149.64	158.62
Sanitation	204.15	203.48	221.07	234.33	234.33	234.33	6.0%	248.93	263.87	279.70
Refuse removal	83.33	113.16	122.81	130.18	130.18	130.18	6.0%	137.99	146.27	155.05
Other	(468.47)	(521.33)	(598.16)	(635.06)	(635.06)	(635.06)	7.0%	(676.64)	(717.24)	(760.27)
sub-total	**463.09**	**487.17**	**505.61**	**546.63**	**546.63**	**546.63**	**8.6%**	**593.87**	**631.78**	**669.69**
VAT on Services	57.23	60.06	64.96	69.60	69.60	69.60		73.12	77.51	82.16
Total small household bill:	**520.32**	**547.23**	**570.57**	**616.23**	**616.23**	**616.23**	**8.2%**	**666.99**	**709.29**	**751.85**
% increase/-decrease		**5.2%**	**4.3%**	**8.0%**	**–**	**–**		**8.2%**	**6.3%**	**6.0%**

1. Use as basis property value of R700 000, 1 000 kWh electricity and 30kl water
2. Use as basis property value of R500 000 and R700 000, 500 kWh electricity and 25kl water
3. Use as basis property value of R 300 000, 350kWh electricity and 20kl water (50 kWh electricity and 6 kl water free)

1.5 Operating Expenditure Framework

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

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

The following table is a high level summary of the 2015/16 budget and MTREF (classified per main type of operating expenditure):

Table 12 Summary of operating expenditure by standard classification item

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Expenditure By Type									
Employee related costs	207 938	231 642	260 645	280 066	276 217	276 217	291 593	305 408	323 583
Remuneration of councillors	6 717	7 084	7 933	8 516	8 516	8 516	8 674	9 192	9 741
Debt impairment	28	6 688	12 526		22 792	22 792	22 792	22 792	22 792
Depreciation & asset impairment	104 041	104 408	99 361	109 265	105 461	105 461	111 362	118 043	125 126
Finance charges	31 727	37 331	39 927	45 162	44 480	44 480	46 895	46 780	47 279
Bulk purchases	126 669	145 022	157 055	169 444	169 444	169 444	193 573	221 138	252 628
Other materials	54 582	12 441	13 595	17 295	17 315	17 315	70 885	69 631	53 593
Contracted services	24 079	67 697	72 754	81 062	81 875	81 875	126 986	129 953	137 384
Transfers and grants	28 454	35 856	38 749	41 370	41 668	41 668	48 497	54 667	62 244
Other expenditure	158 290	102 146	117 460	117 407	164 357	164 357	56 251	59 890	63 924
Loss on disposal of PPE		1 756	12 017						
Total Expenditure	**742 525**	**752 070**	**832 022**	**869 588**	**932 125**	**932 125**	**977 508**	**1 037 493**	**1 098 292**

The budgeted allocation for employee related costs for the 2015/16 financial year totals R291,6m which equals 29,8 per cent of the total operating expenditure and within the NT norm of 25 – 40 per cent. The three year collective SALGBC agreement has come to an end in 2014/2015. The parties to the bargaining council are currently in negotiation on salary increases for 2015/2016. Salary increases (inclusive of annual notch increases) have been factored into the budget at a percentage increase of 6,1 per cent for the 2015/16 financial year as well as the two outer years of the MTREF, based on the average inflation rate for 2014.

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

With effect from 1 July 2010, the Municipal Manager and Section 57 Employees (Directors) remuneration is determined by an independent consulting firm, Messrs.' Work Dynamics (Pty) Ltd, appointed by the Employer to determine market related cost-to-employer remuneration packages. The afore-mentioned employees receive no bonuses, which principle was negotiated with them. The recommendation of Messrs.' Work Dynamics (Pty) Ltd, although they are a private company, does compare the salaries of people with similar job descriptions, whether it be the private or government sector. The remuneration model developed by them for senior managers in the local government sector has been adjusted to reflect the remuneration trends in the labour market. This determination will be completed at a later stage for the 2015/2016 budget. For draft budgeting purposes, the same increase of 6,1 per cent, as for other employees has been factored into the budget.

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

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The proclamation with regard to the 2014/2015 increases has not been published to date. For draft budgeting purposes, the same increase of 6,1 per cent, as for other employees has been factored into the budget.

The provision of debt impairment was determined based on an annual collection rate of close to 100 per cent and the Debt Write-off Policy of the Municipality. For the 2015/16 financial year this amount equates to a zero provision as the current provision is set to decrease slightly over the medium term. Impairment for traffic fines, resulting from the implementation of IGRAP1, has been budgeted according to the trends from the 2013/2014 financial year.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate of asset consumption. Budget appropriations in this regard total R111,4m for the 2015/16 financial year and equates to 11,39 per cent of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This resulted in a significant increase in depreciation relative to previous years. This aspect is further highlighted in para. 1.3 of this report.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital) and limited finance leases. Finance charges make up 4,8 per cent of operating expenditure excluding annual redemption for 2015/16 and increases to R47,3m by 2017/18, down from R49,5m in the previous 2016/2017 budget. This results from the planned decrease in borrowing over the MTREF from the previous budget. As previously noted, the Municipality had reached its prudential limits for borrowing in 2012 – hence the planned borrowing to finance the capital budget does not result in finance charges increasing as a percentage of operational expenditure – rather it decreases to 4,3 per cent over the MTREF.

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

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

Contracted services have been identified as a cost saving area for the Municipality. As part of the compilation of the 2015/16 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced. In the 2015/16 financial year, this group of expenditure totals R127m. The introduction and reclassification resulting from mSCOA has caused a shift in expenditure previously classified and budgeted under general expenses. Further details relating to contracted services can be seen in Table 61 MBRR SA1 (see page 93).

Other expenditure, now classified as Operational Costs in mSCOA, comprises of various line items relating to the daily operations of the municipality. The introduction and reclassification resulting from mSCOA has caused a shift in expenditure previously classified and budgeted under general expenses to Inventory (materials) and contracted services. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Further details relating to other expenditure can be seen in Table 61 MBRR SA1 (see page 93).

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

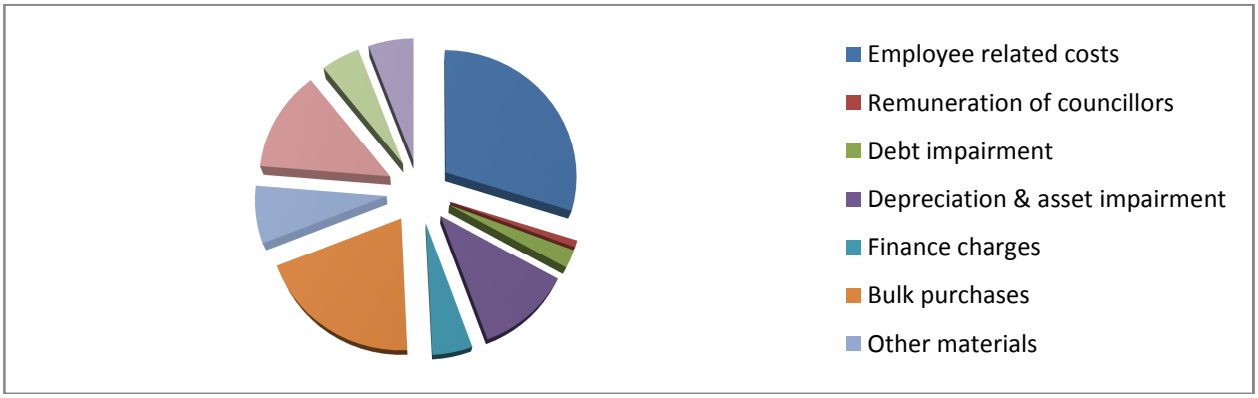


Figure 1 Main operational expenditure categories for the 2015/16 financial year

1.5.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2015/16 budget and MTREF provide for growth in the area of asset maintenance, as informed by the asset maintenance strategy and repairs and maintenance plan of the Municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

Table 13 Operational repairs and maintenance

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

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

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

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

Table 14 Repairs and maintenance per asset class

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

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

1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are indigent/poor or face other circumstances that limit their ability to pay for services. To receive these free/subsidised services the households are required to register in terms of the Municipality's Indigent Policy. The current indigent households amount to approximately 6 700 and is reviewed monthly. Details relating to free services and basic service delivery measurement is contained in Table 26 MBRR A10 (Basic Service Delivery Measurement) on page 41.

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

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

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

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

1.6 Capital expenditure

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

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

Vote Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure - Vote									
Multi-year expenditure to be appropriated									
Vote 1 - Council	–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager	–	–	–	–	–	–	–	–	–
Vote 3 - Management Services	–	–	–	–	–	–	–	–	–
Vote 4 - Finance	–	–	–	–	–	–	–	–	–
Vote 5 - Community Services	–	–	5 000	4 939	3 565	3 565	20 438	4 500	4 000
Vote 6 - Local Economic Development	–	–	–	–	–	–	–	–	–
Vote 7 - Infrastructure & Planning	–	–	–	–	–	–	7 500	3 000	3 000
Vote 8 - Protection Services	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	**–**	**–**	**5 000**	**4 939**	**3 565**	**3 565**	**27 938**	**7 500**	**7 000**
Single-year expenditure *to be appropriated*									
Vote 1 - Council	–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager	–	–	–	–	–	–	–	–	–
Vote 3 - Management Services	928	1 274	1 790	2 548	2 534	2 534	2 528	–	–
Vote 4 - Finance	–	–	–	–	–	–	–	–	–
Vote 5 - Community Services	119 308	110 111	74 622	71 999	92 038	92 038	44 030	72 106	79 561
Vote 6 - Local Economic Development	–	945	–	–	–	–	–	–	–
Vote 7 - Infrastructure & Planning	42 394	31 434	49 518	18 235	19 450	19 450	10 920	15 000	17 000
Vote 8 - Protection Services	645	–	–	–	–	–	100	–	–
Capital single-year expenditure sub-total	**163 275**	**143 764**	**125 930**	**92 781**	**114 022**	**114 022**	**57 578**	**87 106**	**96 561**
Total Capital Expenditure - Vote	**163 275**	**143 764**	**130 930**	**97 721**	**117 588**	**117 588**	**85 515**	**94 606**	**103 561**

For 2015/16 an amount of R57,5m has been appropriated for the development of infrastructure which represents 67 per cent of the total capital budget of R85,5m. In the outer years this amount totals R45,3m, 48 per cent and R48,3m, 47 per cent respectively for each of the outer financial years. Electricity infrastructure receives the highest allocation of R17,8m in 2015/16 which equates to 22,2 per cent followed by water at 16,3 per cent, R12,8 million and then waste water at 14,1 per cent, R12 million. Over the MTREF, capital housing grant expenditure relating to housing provision infrastructure, amounts to R96 million.

Further detail relating to asset classes and proposed capital expenditure is contained in Table 25 MBRR A9 (Asset Management) on page 39. In addition to the MBRR Table A9, MBRR Tables SA34a, b, c provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class (refer to pages 83, 84 and 85). Some of the salient projects to be undertaken over the medium-term includes, amongst others:

Project Description	Amount
REPLACEMENT OF OVERSTRAND WATER PIPES	9 652 800
ELECTRIFICATION OF LOW COST HOUSING AREAS (INEP)	8 000 000
ZWELIHLE ADMIN SITE - 164 SITES	7 154 664
REHABILITATE ROADS AND UPGRADE STORMWATER	6 375 527
ZWELIHLE SITE C2 - 132 SITES	5 758 632
REHABILITATION OF EXISTING PAVE ROAD (LIC)	4 200 000
OVERHILLS:KLEINMOND SOCCERFIELD	4 157 615
ZWELIHLE MANDELA SQUARE -83 SITES	3 620 958
NEW 1 ML/S RESERVOIR OHW.B31	3 566 328
UPGRADING OF PUMPSTATIONS	3 547 200
KLEINMOND LIBRARY UPGRADE	3 000 000
STANFORD - SEWER NETWORK EXTENSION	3 000 000
GANSBAAI: MINISUB AND MV/LV UPGRADE	2 700 000
FRANSKRAAL,KLEINBAAI & BIRKENHEAD: MV/LV AND MINISUB UPGRADE	2 600 000
UPGRADE STORMWATER - INTERNAL & EXTERNAL	2 476 500
REFURBISH BUFFELS RIVER DAM BRIDGE AND TOWER & PALMIET RIVE	2 000 000

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

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

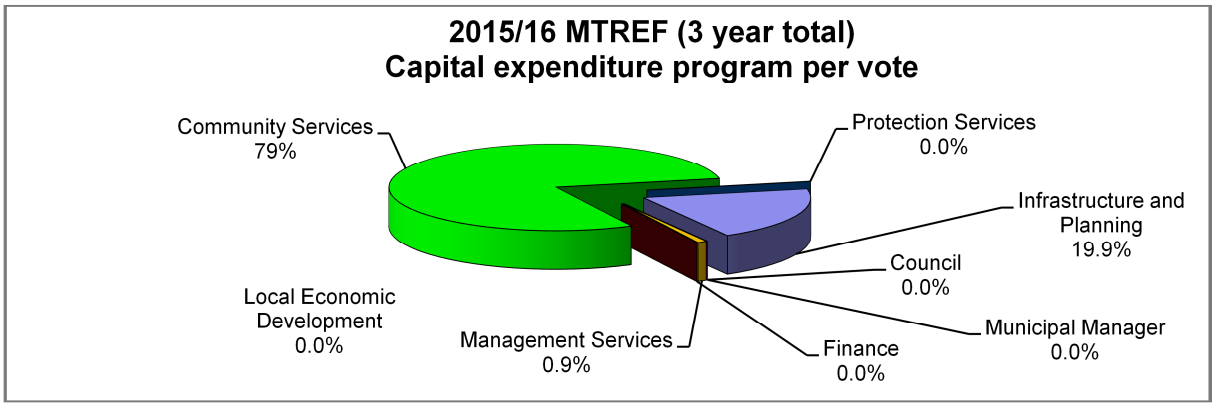


Figure 2 Capital Infrastructure Programme

With the 2011/2012 adjustment budget, projects to be funded from the sale of land (Sandbaai commonage land), were postponed to future capital budgets dependent on the successful sale of the land. It is Council's policy not to include projects in the next budget approval until the funds from the sale has been deposited in the Council's bank account. As this money has not been received, these projects are not included in the 2015/2016 capital budget.

1.6.1 Future operational cost of new infrastructure

At this point in time information is not readily available to include reliable information in Table 71 MBRR SA35 on page 87. A long term financial plan and implementation policy is set to be implemented to encompass costs over the long term. It needs to be noted that as part of the 2015/16 MTREF, this expenditure has been factored into the two outer years of the operational budget.

1.7 Annual Budget Tables

The following twenty pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2015/16 draft budget and MTREF to be approved and/or noted by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 17 MBRR Table A1 - Budget Summary

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Financial Performance									
Property rates	109 838	121 571	135 633	149 690	154 559	154 559	163 621	174 288	185 651
Service charges	405 415	436 439	479 253	525 567	525 567	525 567	566 784	612 476	662 296
Investment revenue	6 881	7 555	6 352	6 166	6 166	6 166	6 348	6 348	6 348
Transfers recognised - operational	38 005	41 680	67 835	58 407	62 032	62 032	103 363	107 886	97 173
Other own revenue	37 344	96 627	47 302	44 644	62 224	62 224	68 095	72 375	77 102
Total Revenue (excluding capital transfers and contributions)	597 482	703 871	736 376	784 474	810 548	810 548	908 211	973 373	1 028 569
Employee costs	207 938	231 642	260 645	280 066	276 217	276 217	291 593	305 408	323 583
Remuneration of councillors	6 717	7 084	7 933	8 516	8 516	8 516	8 674	9 192	9 741
Depreciation & asset impairment	104 041	104 408	99 361	109 265	105 461	105 461	111 362	118 043	125 126
Finance charges	31 727	37 331	39 927	45 162	44 480	44 480	46 895	46 780	47 279
Materials and bulk purchases	181 251	157 462	170 650	186 739	186 759	186 759	264 458	290 769	306 221
Transfers and grants	28 454	35 856	38 749	41 370	41 668	41 668	48 497	54 667	62 244
Other expenditure	182 396	178 287	214 757	198 469	269 024	269 024	206 029	212 634	224 099
Total Expenditure	742 525	752 070	832 022	869 588	932 125	932 125	977 508	1 037 493	1 098 292
Surplus/(Deficit)	(145 043)	(48 199)	(95 646)	(85 115)	(121 577)	(121 577)	(69 296)	(64 120)	(69 723)
Transfers recognised - capital	54 833	53 809	38 090	34 234	50 301	50 301	50 315	60 876	73 561
Contributions recognised - capital & contributed as	8 603	5 289	12 542	2 134	2 051	2 051	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(81 607)	10 899	(45 015)	(48 747)	(69 225)	(69 225)	(18 981)	(3 244)	3 838
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(81 607)	10 899	(45 015)	(48 747)	(69 225)	(69 225)	(18 981)	(3 244)	3 838
Capital expenditure & funds sources									
Capital expenditure	**163 275**	143 764	130 930	97 721	117 588	117 588	85 515	94 606	103 561
Transfers recognised - capital	**54 833**	53 809	38 090	36 368	52 352	52 352	50 315	60 876	73 561
Public contributions & donations	**14 300**	5 067	7 985	–	885	885	–	–	–
Borrowing	**73 964**	67 544	70 634	46 923	48 770	48 770	30 000	30 000	30 000
Internally generated funds	**20 178**	17 345	14 222	14 430	15 582	15 582	5 200	3 730	–
Total sources of capital funds	**163 275**	143 764	130 930	97 721	117 588	117 588	85 515	94 606	103 561
Financial position									
Total current assets	**230 033**	205 668	175 465	197 146	209 911	209 911	209 462	238 485	288 238
Total non current assets	**3 209 100**	3 290 140	3 302 111	3 316 479	3 327 579	3 327 579	3 302 336	3 284 818	3 269 268
Total current liabilities	**137 580**	160 331	148 801	153 849	153 113	153 113	174 459	178 435	201 387
Total non current liabilities	**452 301**	483 951	520 970	549 267	593 707	593 707	617 668	628 376	635 734
Community wealth/Equity	**2 849 252**	2 851 526	2 807 805	2 810 509	2 790 670	2 790 670	2 719 671	2 716 492	2 720 385
Cash flows									
Net cash from (used) operating	**98 981**	75 920	76 616	80 014	117 599	117 599	92 599	125 682	152 880
Net cash from (used) investing	**(151 774)**	(146 955)	(130 368)	(103 533)	(118 517)	(118 517)	(91 745)	(100 523)	(109 575)
Net cash from (used) financing	**109 489**	28 482	32 764	27 163	28 576	28 576	7 409	4 515	1 659
Cash/cash equivalents at the year end	**126 699**	84 147	63 158	88 049	90 815	90 815	99 079	128 754	173 717
Cash backing/surplus reconciliation									
Cash and investments available	**132 391**	95 744	80 123	110 257	113 022	113 022	127 533	163 138	214 126
Application of cash and investments	**2 373**	255	(17 871)	(16 663)	(36 904)	(36 904)	(22 868)	(23 728)	(13 036)
Balance - surplus (shortfall)	**130 018**	95 489	97 994	126 920	149 926	149 926	150 401	186 866	227 162
Asset management									
Asset register summary (WDV)	**3 181 234**	3 277 435	3 280 777	3 254 715	3 305 315	3 305 315	3 273 841	3 250 403	3 228 839
Depreciation & asset impairment	**104 041**	104 408	99 361	109 265	105 461	105 461	111 362	118 043	125 126
Renewal of Existing Assets	**–**	4 147	47 032	28 139	32 838	32 838	20 758	21 000	6 500
Repairs and Maintenance	**64 845**	114 414	150 358	162 268	162 268	162 268	121 077	126 814	150 754
Free services									
Cost of Free Basic Services provided	**28 084**	35 456	38 298	42 637	42 637	42 637	–	–	–
Revenue cost of free services provided	**71 643**	66 035	52 617	69 579	69 579	69 579	42 803	45 371	48 094
Households below minimum service level									
Water:	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	1	1	1	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–

Explanatory notes to MBRR Table A1 - Budget Summary

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

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

Standard Classification Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard									
Governance and administration	**167 928**	**232 385**	**199 504**	**231 071**	**232 413**	**232 413**	**255 994**	**272 264**	**292 533**
Executive and council	31 483	38 355	42 355	52 442	52 442	52 442	64 861	72 528	79 858
Budget and treasury office	127 745	137 728	150 786	169 095	170 420	170 420	180 339	191 921	204 338
Corporate services	8 700	56 303	6 363	9 534	9 551	9 551	10 795	7 816	8 338
Community and public safety	**23 195**	**50 862**	**71 418**	**33 726**	**73 422**	**73 422**	**100 972**	**125 079**	**119 019**
Community and social services	2 574	2 990	2 574	2 402	2 402	2 402	4 677	9 025	9 525
Sport and recreation	6 609	7 765	11 427	9 565	9 191	9 191	11 052	14 163	14 899
Public safety	10 048	20 142	28 300	13 184	36 094	36 094	37 676	39 164	40 802
Housing	3 965	19 965	29 116	8 576	25 735	25 735	47 567	62 726	53 793
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	**12 963**	**18 567**	**30 962**	**13 939**	**16 496**	**16 496**	**20 041**	**10 939**	**13 263**
Planning and development	8 801	7 907	12 853	8 465	8 550	8 550	9 051	8 129	8 942
Road transport	3 863	10 595	17 790	5 397	7 869	7 869	10 890	2 700	4 200
Environmental protection	299	65	319	76	76	76	101	110	121
Trading services	**456 833**	**461 155**	**485 124**	**542 106**	**540 568**	**540 568**	**581 518**	**625 966**	**677 315**
Electricity	229 488	249 645	270 880	313 388	312 305	312 305	346 361	375 057	413 102
Water	108 189	96 325	96 086	96 872	96 872	96 872	106 211	113 026	120 078
Waste water management	79 550	68 428	65 091	72 155	71 106	71 106	69 402	74 765	77 229
Waste management	39 605	46 758	53 066	59 691	60 286	60 286	59 544	63 118	66 906
Other	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Revenue - Standard	**660 918**	**762 969**	**787 007**	**820 842**	**862 900**	**862 900**	**958 526**	**1 034 249**	**1 102 130**
Expenditure - Standard									
Governance and administration	**190 332**	**205 348**	**119 512**	**127 368**	**124 670**	**124 670**	**237 218**	**248 313**	**267 049**
Executive and council	58 811	67 621	71 355	66 867	68 003	68 003	92 505	98 337	108 547
Budget and treasury office	48 679	51 399	23 830	24 503	25 398	25 398	69 750	71 154	75 197
Corporate services	82 842	86 328	24 327	35 998	31 269	31 269	74 963	78 822	83 305
Community and public safety	**124 992**	**87 288**	**134 133**	**113 536**	**135 146**	**135 146**	**154 971**	**158 237**	**146 267**
Community and social services	24 079	26 093	30 255	32 563	32 499	32 499	31 322	33 034	35 198
Sport and recreation	15 378	14 271	18 637	22 245	20 744	20 744	18 220	19 390	20 550
Public safety	31 241	42 651	56 923	49 173	71 893	71 893	69 453	72 280	75 270
Housing	54 294	4 273	28 318	9 554	10 009	10 009	35 976	33 533	15 249
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	**116 245**	**113 012**	**130 335**	**139 514**	**138 641**	**138 641**	**132 046**	**137 946**	**145 918**
Planning and development	35 519	36 280	30 370	37 314	36 945	36 945	40 308	40 867	43 282
Road transport	75 715	71 108	92 659	95 166	94 492	94 492	84 786	89 863	94 986
Environmental protection	5 011	5 624	7 306	7 035	7 204	7 204	6 952	7 217	7 651
Trading services	**310 956**	**346 423**	**448 042**	**489 171**	**533 668**	**533 668**	**453 273**	**492 997**	**539 058**
Electricity	177 473	198 933	247 859	272 386	272 466	272 466	257 278	287 386	322 086
Water	53 445	61 422	99 439	93 157	90 979	90 979	78 375	81 294	85 130
Waste water management	42 466	45 965	64 659	67 138	69 170	69 170	63 357	67 214	71 597
Waste management	37 573	40 102	36 085	56 489	101 052	101 052	54 264	57 103	60 245
Other	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Expenditure - Standard	**742 525**	**752 070**	**832 022**	**869 588**	**932 125**	**932 125**	**977 508**	**1 037 493**	**1 098 292**
Surplus/(Deficit) for the year	**(81 607)**	**10 899**	**(45 015)**	**(48 747)**	**(69 225)**	**(69 225)**	**(18 981)**	**(3 244)**	**3 838**

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

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

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

Vote Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote									
Vote 1 - Council	31 483	38 353	42 274	52 401	52 401	52 401	64 808	72 470	79 794
Vote 2 - Municipal Manager	–	–	–	–	–	–	–	–	–
Vote 3 - Management Services	1 264	1 476	1 286	2 410	1 844	1 844	991	1 018	1 094
Vote 4 - Finance	127 745	137 728	150 786	169 095	170 420	170 420	180 339	191 921	204 338
Vote 5 - Community Services	245 501	253 932	276 626	253 829	256 019	256 019	272 086	284 150	300 688
Vote 6 - Local Economic Development	2 817	3 750	6 431	2 968	2 968	2 968	3 091	1 573	1 730
Vote 7 - Infrastructure & Planning	242 061	307 588	281 304	326 955	343 154	343 154	399 535	443 953	473 685
Vote 8 - Protection Services	10 048	20 142	28 300	13 184	36 094	36 094	37 676	39 164	40 802
Total Revenue by Vote	**660 918**	**762 969**	**787 007**	**820 842**	**862 900**	**862 900**	**958 526**	**1 034 249**	**1 102 130**
Expenditure by Vote to be appropriated									
Vote 1 - Council	55 945	64 385	68 239	63 289	64 228	64 228	71 496	78 840	87 821
Vote 2 - Municipal Manager	2 872	3 243	1 295	1 003	780	780	4 489	3 643	3 865
Vote 3 - Management Services	32 796	30 890	5 492	15 189	13 315	13 315	43 327	45 629	48 384
Vote 4 - Finance	48 679	51 399	23 830	24 503	25 398	25 398	69 750	71 154	75 197
Vote 5 - Community Services	332 230	296 939	394 516	386 685	377 259	377 259	354 470	371 463	392 545
Vote 6 - Local Economic Development	5 845	7 722	9 945	11 140	10 915	10 915	8 731	7 464	7 931
Vote 7 - Infrastructure & Planning	232 916	254 841	271 782	318 607	368 337	368 337	355 793	387 020	407 279
Vote 8 - Protection Services	31 241	42 651	56 923	49 173	71 893	71 893	69 453	72 280	75 270
Total Expenditure by Vote	**742 525**	**752 070**	**832 022**	**869 588**	**932 125**	**932 125**	**977 508**	**1 037 493**	**1 098 292**
Surplus/(Deficit) for the year	**(81 607)**	**10 899**	**(45 015)**	**(48 747)**	**(69 225)**	**(69 225)**	**(18 981)**	**(3 244)**	**3 838**

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

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

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

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source									
Property rates	108 913	120 799	134 813	148 640	153 509	153 509	162 730	173 308	184 573
Property rates - penalties & collection charges	925	772	821	1 050	1 050	1 050	891	980	1 078
Service charges - electricity revenue	224 950	247 663	268 362	310 085	310 085	310 085	338 877	371 635	407 747
Service charges - water revenue	83 755	85 243	95 136	95 897	95 897	95 897	102 045	107 700	113 691
Service charges - sanitation revenue	57 212	56 895	62 798	63 455	63 455	63 455	66 375	70 081	74 010
Service charges - refuse revenue	39 498	46 637	52 957	56 130	56 130	56 130	59 488	63 061	66 849
Service charges - other					–	–			
Rental of facilities and equipment	6 743	7 212	7 591	7 966	7 966	7 966	11 859	12 953	14 176
Interest earned - external investments	6 881	7 555	6 352	6 166	6 166	6 166	6 348	6 348	6 348
Interest earned - outstanding debtors	2 331	2 199	2 118	2 288	2 288	2 288	2 437	2 680	2 948
Dividends received				–	–	–			
Fines	5 278	14 244	22 739	7 965	30 875	30 875	31 859	32 766	33 763
Licences and permits	1 786	1 968	1 956	2 229	2 229	2 229	2 190	2 408	2 649
Agency services	1 912	2 025	2 395	2 480	2 480	2 480	2 970	3 267	3 594
Transfers recognised - operational	38 005	41 680	67 835	58 407	62 032	62 032	103 363	107 886	97 173
Other revenue	17 375	68 978	10 504	21 717	16 387	16 387	16 781	18 301	19 972
Gains on disposal of PPE	1 920								
Total Revenue (excluding capital transfers and contributions)	**597 482**	**703 871**	**736 376**	**784 474**	**810 548**	**810 548**	**908 211**	**973 373**	**1 028 569**
Expenditure By Type									
Employee related costs	207 938	231 642	260 645	280 066	276 217	276 217	291 593	305 408	323 583
Remuneration of councillors	6 717	7 084	7 933	8 516	8 516	8 516	8 674	9 192	9 741
Debt impairment	28	6 688	12 526		22 792	22 792	22 792	22 792	22 792
Depreciation & asset impairment	104 041	104 408	99 361	109 265	105 461	105 461	111 362	118 043	125 126
Finance charges	31 727	37 331	39 927	45 162	44 480	44 480	46 895	46 780	47 279
Bulk purchases	126 669	145 022	157 055	169 444	169 444	169 444	193 573	221 138	252 628
Other materials	54 582	12 441	13 595	17 295	17 315	17 315	70 885	69 631	53 593
Contracted services	24 079	67 697	72 754	81 062	81 875	81 875	126 986	129 953	137 384
Transfers and grants	28 454	35 856	38 749	41 370	41 668	41 668	48 497	54 667	62 244
Other expenditure	158 290	102 146	117 460	117 407	164 357	164 357	56 251	59 890	63 924
Loss on disposal of PPE		1 756	12 017						
Total Expenditure	**742 525**	**752 070**	**832 022**	**869 588**	**932 125**	**932 125**	**977 508**	**1 037 493**	**1 098 292**
Surplus/(Deficit)	**(145 043)**	**(48 199)**	**(95 646)**	**(85 115)**	**(121 577)**	**(121 577)**	**(69 296)**	**(64 120)**	**(69 723)**
Transfers recognised - capital	54 833	53 809	38 090	34 234	50 301	50 301	50 315	60 876	73 561
Contributions recognised - capital	8 603	5 289	7 871	2 134	2 051	2 051	–	–	–
Contributed assets			4 671						
Surplus/(Deficit) after capital transfers & contributions	**(81 607)**	**10 899**	**(45 015)**	**(48 747)**	**(69 225)**	**(69 225)**	**(18 981)**	**(3 244)**	**3 838**
Taxation									
Surplus/(Deficit) after taxation	**(81 607)**	**10 899**	**(45 015)**	**(48 747)**	**(69 225)**	**(69 225)**	**(18 981)**	**(3 244)**	**3 838**
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	**(81 607)**	**10 899**	**(45 015)**	**(48 747)**	**(69 225)**	**(69 225)**	**(18 981)**	**(3 244)**	**3 838**
Share of surplus/ (deficit) of associate									
Surplus/(Deficit) for the year	**(81 607)**	**10 899**	**(45 015)**	**(48 747)**	**(69 225)**	**(69 225)**	**(18 981)**	**(3 244)**	**3 838**

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

1. Total revenue is R810,5 million in 2014/2015 and increase to R908,2 million in 2015/16. This represents a year-on-year increase of 12,05 per cent for the 2015/16 financial year.
2. Revenue to be generated from property rates is R162,7 million in the 2014/2015 financial year and increases to R173,3 million by 2015/16 which represents 17,9 per cent of the operating revenue base of the Municipality and therefore remains a significant funding source for the municipality.
3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R536,8 million for the 2014/2015 financial year and increasing to R582 million by 2015/16. For the 2015/16 financial year services charges amount to 64,1 per cent of the total revenue base.
4. Transfers recognised – operating grants includes the local government equitable share and other operating grants from national and provincial government.
5. The following graph illustrates the major expenditure items per type.

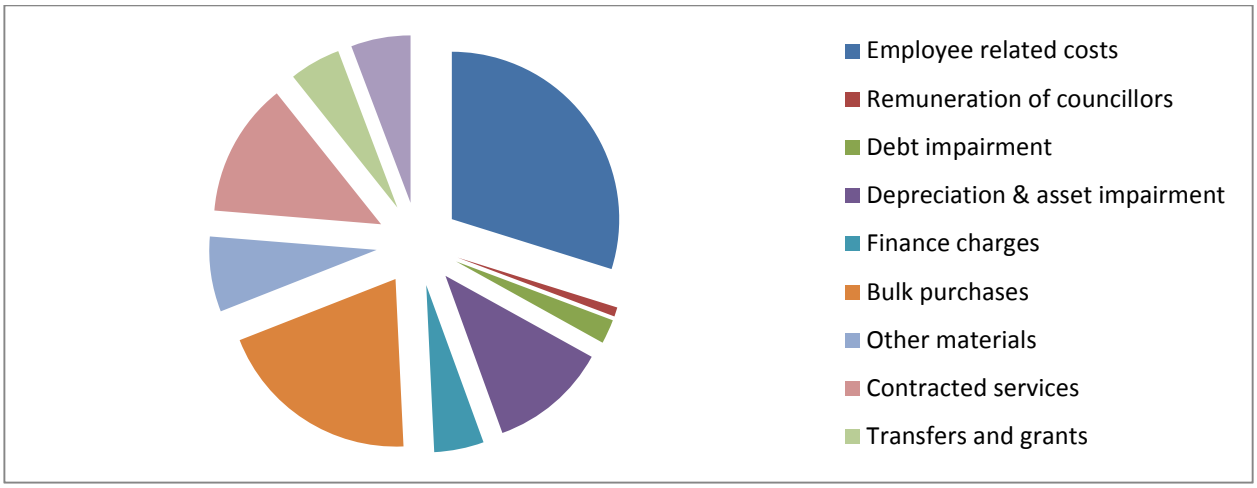


Figure 3 Expenditure by major type

6. Bulk purchases have significantly increased over the 2011/12 to 2017/18 period escalating from R127 million to R253 million. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom.
7. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

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

Vote Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure - Vote									
Multi-year expenditure to be appropriated									
Vote 1 - Council	–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager	–	–	–	–	–	–	–	–	–
Vote 3 - Management Services	–	–	–	–	–	–	–	–	–
Vote 4 - Finance	–	–	5 000	4 939	3 565	3 565	20 438	4 500	4 000
Vote 5 - Community Services	–	–	–	–	–	–	–	–	–
Vote 6 - Local Economic Development	–	–	–	–	–	–	7 500	3 000	3 000
Vote 7 - Infrastructure & Planning	–	–	–	–	–	–	–	–	–
Vote 8 - Protection Services	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	**–**	**–**	**5 000**	**4 939**	**3 565**	**3 565**	**27 938**	**7 500**	**7 000**
Single-year expenditure to be appropriated									
Vote 1 - Council	–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager	–	–	–	–	–	–	–	–	–
Vote 3 - Management Services	928	1 274	1 790	2 548	2 534	2 534	2 528	–	–
Vote 4 - Finance	–	–	–	–	–	–	–	–	–
Vote 5 - Community Services	119 308	110 111	74 622	71 999	92 038	92 038	44 030	72 106	79 561
Vote 6 - Local Economic Development	–	945	–	–	–	–	–	–	–
Vote 7 - Infrastructure & Planning	42 394	31 434	49 518	18 235	19 450	19 450	10 920	15 000	17 000
Vote 8 - Protection Services	645	–	–	–	–	–	100	–	–
Capital single-year expenditure sub-total	**163 275**	**143 764**	**125 930**	**92 781**	**114 022**	**114 022**	**57 578**	**87 106**	**96 561**
Total Capital Expenditure - Vote	**163 275**	**143 764**	**130 930**	**97 721**	**117 588**	**117 588**	**85 515**	**94 606**	**103 561**
Capital Expenditure - Standard									
Governance and administration	**24 047**	**7 154**	**21 308**	**16 815**	**17 776**	**17 776**	**2 648**	**3 730**	**–**
Executive and council					–	–			
Budget and treasury office					–	–			
Corporate services	24 047	7 154	21 308	16 815	17 776	17 776	2 648	3 730	
Community and public safety	**3 319**	**7 268**	**19 582**	**21 205**	**37 425**	**37 425**	**25 415**	**45 550**	**55 174**
Community and social services	327	4 666	3 482	5 635	5 595	5 595	3 901	4 000	4 000
Sport and recreation	1 531	2 601	5 696	3 090	2 616	2 616	4 526	6 800	6 800
Public safety	645	–			–	–	100		
Housing	817	–	10 404	12 480	29 213	29 213	16 888	34 750	44 374
Health					–	–			
Economic and environmental services	**8 340**	**25 552**	**16 051**	**5 400**	**6 300**	**6 300**	**12 098**	**4 000**	**4 000**
Planning and development	2 863	945			–	–	25		
Road transport	5 477	24 607	16 051	5 400	6 300	6 300	12 073	4 000	4 000
Environmental protection					–	–			
Trading services	**127 569**	**103 790**	**73 989**	**54 300**	**56 087**	**56 087**	**45 355**	**41 326**	**44 387**
Electricity	30 061	26 768	37 115	17 000	17 000	17 000	17 775	14 000	16 000
Water	57 384	50 766	23 631	12 800	16 384	16 384	16 326	14 726	15 787
Waste water management	39 927	20 728	10 202	14 300	13 403	13 403	11 244	12 600	12 600
Waste management	196	5 528	3 041	10 200	9 300	9 300	10		
Other					**–**	**–**			
Total Capital Expenditure - Standard	**163 275**	**143 764**	**130 930**	**97 721**	**117 588**	**117 588**	**85 515**	**94 606**	**103 561**
Funded by:									
National Government	40 212	36 911	6 339	24 174	23 608	23 608	30 347	26 126	29 187
Provincial Government	14 621	16 898	31 751	10 060	26 693	26 693	19 968	34 750	44 374
District Municipality					–	–			
Other transfers and grants				2 134	2 051	2 051			
Transfers recognised - capital	**54 833**	**53 809**	**38 090**	**36 368**	**52 352**	**52 352**	**50 315**	**60 876**	**73 561**
Public contributions & donations	14 300	5 067	7 985	–	885	885			
Borrowing	73 964	67 544	70 634	46 923	48 770	48 770	30 000	30 000	30 000
Internally generated funds	20 178	17 345	14 222	14 430	15 582	15 582	5 200	3 730	
Total Capital Funding	**163 275**	**143 764**	**130 930**	**97 721**	**117 588**	**117 588**	**85 515**	**94 606**	**103 561**

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

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. The capital expenditure amounts to R85,5 million in 2015/16.
3. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality.
4. The capital programme is funded from national and provincial grants and transfers, public contributions and donations, borrowing and internally generated funds from previous year surpluses. For 2015/16, capital transfers totals R50,3 million. Borrowing has been provided at R30 million, finance leases (nil) and internally generated funding totaling R5,2 million. These funding sources are further discussed in detail in paragraph 2.6 (Overview of Budget Funding).

Table 22 MBRR Table A6 - Budgeted Financial Position

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
ASSETS									
Current assets									
Cash	51 699	29 106	13 119	88 050	90 815	90 815	99 079	128 754	173 717
Call investment deposits	75 000	55 042	50 039	–	–	–	–	–	–
Consumer debtors	50 361	49 025	47 451	52 591	52 591	52 591	51 774	56 341	61 151
Other debtors	36 501	52 222	51 704	44 398	55 398	55 398	44 112	38 172	37 391
Current portion of long-term receivables	25	17	15	14	14	14	13	11	10
Inventory	16 446	20 257	13 137	12 092	11 092	11 092	14 483	15 207	15 968
Total current assets	**230 033**	**205 668**	**175 465**	**197 146**	**209 911**	**209 911**	**209 462**	**238 485**	**288 238**
Non current assets									
Long-term receivables	126	84	68	57	57	57	41	30	20
Investments	5 691	11 597	16 965	22 207	22 207	22 207	28 455	34 384	40 409
Investment property	104 673	175 866	164 501	175 866	164 501	164 501	164 501	164 501	164 501
Investment in Associate					–	–			
Property, plant and equipment	3 073 014	3 097 120	3 111 056	3 072 423	3 135 594	3 135 594	3 103 972	3 081 502	3 060 905
Agricultural					–	–			
Biological					–	–			
Intangible	3 547	4 449	5 220	6 426	5 220	5 220	5 368	4 401	3 433
Other non-current assets	22 049	1 025	4 301	39 500	–	–			
Total non current assets	**3 209 100**	**3 290 140**	**3 302 111**	**3 316 479**	**3 327 579**	**3 327 579**	**3 302 336**	**3 284 818**	**3 269 268**
TOTAL ASSETS	**3 439 132**	**3 495 808**	**3 477 576**	**3 513 625**	**3 537 490**	**3 537 490**	**3 511 798**	**3 523 303**	**3 557 506**
LIABILITIES									
Current liabilities									
Bank overdraft					–				
Borrowing	16 798	18 241	20 443	25 105	25 064	25 064	28 113	30 730	34 370
Consumer deposits	31 206	34 932	37 751	41 321	41 321	41 321	43 801	46 429	49 215
Trade and other payables	67 728	79 489	64 943	55 831	50 563	50 563	74 229	70 679	84 789
Provisions	21 847	27 670	25 663	31 592	36 166	36 166	28 317	30 597	33 013
Total current liabilities	**137 580**	**160 331**	**148 801**	**153 849**	**153 113**	**153 113**	**174 459**	**178 435**	**201 387**
Non current liabilities									
Borrowing	341 204	364 632	392 444	411 766	412 829	412 829	415 999	415 269	410 503
Provisions	111 097	119 319	128 527	137 501	180 879	180 879	201 669	213 107	225 231
Total non current liabilities	**452 301**	**483 951**	**520 970**	**549 267**	**593 707**	**593 707**	**617 668**	**628 376**	**635 734**
TOTAL LIABILITIES	**589 880**	**644 282**	**669 772**	**703 116**	**746 820**	**746 820**	**792 127**	**806 811**	**837 121**
NET ASSETS	**2 849 252**	**2 851 526**	**2 807 805**	**2 810 509**	**2 790 670**	**2 790 670**	**2 719 671**	**2 716 492**	**2 720 385**
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	2 847 332	2 849 634	2 805 240	2 808 575	2 788 097	2 788 097	2 717 033	2 713 789	2 717 628
Reserves	1 920	1 891	2 565	1 934	2 573	2 573	2 637	2 703	2 757
Minorities' interests									
TOTAL COMMUNITY WEALTH/EQUITY	**2 849 252**	**2 851 526**	**2 807 805**	**2 810 509**	**2 790 670**	**2 790 670**	**2 719 671**	**2 716 492**	**2 720 385**

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is largely aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table 62 is supported by an extensive table of notes (SA3 which can be found on page 96) providing a detailed analysis of the major components of a number of items, including:
   - Call investments deposits;
   - Consumer debtors;
   - Property, plant and equipment;
   - Trade and other payables;
   - Provisions non-current;
   - Changes in net assets; and
   - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 23 MBRR Table A7 - Budgeted Cash Flow Statement

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates, penalties & collection charges	110 347	120 273	135 875	148 254	152 362	152 362	163 800	173 297	184 620
Service charges	397 229	437 061	483 167	522 072	521 632	521 632	567 409	608 975	658 596
Other revenue	69 894	41 689	63 976	46 516	97 208	97 208	77 022	75 627	74 910
Government - operating	37 750	44 140	63 477	58 407	61 486	61 486	103 363	107 886	97 173
Government - capital	54 833	54 577	38 090	36 368	52 352	52 352	50 315	60 876	73 561
Interest	9 211	9 754	8 470	8 454	8 454	8 454	8 784	9 028	9 296
Dividends							–	–	–
Payments									
Suppliers and employees	(520 159)	(558 519)	(637 833)	(653 525)	(689 747)	(689 747)	(782 702)	(808 560)	(835 753)
Finance charges	(31 669)	(37 199)	(39 858)	(45 162)	(44 480)	(44 480)	(46 895)	(46 780)	(47 279)
Transfers and Grants	(28 454)	(35 856)	(38 749)	(41 370)	(41 668)	(41 668)	(48 497)	(54 667)	(62 244)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**98 981**	**75 920**	**76 616**	**80 014**	**117 599**	**117 599**	**92 599**	**125 682**	**152 880**
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	13 722	1 725	5 073	–		–	–	–	–
Decrease (Increase) in non-current debtors	2 189	–	–	–	4 301	4 301	–	–	–
Decrease (increase) other non-current receivables	20	45	18	15	11	11	18	13	11
Decrease (increase) in non-current investments	(4 430)	(4 960)	(4 529)	(5 827)	(5 242)	(5 242)	(6 248)	(5 930)	(6 025)
Payments									
Capital assets	(163 275)	(143 764)	(130 930)	(97 721)	(117 588)	(117 588)	(85 515)	(94 606)	(103 561)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(151 774)**	**(146 955)**	**(130 368)**	**(103 533)**	**(118 517)**	**(118 517)**	**(91 745)**	**(100 523)**	**(109 575)**
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	940	(389)	(730)	5 520	6 066	6 066	(1 135)	(1 271)	(1 352)
Borrowing long term/refinancing	110 000	38 700	51 300	40 000	40 000	40 000	30 000	30 000	30 000
Increase (decrease) in consumer deposits	12 844	3 726	2 819	2 703	3 570	3 570	2 479	2 628	2 786
Payments									
Repayment of borrowing	(14 295)	(13 554)	(20 626)	(21 061)	(21 061)	(21 061)	(23 936)	(26 841)	(29 775)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**109 489**	**28 482**	**32 764**	**27 163**	**28 576**	**28 576**	**7 409**	**4 515**	**1 659**
NET INCREASE/ (DECREASE) IN CASH HELD	**56 696**	**(42 552)**	**(20 989)**	**3 644**	**27 657**	**27 657**	**8 263**	**29 675**	**44 964**
Cash/cash equivalents at the year begin:	**70 004**	**126 699**	**84 147**	**84 406**	**63 158**	**63 158**	**90 815**	**99 079**	**128 754**
Cash/cash equivalents at the year end:	**126 699**	**84 147**	**63 158**	**88 050**	**90 815**	**90 815**	**99 079**	**128 754**	**173 717**

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. It can be seen that the cash levels of the Municipality increase steadily over the 2015/2016 to 2017/18 period.
4. The 2015/16 MTREF has been informed by the planning principle of ensuring adequate cash over the medium-term.
5. Cash and cash equivalents totals R99 million as at the end of the 2015/2016 financial year and increases to R173,7 million by 2017/18.

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

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash and investments available									
Cash/cash equivalents at the year end	126 699	84 147	63 158	88 050	90 815	90 815	99 079	128 754	173 717
Other current investments > 90 days	0	–	0	–	–	–	–	–	–
Non current assets - Investments	5 691	11 597	16 965	22 207	22 207	22 207	28 455	34 384	40 409
Cash and investments available:	**132 391**	**95 744**	**80 123**	**110 257**	**113 022**	**113 022**	**127 533**	**163 138**	**214 126**
Application of cash and investments									
Unspent conditional transfers	4 555	7 783	3 425	–	–	–	–	–	–
Unspent borrowing	18 255	–	–	–	–	–	–	–	–
Statutory requirements									
Other working capital requirements	(28 049)	(21 016)	(40 826)	(40 803)	(61 683)	(61 683)	(22 868)	(23 728)	(13 036)
Other provisions									
Long term investments committed	5 691	11 597	16 965	22 207	22 207	22 207	28 455	34 384	40 409
Reserves to be backed by cash/investments	1 920	1 891	2 565	1 934	2 573	2 573	2 637	2 703	2 757
Total Application of cash and investments:	**2 373**	**255**	**(17 871)**	**(16 663)**	**(36 904)**	**(36 904)**	**8 224**	**13 360**	**30 131**
Surplus(shortfall)	**130 018**	**95 489**	**97 994**	**126 920**	**149 926**	**149 926**	**119 309**	**149 778**	**183 996**

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

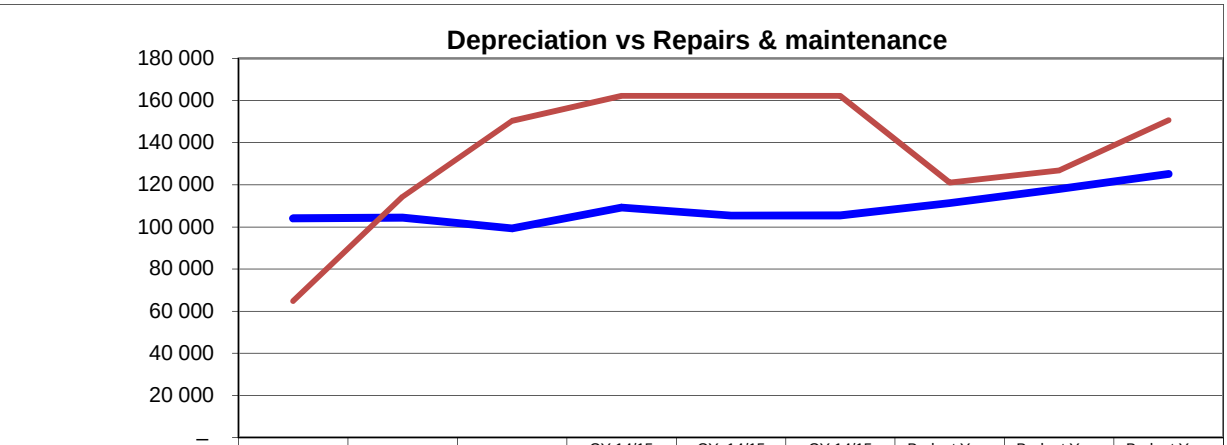
1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. As part of the budgeting and planning guidelines that informed the compilation of the 2015/16 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.
5. As can be seen the budget has been modelled to ensure that the budget is funded.

Table 25 MBRR Table A9 - Asset Management

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CAPITAL EXPENDITURE									
Total New Assets	**163 275**	**139 617**	**83 899**	**69 581**	**84 749**	**84 749**	**64 758**	**73 606**	**97 061**
Infrastructure - Road transport	12 754	15 578	9 203	800	1 332	1 332	15 049	5 000	5 000
Infrastructure - Electricity	30 061	22 203	24 160	13 900	13 900	13 900	17 775	8 500	14 500
Infrastructure - Water	57 384	48 634	7 300	–	580	580	4 673	4 726	11 787
Infrastructure - Sanitation	32 650	16 478	8 449	9 600	8 892	8 892	3 320	6 100	10 600
Infrastructure - Other	196	5 359	1 400	10 200	9 300	9 300	10	–	–
Infrastructure	*133 045*	*108 252*	*50 511*	*34 500*	*34 003*	*34 003*	*40 827*	*24 326*	*41 887*
Community	6 183	20 997	13 896	18 266	32 970	32 970	21 257	45 550	55 174
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	795	–	–	–	–	–	–
Other assets	23 118	9 038	18 697	16 815	17 776	17 776	2 673	3 730	–
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	928	1 330	–	–	–	–	–	–	–
Total Renewal of Existing Assets	**–**	**4 147**	**47 032**	**28 139**	**32 838**	**32 838**	**20 758**	**21 000**	**6 500**
Infrastructure - Road transport	–	131	6 892	5 400	6 300	6 300	–	–	–
Infrastructure - Electricity	–	–	12 955	3 100	3 100	3 100	–	5 500	1 500
Infrastructure - Water	–	–	16 331	12 800	15 805	15 805	11 653	10 000	4 000
Infrastructure - Sanitation	–	–	1 711	3 900	3 179	3 179	4 947	5 500	1 000
Infrastructure - Other	–	–	1 641	–	–	–	–	–	–
Infrastructure	–	*131*	*39 529*	*25 200*	*28 384*	*28 384*	*16 600*	*21 000*	*6 500*
Community	–	756	5 686	2 939	4 454	4 454	4 158	–	–
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	–	3 260	1 817	–	–	–	–	–	–
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	–	–	–	–	–	–	–	–	–
Total Capital Expenditure									
Infrastructure - Road transport	12 754	15 709	16 094	6 200	7 632	7 632	15 049	5 000	5 000
Infrastructure - Electricity	30 061	22 203	37 115	17 000	17 000	17 000	17 775	14 000	16 000
Infrastructure - Water	57 384	48 634	23 631	12 800	16 384	16 384	16 326	14 726	15 787
Infrastructure - Sanitation	32 650	16 478	10 159	13 500	12 071	12 071	8 267	11 600	11 600
Infrastructure - Other	196	5 359	3 041	10 200	9 300	9 300	10	–	–
Infrastructure	*133 045*	*108 383*	*90 040*	*59 700*	*62 387*	*62 387*	*57 427*	*45 326*	*48 387*
Community	6 183	21 753	19 582	21 205	37 425	37 425	25 415	45 550	55 174
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	795	–	–	–	–	–	–
Other assets	23 118	12 298	20 513	16 815	17 776	17 776	2 673	3 730	–
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	928	1 330	–	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class	**163 275**	**143 764**	**130 930**	**97 721**	**117 588**	**117 588**	**85 515**	**94 606**	**103 561**
ASSET REGISTER SUMMARY - PPE (WDV)									
Infrastructure - Road transport	946 061	947 141	942 269	906 551	907 352	907 352	925 642	915 933	909 563
Infrastructure - Electricity	600 736	609 815	619 999	620 545	621 764	621 764	620 094	612 727	606 077
Infrastructure - Water	419 500	458 648	459 954	453 857	459 276	459 276	453 842	450 864	448 638
Infrastructure - Sanitation	379 653	381 194	377 248	376 342	373 384	373 384	382 220	387 578	395 126
Infrastructure - Other	37 051	39 059	39 501	70 579	71 090	71 090	41 057	36 026	30 694
Infrastructure	*2 383 001*	*2 435 858*	*2 438 970*	*2 427 874*	*2 432 867*	*2 432 867*	*2 422 855*	*2 403 128*	*2 390 098*
Community	81 364	58 783	62 814	88 257	106 034	106 034	63 654	66 637	69 391
Heritage assets	108 552	99 573	99 572	99 322	99 322	99 322	99 572	99 572	99 572
Investment properties	104 673	175 866	164 501	175 866	164 501	164 501	164 501	164 501	164 501
Other assets	500 097	502 906	509 700	456 970	497 371	497 371	517 890	512 165	501 844
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	3 547	4 449	5 220	6 426	5 220	5 220	5 368	4 401	3 433
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	**3 181 234**	**3 277 435**	**3 280 777**	**3 254 715**	**3 305 315**	**3 305 315**	**3 273 841**	**3 250 403**	**3 228 839**
EXPENDITURE OTHER ITEMS									
Depreciation & asset impairment	104 041	104 408	99 361	109 265	105 461	105 461	111 362	118 043	125 126
Repairs and Maintenance by Asset Class	64 845	114 414	150 358	162 268	162 268	162 268	121 077	126 814	150 754
Infrastructure - Road transport	25 843	42 236	63 749	68 540	68 540	68 540	57 090	60 842	64 540
Infrastructure - Electricity	4 601	14 105	20 488	25 491	25 491	25 491	16 835	17 340	23 891
Infrastructure - Water	6 892	21 502	27 931	26 775	26 775	26 775	22 874	24 001	24 393
Infrastructure - Sanitation	4 568	7 708	15 486	14 146	14 146	14 146	12 159	12 963	16 387
Infrastructure - Other	1 215	1 499	1 491	1 800	1 800	1 800	2 492	2 719	4 130
Infrastructure	*43 120*	*87 048*	*129 145*	*136 752*	*136 752*	*136 752*	*111 449*	*117 865*	*133 341*
Community	6 012	5 408	7 349	9 298	9 298	9 298	4 546	4 391	8 211
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	270	–	–	–	–	–	–	–	–
Other assets	15 443	21 958	13 864	16 218	16 218	16 218	5 081	4 559	9 203
TOTAL EXPENDITURE OTHER ITEMS	**168 886**	**218 821**	**249 719**	**271 533**	**267 729**	**267 729**	**232 439**	**244 857**	**275 880**
Renewal of Existing Assets as % of total capex	*0.0%*	*2.9%*	*35.9%*	*28.8%*	*27.9%*	*27.9%*	*24.3%*	*22.2%*	*6.3%*
Renewal of Existing Assets as % of deprecn"	*0.0%*	*4.0%*	*47.3%*	*25.8%*	*31.1%*	*31.1%*	*18.6%*	*17.8%*	*5.2%*
R&M as a % of PPE	*2.1%*	*3.7%*	*4.8%*	*5.3%*	*5.2%*	*5.2%*	*3.9%*	*4.1%*	*4.9%*
Renewal and R&M as a % of PPE	*2.0%*	*4.0%*	*6.0%*	*6.0%*	*6.0%*	*6.0%*	*4.0%*	*5.0%*	*5.0%*

Explanatory notes to Table A9 - Asset Management

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



	11/12 AUD	12/13 AUD	13/14 AUD	CY 14/15 BUD	CY 14/15 ADJ	CY 14/15 FCST	Budget Year 15/16	Budget Year +1 16/17	Budget Year +2 17/18
Depreciation	104 041	104 408	99 361	109 265	105 461	105 461	111 362	118 043	125 126
Repairs & maintenance	64 845	114 414	150 358	162 268	162 268	162 268	121 077	126 814	150 754

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

Table 26 MBRR Table A10 - Basic Service Delivery Measurement

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Household service targets									
Water:									
Piped water inside dwelling	27 203	27 295	32 032	28 100	28 100	28 100	29 366	30 350	31 300
Piped water inside yard (but not in dwelling)	–	–	–		–	–			
Using public tap (at least min.service level)	3 449	3 436	3 334	3 350	3 350	3 350	3 320	3 270	3 200
Other water supply (at least min.service level)	199	199	155		–	–			
Minimum Service Level and Above sub-total	30 851	30 930	35 521	31 450	31 450	31 450	32 686	33 620	34 500
Using public tap (< min.service level)	–	–	–						
Other water supply (< min.service level)	–	–	–						
No water supply									
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	**30 851**	**30 930**	**35 521**	**31 450**	**31 450**	**31 450**	**32 686**	**33 620**	**34 500**
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	21 205	21 284	21 632	20 030	20 030	20 030	20 818	21 413	21 973
Flush toilet (with septic tank)	9 646	9 646	9 799	11 420	11 420	11 420	11 868	12 207	12 527
Chemical toilet	–	–	–		–	–			
Pit toilet (ventilated)	–	–	–		–	–			
Other toilet provisions (> min.service level)	–	–	–		–	–			
Minimum Service Level and Above sub-total	30 851	30 930	31 431	31 450	31 450	31 450	32 686	33 620	34 500
Bucket toilet	–	–	–						
Other toilet provisions (< min.service level)	–	–	–						
No toilet provisions	–	–	–						
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	**30 851**	**30 930**	**31 431**	**31 450**	**31 450**	**31 450**	**32 686**	**33 620**	**34 500**
Energy:									
Electricity (at least min.service level)	8 420	7 918	7 136	8 700	6 625	6 625	6 114	5 603	5 092
Electricity - prepaid (min.service level)	13 478	14 080	16 458	17 700	18 379	18 379	19 240	20 132	21 024
Minimum Service Level and Above sub-total	21 898	21 998	23 594	26 400	25 004	25 004	25 354	25 735	26 116
Electricity (< min.service level)	–	–	–		–	–			
Electricity - prepaid (< min. service level)	–	–	–	1 000	1 000	1 000			
Other energy sources	–	–	–		–	–			
Below Minimum Service Level sub-total	–	–	–	1 000	1 000	1 000	–	–	–
Total number of households	**21 898**	**21 998**	**23 594**	**27 400**	**26 004**	**26 004**	**25 354**	**25 735**	**26 116**
Refuse:									
Removed at least once a week	31 373	31 739	31 829	32 691	32 691	32 691	33 023	34 014	35 034
Minimum Service Level and Above sub-total	31 373	31 739	31 829	32 691	32 691	32 691	33 023	34 014	35 034
Removed less frequently than once a week	–	–	–						
Using communal refuse dump	–	–	–						
Using own refuse dump	–	–	–						
Other rubbish disposal	–	–	–						
No rubbish disposal	–	–	–						
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	**31 373**	**31 739**	**31 829**	**32 691**	**32 691**	**32 691**	**33 023**	**34 014**	**35 034**
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	25 310	25 406	6 543	6 700	6 700	6 700	6 900	7 000	7 100
Sanitation (free minimum level service)	5 852	6 423	6 543	6 700	6 700	6 700	6 900	7 000	7 100
Electricity/other energy (50kwh per household pe	5 852	6 423	6 543	4 785	4 785	4 785	6 900	7 000	7 100
Refuse (removed at least once a week)	5 852	6 423	6 543	6 700	6 700	6 700	6 900	7 000	7 100
Cost of Free Basic Services provided (R'000)									
Water (6 kilolitres per household per month)	5 470	6 020	6 502	7 723	7 723	7 723	9 231	9 926	10 672
Sanitation (free sanitation service)	5 046	5 349	5 670	6 010	6 010	6 010	6 370	6 753	7 158
Electricity/other energy (50kwh per household pe	11 665	13 482	14 562	18 809	18 809	18 809	21 104	23 214	25 536
Refuse (removed once a week)	5 903	7 198	7 775	9 174	9 174	9 174	11 591	12 465	13 401
Total cost of FBS provided (minimum social p	**28 084**	**32 049**	**34 509**	**41 716**	**41 716**	**41 716**	**48 296**	**52 358**	**56 767**
Highest level of free service provided									
Property rates (R value threshold)	50 000	100 000	100 000	100 000	100 000	100 000	220 000	220 000	220 000
Water (kilolitres per household per month)	6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)	4	4	4	4	4	4	4	4	4
Sanitation (Rand per household per month)	51	54	58	61	61	61	65	69	73
Electricity (kwh per household per month)	50	50	50	50	50	50	50	50	50
Refuse (average litres per week)	210	210	210	210	210	210	210	210	210
Revenue cost of free services provided (R'000)									
Property rates (R15 000 threshold rebate)	1 712	1 824	1 537	1 965	1 965	1 965	1 872	1 984	2 103
Property rates (other exemptions, reductions and rebates)	27 813	30 454	29 590	26 522	26 522	26 522	35 960	38 118	40 405
Water	13 295	15 549	9 010	9 791	9 791	9 791	10 776	11 588	12 458
Sanitation	4 094	4 779	5 182	6 420	6 420	6 420	6 805	7 214	7 646
Electricity/other energy	13 880	15 256	18 368	20 010	20 010	20 010	22 071	24 630	27 480
Refuse	6 671	9 934	10 992	10 545	10 545	10 545	11 426	12 287	13 210
Municipal Housing - rental rebates	15 176	–	–	–	–	–			
Housing - top structure subsidies					–	–			
Other					–	–			
Total revenue cost of free services provided (total social package)	**82 641**	**77 796**	**74 679**	**75 253**	**75 253**	**75 253**	**88 909**	**95 819**	**103 302**

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. Good progress is being made with the eradication of current services backlogs. Housing remains a challenge.
    a. Electricity services – the current backlog should be eliminated in two years.
3. The budget provides for 6 900 households to be registered as indigent in 2015/16, and therefore entitled to receiving Free Basic Services. The number is set to increase over the MTREF, especially by poor people seeking economic opportunities.
4. It is anticipated that these Free Basic Services will cost the municipality R48,2 million in 2015/16. This is covered by the municipality's equitable share allocation from national government.
5. In addition to the Free Basic Services, other rates rebates also apply to households.

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

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

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

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

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

2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2014) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required IDP and budget time schedule on 27 August 2014. Key dates applicable to the process are:

- **26 September 2014** – Joint strategic planning session of the Mayoral Committee and Executive Management. Aim: to review past performance trends of the capital and operating budgets, the economic realities and to set the prioritisation criteria for the compilation of the 2015/16 MTREF;
- **29 October 2014** – Mayoral directional IDP/Budget speech;
- **September/October 2014** – IDP consultation sessions were held with the ward committees and broader stakeholders (service organisations) to gather information on the "community needs" per ward. This initiative was executed as part of the municipality's 2015/16 IDP review process consultation meetings with ward committees to identify community needs;
- **September/October 2014** – Review of the draft capital budget with reference to the 2015/2016 MTREF and ward committees submit draft ward specific projects;
- **October 2014** – Top management meeting to discuss budget proposals and affordability;
- **November 2014** – Submission of tariff proposals and tariff workshops
- **November 2014** – Workshop on tariffs and tariff related policies;
- **December 2014 –** Mid-year review by the BSC of the 2014/2015 progress and review of 2015-2018 draft operational expenditure including financial forecasting and scenario considerations;
- **January 2015** – Tariff finalisation, review budget related policies, discussions on draft 2015/2016 Capex & Opex;
- **23 January 2015** - Council considered the 2014/2015 Mid-year Review;
- **29 January 2015** – Final tariffs and adjustments budget review;
- **2-13 February 2015** – Finalisation of adjustments budget;

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

2.1.2 IDP and Service Delivery and Budget Implementation Plan

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

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

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

The IDP has been taken into a business and financial planning process leading up to the 2015/16 MTREF, based on the approved 2014/2015 MTREF, mid-year review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2015/16 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2014/2015 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

2.1.3 Financial Modelling and Key Planning Drivers

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

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

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

2.1.4 Community Consultation on the Draft Budget

The draft 2015/16 MTREF, will be tabled in Council on 25 March 2015 and made available to the community as follows:

Copies of the document could be viewed:

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

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

A delegation of the municipality, consisting of the Executive Mayor, MMC for Finance, Municipal Manager, all Directors and officials from the Budget Office and Strategic Planning Office, will hold public meetings for all the wards in the municipal area to present the draft budget to the community. Eleven public meetings willl be held over the period 7 to 23 April 2015.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and capital projects will be considered by the Budget Steering Committee at a meeting to be held on 8 May 2015 for the finalisation of the 2015/2016 Budget.

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

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

2.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realised through a credible integrated developmental planning process. Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term

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

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

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

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2015/16 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 27 IDP Strategic Objectives

2015/16 MTREF
The provision of democratic, accountable and ethical governance
The provision and maintenance of municipal services
The encouragement of structured community participation in the matters of the municipality
The creation and maintenance of a safe and healthy environment
The promotion of tourism, economic and social development

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

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

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

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

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

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

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

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

Integrated Social Services for empowered and sustainable communities

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

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

- Optimising effective community participation in the ward committee system; and
- Implementing Batho Pele in the revenue management strategy.

Promote sound governance through:

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

Ensure financial sustainability through:

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

Optimal institutional transformation to ensure capacity to achieve set objectives

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

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

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

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

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

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

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

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

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

Strategic Objective	Goal	Goal Code	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
The provision of democratic, accountable and ethical governance	Good Governance	1	167 928	232 385	199 504	183 397	232 413	232 413	255 994	272 264	292 533
The provision and maintenance of municipal services	Basic Service Delivery	2	456 833	461 155	485 124	559 189	540 568	540 568	581 518	625 966	677 315
The encouragement of structured community participation in the matters of	Good Governance	3	19 203	41 457	62 333	53 339	44 557	44 557	63 296	85 915	78 218
The creation and maintenance of a safe and healthy environment	Safe and Healthy Environment	4	10 346	20 206	28 620	13 260	36 170	36 170	37 777	39 275	40 923
The promotion of tourism, economic and social development	Economic Development and Social upliftmnent	5	6 609	7 765	11 427	11 658	9 191	9 191	19 941	10 829	13 142
Total Revenue (excluding capital transfers and contributions)			**660 918**	**762 969**	**787 007**	**820 842**	**862 900**	**862 900**	**958 526**	**1 034 249**	**1 102 130**

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

Strategic Objective	Goal	Goal Code	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
The provision of democratic, accountable and ethical governance	Good Governance	1	190 332	205 348	119 512	93 256	124 670	124 670	237 218	248 313	267 049
The provision and maintenance of municipal services	Basic Service Delivery	2	310 956	346 423	448 042	627 915	533 668	533 668	448 031	492 997	539 058
The encouragement of structured community participation in the matters of the municipality	Good Governance	3	189 607	137 754	181 602	63 289	63 253	63 253	90 760	85 957	70 997
The creation and maintenance of a safe and healthy environment	Safe and Healthy Environment	4	36 252	48 275	64 229	56 208	79 097	79 097	76 405	79 497	82 921
The promotion of tourism, economic and social development	Economic Development and Social upliftmnent	5	15 378	14 271	18 637	28 920	131 437	131 437	125 094	130 729	138 267
Total Expenditure			**742 525**	**752 070**	**832 022**	**869 588**	**932 125**	**932 125**	**977 508**	**1 037 493**	**1 098 292**

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

Strategic Objective	Goal	Goal Code	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
The provision of democratic, accountable and ethical governance	Good Governance	1	24 047	7 154	21 308	16 815	17 776	17 776	2 648	3 730	
The provision and maintenance of municipal services	Basic Service Delivery	2	127 569	103 790	73 989	54 300	56 087	56 087	45 355	41 326	44 387
The encouragement of structured community participation in the matters of the municipality	Good Governance	3	9 484	30 219	29 937	23 515	37 425	37 425	25 315	45 550	55 174
The creation and maintenance of a safe and healthy environment	Safe and Healthy Environment	4	645	–	–	–			100		
The promotion of tourism, economic and social development	Economic Development and Social upliftmnent	5	1 531	2 601	5 696	3 090	6 300	6 300	12 098	4 000	4 000
Total Capital Expenditure			**163 275**	**143 764**	**130 930**	**97 721**	**117 588**	**117 588**	**85 515**	**94 606**	**103 561**

2.3 Measurable performance objectives and indicators

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

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

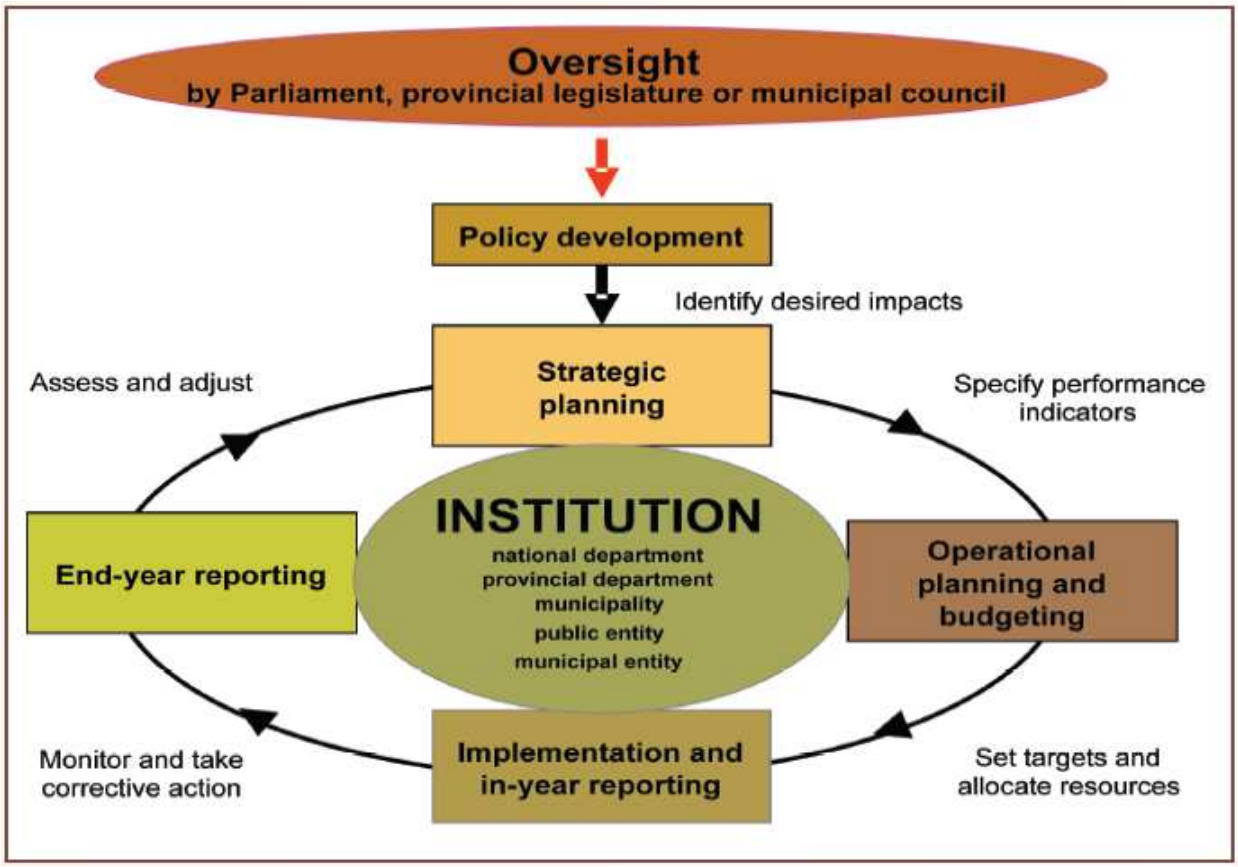


Figure 5 Planning, budgeting and reporting cycle

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

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

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

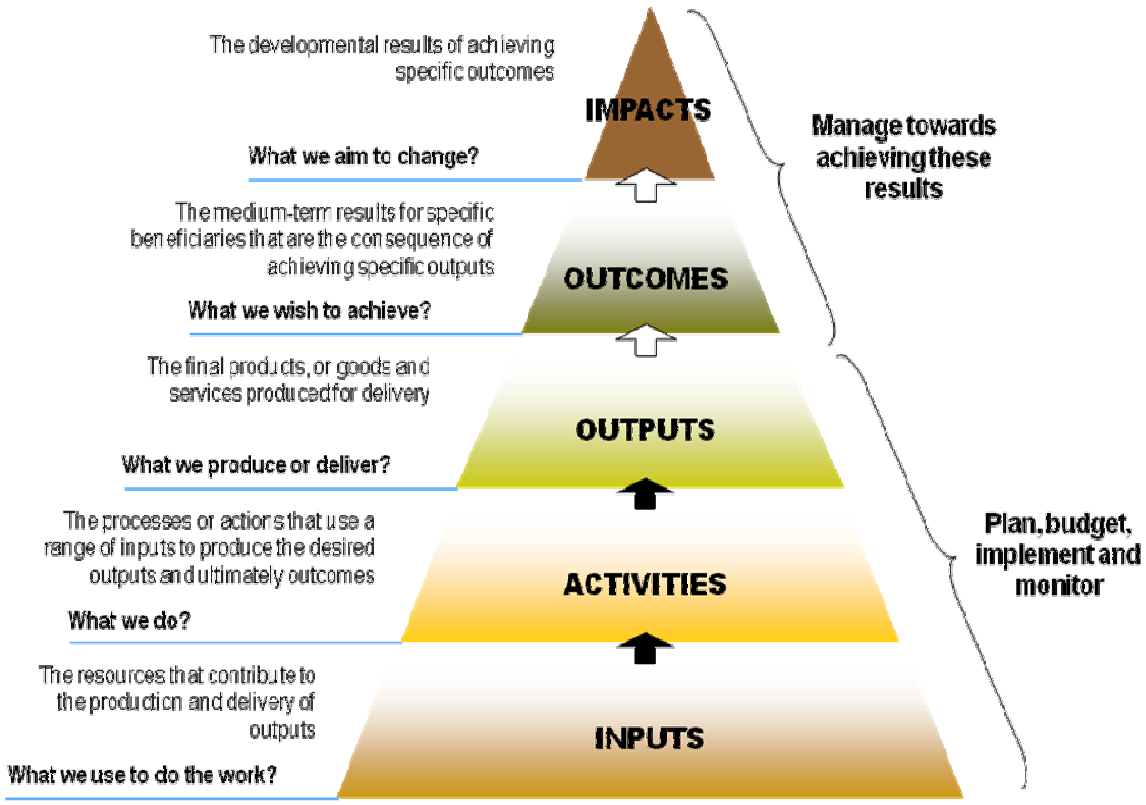


Figure 6 Definition of performance information concepts

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

Table 31 MBRR Table SA7 - Measurable performance objectives

Description	Unit of measurement	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Council										
Council and Municipal Manager										
Municipal Manager										
Risk based audit plan pproved by the Audit Committee by the end of June 2016	Plan approved	1	1	1	1	1	1	1		
Quarterly report to the Management, Executive Mayor, Auditor-General and Audit Committee on progress with implementation of key controls as identified in key control deficiencies	Quarterly reports submitted on achievement of committed dates	1	1	1	4	4	4	4		
Submit quarterly progress reports on the revision of the top 10 risks as a corrective action to the Executive Management Team	Number of progress reports submitted	1	1	1	4	4	4	4		
Percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's IDP {(Actual amount spent on projects as identified for the year in the IDP/Total amount spent on capital projects)X100}	% of capital budget spent	91.80%	98.00%	93.77%	98%	98%	98%	98%		
Management Services										
Director: Management Services										
Human Resources										
90% of the approved and funded organogram filled {(actual number of posts filled dived by the funded posts budgeted) x100}	% filled	91.25%	92.86%	92.41%	90%	90%	90%	90%		
The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	The number of people from EE target groups employed	4	2	no kpi set	54	54	54	54		
The percentage of a municipality's budget (training budget) actually spent on implementing its workplace skills plan	% of the training budget spent on implementation of the WSP	100%	100%	100%	100%	100%	100%	100%		
Review the Municipal Organisational Staff Structure by the end of June 2016	Structure reviewed	no kpi set	no kpi set	0	1	1	1	1		
Revise the Section 14 Access to Information Manual by the end of June to ensure compliant and up to date policies	Policy revised	1	1	1	1	1	1	1		
Review identified HR policies by the end of June 2016	Number of policies reviewed	no kpi set	no kpi set	5	4	4	4	4		
Finance										
Director: Finance										
Director Finance										
operating expenditure ((Available cash+ investments)/ Monthly fixed operating expenditure)	Ratio achieved	5.17%	3.49%	2.30%	1.2	1.2	1.2	1		
service debt obligations ((Total operating revenue-operating grants received)/debt service payments due within the year) (%)	Ratio achieved	18.60%	17.46%	16.90%	17	17	17	17		
Financial viability measured in terms of the outstanding service debtors (Total outstanding service debtors/ revenue received for services)	% achieved	11.60%	11.90%	10.40%	12	12	12	12.2		
Appoint a service provider to review the feasible capital funding plan by the end of June 2016	Reviewed plan approved	no kpi set	no kpi set	no kpi set	1	1	1	1		
Financial statements submitted to the Auditor General by the end of August	Financial statements submitted	1	1	1	1	1	1	1		
Provision of free basic electricity, refuse removal, sanitation and water in terms of the equitable share requirements	Number of households	5477	6523	6536	6580	6580	6580	6800		
Revenue										
Achieve a debt recovery rate not less than 95%	% Recovered		100.44%	100.33%	95%	95%	95%			
Protection Services										
Director Protection Services										
Annually review Community Safety Plan by the end of June in conjunction with the Department of Community Safety	Plan reviewed	1	1	1	1	1	1	1		
Arrange public awareness sessions on Protection Services	Number of sessions held	57	60	55	32	32	32	32		
Disaster and Fire Manangement										
Annually review and submit Disaster Management Plan to the District by the end of June	Reviewed plan submitted	1	1	1	1	1	1	1		
Annually review the Fire Management Plan by the end of June	Plan reviewed	1	1	1	1	1	1	1		
Perform compliance inspections in terms of the National Standard for community fire protection as specified in SANS 10090	Number of inspections performed	no kpi set	no kpi set	6574	1200	1200	1200	3600		
Traffic										
Optimal collection of public safety income for the financial year	R-value of public safety collected income	R 4 893 128	R 5 730 902	R 5 154 575	10000000	10000000	10000000	8000000		

Description	Unit of measurement	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year	Budget Year +1	Budget Year +2
Community Services										
Director: Community Services										
Director: Community Services										
Ward committee meetings held to facilitate consistent and regular communication with residents	No of ward committee meetings per ward per annum	8	8	9	8	8	8	8		
98% of the operational conditional grant (Libraries, CDW) spent (Actual expenditure divided by the total grant received)	% of total conditional operational grants spent (Libraries, CDW)	100.0%	100.0%	100.45%	98%	98%	98%	98%		
m² of roads patched (works orders) and resealed according to approved Paveman Management System within available budget	m² of roads patched (works orders) and resealed	171344	216162	101560	120000	120000	120000	120000		
Quality of effluent comply 90% with SANS 241	% compliance	88.60%	86.02%	82.78%	90%	90%	90%	90%		
Quality of potable water comply 95% with SANS 241	% compliance	no kpi set	no kpi set	95.38%	95%	95%	95%	95%		
Limit unaccounted water to less than 25% {(Number of kiloliter water purified - Number of kiloliter water sold)/Number of kiloliter sold x 100)}	% of water unaccounted for	27.25%	25.57%	21.5%	25%	25%	25%	25%		
Provision of water to informal households with access within a 200 m radius	No of informal households that have access to water within a 200 m radius	3565	no kpi set	no kpi set	3406	3406	3406	3406		
Provision of cleaned piped water to all formal households within 200 m from households	No of formal households that meet agreed service standards for piped water	25066	25426	27373	28077	28077	28077	28077		
Provision of refuse removal, refuse dumps and solid waste disposal to all formal households at least once a week	Number of formal households for which refuse is removed at least once a week	32265	no kpi set	34299	32697	32697	32697	32697		
Provision of refuse removal, refuse dumps and solid waste disposal to all informal households at least once a week	Number of informal households for which refuse is removed at least once a week	3565	no kpi set	no kpi set	3406	3406	3406	3406		
The provision of sanitation services to informal households based on the standard of 1 toilette to 5 households	No of informal households that have access to sanitation based on the standard of 1 toilette to 5 households	3565	no kpi set	no kpi set	3406	3406	3406	3406		
Provision of sanitation services to formal residential households	No of formal residential households which are billed for sewerage in accordance to the SAMRAS financial system	30016	31221	31231	31202	31202	31202	31202		
Local Economic Develeopment										
Director: LED										
LED										
Report quaterly to Portfolio committee on the development and implementation of tourism marketing tools	Quaterly report on marketing tools	no kpi set	no kpi set	no kpi set	4	4	4	4		
Bi-annual report on Grants to festival organisers through Service Level Agreements	Number of reports submitted	no kpi set	no kpi set	no kpi set	no kpi set	no kpi set	no kpi set	2		
Develop and implement an SMME Development Programme	Number of SMME's supported	55	23	45	no kpi set	no kpi set	no kpi set	30		
Financial and non-financial resources mobilised	Number of MOU's entered into and amount generated	no kpi set	no kpi set	no kpi set	2	2	2	3		
Report quaterly to Director LED on linkages established with other spheres of government, agencies, donors, SALGA and other relevant bodies for benefit of local area	Quarterly report on linkages established	no kpi set	no kpi set	no kpi set	4	4	4	4		
The number of job opportunities created through the EPWP programme and as per set targets (grant agreement - 86 FTE's, translates to 287 work opportunities)	Number of temporary jobs created	204	609	517	287	287	287	287		
Monthly register on Outreach Statistics and referrals made (Walk-in Centre)	Number of registers on outreach statistics completed (walk-in centre)	no kpi set	no kpi set	no kpi set	no kpi set	no kpi set	no kpi set	12		
Infrastructure & Planning										
Director: Infrastructure and Planning										
Electricity										
Limit electricity losses to 8.5% or less {(Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated) × 100}	% of electricity unaccounted for	7.10%	6.88%	5.95%	8.5%	8.5%	8.5%	8.5%		
Provision of Electricity: Number of metered electrical connections in formal area (Eskom Areas excluded)	Number of formal household that meet agreed service standards	20604	no kpi set	25751	21998	21998	21998	21998		
Waste Water Management										
Achieve two Green Drop awards	Number of awards	no kpi set	0	4	2	2	2	2		
Achieve 6 Blue drop awards	Number of awards	no kpi set	no kpi set	no kpi set	6	6	6	6		
Water										
Report on the implementation of the Water Service Development plan annually by the end of October 2015	Report submitted	1	1	1	1	1	1	1		
Planning and Development										
Municipal Infrastructure Grant (MIG)- % expenditure	% expenditure of allocated grant	no kpi set	no kpi set	no kpi set	no kpi set	no kpi set	no kpi set	100.0%		

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

Table 32 MBRR Table SA8 - Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Borrowing Management										
Credit Rating										
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	6.2%	6.8%	7.3%	7.6%	7.0%	7.0%	7.2%	7.1%	7.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	8.2%	7.7%	9.1%	9.1%	8.8%	8.8%	8.8%	8.5%	8.3%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	117.8%	45.1%	59.6%	74.2%	71.6%	71.6%	82.0%	85.2%	95.5%
Safety of Capital										
Gearing	Long Term Borrowing/ Funds & Reserves	17772.6%	19277.5%	15300.9%	21294.4%	16045.6%	16045.6%	15774.5%	15362.7%	14888.6%
Liquidity										
Current Ratio	Current assets/current liabilities	1.7	1.3	1.2	1.3	1.4	1.4	1.2	1.3	1.4
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.7	1.3	1.0	1.1	1.2	1.2	1.1	1.2	1.3
Liquidity Ratio	Monetary Assets/Current Liabilities	0.9	0.5	0.4	0.6	0.6	0.6	0.6	0.7	0.9
Revenue Management										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		105.3%	91.5%	103.1%	99.6%	104.5%	0.0%	101.2%	99.9%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		104.9%	91.5%	103.1%	99.6%	103.9%	103.9%	101.2%	99.9%	99.3%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	14.6%	14.4%	13.5%	12.4%	13.3%	13.3%	10.6%	9.7%	9.6%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	86.7%	90.3%	97.2%	100.3%	100.3%	100.3%	99.5%	99.5%	99.5%
Creditors Management										
Creditors System Efficiency	% of Creditors Paid Within Terms (within`MFMA' s 65(e))	99.8%	100.0%	97.8%	95.0%	95.0%	95.0%	98.0%	98.0%	98.0%
Creditors to Cash and Investments		49.9%	85.2%	97.4%	63.4%	55.7%	55.7%	74.9%	54.9%	48.8%
Other Indicators										
Electricity Distribution Losses (2)	Total Volume Losses (kW)	16012859	15831477	13668967	15896000	15896000	15896000	13667000	13665499	13664000
	Total Cost of Losses (Rand '000)	6 513	7 101	7 028	9 127	9 127	9 127	7 927	7 926	7 925
	% Volume (units purchased and generated less units sold)/units purchased and generated	7.12%	6.91%	5.95%	0	6.67%	6.67%	5.95%	5.94%	5.93%
Water Distribution Losses (2)	Total Volume Losses (kℓ)	1428898	1444853	1 455 231	1 476 200	1 476 200	1 476 200	1 453 176	1 450 500	1 449 000
	Total Cost of Losses (Rand '000)	2 892	3 830	5726220	3	3085	3085	4272	4264	4260
	% Volume (units purchased and generated less units sold)/units purchased and generated	20.36%	20.01%	21.47%	0	20.23%	20.23%	20.19%	20.05%	20.00%
Employee costs	Employee costs/(Total Revenue - capital revenue)	34.8%	32.9%	35.4%	35.7%	34.1%	34.1%	32.1%	31.4%	31.5%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	35.9%	33.9%	36.5%	36.8%	35.1%	35.1%	33.1%	32.3%	32.4%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	10.9%	16.3%	20.4%	20.7%	20.0%	20.0%	13.3%	13.0%	14.7%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	22.7%	20.1%	18.9%	19.7%	18.5%	18.5%	17.4%	16.9%	16.8%
IDP regulation financial viability indicators										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	24.0	22.8	22.7	24.6	24.6	24.6	22.4	22.2	23.8
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	16.6%	17.9%	15.9%	14.2%	15.7%	15.7%	12.9%	11.8%	11.4%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	3.1	1.8	1.2	1.6	1.6	1.6	1.6	1.9	2.4

2.3.1 Performance indicators and benchmarks

2.3.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Overstrand's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of

the Municipality's debt portfolio is dominated by annuity loans. The following financial performance indicators have formed part of the compilation of the 2015/16 MTREF:

- *Capital charges to operating expenditure* is a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing will steadily reduce over the MTREF to 7 per cent. While borrowing is considered a prudent financial instrument in financing capital infrastructure development, this indicator will have to be carefully monitored going forward as the Municipality had reached its prudential borrowing limits in 2012.

- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The average over the MTREF is 91 per cent which indicates the limited amount available from own sources to finance capital. This is as a result of utilising any surpluses as they become available in the past.

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

2.3.1.2 Safety of Capital

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

2.3.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a bottom limit of 1.2, therefore at no point in time should this ratio be less than 1.2. Over the 2015/16 MTREF the current ratio is 1.3. National Treasury has set a current ratio minimum of 1.5 in circular 71. Going forward it will be necessary to increase this ratio, notwithstanding that it will tie up cash needed for capital investment.

- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Overstrand Municipality's liquidity ratio is at an average of 0.73 over the MTREF, up from 0,6 in the previous MTREF. This includes consumer deposits and provisions which are not likely to be realised in the short term. Consideration should be given to exclude a vast portion of consumer deposits. With the former mentioned items excluded, this ratio would be 1.1 over the MTREF. As part of the longer term financial planning objectives this ratio will have to be set at a minimum of 1, notwithstanding that it will tie up cash needed for capital investment.

Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to

streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection.

2.3.1.4 Creditors Management

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

2.3.1.5 Other Indicators

- The electricity distribution losses have been managed downwards from 8.3 per cent in the 2010/2011 financial year to 5,9 per cent over the MTREF. This includes measureable technical losses. The initiatives to ensure these targets are achieved include managing illegal connections, regular meter audits and managing theft of electricity by rolling out smart metering systems, including prepaid meters. It should be noted that technical losses range between 3 – 5 per cent over the Overstrand area. When taking this into consideration it is evident that distribution losses are well managed.

- The water distribution losses have been significantly reduced from 27.4 per cent in 2009/10 to 20 per cent in 2014/2015. This has been achieved with investing in the upgrading of water reticulation infrastructure, which is set to continue over the MTREF. Active attention is also given to reported leaks by the public and a further measure is to install flow limiters.

- Employee costs as a percentage of operating revenue remains stable, with an indication of a decrease over the MTREF. This is primarily owing to the virtually zero expansion of the personnel structure, high increase in bulk purchases which directly increase revenue levels, as well as increased allocation relating to operating grants and transfers.

- In real terms, repairs and maintenance has increased as part of the municipality's strategy to ensure the management of its asset base

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

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

For the 2015/16 financial year 6900 registered indigents have been provided for in the budget. In terms of the municipality's indigent policy, registered households are entitled to 6kℓ free water and 50 kWh of electricity, are fully subsided for basic charges for services and 4,2kℓ sanitation. Household with a property valuation of R220 000 qualify upon registration as indigents.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 26 MBRR A10 (Basic Service Delivery Measurement) on page 41.

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

2.3.3 Providing clean water and managing waste water

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

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

The following is briefly the challenges facing the municipality:

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

2.4 Overview of budget related-policies

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

2.4.1 Customer Care, Credit Control and Debt Collection Policy

The 2015/16 MTREF has been prepared on the basis of achieving an average debtors' collection rate in excess of 99 per cent on current billings. The current collection rate is in excess of 99 per cent. In addition the collection of debt in excess of 90 days has been prioritised.

2.4.2 Asset Management Policy

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

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

2.4.3 Budget Policy

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

2.4.4 Supply Chain Management Policy

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

2.4.5 Virement Policy

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

2.4.6 Investment & Cash Management Policy

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

2.4.7 Tariff Policy

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

2.4.8 Long term Financial Planning & Implementation Policy

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

2.4.9 Contract Management Policy

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

2.4.10 Pay Day Policy

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

The following policies have also been subject to review:

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

2.5 Overview of budget assumptions

2.5.1 External factors

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

2.5.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2015/16 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on Municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and fuel; and
- The increase in the cost of remuneration. Employee related costs comprise 29 per cent of total operating expenditure in the 2015/16 MTREF and therefore increases above inflation places a disproportionate upward pressure on the expenditure budget

2.5.3 Interest rates for borrowing and investment of funds

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

2.5.4 Collection rate for revenue services

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

The rate of revenue collection is currently expressed as a percentage (99 per cent) of annual billings. Cash flow is assumed to be 99,5 per cent of billings from an increased collection of arrear debt.

2.5.5 Growth or decline in tax base of the municipality

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

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

2.5.6 Salary increases

The collective agreement regarding salaries/wages ends at 30 June 2015. Wage negotiations are underway in the Bargaining Council.

2.5.7 Impact of national, provincial and local policies

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

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

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

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

It is estimated that a spending rate of at least 99 per cent is achieved on operating expenditure and 95 per cent on the capital programme for the 2015/16 MTREF.

2.6 Overview of budget funding

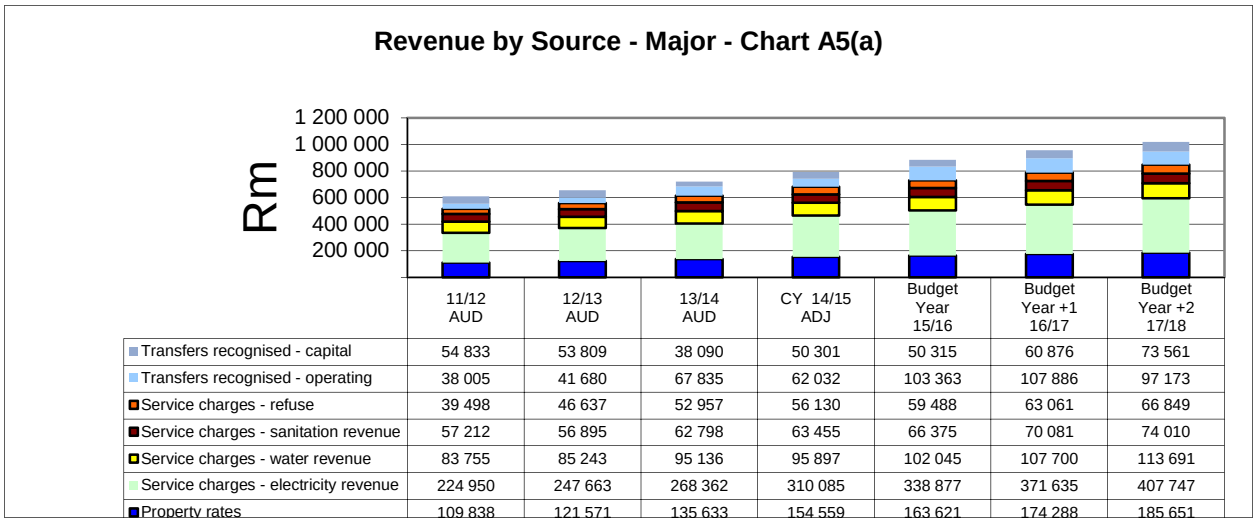
2.6.1 Medium-term outlook: operating revenue

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

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

Description	2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source			
Property rates	162 730	173 308	184 573
Service charges	566 784	612 476	662 296
Rental of facilities and equipment	11 859	12 953	14 176
Interest earned	8 784	9 028	9 296
Transfers recognised - operational	103 363	107 886	97 173
Other revenue	54 691	57 722	61 056
Total Revenue (excluding capital transfers and contributions)	**908 211**	**973 373**	**1 028 569**

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



	11/12 AUD	12/13 AUD	13/14 AUD	CY 14/15 ADJ	Budget Year 15/16	Budget Year +1 16/17	Budget Year +2 17/18
Transfers recognised - capital	54 833	53 809	38 090	50 301	50 315	60 876	73 561
Transfers recognised - operating	38 005	41 680	67 835	62 032	103 363	107 886	97 173
Service charges - refuse	39 498	46 637	52 957	56 130	59 488	63 061	66 849
Service charges - sanitation revenue	57 212	56 895	62 798	63 455	66 375	70 081	74 010
Service charges - water revenue	83 755	85 243	95 136	95 897	102 045	107 700	113 691
Service charges - electricity revenue	224 950	247 663	268 362	310 085	338 877	371 635	407 747
Property rates	109 838	121 571	135 633	154 559	163 621	174 288	185 651

Figure 7 Breakdown of operating revenue over the 2015/16 MTREF

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

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

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

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

Table 34 Proposed tariff increases for 2015/2016

WC032 Overstrand - Supporting Table SA14 Household bills

Description Rand/cent	Current Year 2014/15	Budget Year 2015/16 % incr.	Budget Year 2015/16
Monthly Account for Household - 'Middle Income Range'			
Rates and services charges:			
Property rates	179.40	7.0%	191.69
Electricity: Basic levy	204.56	6.0%	216.83
Electricity: Consumption	1 219.00	11.0%	1 357.95
Water: Basic levy	102.28	6.0%	108.42
Water: Consumption	273.66	15.0%	313.77
Sanitation	305.94	6.0%	325.09
Refuse removal	130.18	6.0%	137.99
Other			
sub-total	**2 415.02**	**9.8%**	**2 651.74**
VAT on Services	312.99		344.41
Total large household bill:	**2 728.00**	**9.8%**	**2 996.15**
% increase/-decrease	**–**		**9.8%**

Refer to Annexure C for Tariffs increases

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

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

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

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

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

Table 35 MBRR SA15 – Detail Investment Information

Investment type	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Parent municipality									
Securities - National Government									
Listed Corporate Bonds									
Deposits - Bank	75 000	55 042	50 039						
Deposits - Public Investment Commissioners									
Guaranteed Endowment Policies (sinking)	5 691	11 597	16 965	22 207	22 207	22 207	28 455	34 384	40 409
Municipal Bonds									
Consolidated total:	**80 691**	**66 638**	**67 004**	**22 207**	**22 207**	**22 207**	**28 455**	**34 384**	**40 409**

Table 36 MBRR SA16 – Investment particulars by maturity

Investments by Maturity	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal	Investment Top Up	Closing Balance
Name of institution & investment ID	Yrs/Months												
Parent municipality													
LIBERTY 15934476	15 YEARS	POLICY	YES	VARIABLE	Fair Value Adjustment			01/09/2025	6 425	256		1 500	**8 181**
LIBERTY 21196964	14 YEARS	POLICY	YES	VARAIBLE	Fair Value Adjustment			01/09/2025	9 389	29		3 120	**12 538**
MOMENTUM 3853776	15 YEARS	POLICY	YES	VARIABLE	Fair Value Adjustment			01/07/2026	1 151	(23)		360	**1 488**
													-
TOTAL INVESTMENTS AND INTEREST									**16 965**		**-**	**4 980**	**22 207**

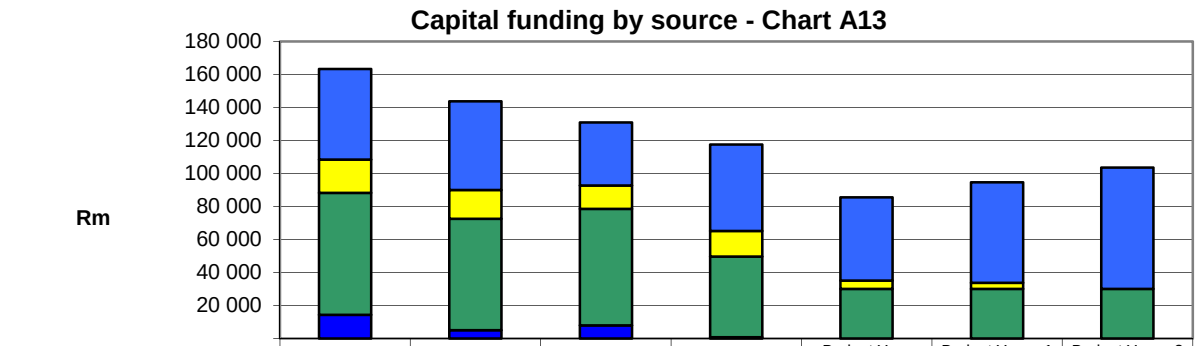
For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The surplus is intended to partly fund capital expenditure from own sources as well as ensure adequate cash backing of reserves and funds.

2.6.2 Medium-term outlook: capital revenue

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

Table 37 Sources of capital revenue over the MTREF

Vote Description	2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Funded by:			
National Government	30 347	26 126	29 187
Provincial Government	19 968	34 750	44 374
District Municipality			
Other transfers and grants			
Transfers recognised - capital	**50 315**	**60 876**	**73 561**
Public contributions & donations			
Borrowing	30 000	30 000	30 000
Internally generated funds	5 200	3 730	
Total Capital Funding	**85 515**	**94 606**	**103 561**



	11/12 AUD	12/13 AUD	13/14 AUD	CY 14/15 ADJ	Budget Year 15/16	Budget Year +1 16/17	Budget Year +2 17/18
Capital transfers recognised	54 833	53 809	38 090	52 352	50 315	60 876	73 561
Internally generated funds	20 178	17 345	14 222	15 582	5 200	3 730	
Borrowing	73 964	67 544	70 634	48 770	30 000	30 000	30 000
Public contributions & donations	14 300	5 067	7 985	885			

Figure 8 Sources of capital revenue for the 2015/16 financial year

Capital grants and receipts equates to 58,8 per cent of the total funding source which represents R50,3 million for the 2015/16

Borrowing still remains a significant funding source for the own capital programme over the medium-term with an estimated R90 million. As explained earlier, the borrowing capacity of the Municipality had essentially reached its limits in 2012 and going forward borrowing limits will remain constant.

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

Table 38 MBRR Table SA 17 - Detail of borrowings

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

Internally generated funds consist of a mixture between surpluses generated on the operating statement of financial performance and cash backed reserves. In determining the credibility of this funding source it becomes necessary to review the cash flow budget as well as the cash backed reserves and accumulated funds reconciliation, as discussed below. Internally generated funds consist of R5,2 million in 2015/2016 and R3,7 million in 2016/17.

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

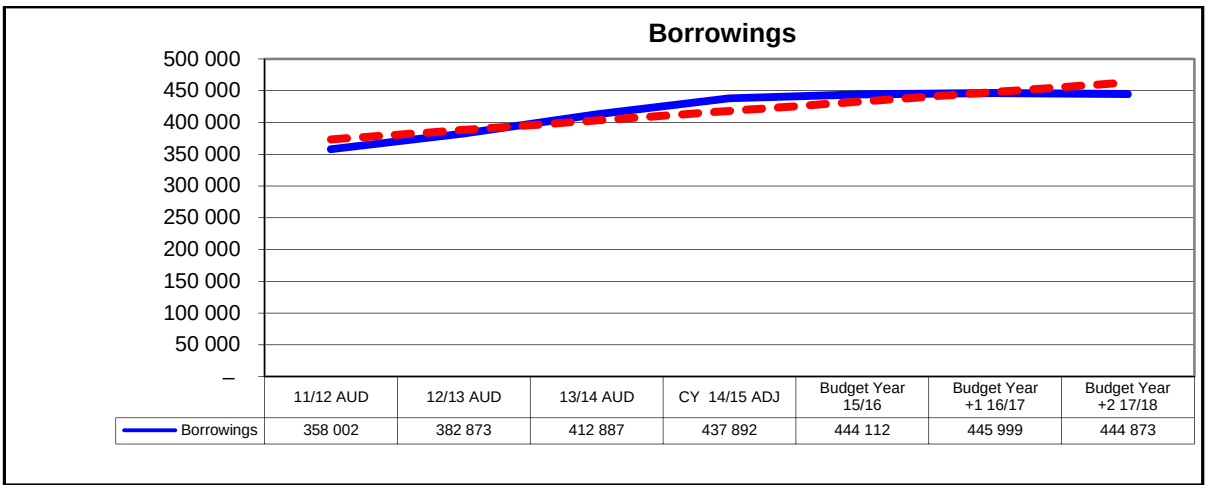


Figure 9 Growth in outstanding borrowing (long-term liabilities)

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

Table 39 MBRR Table SA 18 - Capital transfers and grant receipts

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
RECEIPTS:									
Capital Transfers and Grants									
National Government:	**54 183**	**36 911**	**26 068**	**24 174**	**23 608**	**23 608**	**30 347**	**26 126**	**29 187**
Municipal Infrastructure Grant (MIG)	13 971	16 947	18 755	20 674	20 674	20 674	21 417	22 126	23 187
Public Transport and Systems			–						
Regional Bulk Infrastructure	36 212	15 174	–						
Neighbourhood Development Partnership	2 000	2 418	3 963						
Finance Management	–	552	–	566	–	–			
Municipal Systems Improvement	–	20	350	934	934	934	930		
INEP	2 000	1 800	3 000	2 000	2 000	2 000	8 000	4 000	6 000
Provincial Government:	**–**	**20 217**	**8 819**	**10 060**	**25 319**	**25 319**	**19 968**	**34 750**	**44 374**
Housing	–	18 693	7 727	7 810	23 169	23 169	16 888	34 750	44 374
Sport & Recreation Grant	–	–	100	100	–	–			
Provincial Library Grant	–	13	10	2 150	2 150	2 150	3 080		
Provincial Transport Infrastructure Grant		1 500	982						
Community Development Worker Grant	–	11	–						
Other grant providers:	**500**	**–**	**–**	**2 134**	**2 051**	**2 051**	**–**	**–**	**–**
Mobility strategy (pound)/ Walkways									
DWA ACIP				1 000	1 000	1 000			
Spaces 4 Sport				51	51	51			
Eskom Rebate/National Lotto	500			1 083	1 000	1 000			
Total Capital Transfers and Grants	**54 683**	**57 128**	**34 887**	**36 368**	**50 978**	**50 978**	**50 315**	**60 876**	**73 561**

Cash Flow Management

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

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

Table 40 MBRR Table A7 - Budgeted cash flow statement

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates, penalties & collection charges	110 347	120 273	135 875	148 254	152 362	152 362	163 800	173 297	184 620
Service charges	397 229	437 061	483 167	522 072	521 632	521 632	567 409	608 975	658 596
Other revenue	69 894	41 689	63 976	46 515	97 208	97 208	77 022	75 627	74 910
Government - operating	37 750	44 140	63 477	58 407	61 486	61 486	103 363	107 886	97 173
Government - capital	54 833	54 577	38 090	36 368	52 352	52 352	50 315	60 876	73 561
Interest	9 211	9 754	8 470	8 454	8 454	8 454	8 784	9 028	9 296
Dividends							–	–	–
Payments									
Suppliers and employees	(520 159)	(558 519)	(637 833)	(653 525)	(689 747)	(689 747)	(782 702)	(808 560)	(835 753)
Finance charges	(31 669)	(37 199)	(39 858)	(45 162)	(44 480)	(44 480)	(46 895)	(46 780)	(47 279)
Transfers and Grants	(28 454)	(35 856)	(38 749)	(41 370)	(41 668)	(41 668)	(48 497)	(54 667)	(62 244)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**98 981**	**75 920**	**76 616**	**80 014**	**117 599**	**117 599**	**92 599**	**125 682**	**152 880**
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	13 722	1 725	5 073	–		–	–	–	–
Decrease (Increase) in non-current debtors	2 189	–	–	–	4 301	4 301	–	–	–
Decrease (increase) other non-current receivables	20	45	18	15	11	11	18	13	11
Decrease (increase) in non-current investments	(4 430)	(4 960)	(4 529)	(5 827)	(5 242)	(5 242)	(6 248)	(5 930)	(6 025)
Payments									
Capital assets	(163 275)	(143 764)	(130 930)	(97 721)	(117 588)	(117 588)	(85 515)	(94 606)	(103 561)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(151 774)**	**(146 955)**	**(130 368)**	**(103 533)**	**(118 517)**	**(118 517)**	**(91 745)**	**(100 523)**	**(109 575)**
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	940	(389)	(730)	5 520	6 066	6 066	(1 135)	(1 271)	(1 352)
Borrowing long term/refinancing	110 000	38 700	51 300	40 000	40 000	40 000	30 000	30 000	30 000
Increase (decrease) in consumer deposits	12 844	3 726	2 819	2 703	3 570	3 570	2 479	2 628	2 786
Payments									
Repayment of borrowing	(14 295)	(13 554)	(20 626)	(21 061)	(21 061)	(21 061)	(23 936)	(26 841)	(29 775)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**109 489**	**28 482**	**32 764**	**27 163**	**28 576**	**28 576**	**7 409**	**4 515**	**1 659**
NET INCREASE/ (DECREASE) IN CASH HELD	**56 696**	**(42 552)**	**(20 989)**	**3 643**	**27 657**	**27 657**	**8 263**	**29 675**	**44 964**
Cash/cash equivalents at the year begin:	**70 004**	**126 699**	**84 147**	**84 406**	**63 158**	**63 158**	**90 815**	**99 079**	**128 754**
Cash/cash equivalents at the year end:	**126 699**	**84 147**	**63 158**	**88 049**	**90 815**	**90 815**	**99 079**	**128 754**	**173 717**

The above table shows that cash and cash equivalents of the Municipality remains steady for the 2012/13 and 2014/2015 financial year. For the 2015/16 MTREF the budget has been prepared to

ensure sustained levels of cash and cash equivalents over the medium-term with cash levels anticipated to exceed R99 million by 2015/16 and steadily increasing to R173 million by 2017/18.

2.6.3 Cash Backed Reserves/Accumulated Surplus Reconciliation

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

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

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

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

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash and investments available									
Cash/cash equivalents at the year end	126 699	84 147	63 158	88 049	90 815	90 815	99 079	128 754	173 717
Other current investments > 90 days	0	–	0	1	–	–	–	–	–
Non current assets - Investments	5 691	11 597	16 965	22 207	22 207	22 207	28 455	34 384	40 409
Cash and investments available:	**132 391**	**95 744**	**80 123**	**110 257**	**113 022**	**113 022**	**127 533**	**163 138**	**214 126**
Application of cash and investments									
Unspent conditional transfers	4 555	7 783	3 425	–	–	–	–	–	–
Unspent borrowing	18 255	–	–	–	–	–	–	–	–
Statutory requirements									
Other working capital requirements	(28 049)	(21 016)	(40 826)	(40 803)	(61 683)	(61 683)	(22 868)	(23 728)	(13 036)
Other provisions									
Long term investments committed	5 691	11 597	16 965	22 207	22 207	22 207	–	–	–
Reserves to be backed by cash/investments	1 920	1 891	2 565	1 934	2 573	2 573			
Total Application of cash and investments:	**2 373**	**255**	**(17 871)**	**(16 663)**	**(36 904)**	**(36 904)**	**(22 868)**	**(23 728)**	**(13 036)**
Surplus(shortfall)	**130 018**	**95 489**	**97 994**	**126 920**	**149 926**	**149 926**	**150 401**	**186 866**	**227 162**

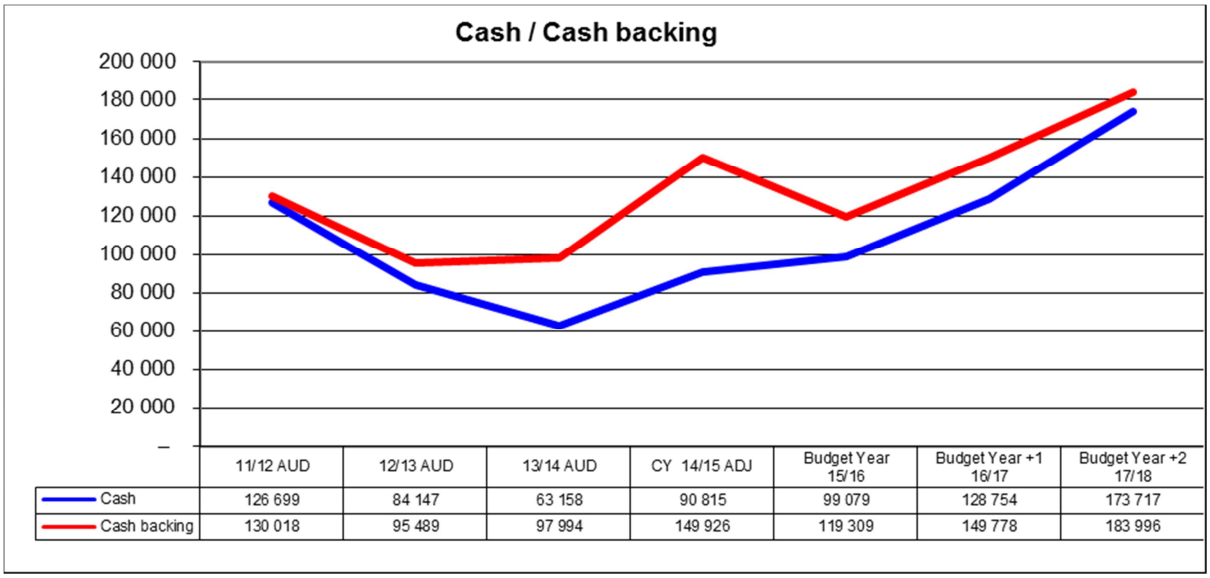
From the above table it can be seen that the cash and investments total R113 million in the 2014/2015 financial year and increase to R128 million by 2015/16, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. In the past these have been allowed to 'roll-over' and be spent in the ordinary course of business, but this practice has been discontinued. Stringent measures have been implemented by NT regarding unspent grants.
- No unspent borrowing from the previous financial year is anticipated. Borrowings are only drawn down once substantial expenditure has incurred against the particular projects.
- Provisions for statutory requirements include VAT owing to timing differences resulting from year- end obligations.

- The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. For the purpose of the cash backed reserves and accumulated surplus reconciliation, at least one month's operational expenditure is covered at all times. It needs to be noted that although this can be considered prudent, the desired cash levels should be 60 days to ensure continued liquidity of the municipality. Any underperformance in relation to collections could place upward pressure on the ability of the Municipality to meet its creditor obligations.
- Long term investments consist primarily of the sinking funds for the repayment of future borrowings. The sinking fund value is held within long term investments and must be 'held to maturity' and is not available for spending.
- Most reserve fund cash-backing is discretionary in nature, but the reserve funds are not available to support a budget unless they are cash-backed. The level of cash-backing is directly informed by the municipality's cash backing policy.

It can be concluded that the Municipality will have a surplus of R150 million against the cash backed and accumulated surpluses reconciliation. When considering the funding requirements of section 18 and 19 of the MFMA, it needs to be noted that for all practical purposes the 2015/2016 MTREF is funded, from a pure cash flow perspective (cash out flow versus cash inflow) the budget is funded and is therefore credible. The challenge for the Municipality will be to ensure that the underlying planning and cash flow assumptions are meticulously managed, especially the performance against the collection rate.

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



	11/12 AUD	12/13 AUD	13/14 AUD	CY 14/15 ADJ	Budget Year 15/16	Budget Year +1 16/17	Budget Year +2 17/18
Cash	126 699	84 147	63 158	90 815	99 079	128 754	173 717
Cash backing	130 018	95 489	97 994	149 926	119 309	149 778	183 996

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

2.6.4 Funding compliance measurement

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

Table 42 MBRR SA10 – Funding compliance measurement

Description	MFMA section	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Funding measures										
Cash/cash equivalents at the year end - R'000	18(1)b	126 699	84 147	63 158	88 049	90 815	90 815	99 079	128 754	173 717
Cash + investments at the yr end less applications - R'000	18(1)b	130 018	95 489	97 994	126 920	149 926	149 926	150 401	186 866	227 162
Cash year end/monthly employee/supplier payments	18(1)b	3.1	1.8	1.2	1.6	1.6	1.6	1.6	1.9	2.4
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	(81 607)	10 899	(45 015)	(48 747)	(69 225)	(69 225)	(18 981)	(3 244)	3 838
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	N.A.	2.3%	4.2%	3.8%	(5.3%)	(6.0%)	1.4%	1.7%	1.8%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	104.9%	91.5%	103.1%	99.6%	103.9%	103.9%	101.2%	99.9%	99.3%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	0.0%	1.2%	2.0%	0.0%	3.4%	3.4%	3.1%	2.9%	2.7%
Capital payments % of capital expenditure	18(1)c;19	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	101.4%	43.0%	55.3%	65.2%	61.3%	61.3%	85.2%	88.9%	100.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a							0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	16.5%	(2.1%)	(2.2%)	11.3%	0.0%	(11.2%)	(1.4%)	4.3%
Long term receivables % change - incr(decr)	18(1)a	N.A.	(33.7%)	(18.4%)	(16.1%)	0.0%	0.0%	(28.3%)	(26.0%)	(33.9%)
R&M % of Property Plant & Equipment	20(1)(vi)	2.1%	3.7%	4.8%	5.3%	5.2%	5.2%	3.9%	4.1%	4.9%
Asset renewal % of capital budget	20(1)(vi)	0.0%	2.9%	35.9%	28.8%	27.9%	27.9%	24.3%	22.2%	6.3%
Total Operating Revenue		597 482	703 871	736 376	784 474	810 548	810 548	908 211	973 373	1 028 569
Total Operating Expenditure		742 525	752 070	832 022	869 588	932 125	932 125	977 508	1 037 493	1 098 292
Operating Performance Surplus/(Deficit)		(145 043)	(48 199)	(95 646)	(85 115)	(121 577)	(121 577)	(69 296)	(64 120)	(69 723)
Cash and Cash Equivalents (30 June 2012)								99 079		
Revenue										
% Increase in Total Operating Revenue			17.8%	4.6%	6.5%	3.3%	0.0%	12.0%	7.2%	5.7%
% Increase in Property Rates Revenue			10.9%	11.6%	10.3%	3.3%	0.0%	6.0%	6.5%	6.5%
% Increase in Electricity Revenue			10.1%	8.4%	15.5%	0.0%	0.0%	9.3%	9.7%	9.7%
% Increase in Property Rates & Services Charges			8.3%	10.2%	9.8%	0.7%	0.0%	7.4%	7.7%	7.8%
Expenditure										
% Increase in Total Operating Expenditure			1.3%	10.6%	4.5%	7.2%	0.0%	4.9%	6.1%	5.9%
% Increase in Employee Costs			11.4%	12.5%	7.5%	(1.4%)	0.0%	5.6%	4.7%	6.0%
% Increase in Electricity Bulk Purchases			14.5%	8.3%	7.9%	0.0%	0.0%	14.2%	14.2%	14.2%
R&M % of PPE		2.1%	3.7%	4.8%	5.3%	5.2%	5.2%	3.9%	4.1%	4.9%
Asset Renewal and R&M as a % of PPE		2.0%	4.0%	6.0%	6.0%	6.0%	6.0%	4.0%	5.0%	5.0%
Debt Impairment % of Total Billable Revenue		0.0%	1.2%	2.0%	0.0%	3.4%	3.4%	3.1%	2.9%	2.7%
Capital Revenue										
Internally Funded & Other (R'000)		34 478	22 412	22 207	14 430	16 466	16 466	5 200	3 730	–
Borrowing (R'000)		73 964	67 544	70 634	46 923	48 770	48 770	30 000	30 000	30 000
Grant Funding and Other (R'000)		54 833	53 809	38 090	36 368	52 352	52 352	50 315	60 876	73 561
Internally Generated funds % of Non Grant Funding		31.8%	24.9%	23.9%	23.5%	25.2%	25.2%	14.8%	11.1%	0.0%
Borrowing % of Non Grant Funding		68.2%	75.1%	76.1%	76.5%	74.8%	74.8%	85.2%	88.9%	100.0%
Grant Funding % of Total Funding		33.6%	37.4%	29.1%	37.2%	44.5%	44.5%	58.8%	64.3%	71.0%
Capital Expenditure										
Total Capital Programme (R'000)		163 275	143 764	130 930	97 721	117 588	117 588	85 515	94 606	103 561
Asset Renewal		–	4 147	47 032	28 139	32 838	32 838	20 758	21 000	6 500
Asset Renewal % of Total Capital Expenditure		0.0%	2.9%	35.9%	28.8%	27.9%	27.9%	24.3%	22.2%	6.3%
Cash										
Cash Receipts % of Rate Payer & Other		104.9%	91.5%	103.1%	99.6%	103.9%	103.9%	101.2%	99.9%	99.3%
Cash Coverage Ratio		0	0	0	0	0	0	0	0	0
Borrowing										
Credit Rating (2009/10)								0		
Capital Charges to Operating		6.2%	6.8%	7.3%	7.6%	7.0%	7.0%	7.2%	7.1%	7.0%
Borrowing Receipts % of Capital Expenditure		101.4%	43.0%	55.3%	65.2%	61.3%	61.3%	85.2%	88.9%	100.0%
Reserves										
Surplus/(Deficit)		130 018	95 489	97 994	126 920	149 926	149 926	150 401	186 866	227 162
Free Services										
Free Basic Services as a % of Equitable Share		90.1%	98.1%	91.3%	82.0%	82.0%	82.0%	0.0%	0.0%	0.0%
Free Services as a % of Operating Revenue (excl operational transfers)		12.8%	10.0%	7.9%	9.6%	9.3%	9.3%	5.3%	5.2%	5.2%
High Level Outcome of Funding Compliance										
Total Operating Revenue		597 482	703 871	736 376	784 474	810 548	810 548	908 211	973 373	1 028 569
Total Operating Expenditure		742 525	752 070	832 022	869 588	932 125	932 125	977 508	1 037 493	1 098 292
Surplus/(Deficit) Budgeted Operating Statement		(145 043)	(48 199)	(95 646)	(85 115)	(121 577)	(121 577)	(69 296)	(64 120)	(69 723)
Surplus/(Deficit) Considering Reserves and Cash Backing		130 018	95 489	97 994	126 920	149 926	149 926	150 401	186 866	227 162
MTREF Funded (1) / Unfunded (0)		1	1	1	1	1	1	1	1	1
MTREF Funded ü / Unfunded û		✓	✓	✓	✓	✓	✓	✓	✓	✓

2.6.4.1 Cash/cash equivalent position

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

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2015/16 MTREF shows R99 million, R128 million and R173 million for each respective financial year.

2.6.4.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 41, on page 66. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

2.6.4.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as services boycotts. The ratio is at 1.6 for the 2015/2016 MTREF.

2.6.4.4 Surplus/deficit excluding depreciation offsets

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

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

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

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

Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 101.2, 99.9, and 99.3 per cent for each of the respective financial years. Given that the assumed collection rate was based on a 99 per cent performance target, the cash flow statement has been accurately determined. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

2.6.4.6 Debt impairment expense as a percentage of billable revenue

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

2.6.4.7 Capital payments percentage of capital expenditure

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

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

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded. It can be seen that borrowing equates to 85, 89 and 100 per cent of own funded capital.

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

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

2.6.4.9 Consumer debtors change (Current and Non-current)

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

2.6.4.10 Repairs and maintenance expenditure level

This measure must be considered within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Details of the municipality's strategy pertaining to asset management and repairs and maintenance are contained in Table 56 MBRR SA34C on page 85.

2.6.4.11 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets. Further details in this regard are contained in Table 55 MBRR SA34b on page 84.

2.7 Expenditure on grants and reconciliations of unspent funds

Table 43 MBRR SA19 - Expenditure on transfers and grant programmes

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
EXPENDITURE:									
Operating expenditure of Transfers and Grants									
National Government:	**33 973**	**38 956**	**45 033**	**54 673**	**56 511**	**56 511**	**67 709**	**74 702**	**82 187**
Local Government Equitable Share	31 156	36 146	41 949	52 021	52 021	52 021	64 598	72 270	79 604
Finance Management	1 250	698	1 300	884	1 450	1 450	1 450	1 475	1 550
Municipal Systems Improvement	790	780	540					957	1 033
EPWP Incentive	777	1 332	1 244	1 768	1 768	1 768	1 661		
Municipal Disaster Receovery Grant					1 272	1 272			
Provincial Government:	**4 032**	**2 724**	**22 802**	**3 734**	**4 975**	**4 975**	**35 654**	**33 184**	**14 986**
Housing	3 186	1 659	18 669	183	609	609	30 226	27 480	8 876
Emergency Housing Programme (EHP)	78	70	49	220	220	220			
Provincial Library Grant	65	65	2 651	3 182	3 182	3 182	5 242	5 557	5 890
Finanicial Management Support Grant					759	759			
Community Development Worker Grant	640	691	795	52	70	70	72	76	80
Main Road Subsidy	–	–	–	97	97	97	114		
Sport & Recreation Grant	–	–	155						
Nelson Mandela commemoration Grant	–	–	100						
Greenest Municipality	–	–	12		38	38			
HCE	63	19	47						
Mobility Strategy	–	2	106						
Thusong Service centre grant	–	218	218					71	140
Other grant providers:	**156**	**222**	**894**	**–**	**546**	**546**	**–**	**–**	**–**
Spaces 4 Sport/Friedrich Naumann Foundation	156	200	627		546	546			
ICT Projects for Libraries/Samras Usergroup	–	22	267						
Samras Usergroup									
Friedrich Naumann Foundation									
Spaces 4 Sport									
Total operating expenditure of Transfers and G	**38 161**	**41 902**	**68 730**	**58 407**	**62 032**	**62 032**	**103 363**	**107 886**	**97 173**
Capital expenditure of Transfers and Grants									
National Government:	**54 183**	**36 911**	**25 094**	**24 174**	**23 608**	**23 608**	**30 347**	**26 126**	**29 187**
Municipal Infrastructure Grant (MIG)	13 971	16 947	18 755	20 674	20 674	20 674	21 417	22 126	23 187
Public Transport and Systems									
Regional Bulk Infrastructure	36 212	15 174	–						
Neighbourhood Development Partnership	2 000	2 418	350	–					
Municipal Systems Improvement	–	20	2 026	934	934	934	930		
Finance Management	–	552	–	566	–	–			
INEP	2 000	1 800	3 963	2 000	2 000	2 000	8 000	4 000	6 000
Provincial Government:	**650**	**16 898**	**12 996**	**10 060**	**26 693**	**26 693**	**19 968**	**34 750**	**44 374**
Housing/ABS/CDW/Library	–	16 651	10 404	7 810	24 543	24 543	16 888	34 750	44 374
Sport & Recreation Grant	–	–	100	100	–	–			
Provincial Library Grant	–	–		2 150	2 150	2 150	3 080		
Provincial Transport Infrastructure Grant		13	2 482						
Community Development Worker Grant	–		10	–	–	–	–	–	–
Mobility strategy (pound)/ CDW	650	234							
Other grant providers:		**500**	**–**	**2 134**	**2 051**	**2 051**	**–**	**–**	**–**
DWA ACIP				1 000	1 000	1 000			
Spaces 4 Sport				51	51	51			
Eskom Rebate/National Lotto		500		1 083	1 000	1 000			
Total capital expenditure of Transfers and Gran	**54 833**	**54 309**	**38 090**	**36 368**	**52 352**	**52 352**	**50 315**	**60 876**	**73 561**
TOTAL EXPENDITURE OF TRANSFERS AND GI	**92 993**	**96 211**	**106 820**	**94 775**	**114 384**	**114 384**	**153 678**	**168 762**	**170 734**

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

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

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Operating transfers and grants:									
National Government:									
Balance unspent at beginning of the year	–	–		–					
Current year receipts	33 973	38 956	45 033	54 673	56 511	56 511	67 709	74 702	82 187
Conditions met - transferred to revenue	**33 973**	**38 956**	**45 033**	**54 673**	**56 511**	**56 511**	**67 709**	**74 702**	**82 187**
Conditions still to be met - transferred to liabilities	–	–	–						
Provincial Government:									
Balance unspent at beginning of the year	129	174	153	–	683	683			
Current year receipts	10 697	2 703	23 332	3 734	4 371	4 371	35 654	33 184	14 986
Transfer to creditor/debtor	(3 310)	–	–	–	(79)	(79)			
Conditions met - transferred to revenue	**4 032**	**2 724**	**22 802**	**3 734**	**4 975**	**4 975**	**35 654**	**33 184**	**14 986**
Conditions still to be met - transferred to liabilities	3 485	153	683						
District Municipality:									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities									
Other grant providers:									
Balance unspent at beginning of the year	125	240	669	–	361	361			
Current year receipts	270	652	586	–	185	185			
Conditions met - transferred to revenue	**156**	**222**	**894**	**–**	**546**	**546**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities	240	669	361						
Total operating transfers and grants revenue	**38 161**	**41 902**	**68 730**	**58 407**	**62 032**	**62 032**	**103 363**	**107 886**	**97 173**
Total operating transfers and grants - CTBM	**3 725**	**822**	**1 044**	**–**	**–**	**–**	**–**	**–**	**–**
Capital transfers and grants:									
National Government:									
Balance unspent at beginning of the year	–	–	–						
Current year receipts	54 183	36 911	26 068	24 174	23 608	23 608	30 347	26 126	29 187
Transfer to creditor/debtor	–	–	(974)						
Conditions met - transferred to revenue	**54 183**	**36 911**	**25 094**	**24 174**	**23 608**	**23 608**	**30 347**	**26 126**	**29 187**
Conditions still to be met - transferred to liabilities	–	–	–	–	–	–			
Provincial Government:									
Balance unspent at beginning of the year	981	3 642	6 961		2 382	2 382			
Current year receipts	–	20 217	8 819	10 060	25 319	25 319	19 968	34 750	44 374
Transfer to creditor/debtor	–	–	(402)		(1 008)	(1 008)			
Conditions met - transferred to revenue	**650**	**16 898**	**12 996**	**10 060**	**26 693**	**26 693**	**19 968**	**34 750**	**44 374**
Conditions still to be met - transferred to liabilities	331	6 961	2 382						
District Municipality:									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities									
Other grant providers:									
Balance unspent at beginning of the year	–	500	–						
Current year receipts	500	–	–	2 134	2 051	2 051			
Conditions met - transferred to revenue	**–**	**500**	**–**	**2 134**	**2 051**	**2 051**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities	500	–	–						
Total capital transfers and grants revenue	**54 833**	**54 309**	**38 090**	**36 368**	**52 352**	**52 352**	**50 315**	**60 876**	**73 561**
Total capital transfers and grants - CTBM	**831**	**6 961**	**2 382**	**–**	**–**	**–**	**–**	**–**	**–**

2.8 Councillor and employee benefits

Table 45 MBRR SA22 - Summary of councillor and staff benefits

Summary of Employee and Councillor remuneration	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	6 717	7 084	7 415	7 968	7 911	7 911	8 037	8 527	9 047
Pension and UIF Contributions					–	–			
Medical Aid Contributions					–	–			
Motor Vehicle Allowance					–	–			
Cellphone Allowance			518	548	605	605	638	665	694
Housing Allowances					–	–			
Other benefits and allowances					–	–			
Sub Total - Councillors	**6 717**	**7 084**	**7 933**	**8 516**	**8 516**	**8 516**	**8 674**	**9 192**	**9 741**
% increase		**5.5%**	**12.0%**	**7.3%**	**–**	**–**	**1.9%**	**6.0%**	**6.0%**
Senior Managers of the Municipality									
Basic Salaries and Wages	7 082	8 100	8 566	9 190	9 190	9 190	9 735	10 311	10 938
Pension and UIF Contributions					–	–			
Medical Aid Contributions					–	–			
Overtime					–	–			
Performance Bonus					–	–			
Motor Vehicle Allowance					–	–			
Cellphone Allowance	128	139	139	163	163	163	154	163	172
Housing Allowances					–	–			
Other benefits and allowances		3			–	–			
Payments in lieu of leave		82			–	–			
Long service awards					–	–			
Post-retirement benefit obligations					–	–			
Sub Total - Senior Managers of Municipality	**7 210**	**8 324**	**8 706**	**9 354**	**9 354**	**9 354**	**9 889**	**10 473**	**11 110**
% increase		**15.5%**	**4.6%**	**7.4%**	**–**	**–**	**5.7%**	**5.9%**	**6.1%**
Other Municipal Staff									
Basic Salaries and Wages	126 414	143 857	158 389	175 220	170 729	170 729	189 457	198 284	210 347
Pension and UIF Contributions	21 014	24 051	25 104	29 321	29 321	29 321	31 735	33 672	35 725
Medical Aid Contributions	7 354	8 176	8 828	11 463	11 463	11 463	11 618	12 327	13 079
Overtime	12 030	12 428	14 370	13 913	13 913	13 913	15 046	15 963	16 937
Performance Bonus	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	8 240	9 178	9 750	11 760	11 760	11 760	11 314	11 025	11 174
Cellphone Allowance	725	1 785	1 402	1 474	1 474	1 474	1 348	1 434	1 434
Housing Allowances	1 023	1 046	967	1 018	1 018	1 018	1 002	1 008	1 008
Other benefits and allowances	10 461	9 254	10 083	11 118	11 118	11 118	10 621	10 965	11 233
Provision for Accrued Leave		2 056	1 659	2 350	2 350	2 350	729	773	819
Provision for Long service awards		690	3 587	1 200	1 291	1 291	1 802	2 028	2 815
Provision for Bonus		–	–		500	500	455	482	511
Post-retirement benefit obligations	13 467	10 795	17 799	11 875	11 925	11 925	6 578	6 973	7 391
Sub Total - Other Municipal Staff	**200 729**	**223 317**	**251 939**	**270 713**	**266 863**	**266 863**	**281 705**	**294 934**	**312 473**
% increase		**11.3%**	**12.8%**	**7.5%**	**(1.4%)**	**–**	**5.6%**	**4.7%**	**5.9%**
Total Parent Municipality	**214 656**	**238 726**	**268 577**	**288 582**	**284 732**	**284 732**	**300 268**	**314 600**	**333 324**
		11.2%	**12.5%**	**7.4%**	**(1.3%)**	**–**	**5.5%**	**4.8%**	**6.0%**
TOTAL SALARY, ALLOWANCES & BENEFITS	**214 656**	**238 726**	**268 577**	**288 582**	**284 732**	**284 732**	**300 268**	**314 600**	**333 324**
% increase		**11.2%**	**12.5%**	**7.4%**	**(1.3%)**	**–**	**5.5%**	**4.8%**	**6.0%**

Table 46 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1. Rand per annum	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Councillors							
Speaker		609 285		25 512			634 797
Chief Whip							–
Executive Mayor		761 605		25 512			787 117
Deputy Executive Mayor		609 285		25 512			634 797
Executive Committee		1 713 615		76 536			1 790 151
Total for all other councillors		4 342 886		484 728			4 827 614
Total Councillors	**–**	**8 036 676**	**–**	**637 800**			**8 674 476**
Senior Managers of the Municipality							
Municipal Manager (MM)		1 768 175		22 872			1 791 047
Chief Finance Officer		1 613 208		19 872			1 633 080
Management Services		1 212 924		22 872			1 235 796
Community Services		1 345 353		22 872			1 368 225
Infrastructure & Planning		1 624 404		22 872			1 647 276
LED		1 100 164		19 872			1 120 036
Protection Services		1 070 390		22 872			1 093 262
Total Senior Managers of the Municipality	**–**	**9 734 618**	**–**	**154 104**	**–**		**9 888 722**
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	**–**	**17 771 294**	**–**	**791 904**	**–**		**18 563 198**

Table 47 MBRR SA24 – Summary of personnel numbers

WC032 Overstrand - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	2013/14			Current Year 2014/15			Budget Year 2015/16		
Number	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities									
Councillors (Political Office Bearers plus Other Councillors)	25	7		25	7		25	7	
Board Members of municipal entities									
Municipal employees									
Municipal Manager and Senior Managers	7	7		7	7		7	7	–
Other Managers	57	49		57	49		61	54	–
Professionals	*53*	*52*	–	*54*	*52*	–	*54*	*40*	–
Finance	22	21		22	21		23	15	–
Spatial/town planning	8	8		9	8		8	7	
Information Technology									
Roads	8	8		8	8		8	8	–
Electricity	5	5		5	5		5	1	–
Water	4	4		4	4		4	3	–
Sanitation	3	3		3	3		3	3	–
Refuse	3	3		3	3		3	3	–
Other									
Technicians	*213*	*203*	–	*213*	*203*	–	*215*	*194*	–
Finance									
Spatial/town planning	6	6		6	6		6	5	–
Information Technology	3	3		3	3		4	3	–
Roads	3	2		3	2		3	3	–
Electricity	22	18		22	18		22	15	–
Water	4	2		4	2		5	4	–
Sanitation	6	4		6	4		6	5	–
Refuse	3	3		3	3		3	3	–
Other	166	165		166	165		166	156	–
Clerks (Clerical and administrative)	189	177		189	177		186	162	–
Service and sales workers	54	51		54	51		114	106	–
Skilled agricultural and fishery workers									
Craft and related trades									
Plant and Machine Operators	42	23		42	23		45	40	–
Elementary Occupations	487	474		487	474		492	477	–
TOTAL PERSONNEL NUMBERS	**1 127**	**1 043**	**–**	**1 128**	**1 043**	**–**	**1 199**	**1 087**	**–**
% increase				0.1%	–	–	6.3%	4.2%	–
Total municipal employees headcount	**1 102**	**1 036**		**1 102**	**1 036**		**1 174**	**1 080**	
Finance personnel headcount	**126**	**116**		**126**	**11**		**111**	**116**	
Human Resources personnel headcount	**19**	**18**		**19**	**18**		**18**	**18**	

2.9 Monthly targets for revenue, expenditure and cash flow …./

Table 48 MBRR SA25 - Budgeted monthly revenue and expenditure

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source															
Property rates	15 127	12 905	12 889	12 999	12 895	12 999	12 945	13 047	12 958	13 174	12 904	17 889	162 730	173 308	184 573
Property rates - penalties & collection charges	69	84	79	67	68	66	66	67	66	65	62	132	891	980	1 078
Service charges - electricity revenue	33 517	32 583	30 465	27 574	26 424	26 403	23 222	20 417	26 941	28 802	29 980	32 547	338 877	371 635	407 747
Service charges - water revenue	7 011	5 878	7 016	7 037	9 158	10 198	12 449	9 788	9 644	9 144	7 133	7 588	102 045	107 700	113 691
Service charges - sanitation revenue	4 635	4 571	4 977	4 821	5 307	5 968	7 389	5 799	6 106	5 305	5 270	6 226	66 375	70 081	74 010
Service charges - refuse revenue	5 026	4 939	4 996	5 019	5 032	5 020	4 791	4 978	4 982	4 992	4 965	4 748	59 488	63 061	66 849
Service charges - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	993	736	662	765	1 565	1 375	993	705	989	511	412	2 152	11 859	12 953	14 176
Interest earned - external investments	578	536	594	627	598	603	480	556	438	558	623	156	6 348	6 348	6 348
Interest earned - outstanding debtors	205	227	209	210	189	200	203	210	203	204	200	177	2 437	2 680	2 948
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines	514	445	607	514	428	959	643	1 022	656	901	626	24 544	31 859	32 766	33 763
Licences and permits	182	201	141	165	157	142	213	201	162	192	200	234	2 190	2 408	2 649
Agency services	208	196	170	246	253	217	274	207	204	237	239	519	2 970	3 267	3 594
Transfers recognised - operational	22 503	188	402	154	409	29 324	578	3 753	14 359	13 542	1 427	16 723	103 363	107 886	97 173
Other revenue	891	1 192	1 394	1 510	1 678	1 833	1 440	1 237	1 567	1 678	1 342	1 018	16 781	18 301	19 972
Gains on disposal of PPE												–	–	–	–
Total Revenue (excluding capital transfers and cont	**91 459**	**64 680**	**64 601**	**61 709**	**64 161**	**95 308**	**65 687**	**61 987**	**79 277**	**79 306**	**65 384**	**114 653**	**908 211**	**973 373**	**1 028 569**
Expenditure By Type															
Employee related costs	19 682	20 717	21 109	20 529	32 182	31 168	24 611	25 983	22 955	26 850	21 292	24 516	291 593	305 408	323 583
Remuneration of councillors	722	722	722	722	722	722	722	722	722	722	722	730	8 674	9 192	9 741
Debt impairment	–	–	–	–	–	–	–	–	–	–	–	22 792	22 792	22 792	22 792
Depreciation & asset impairment	10 128	10 128	10 128	10 128	10 128	10 128	10 054	10 054	10 119	10 119	10 119	130	111 362	118 043	125 126
Finance charges	149	–	–	5 174	–	9 992	–	–	127	8 569	–	22 883	46 895	46 780	47 279
Bulk purchases	3 175	24 350	24 722	10 697	12 885	21 139	16 105	14 933	17 768	21 239	15 642	10 915	193 573	221 138	252 628
Other materials	6 191	8 026	4 536	6 035	6 985	6 375	4 334	4 334	3 857	4 276	6 059	9 877	70 885	69 631	53 593
Contracted services	981	6 285	3 716	6 644	5 451	4 660	5 709	8 076	9 559	21 376	12 831	41 698	126 986	129 953	137 384
Transfers and grants	3 871	3 960	3 941	3 829	3 745	4 148	1 560	1 560	3 276	3 299	3 286	12 020	48 497	54 667	62 244
Other expenditure	2 044	4 311	4 621	5 277	6 177	5 106	9 355	4 887	3 263	4 886	3 925	2 400	56 251	59 890	63 924
Loss on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure	**46 943**	**78 499**	**73 496**	**69 034**	**78 274**	**93 439**	**72 451**	**70 551**	**71 646**	**101 336**	**73 877**	**147 962**	**977 508**	**1 037 493**	**1 098 292**
Surplus/(Deficit)	**44 516**	**(13 819)**	**(8 895)**	**(7 325)**	**(14 114)**	**1 869**	**(6 764)**	**(8 563)**	**7 632**	**(22 030)**	**(8 493)**	**(33 309)**	**(69 296)**	**(64 120)**	**(69 723)**
Transfers recognised - capital	2 890	2 024	1 534	3 010	4 634	7 266	3 555	2 505	4 399	7 412	5 313	5 774	50 315	60 876	73 561
Contributions recognised - capital												–	–	–	–
Contributed assets												–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**47 406**	**(11 795)**	**(7 361)**	**(4 315)**	**(9 480)**	**9 136**	**(3 210)**	**(6 059)**	**12 031**	**(14 618)**	**(3 181)**	**(27 534)**	**(18 981)**	**(3 244)**	**3 838**
Surplus/(Deficit)	**47 406**	**(11 795)**	**(7 361)**	**(4 315)**	**(9 480)**	**9 136**	**(3 210)**	**(6 059)**	**12 031**	**(14 618)**	**(3 181)**	**(27 534)**	**(18 981)**	**(3 244)**	**3 838**

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

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote															
Vote 1 - Council	22 355	34	28	493	55	19 038	34	31	16 545	6 117	36	41	64 808	72 470	79 794
Vote 2 - Municipal Manager	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 3 - Management Services	62	25	4	114	35	5	61	21	19	60	32	553	991	1 018	1 094
Vote 4 - Finance	19 076	16 454	16 619	16 766	16 435	16 456	16 509	7 810	13 489	13 980	14 022	12 722	180 339	191 921	204 338
Vote 5 - Community Services	17 193	23 302	18 451	17 090	7 592	23 856	22 821	21 132	23 031	27 834	24 744	45 040	272 086	284 150	300 688
Vote 6 - Local Economic Development	25	331	227	355	36	546	126	67	83	521	260	514	3 091	1 573	1 730
Vote 7 - Infrastructure & Planning	34 760	25 800	30 197	28 900	43 649	41 867	28 409	33 979	29 329	36 753	30 376	35 516	399 535	443 953	473 685
Vote 8 - Protection Services	879	758	609	1 001	992	806	1 281	1 451	1 181	1 453	1 225	26 040	37 676	39 164	40 802
Total Revenue by Vote	**94 349**	**66 704**	**66 134**	**64 719**	**68 794**	**102 574**	**69 241**	**64 492**	**83 676**	**86 718**	**70 696**	**120 427**	**958 526**	**1 034 249**	**1 102 130**
Expenditure by Vote to be appropriated															
Vote 1 - Council	4 837	4 958	4 924	5 211	6 080	6 642	4 970	3 456	5 108	5 997	4 464	14 850	71 496	78 840	87 821
Vote 2 - Municipal Manager	274	143	284	504	357	584	449	429	316	449	383	317	4 489	3 643	3 865
Vote 3 - Management Services	4 416	4 813	4 778	2 458	3 095	4 931	2 611	3 496	4 467	656	2 986	4 621	43 327	45 629	48 384
Vote 4 - Finance	2 592	3 857	10 100	10 038	8 768	8 271	6 188	4 929	2 350	3 679	3 497	5 479	69 750	71 154	75 197
Vote 5 - Community Services	10 130	27 005	21 285	25 954	32 279	46 063	34 431	33 147	21 856	42 037	32 495	27 787	354 470	371 463	392 545
Vote 6 - Local Economic Development	306	638	498	402	519	415	549	529	1 383	611	892	1 988	8 731	7 464	7 931
Vote 7 - Infrastructure & Planning	22 078	34 032	28 346	20 820	23 015	23 492	18 878	20 738	32 383	42 756	25 711	63 545	355 793	387 020	407 279
Vote 8 - Protection Services	2 310	3 053	3 281	3 647	4 161	3 041	4 375	3 827	3 782	5 153	3 450	29 373	69 453	72 280	75 270
Total Expenditure by Vote	**46 943**	**78 499**	**73 496**	**69 034**	**78 274**	**93 439**	**72 451**	**70 551**	**71 646**	**101 336**	**73 877**	**147 962**	**977 508**	**1 037 493**	**1 098 292**
Surplus/(Deficit) before assoc.	**47 406**	**(11 795)**	**(7 361)**	**(4 315)**	**(9 480)**	**9 136**	**(3 210)**	**(6 059)**	**12 031**	**(14 618)**	**(3 181)**	**(27 534)**	**(18 981)**	**(3 244)**	**3 838**
Surplus/(Deficit)	**47 406**	**(11 795)**	**(7 361)**	**(4 315)**	**(9 480)**	**9 136**	**(3 210)**	**(6 059)**	**12 031**	**(14 618)**	**(3 181)**	**(27 534)**	**(18 981)**	**(3 244)**	**3 838**

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

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard															
Governance and administration	**42 002**	**16 842**	**17 078**	**18 356**	**17 434**	**29 373**	**17 412**	**8 403**	**27 833**	**21 068**	**14 673**	**25 520**	**255 994**	**272 264**	**292 533**
Executive and council	22 335	38	31	499	55	12 434	36	74	13 902	6 113	37	9 306	64 861	72 528	79 858
Budget and treasury office	19 076	16 454	16 619	16 766	16 435	16 456	16 509	7 810	13 489	13 980	14 022	12 722	180 339	191 921	204 338
Corporate services	591	349	429	1 091	943	482	867	519	442	974	614	3 492	10 795	7 816	8 338
Community and public safety	**9 099**	**2 257**	**1 731**	**4 296**	**2 693**	**4 796**	**3 426**	**8 773**	**9 633**	**9 243**	**10 594**	**34 431**	**100 972**	**125 079**	**119 019**
Community and social services	432	425	337	358	321	293	268	135	654	379	781	294	4 677	9 025	9 525
Sport and recreation	314	354	340	425	963	939	665	1 048	414	607	577	4 406	11 052	14 163	14 899
Public safety	879	758	609	1 001	992	806	1 281	1 451	1 181	1 453	1 225	26 040	37 676	39 164	40 802
Housing	7 474	720	444	2 512	417	2 758	1 213	6 139	7 385	6 804	8 010	3 690	47 567	62 726	53 793
Health												–	–	–	–
Economic and environmental services	**275**	**1 179**	**1 039**	**1 607**	**301**	**1 687**	**583**	**1 376**	**818**	**1 622**	**1 797**	**7 756**	**20 041**	**10 939**	**13 263**
Planning and development	252	703	540	808	267	1 296	398	308	518	735	494	2 733	9 051	8 129	8 942
Road transport	12	469	492	792	27	367	173	1 043	300	886	1 303	5 024	10 890	2 700	4 200
Environmental protection	11	7	7	7	7	24	12	25	0	0	0	0	101	110	121
Trading services	**42 973**	**46 426**	**46 287**	**40 460**	**48 366**	**66 719**	**47 819**	**45 939**	**45 392**	**54 785**	**43 632**	**52 721**	**581 518**	**625 966**	**677 315**
Electricity	26 537	28 602	28 669	19 607	23 612	41 645	23 907	32 604	25 912	35 620	26 311	33 335	346 361	375 057	413 102
Water	7 326	8 591	8 004	10 148	13 759	12 643	12 841	1 179	8 881	8 465	7 336	7 039	106 211	113 026	120 078
Waste water management	4 721	4 932	5 254	6 323	6 418	7 995	6 905	7 817	6 259	6 340	5 662	776	69 402	74 765	77 229
Waste management	4 388	4 300	4 360	4 383	4 578	4 435	4 167	4 339	4 340	4 360	4 324	11 571	59 544	63 118	66 906
Other												–	–	–	–
Total Revenue - Standard	**94 349**	**66 704**	**66 134**	**64 719**	**68 794**	**102 574**	**69 241**	**64 492**	**83 676**	**86 718**	**70 696**	**120 427**	**958 526**	**1 034 249**	**1 102 130**
Expenditure - Standard															
Governance and administration	**9 306**	**21 846**	**19 275**	**21 209**	**23 504**	**26 680**	**14 258**	**14 397**	**12 648**	**13 679**	**16 018**	**44 399**	**237 218**	**248 313**	**267 049**
Executive and council	5 823	6 254	6 370	6 696	8 268	15 206	6 623	4 773	7 280	8 603	6 684	9 925	92 505	98 337	108 547
Budget and treasury office	2 592	3 857	10 100	10 038	8 768	8 271	6 188	4 929	2 350	3 679	3 497	5 479	69 750	71 154	75 197
Corporate services	891	11 736	2 805	4 475	6 467	3 203	1 446	4 694	3 018	1 397	5 837	28 995	74 963	78 822	83 305
Community and public safety	**5 765**	**7 365**	**7 355**	**8 408**	**10 154**	**7 828**	**8 009**	**11 321**	**7 821**	**35 076**	**7 508**	**38 362**	**154 971**	**158 237**	**146 267**
Community and social services	2 017	2 391	2 330	2 550	3 552	2 417	1 209	5 172	2 190	2 620	2 330	2 543	31 322	33 034	35 198
Sport and recreation	1 140	1 412	1 416	1 553	1 764	1 972	2 062	1 626	1 479	1 671	1 334	791	18 220	19 390	20 550
Public safety	2 310	3 053	3 281	3 647	4 161	3 041	4 375	3 827	3 782	5 153	3 450	29 373	69 453	72 280	75 270
Housing	298	509	328	657	678	397	363	695	370	25 633	394	5 654	35 976	33 533	15 249
Health												–	–	–	–
Economic and environmental services	**6 909**	**8 171**	**9 260**	**10 158**	**10 933**	**12 270**	**11 027**	**11 033**	**15 997**	**16 282**	**14 668**	**5 339**	**132 046**	**137 946**	**145 918**
Planning and development	1 717	2 553	3 314	2 772	4 274	3 017	2 362	3 015	9 423	3 330	3 151	1 381	40 308	40 867	43 282
Road transport	4 865	5 287	5 579	7 050	5 951	8 761	8 213	7 549	6 082	12 570	10 919	1 962	84 786	89 863	94 986
Environmental protection	327	330	367	336	709	492	453	469	492	382	598	1 996	6 952	7 217	7 651
Trading services	**24 964**	**41 117**	**37 607**	**29 260**	**33 683**	**46 661**	**39 157**	**33 800**	**35 180**	**36 299**	**35 684**	**59 862**	**453 273**	**492 997**	**539 058**
Electricity	16 108	30 285	26 526	15 822	19 865	29 699	28 003	22 534	19 075	20 917	18 779	9 664	257 278	287 386	322 086
Water	3 976	4 723	4 821	6 711	5 807	7 970	5 566	5 199	10 257	7 781	10 104	5 461	78 375	81 294	85 130
Waste water management	3 405	4 034	4 043	4 604	5 046	6 653	2 932	4 063	3 603	4 731	4 489	15 753	63 357	67 214	71 597
Waste management	1 474	2 074	2 217	2 124	2 965	2 339	2 656	2 004	2 244	2 870	2 313	28 984	54 264	57 103	60 245
Other												–	–	–	–
Total Expenditure - Standard	**46 943**	**78 499**	**73 496**	**69 034**	**78 274**	**93 439**	**72 451**	**70 551**	**71 646**	**101 336**	**73 877**	**147 962**	**977 508**	**1 037 493**	**1 098 292**
Surplus/(Deficit)	**47 406**	**(11 795)**	**(7 361)**	**(4 315)**	**(9 480)**	**9 136**	**(3 210)**	**(6 059)**	**12 031**	**(14 618)**	**(3 181)**	**(27 534)**	**(18 981)**	**(3 244)**	**3 838**

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

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Multi-year expenditure to be appropriated															
Vote 1 - Council												–	–	–	–
Vote 2 - Municipal Manager												–	–	–	–
Vote 3 - Management Services												–	–	–	–
Vote 4 - Finance												–	–	–	–
Vote 5 - Community Services		366	400	4 850	3 850	4 850	116	1 700	1 450	700	700	1 455	20 438	4 500	4 000
Vote 6 - Local Economic Development												–	–	–	–
Vote 7 - Infrastructure & Planning				410	821	410	410	821	821	821	821	2 165	7 500	3 000	3 000
Vote 8 - Protection Services												–	–	–	–
Capital multi-year expenditure sub-total	**–**	**366**	**400**	**5 261**	**4 671**	**5 260**	**526**	**2 521**	**2 271**	**1 521**	**1 521**	**3 620**	**27 938**	**7 500**	**7 000**
Single-year expenditure to be appropriated															
Vote 1 - Council												–	–	–	–
Vote 2 - Municipal Manager												–	–	–	–
Vote 3 - Management Services	–	126	267	–	–	–	28	77	20	429	1 444	137	2 528	–	–
Vote 4 - Finance												–	–	–	–
Vote 5 - Community Services	100	192	1 157	4 223	4 760	3 671	421	4 413	5 290	4 526	5 933	9 343	44 030	72 106	79 561
Vote 6 - Local Economic Development												–	–	–	–
Vote 7 - Infrastructure & Planning		35	630	230	500		30	140	2 090	2 110	2 100	3 055	10 920	15 000	17 000
Vote 8 - Protection Services											50	50	100	–	–
Capital single-year expenditure sub-total	**100**	**353**	**2 054**	**4 453**	**5 260**	**3 671**	**479**	**4 630**	**7 400**	**7 065**	**9 527**	**12 585**	**57 578**	**87 106**	**96 561**
Total Capital Expenditure	**100**	**719**	**2 454**	**9 714**	**9 931**	**8 931**	**1 005**	**7 151**	**9 671**	**8 585**	**11 048**	**16 205**	**85 515**	**94 606**	**103 561**

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

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

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital Expenditure - Standard															
Governance and administration	**–**	**126**	**267**	**40**	**–**	**40**	**28**	**77**	**20**	**429**	**1 444**	**177**	**2 648**	**3 730**	**–**
Executive and council												–	–	–	–
Budget and treasury office												–	–	–	–
Corporate services		126	267	40		40	28	77	20	429	1 444	177	2 648	3 730	–
Community and public safety	**–**	**451**	**580**	**2 733**	**2 871**	**2 731**	**36**	**2 533**	**2 363**	**1 663**	**1 701**	**7 752**	**25 415**	**45 550**	**55 174**
Community and social services		301	430	580	648	500	36	430	60	110	138	668	3 901	4 000	4 000
Sport and recreation		150	150	650	720	728	–	600	800	50	10	668	4 526	6 800	6 800
Public safety											50	50	100	–	–
Housing				1 503	1 503	1 503	–	1 503	1 503	1 503	1 503	6 366	16 888	34 750	44 374
Health												–	–	–	–
Economic and environmental services	**100**	**–**	**900**	**1 430**	**1 537**	**1 500**	**371**	**780**	**1 243**	**1 653**	**1 697**	**888**	**12 098**	**4 000**	**4 000**
Planning and development									5	–	15	5	25	–	–
Road transport	100	–	900	1 430	1 537	1 500	371	780	1 238	1 653	1 683	883	12 073	4 000	4 000
Environmental protection												–	–	–	–
Trading services	**–**	**142**	**707**	**5 511**	**5 523**	**4 660**	**570**	**3 761**	**6 045**	**5 541**	**6 206**	**6 689**	**45 355**	**41 326**	**44 387**
Electricity			500	510	1 321	410	420	931	2 851	2 841	2 821	5 170	17 775	14 000	16 000
Water		142	207	4 400	3 252	3 600	50	1 430	1 194	800	1 250	–	16 326	14 726	15 787
Waste water management				600	950	650	100	1 400	2 000	1 900	2 125	1 519	11 244	12 600	12 600
Waste management											10	–	10	–	–
Other												**–**	**–**	**–**	**–**
Total Capital Expenditure - Standard	**100**	**719**	**2 454**	**9 714**	**9 931**	**8 931**	**1 005**	**7 151**	**9 671**	**9 285**	**11 048**	**15 505**	**85 515**	**94 606**	**103 561**

Table 53 MBRR SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash Receipts By Source													1		
Property rates	15 142	12 919	12 904	13 015	12 909	13 014	12 959	13 063	12 972	13 189	12 918	17 906	162 909	172 317	183 542
Property rates - penalties & collection charges	69	84	79	67	68	66	66	67	66	65	62	132	891	980	1 078
Service charges - electricity revenue	33 552	32 619	30 499	27 607	26 454	26 432	23 247	20 443	26 971	28 834	30 014	32 578	339 249	369 510	405 469
Service charges - water revenue	7 019	5 884	7 024	7 045	9 168	10 209	12 463	9 800	9 655	9 154	7 141	7 596	102 158	107 084	113 055
Service charges - sanitation revenue	4 640	4 576	4 982	4 826	5 313	5 974	7 397	5 806	6 113	5 311	5 276	6 232	66 448	69 680	73 596
Service charges - refuse revenue	5 031	4 945	5 001	5 025	5 038	5 025	4 797	4 984	4 987	4 998	4 970	4 752	59 554	62 701	66 475
Service charges - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	994	737	663	766	1 567	1 376	994	705	991	512	412	2 154	11 872	12 879	14 097
Interest earned - external investments	578	536	594	627	598	603	480	556	438	558	623	156	6 348	6 348	6 348
Interest earned - outstanding debtors	205	227	209	210	189	200	203	210	203	204	200	177	2 437	2 680	2 948
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines	514	445	607	514	428	959	643	1 022	656	901	626	24 544	31 859	32 766	33 763
Licences and permits	182	201	141	165	157	142	213	201	162	192	200	234	2 190	2 408	2 649
Agency services	208	196	170	246	253	217	274	207	204	237	239	519	2 970	3 267	3 594
Transfer receipts - operational	22 503	188	402	154	409	29 324	578	3 753	14 359	13 542	1 427	16 723	103 363	107 886	97 173
Other revenue	1 837	2 138	2 340	2 456	2 624	2 779	2 386	2 183	2 513	2 624	2 288	1 964	28 131	24 307	20 808
Cash Receipts by Source	**92 473**	**65 694**	**65 615**	**62 723**	**65 175**	**96 322**	**66 701**	**63 001**	**80 291**	**80 320**	**66 398**	**115 667**	**920 378**	**974 813**	**1 024 594**
Other Cash Flows by Source															
Transfer receipts - capital	2 890	2 024	1 534	3 010	4 634	7 266	3 555	2 505	4 399	7 412	5 313	5 774	50 315	60 876	73 561
Contributions recognised - capital & Contributed assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on disposal of PPE												–	–		
Short term loans	(88)	(89)	(90)	(92)	(93)	(94)	(95)	(96)	(97)	(99)	(100)	(101)	(1 135)	(1 271)	(1 352)
Borrowing long term/refinancing	–	–	–	–	–	–	30 000	–	–	–	–	–	30 000	30 000	30 000
Increase (decrease) in consumer deposits	207	207	207	207	207	207	207	207	207	207	207	207	2 479	2 628	2 786
Decrease (Increase) in non-current debtors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables	1	1	1	1	1	1	1	1	1	1	1	1	18	13	11
Decrease (increase) in non-current investments	(521)	(521)	(521)	(521)	(521)	(521)	(521)	(521)	(521)	(521)	(521)	(521)	(6 248)	(5 930)	(6 025)
Total Cash Receipts by Source	**94 962**	**67 316**	**66 745**	**65 329**	**69 403**	**103 182**	**99 848**	**65 097**	**84 280**	**87 320**	**71 298**	**121 028**	**995 808**	**1 061 128**	**1 123 576**
Cash Payments by Type															
Employee related costs	19 134	20 169	20 561	19 980	31 633	30 620	24 063	25 435	22 407	26 301	20 744	23 968	285 015	298 435	316 191
Remuneration of councillors	722	722	722	722	722	722	722	722	722	722	722	730	8 674	9 192	9 741
Finance charges	149	–	–	5 174	–	9 992	–	–	127	8 569	–	22 883	46 895	46 780	47 279
Bulk purchases - Electricity	3 175	24 350	24 722	10 697	12 885	21 139	16 105	14 933	17 768	21 239	15 642	10 915	193 573	221 138	252 628
Bulk purchases - Water & Sewer												–	–		
Other materials	6 191	8 026	4 536	6 035	6 985	6 375	4 334	4 334	3 857	4 276	6 059	9 877	70 885	69 631	53 593
Contracted services	981	6 285	3 716	6 644	5 451	4 660	5 709	8 076	9 559	21 376	12 831	41 698	126 986	129 953	137 384
Transfers and grants - other municipalities												–	–		
Transfers and grants - other	3 871	3 960	3 941	3 829	3 745	4 148	1 560	1 560	3 276	3 299	3 286	12 020	48 497	54 667	62 244
Other expenditure	3 587	5 855	6 165	6 821	7 721	6 650	10 899	6 431	4 807	6 429	5 469	26 736	97 569	80 210	66 216
Cash Payments by Type	**37 811**	**69 367**	**64 364**	**59 902**	**69 142**	**84 306**	**63 392**	**61 492**	**62 523**	**92 213**	**64 754**	**148 827**	**878 094**	**910 006**	**945 276**
Other Cash Flows/Payments by Type															
Capital assets	100	719	2 454	9 714	9 931	8 931	1 005	7 151	9 671	9 285	11 048	15 505	85 515	94 606	103 561
Repayment of borrowing	1 081	743	755	4 882	1 052	2 980	1 508	844	797	5 167	1 114	3 013	23 936	26 841	29 775
Other Cash Flows/Payments												–			
Total Cash Payments by Type	**38 992**	**70 830**	**67 573**	**74 497**	**80 125**	**96 218**	**65 905**	**69 487**	**72 990**	**106 665**	**76 916**	**167 346**	**987 545**	**1 031 453**	**1 078 612**
NET INCREASE/(DECREASE) IN CASH HELD	**55 970**	**(3 514)**	**(828)**	**(9 169)**	**(10 722)**	**6 964**	**33 942**	**(4 390)**	**11 291**	**(19 345)**	**(5 619)**	**(46 318)**	**8 263**	**29 675**	**44 964**
Cash/cash equivalents at the month/year begin:	90 815	146 786	143 272	142 444	133 276	122 553	129 518	163 460	159 070	170 361	151 016	145 397	90 815	99 079	128 754
Cash/cash equivalents at the month/year end:	146 786	143 272	142 444	133 276	122 553	129 518	163 460	159 070	170 361	151 016	145 397	99 079	99 079	128 754	173 717

2.10 Annual budgets and SDBIP

The draft SDBIP will be tabled at the Council meeting to be held on 25 March 2015.

2.11 Contracts having future budgetary implications

In terms of the Municipality's Supply Chain Management Policy all contracts awarded beyond the medium-term revenue and expenditure framework (three years) are listed in Table 70 on page 103. In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

2.12 Capital expenditure details

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

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

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	**133 045**	**108 252**	**50 511**	**34 500**	**34 003**	**34 003**	**40 827**	**24 326**	**41 887**
Infrastructure - Road transport	12 754	15 578	9 203	800	1 332	1 332	15 049	5 000	5 000
Roads, Pavements & Bridges	5 477	10 720	9 160		–	–	12 073	4 000	4 000
Storm water	7 278	4 858	43	800	1 332	1 332	2 977	1 000	1 000
Infrastructure - Electricity	30 061	22 203	24 160	13 900	13 900	13 900	17 775	8 500	14 500
Generation					–	–			
Transmission & Reticulation	30 061	22 203	24 160	13 900	13 900	13 900	17 775	8 500	14 500
Street Lighting					–	–			
Infrastructure - Water	57 384	48 634	7 300	–	580	580	4 673	4 726	11 787
Dams & Reservoirs					–	–			6 000
Water purification	57 384	48 634			–	–			
Reticulation			7 300		580	580	4 673	4 726	5 787
Infrastructure - Sanitation	32 650	16 478	8 449	9 600	8 892	8 892	3 320	6 100	10 600
Reticulation					–	–			
Sewerage purification	32 650	16 478	8 449	9 600	8 892	8 892	3 320	6 100	10 600
Infrastructure - Other	196	5 359	1 400	10 200	9 300	9 300	10	–	–
Waste Management	196	5 359	1 400	10 200	9 300	9 300	10		
Transportation					–	–			
Gas					–	–			
Other					–	–			
Community	**6 183**	**20 997**	**13 896**	**18 266**	**32 970**	**32 970**	**21 257**	**45 550**	**55 174**
Parks & gardens		2 156			–	–			
Sportsfields & stadia	5 538	1 964	5 471	151	1 051	1 051	368	6 800	6 800
Swimming pools					–	–			
Community halls					–	–			
Libraries		3		2 000	2 000	2 000	3 080		
Recreational facilities					–	–			
Fire, safety & emergency					–	–	100		
Security and policing	645	223			–	–			
Buses					–	–			
Clinics					–	–			
Museums & Art Galleries					–	–			
Cemeteries					–	–			
Social rental housing		16 651	4 943	12 480	26 324	26 324	16 888	34 750	44 374
Other		–	3 482	3 635	3 595	3 595	821	4 000	4 000
Heritage assets	–	–	–	–	–	–	–	–	–
Buildings									
Other									
Investment properties	**–**	**–**	**795**	**–**	**–**	**–**	**–**	**–**	**–**
Housing development									
Other			795						
Other assets	**23 118**	**9 038**	**18 697**	**16 815**	**17 776**	**17 776**	**2 673**	**3 730**	**–**
General vehicles	6 800		4 690	10 525	10 525	10 525	120	3 000	
Specialised vehicles	–	–	–	–	–	–	–	–	–
Plant & equipment					–	–			
Computers - hardware/equipment	3 838		961	2 548	2 682	2 682	2 528		
Furniture and other office equipment	148			2 508	2 369	2 369		730	
Abattoirs					–	–			
Markets					–	–			
Civic Land and Buildings					–	–			
Other Buildings	12 332		510		–	–			
Other Land			9 075		–	–			
Surplus Assets - (Investment or Inventory)		9 038			–	–			
Other			3 461	1 235	2 200	2 200	25		
Agricultural assets	–	–	–	–	–	–	–	–	–
List sub-class									
Biological assets	–	–	–	–	–	–	–	–	–
List sub-class									
Intangibles	928	1 330	–	–	–	–	–	–	–
Computers - software & programming	928	1 330							
Other (list sub-class)									
Total Capital Expenditure on new assets	**163 275**	**139 617**	**83 899**	**69 581**	**84 749**	**84 749**	**64 758**	**73 606**	**97 061**

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

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	**–**	**131**	**39 529**	**25 200**	**28 384**	**28 384**	**16 600**	**21 000**	**6 500**
Infrastructure - Road transport	–	131	6 892	5 400	6 300	6 300	–	–	–
Roads, Pavements & Bridges			6 892	5 400	6 300	6 300			
Storm water		131			–	–			
Infrastructure - Electricity	–	–	12 955	3 100	3 100	3 100	–	5 500	1 500
Generation					–	–			
Transmission & Reticulation			12 955	3 100	3 100	3 100		5 500	1 500
Street Lighting					–	–			
Infrastructure - Water	–	–	16 331	12 800	15 805	15 805	11 653	10 000	4 000
Dams & Reservoirs					–	–			
Water purification					–	–			
Reticulation			16 331	12 800	15 805	15 805	11 653	10 000	4 000
Infrastructure - Sanitation	–	–	1 711	3 900	3 179	3 179	4 947	5 500	1 000
Reticulation					–	–			
Sewerage purification			1 711	3 900	3 179	3 179	4 947	5 500	1 000
Infrastructure - Other	–	–	1 641	–	–	–	–	–	–
Waste Management			1 641						
Transportation									
Gas									
Other									
Community	**–**	**756**	**5 686**	**2 939**	**4 454**	**4 454**	**4 158**	**–**	**–**
Parks & gardens					–	–			
Sportsfields & stadia			225	2 939	1 565	1 565	4 158		
Swimming pools					–	–			
Community halls					–	–			
Libraries					–	–			
Recreational facilities					–	–			
Fire, safety & emergency					–	–			
Security and policing					–	–			
Buses					–	–			
Clinics					–	–			
Museums & Art Galleries					–	–			
Cemeteries		756			–	–			
Social rental housing			5 461		2 889	2 889			
Other					–	–			
Heritage assets	–	–	–	–	–	–	–	–	–
Buildings									
Other									
Investment properties	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Housing development									
Other									
Other assets	**–**	**3 260**	**1 817**	**–**	**–**	**–**	**–**	**–**	**–**
General vehicles		3 260							
Specialised vehicles									
Plant & equipment			833						
Computers - hardware/equipment									
Furniture and other office equipment									
Abattoirs									
Markets									
Civic Land and Buildings									
Other Buildings									
Other Land									
Surplus Assets - (Investment or Inventory)			984						
Other									
Agricultural assets	–	–	–	–	–	–	–	–	–
List sub-class									
Biological assets	–	–	–	–	–	–	–	–	–
List sub-class									
Intangibles	–	–	–	–	–	–	–	–	–
Computers - software & programming				–	–	–			
Other (list sub-class)									
Total Capital Expenditure on renewal of existing asset	**–**	**4 147**	**47 032**	**28 139**	**32 838**	**32 838**	**20 758**	**21 000**	**6 500**
Renewal of Existing Assets as % of total capex	*0.0%*	*2.9%*	*35.9%*	*28.8%*	*27.9%*	*27.9%*	*24.3%*	*22.2%*	*6.3%*
Renewal of Existing Assets as % of deprecn"	*0.0%*	*4.0%*	*47.3%*	*25.8%*	*31.1%*	*31.1%*	*18.6%*	*17.8%*	*5.2%*

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

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

Table 57 MBRR SA34d – Depreciation by asset class

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

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

Vote Description	2015/16 Medium Term Revenue & Expenditure Framework			Forecasts			
R thousand	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Present value
Capital expenditure							
Vote 1 - Council	–	–	–				
Vote 2 - Municipal Manager	–	–	–				
Vote 3 - Management Services	2 528	–	–				
Vote 4 - Finance	–	–	–				
Vote 5 - Community Services	64 467	76 606	83 561	5 000			
Vote 6 - Local Economic Development	–	–	–				
Vote 7 - Infrastructure & Planning	18 420	18 000	20 000	15 500	5 000		
Vote 8 - Protection Services	100	–	–				
Total Capital Expenditure	**85 515**	**94 606**	**103 561**	**20 500**	**5 000**	**–**	**–**

Table 59 MBRR SA36 - Detailed capital budget per municipal vote

Municipal Vote/Capital project R thousand	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework			Project information	
							Audited Outcome 2013/14	Current Year 2014/15 Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Ward location	New or renewal
List all capital projects grouped by Municipal Vote													
FINANCE AND ADMINISTRATION							21 308	17 776					
UPGRADE RF NETWORK (HAWSTON,STANFORD,SECTORS)	1	Yes	*Other*	*Other*	*34'24'45.16S / 19'10'21.22E*				900			Overstrand	New
TERMINAL SERVER UPGRADE	1	Yes	*Other*	*Other*	*34'23'52.01S / 19'06'38.72E*				100			Overstrand	New
INTEGRATED ASSET MANAGEMENT & MAINTENANCE SYSTEM	1	Yes	*Other*	*Other*	*Overstrand wide*				930			Overstrand	New
PMU BUILDING	1	Yes	*Other*	*Buildings*	*19°12'25"E34°24'28"S*				341			Ward 03	New
MINOR ASSETS:INFORMATION TECHNOLOGY	1	Yes	*Other*	*Furniture and other office equipment*	*34'23'52.01S / 19'06'38.72E*				157			Overstrand	New
MINOR ASSETS:INFORMATION TECHNOLOGY	1	Yes	*Other*	*Furniture and other office equipment*	*34'23'52.01S / 19'06'38.72E*				15			Overstrand	New
MINOR ASSETS:LEGAL SERVICES	1	Yes	*Other*	*Furniture and other office equipment*	*Overstrand wide*				20			Overstrand	New
MINOR ASSETS:HUMAN RESOURCES	1	Yes	*Other*	*Furniture and other office equipment*	*Overstrand wide*				10			Overstrand	New
MINOR ASSETS:FINANCE	1	Yes	*Other*	*Furniture and other office equipment*	*Overstrand wide*				30			Overstrand	New
MINOR ASSETS:PROPERTY SERVICES	1	Yes	*Other*	*Furniture and other office equipment*	*Overstrand wide*				5			Overstrand	New
MINOR ASSETS:FLEET MANAGEMENT	1	Yes	*Other*	*Furniture and other office equipment*	*Overstrand wide*				20	3 000		Overstrand	New
VEHICLES	1	Yes	*Other*	*General vehicles*	*Overstrand wide*				120	730		Overstrand	New
MINOR ASSETS	1	Yes	*Other*	*Furniture and other office equipment*	*Overstrand wide*								
COMMUNITY AND SOCIAL SERVICES							3 482	5 595					
EXTENSION OF COMMUNITY HALL	3	Yes	*Community*	*Community halls*	*19.349477 -34.607311*				150			Ward 01	New
UPGRADING OF MOFFAT HALL KITCHEN	3	Yes	*Community*	*Community halls*	*19°12'25"E34°24'28"S*				200			Ward 04	New
COMPLETION OF FIRE STATION & PARKING AREA - PRINGLE BAY	3	Yes	*Community*	*Fire, safety & emergency*	*19° 01' 54 E 34° 20' 25" S*				195			Ward 10	New
KLEINMOND LIBRARY UPGRADE	3	Yes	*Community*	*Libraries*	*19° 01' 54 E 34° 20' 25" S*				3 000			Ward 09	New
MINOR ASSETS -LIBRARIES AND ARCHIVES	3	Yes	*Community*	*Furniture and other office equipment*	*Overstrand wide*				80			Overstrand	New
EXTENSION OF THUSONG CENTRE	3	Yes	*Community*	*Community halls*	*19°08'03"E34°23'29"S*				100	4 000	4 000	Ward 08	New
EXECUTIVE AND COUNCIL													
SUNDIALS	3	Yes	*Other*	*Other*	*19°12'25"E34°24'28"S*				20			Ward 03	New
PURCHASE OF SCULPTURE	3	Yes	*Other*	*Other*	*19°12'25"E34°24'28"S*				60			Ward 03	New
COIN-OPERATED TELESCOPE (CHARLIE VAN BREDA)	3	Yes	*Other*	*Other*	*19.349477 -34.607311*				80			Ward 11	New
MINOR ASSETS:AREA MANAGER	3	Yes	*Other*	*Furniture and other office equipment*	*Overstrand wide*				16			Overstrand	New
PLANNING AND DEVELOPMENT													
MINOR ASSETS:BUILDING REGULATIONS AND ENFORCEMENT	3	Yes	*Other*	*Furniture and other office equipment*	*Overstrand wide*				5			Overstrand	New
MINOR ASSETS:ECONOMIC DEVELOPMENT/PLANNING	3	Yes	*Other*	*Furniture and other office equipment*	*Overstrand wide*				11			Overstrand	New
MINOR ASSETS:ECONOMIC DEVELOPMENT/PLANNING	3	Yes	*Other*	*Furniture and other office equipment*	*Overstrand wide*				10			Overstrand	New
PUBLIC SAFETY													
MINOR ASSETS:FIRE FIGHTING AND PROTECTION	4	Yes	*Other*	*Plant & equipment*	*Overstrand wide*				100			Overstrand	New
SPORT & RECREATION							5 696	2 616					
OVERHILLS:KLEINMOND SOCCER FIELD	3	Yes	*Other*	*Sportsfields & stadia*	*19°°00'21"E34°20'08"S*				4 158			Ward 09	Renewal
TURF SOCCERFIELD	3	Yes	*Other*	*Sportsfields & stadia*	*19°13'01"E34°25'56"S*				200	2 800	2 800	Ward 12	New
SPORT FACILITIES	3	Yes	*Other*	*Sportsfields & stadia*	*Overstrand wide*					4 000	4 000	Overstrand	New
MINOR ASSETS :SPORT AND RECREATION	3	Yes	*Other*	*Furniture and other office equipment*	*Overstrand wide*				20			Overstrand	New
MINOR ASSETS :RECREATIONAL FACILITIES	3	Yes	*Other*	*Furniture and other office equipment*	*Overstrand wide*				10			Overstrand	New
PLAY PARK -WESTDENE	3	Yes	*Other*	*Other*	*19°12'25"E34°24'28"S*				100			Ward 04	New
PLAY PARK	3	Yes	*Other*	*Other*	*19°12'25"E34°24'28"S*				10			Ward 10	New
MINOR ASSETS :RECREATIONAL FACILITIES	3	Yes	*Other*	*Furniture and other office equipment*	*Overstrand wide*				28			Overstrand	New

Detailed capital budget per municipal vote (continued)

Municipal Vote/Capital project	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework			Project information	
R thousand							Audited Outcome 2013/14	Current Year 2014/15 Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Ward location	New or renewal
HOUSING							10 404	29 213					
ZWELIHLE MANDELA SQUARE -83 SITES	3	Yes	*Infrastructure - Other*	*Social rental housing*	*34.428927 19.209706*				3 621			Ward 06	New
ZWELIHLE ADMIN SITE - 164 SITES	3	Yes	*Infrastructure - Other*	*Social rental housing*	*34.431056 19.219688*				7 155			Ward 05	New
ZWELIHLE SITE C2 - 132 SITES	3	Yes	*Infrastructure - Other*	*Social rental housing*	*34.427645 19.219046*				5 759			Ward 05	New
MOUNT PLEASANT IRDP	3	Yes	*Infrastructure - Other*	*Social rental housing*	*34.414663 19.214140*				354			Ward 04	New
MASAKHANE	3	Yes	*Infrastructure - Other*	*Social rental housing*	*Lat:-34.591481 / Long:19.360578*					15 269	15 537	Ward 01	New
BEVERLY HILLS PROJECT	3	Yes	*Infrastructure - Other*	*Social rental housing*	*Lat:-34.596490 / Long:19.342096*					4 953		Ward 02	New
ZWELIHLE PROJECT -TRANSIT CAMP	3	Yes	*Infrastructure - Other*	*Social rental housing*	*34.426228 19.216456*					7 984		Ward 06	New
BUFFELJAGSBAAI	3	Yes	*Infrastructure - Other*	*Social rental housing*	*34.445860 19.448758*					2 181		Ward 11	New
HAWSTON PROJECT - IRDP	3	Yes	*Infrastructure - Other*	*Social rental housing*	*34.387826 19.138307*					4 363		Ward 08	New
HAWSTON PROJECT - IRDP	3	Yes	*Infrastructure - Other*	*Social rental housing*	*-34.429049 19.215701*						10 121	Ward 08	New
ZWELIHLE -TAMBO SQUARE PROJECT	3	Yes	*Infrastructure - Other*	*Social rental housing*	*34.445860 19.448758*						4 973	Ward 05	New
STANFORD IRDP	3	Yes	*Infrastructure - Other*	*Social rental housing*	*Lat:-34.597053 / Long:19.347458*						6 544	Ward 11	New
BLOMPARK PROJECT	3	Yes	*Infrastructure - Other*	*Social rental housing*	*34.336437 19.006527*						2 836	Ward 02	New
KLEINMOND OVERHILLS	3										4 363	Ward 10	New
ROADS							16 051	6 300					
REHABILITATION OF EXISTING PAVE ROAD (LIC)	5	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*19 °12'46"E34°25'48"S*				4 200	2 000	2 000	Ward 06	New
REHABILITATE ROADS AND UPGRADE STORMWATER	5	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*19 °12'59"E34°25'20"S*				6 376	1 500	1 500	Ward 04	New
REHABILITATE ROADS - ANGELIER STREET	5	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*19°12'47"E34°25'07"S*					500	500	Ward 04	New
SIDEWALKS	5	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*19.349477 -34.607311*				100			Ward 01	New
TARRING OF ROADS	5	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*19°12'25"E34°24'28"S*				400			Ward 07	New
TARRING OF ROADS	5	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*19°12'25"E34°24'28"S*				100			Ward 08	New
PAVING OF CIRCLES (INCL. STORMWATER)	5	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*19°12'25"E34°24'28"S*				200			Ward 08	New
EXTENSION OF HEUNINGKLOOF FOOTPATH	5	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*19° 01' 54 E 34° 20' 25" S*				200			Ward 09	New
ADDITIONAL PARKING & GRAVEL STRIP - PRINGLE BAY HALL	5	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*19° 01' 54 E 34° 20' 25" S*				60			Ward 10	New
PAVEMENT IN MORTON-/BEZUIDENHOUT STREET	5	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*19.349477 -34.607311*				130			Ward 11	New
PAVING OF SIDEWALK - SHORTMARKET STREET (BETWEEN DE BRUYN & MORTON)	5	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*19.349477 -34.607311*				100			Ward 11	New
ATLANTIC DRIVE WALKWAY	5	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*19°12'25"E34°24'28"S*				200			Ward 13	New
MINOR ASSETS :ROADS	5	Yes	*Other*	*Furniture and other office equipment*	*Overstrand wide*				7			Overstrand	New
ELECTRICITY							37 115	17 000					
FRANSKRAAL,KLEINBAAI & BIRKENHEAD: MV/LV AND MINISUB UPGRADE	2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*19.349477 -34.607311*				2 600			Ward 01	New
GANSBAAI: MINISUB AND MV/LV UPGRADE	2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*19.351879 -34.585351*				2 700	3 000	3 000	Ward 02	New
BLOMPARK: LOW VOLTAGE UPGRADE	2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*19.348154 -34.594590*				1 000			Ward 02	New
STANFORD: MV UPGRADE	2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*19.459117 -34.436799*				1 200			Ward 11	New
ELECTRIFICATION OF LOW COST HOUSING AREAS (INEP)	2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*34 °25' 38.87"S 19 °13' 09.52" E*				8 000	4 000	10 000	Ward 10	New
HERMANUS: LV UPGRADE/REPLACEMENT	2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*34 °25' 03.44"S 19 °12' 47.88" E*					4 000		Ward 03	Renewal
KLEINMOND: MV & LV NETWORK UPGRADE	2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*34 °20' 33.67"S 19 °01' 19.94" E*					1 500	1 500	Ward 09	New
HAWSTON: LV UPGRADE/REPLACEMENT	2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*34 °23' 27.10"S 19 °08' 10.12" E*					1 500	1 500	Ward 08	Renewal
ELECTRICITY TRANSFORMERS(CAPITAL REPLACEMENT CONTINGENCY)	2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*Overstrand wide*				1 500			Overstrand	New
MINOR ASSETS :ELECTRICITY	2	Yes	*Other*	*Plant & equipment*	*Overstrand wide*				6			Overstrand	New
MINOR ASSETS :ELECTRICITY	2	Yes	*Other*	*Plant & equipment*	*Overstrand wide*				16			Overstrand	New
MINOR ASSETS :ELECTRICITY	2	Yes	*Other*	*Plant & equipment*	*Overstrand wide*				24			Overstrand	New
MINOR ASSETS :ELECTRICITY	2	Yes	*Other*	*Plant & equipment*	*Overstrand wide*				5			Overstrand	New
FLOOD LIGHTS FOR ZWELIHLE SPORTS GROUND	2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*19°12'25"E34°24'28"S*				100			Ward 05	New
ELECTRIFICATION OF ZIPHUNZANA & THAMBO SQUARE INFORMAL SETTLEMENT	2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*19°12'25"E34°24'28"S*				400			Ward 06	New
STREET LIGHTS	2	Yes	*Infrastructure - Electricity*	*Street Lighting*	*19° 01' 54 E 34° 20' 25" S*				40			Ward 09	New
FLOOD LIGHTS FOR ZWELIHLE SPORTS GROUND	2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*19°12'25"E34°24'28"S*				150			Ward 12	New
STREET LIGHTS (6)	2	Yes	*Infrastructure - Electricity*	*Street Lighting*	*19°12'25"E34°24'28"S*				30			Ward 13	New
MINOR ASSETS :ELECTRICITY	2	Yes	*Other*	*Plant & equipment*	*Overstrand wide*				4			Overstrand	New

Detailed capital budget per municipal vote (continued)

Municipal Vote/Capital project	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework			Project information	
R thousand							Audited Outcome 2013/14	Current Year 2014/15 Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Ward location	New or renewal
WATER							23 631	16 384					
REPLACEMENT OF OVERSTRAND WATER PIPES	2	Yes	*Infrastructure - Water*	*Reticulation*	*Overstrand wide*				9 653		4 000	Overstrand	Renewal
UPGRADING OF "DIE OOG" PUMP STATION	2	Yes	*Infrastructure - Water*	*Reticulation*	*19.27.221154 -34.27.111652*					500		Ward 11	Renewal
NEW BULK WATER RESERVOIR -SANDBAAI	2	Yes	*Infrastructure - Water*	*Dams & Reservoirs*	*S34°25.210' / E19°12.063'*						6 000	Ward 07	New
UPGRADING OF FRANSKRAAL-KLEINBAAI -GANSBAAI PIPELINES	2	Yes	*Infrastructure - Water*	*Reticulation*	*S34°36.417' / E19°23.650'*					9 500		Ward 01	Renewal
PEARLY BEACH WTW PRE-TREATMENT	2	Yes	*Infrastructure - Water*	*Water purification*	*S34°39.744 / E19°32.346*				900			Ward 11	New
REFURBISH BUFFELS RIVER DAM BRIDGE AND TOWER & PALMIET RIVER WEIR	2	Yes	*Infrastructure - Water*	*Dams & Reservoirs*	*S34°19.96' / E18°50.26'*				2 000			Ward 09	Renewal
WATER PUMPS (CONTINGENCY)	2	Yes	*Infrastructure - Water*	*Reticulation*	*Overstrand wide*				200			Overstrand	New
NEW 1 ML/S RESERVOIR OHW.B31	2	Yes	*Infrastructure - Water*	*Reticulation*	*19°12'43"E34°24'46"S*				3 566			Ward 04	New
160 MM Ø LINK WATERMAIN OHW9.10	2	Yes	*Infrastructure - Water*	*Reticulation*	*19°12'39"E34°25'49"S*					200	200	Ward 12	New
HAWSTON: BULK WATER	2	Yes	*Infrastructure - Water*	*Reticulation*	*19°08'29"E34°23'24"S*					2 000	2 000	Ward 08	New
HAWSTON: BULK WATER UPGRADE FOR HOUSING PROJECT	2	Yes	*Infrastructure - Water*	*Reticulation*	*19°08'30"E34°23'23"S*					1 000	1 000	Ward 08	New
NEW 500 MM -WATER PIPE LINE	2	Yes	*Infrastructure - Water*	*Reticulation*	*19°08'28"E34°23'24"S*					1 526	2 587	Ward 08	New
MINOR ASSETS :WATER DISTRIBUTION	2	Yes	*Infrastructure - Water*	*Plant & equipment*	*Overstrand wide*				4			Overstrand	New
MINOR ASSETS :WATER DISTRIBUTION	2	Yes	*Other*	*Plant & equipment*	*Overstrand wide*				3			Overstrand	New
SEWERAGE							10 159	12 071					
UPGRADING OF PUMPSTATIONS	2	Yes	*Infrastructure - Sanitation*	*Other*	*19°12'51"E 34°25'56"S*				3 547	4 500		Overstrand	Renewal
STANFORD - SEWER NETWORK EXTENSION	2	Yes	*Infrastructure - Sanitation*	*Other*	*S34°439.75' / E19°455.90'*				3 000	5 500		Ward 11	New
SEWERAGE PUMPS (CONTINGENCY)	2	Yes	*Infrastructure - Sanitation*	*Other*	*Overstrand wide*				300			Overstrand	New
KLEINMOND - SEWER NETWORK EXTENSION	2	Yes	*Infrastructure - Sanitation*	*Other*	*S34°20.44' / E19°1.91'*						4 000	Ward 09	New
GANSBAAI - CBD SEWER NETWORK EXTENSION	2	Yes	*Infrastructure - Sanitation*	*Other*	*S34°35.377' / E19°21.087'*						6 000	Ward 09	New
UPGRADING OF KIDBROOKE PIPELINE	2	Yes	*Infrastructure - Sanitation*	*Other*	*S34°24.810' / E19°10.001*				1 400			Ward 13	New
WWTW UPGRADE - STANFORD	2	Yes	*Infrastructure - Sanitation*	*Other*	*S34°26.518' / E19°26.929'*					1 000	1 000	Ward 11	New
ELUXOLWENI - NEW BULK SEWERAGE FOR HOUSING PROJECT	2	Yes	*Infrastructure - Sanitation*	*Other*	*19°29'31"E34°39'02"S*							Ward 11	Renewal
UPGRADE EXISTING SEWERAGE PUMPSTATION OHS19.2	2	Yes	*Infrastructure - Sanitation*	*Other*	*19°12'33"E34°25'46"S*							Ward 05	New
BULK SEWERAGE RISING MAIN 355 MM Ø OHS19.1	2	Yes	*Infrastructure - Sanitation*	*Other*	*19°12'36"E34°25'36"S*							Ward 05	New
BULK SEWERAGE MAIN 200 MM Ø OHS13.3	2	Yes	*Infrastructure - Sanitation*	*Other*	*19°12'40"E34°25'52"S*							Ward 12	New
BULK SEWERAGE OUTFALL LINE 525 MM Ø OHS13.2	2	Yes	*Infrastructure - Sanitation*	*Other*	*19°12'45"E34°25'26"S*					600	600	Ward 12	New
MINOR ASSETS : SEWERAGE	2	Yes	*Other*	*Plant & equipment*	*Overstrand wide*				20			Overstrand	New
STORMWATER							43	1 332					
STORMWATER -AD HOC	2	Yes	*Other*	*Storm water*	*34°35'41.17"S 19°21'37.57"E*				50			Ward 01	New
STORMWATER DRAINAGE CHANNELS - PHASE 2	2	Yes	*Other*	*Storm water*	*34°35'41.17"S 19°21'37.57"E*				100			Ward 01	New
STORMWATER	2	Yes	*Other*	*Storm water*	*19.349477 -34.607311*				200			Ward 02	New
STORMWATER SYSTEMS	2	Yes	*Other*	*Storm water*	*34.422824 19.218703*				100			Ward 08	New
STORMWATER	2	Yes	*Other*	*Storm water*	*S34°34.870' / E19°34.140'*				50			Ward 11	New
UPGRADE STORMWATER - INTERNAL & EXTERNAL	2	Yes	*Other*	*Storm water*	*19°12'48"E34°25'32"S*				2 477	1 000	1 000	Ward 05	New
WASTE MANAGEMENT							3 041	9 300					
MINOR ASSETS:SOLID WASTE DISPOSAL	2	No	*Other*	*Waste Management*	*Overstrand wide*				10			Overstrand	New
Total Capital expenditure							**130 930**	**117 588**	**85 515**	**94 606**	**103 561**		

Table 60 MBRR SA37 - Projects delayed from previous financial year

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

2.13 Legislation compliance status

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

1. In year reporting
   Reporting to National Treasury in electronic format is being fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) is being fully complied with and includes monthly published financial performance on the Municipality's website.

2. Internship programme
   The Municipality is participating in the Municipal Financial Management Internship programme and is currently employing seven interns.

3. Budget and Treasury Office
   The Budget and Treasury Office has been established in accordance with the MFMA.

4. Audit Committee
   An Audit Committee has been established and is fully functional.

5. Service Delivery and Implementation Plan
   The draft SDBIP document will be tabled in council on 25 March 2015 and is aligned and informs the 2015/16 MTREF.

6. Annual Report
   Annual report is compiled in terms of the MFMA and National Treasury requirements.

7. MFMA Training
   The MFMA training has been completed by 120 officials.

8. Policies
   All budget related policies have been reviewed and will be tabled with the draft budget on 25 March 2015.

2.14 Other supporting documents

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

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
REVENUE ITEMS:									
Property rates									
Total Property Rates	138 437	153 077	165 939	184 330	189 199	189 199	200 857	213 090	226 085
less Revenue Foregone	29 525	32 278	31 127	35 690	35 690	35 690	38 126	39 782	41 512
Net Property Rates	**108 913**	**120 799**	**134 813**	**148 640**	**153 509**	**153 509**	**162 730**	**173 308**	**184 573**
Service charges - electricity revenue									
Total Service charges - electricity revenue	224 950	247 663	268 362	323 104	323 104	323 104	341 092	373 983	410 237
less Revenue Foregone				13 018	13 018	13 018	2 215	2 348	2 489
Net Service charges - electricity revenue	**224 950**	**247 663**	**268 362**	**310 085**	**310 085**	**310 085**	**338 877**	**371 635**	**407 747**
Service charges - water revenue									
Total Service charges - water revenue	**83 755**	**85 243**	**95 136**	**101 149**	**101 149**	**101 149**	**103 365**	**109 152**	**115 288**
less Revenue Foregone				5 252	5 252	5 252	1 320	1 452	1 597
Net Service charges - water revenue	**83 755**	**85 243**	**95 136**	**95 897**	**95 897**	**95 897**	**102 045**	**107 700**	**113 691**
Service charges - sanitation revenue									
Total Service charges - sanitation revenue	**57 212**	**56 895**	**62 798**	**63 455**	**63 455**	**63 455**	**66 375**	**70 081**	**74 010**
less Revenue Foregone									
Net Service charges - sanitation revenue	**57 212**	**56 895**	**62 798**	**63 455**	**63 455**	**63 455**	**66 375**	**70 081**	**74 010**
Service charges - refuse revenue									
Total refuse removal revenue	39 498	46 637	52 957	56 130	56 130	56 130	59 488	63 061	66 849
Total landfill revenue									
less Revenue Foregone									
Net Service charges - refuse revenue	**39 498**	**46 637**	**52 957**	**56 130**	**56 130**	**56 130**	**59 488**	**63 061**	**66 849**
Other Revenue by source									
Building plan fees	3 252	2 880	3 439	3 300	3 300	3 300	4 500	4 950	5 445
Collection charges	2 071	2 542	2 288	2 805	2 805	2 805	3 850	4 235	4 659
Developers contributions	1 719	2 615	2 766	1 995	1 995	1 995	1 451	1 484	1 519
Central improvement district	3 663	–	–	4 869	–	–			
Sundry income	599	2 637	1 330	669	669	669			
Townplanning fees	756	793	908	803	803	803	1 013	1 114	1 225
Admission fees	661	707	714	770	770	770	562	589	620
Valuation and clearance certificates	335	388	400	504	504	504	495	545	599
Fair value adjustments	–	49 649	(7 021)						
Roadworthy certificates	453	463	493	578	578	578	630	693	762
SETA claims	1 046	1 058	133	848	848	848			
Exchange Revenue (SCOA) / Other Income	2 819	5 247	5 054	4 577	4 116	4 116	4 280	4 691	5 142
Total 'Other' Revenue	**17 375**	**68 978**	**10 504**	**21 717**	**16 387**	**16 387**	**16 781**	**18 301**	**19 972**
EXPENDITURE ITEMS:									
Employee related costs									
Basic Salaries and Wages	131 998	151 957	166 955	184 410	180 419	180 419	199 643	209 073	221 793
Pension and UIF Contributions	25 219	24 051	25 104	29 321	29 321	29 321	31 736	33 673	35 726
Medical Aid Contributions	7 521	8 176	8 828	11 463	11 463	11 463	11 618	12 327	13 079
Overtime	12 030	12 428	14 370	13 913	13 913	13 913	15 295	16 228	16 938
Performance Bonus									
Motor Vehicle Allowance	8 299	9 178	9 750	11 760	11 760	11 760	12 164	11 881	12 029
Cellphone Allowance				1 638	1 638	1 638	1 502	1 597	1 606
Housing Allowances	1 025	1 046	967	1 018	1 018	1 018	153	153	153
Other benefits and allowances	9 693	11 182	11 624	11 118	11 118	11 118	10 373	10 703	11 234
Payments in lieu of leave	1 327	2 138	1 659	2 350	2 350	2 350	729	773	819
Long service awards	759	690	3 587	1 200	1 291	1 291	1 802	2 028	2 815
Post-retirement benefit obligations	10 068	10 795	17 799	11 875	11 925	11 925	6 578	6 973	7 391
sub-total	**207 938**	**231 642**	**260 645**	**280 066**	**276 217**	**276 217**	**291 593**	**305 408**	**323 583**
Less: Employees costs capitalised to PPE									
Total Employee related costs	**207 938**	**231 642**	**260 645**	**280 066**	**276 217**	**276 217**	**291 593**	**305 408**	**323 583**

Supporting detail to budgeted financial performance (Continued)

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Contributions recognised - capital									
Public contribution - non cash - assets	4 471	4 387	7 871						
DWA ACIP project	1 302	–		1 000	1 000	1 000			
Government contribution - non cash - assets	–	180							
KM CSIR	395	–							
Spaces for sport/Lotto	156	200		51	1 051	1 051			
Eskom Solar Rebate/ Stony Point Eco Centre et	2 280	522		1 083					
Total Contributions recognised - capital	**8 603**	**5 289**	**7 871**	**2 134**	**2 051**	**2 051**	**–**	**–**	**–**
Depreciation & asset impairment									
Depreciation of Property, Plant & Equipment	100 930	94 948	99 130	109 265	105 461	105 461	111 362	118 043	125 126
Lease amortisation		235	231						
Capital asset impairment	3 111	9 224							
Depreciation resulting from revaluation of PPE									
Total Depreciation & asset impairment	**104 041**	**104 408**	**99 361**	**109 265**	**105 461**	**105 461**	**111 362**	**118 043**	**125 126**
Bulk purchases									
Electricity Bulk Purchases	126 669	145 022	157 055	169 444	169 444	169 444	193 573	221 138	252 628
Water Bulk Purchases									
Total bulk purchases	**126 669**	**145 022**	**157 055**	**169 444**	**169 444**	**169 444**	**193 573**	**221 138**	**252 628**
Transfers and grants									
Cash transfers and grants	28 454	35 856	38 749	41 370	41 668	41 668	48 497	54 667	62 244
Non-cash transfers and grants	–	–	–	–	–	–	–	–	–
Total transfers and grants	**28 454**	**35 856**	**38 749**	**41 370**	**41 668**	**41 668**	**48 497**	**54 667**	**62 244**
Contracted services									
Ward projects	5 247	5 679	2 129	1 566	1 566	1 566			
Vehicle maintenance	4 732	4 925	5 665	6 198	6 230	6 230			
Maintenance contractors	41	45 380	49 471	55 483	55 451	55 451			
Contracted services	14 059	11 713	15 488	17 816	18 629	18 629			
Maintenance Of Unspecified Assets							25 439	26 465	28 088
Maintenance Of Buildings & Facilities							15 403	16 286	17 241
Haulage							13 695	14 517	15 388
Civil							6 828	7 156	7 586
Litter Picking & Street Cleaning							6 430	6 835	7 281
Security Servs							5 219	5 905	6 260
Safeguard & Security							5 028	5 305	5 598
Business & Advisory - Valuer							4 488	1 541	1 279
Meter Management							4 367	4 588	4 854
Maintenance Of Equip							4 177	3 537	3 757
Traffic Fines Management							3 968	4 206	4 458
Business & Advisory - Project Management							3 167	3 197	3 430
Infrastructure & Planning - Ecological							2 640	2 796	2 964
Legal Cost - Legal Advice & Litigation							2 597	2 752	2 916
Chipping							2 490	2 639	2 798
Management Of Informal Settlements							1 981	2 100	2 226
Laboratory Servs - Water							1 802	1 910	2 025
Sewerage Servs							1 772	1 878	1 991
Infrastructure & Planning - Town Planner							1 700	1 802	1 910
Electrical							1 060	1 036	1 013
Other contractors							12 734	13 502	14 322
sub-total	**24 079**	**67 697**	**72 754**	**81 062**	**81 875**	**81 875**	**126 986**	**129 953**	**137 384**
Allocations to organs of state:									
Total contracted services	**24 079**	**67 697**	**72 754**	**81 062**	**81 875**	**81 875**	**126 986**	**129 953**	**137 384**
Other Expenditure By Type									
Contributions to 'other' provisions	3 601	3 246	(12 399)	3 010	49 216	49 216			
Consultant fees	10 766	9 376	9 431	12 858	12 858	12 858			
Audit fees (External)	2 501	2 869	3 559	4 104	4 104	4 104	4 514	4 786	5 073
General expenses	22 505	16 384	19 600	13 244	14 072	14 072	5 256	5 810	6 450
Conditional receipts expenses	54 612	4 133	28 072	3 382	5 189	5 189			
Property valuation charges	2 418	1 030	442	1 100	1 000	1 000			
Water catchment, research and testing	5 648	5 295	4 266	4 260	4 260	4 260			
Fuel and oil	9 042	9 903	11 477	12 506	12 514	12 514			
Chemicals	6 411	8 488	10 553	9 664	9 649	9 649			
Legal fees	2 766	1 669	3 017	1 700	1 940	1 940			
Telephone and fax	3 912	2 934	2 839	3 342	3 142	3 142	3 048	3 221	3 431
Tourism development	2 824	2 732	2 796	2 618	1 649	1 649			
Security services	3 435	3 759	4 262	4 325	4 495	4 495			
Solid waste dumping fees	1 375	–	–						
Solid waste haulage	4 345	6 318	7 742	8 217	8 136	8 136			
Hermanus public protection	3 603	3 921	4 251	5 029	5 029	5 029			
Training	2 748	2 363	1 804	2 300	2 299	2 299	2 000	2 120	2 247
Prepaid Electricity	2 575	3 248	3 652	4 672	4 494	4 494	3 804	4 032	4 274
Commission paid	3 416	4 014	1 019	1 145	1 145	1 145	1 213	1 286	1 363
Advertising	1 366	1 511	1 905	1 623	1 668	1 668			
Management of informal settlements	1 475	1 513	1 982	1 869	1 869	1 869	1 981	2 100	2 226
Insurance	1 651	2 145	2 363	2 750	2 500	2 500	2 350	2 696	2 798
Printing and stationery	1 868	1 875	2 035	2 309	2 309	2 309			
Solid waste chipping	2 369	2 151	2 076	2 809	2 583	2 583			
Special projects	1 059	1 270	714	868	868	868			
Workmen's Compensation Assurance				1 650	1 650	1 650	1 750	1 802	1 910
SALGA Membership Fees				2 505	2 505	2 505			
Rentals (Equipment & Offices)				1 731	1 426	1 426			
Postage & Courier Services				1 818	1 788	1 788	1 571	1 860	2 181
Decommissioning Cost							4 619	4 896	5 190
Op Cst - Prof Bodies Memb & Subs							3 365	3 416	3 617
Specialised Computer Service							2 452	2 611	2 781
Op Cst - Uniform & Protective Clothing							2 395	2 433	2 577
Operational Cost - Skills Dev Fund Lev							2 082	2 231	2 367
Infrastructure & Planning - Town Plann							1 700	1 747	1 852
Software Licences							2 051	2 184	2 326
Bnk Chgs Fac & Card Fees - Bank Accoun							1 639	1 738	1 842
Op Cst - Printing & Publications							1 471	1 543	1 636
Third Party Vendors							1 213	1 286	1 363
Operating Lease							1 170	1 245	1 325
Wireless Ntwrk							937	998	1 063
Corporate Municipal Activities							721	767	807
Op Cst - Remuneration To Ward Commts							689	689	689
System Adviser							634	685	740
Tenders							612	648	687
Op Cst - Levies Paid - H2O Res Man Chrg							560	575	594
Municipal Newsletters							454	483	515
Total 'Other' Expenditure	**158 290**	**102 146**	**117 460**	**117 407**	**164 357**	**164 357**	**56 251**	**59 890**	**63 924**

Repairs and Maintenance									
Employee related costs	15 563	27 460	35 905	40 285	40 285	40 285	45 175	47 787	50 645
Other materials	5 188	9 153	8 865	8 807	8 807	8 807	14 541	15 638	16 361
Contracted Services	12 320	21 740	32 675	34 161	34 161	34 161	35 194	37 739	39 865
Other Expenditure	31 774	56 061	72 912	79 016	79 016	79 016	26 167	25 650	43 884
Total Repairs and Maintenance Expenditure	64 845	114 414	150 358	162 268	162 268	162 268	121 077	126 814	150 754

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

Description R thousand	Vote 1 - Council	Vote 2 - Municipal Manager	Vote 3 - Management Services	Vote 4 - Finance	Vote 5 - Community Services	Vote 6 - Local Economic Development	Vote 7 - Infrastructure & Planning	Vote 8 - Protection Services	Total
Revenue By Source									
Property rates	–	–	–	162 730		–	–	–	**162 730**
Property rates - penalties & collection charges	–	–	–	891		–	–	–	**891**
Service charges - electricity revenue	–	–	–	616		–	338 261	–	**338 877**
Service charges - water revenue	–	–	–	–	102 045	–	–	–	**102 045**
Service charges - sanitation revenue	–	–	–	–	66 375	–	–	–	**66 375**
Service charges - refuse revenue	–	–	–	–	59 488	–	–	–	**59 488**
Service charges - other									**–**
Rental of facilities and equipment	–			–	11 815		43	–	**11 859**
Interest earned - external investments	–			6 348	–		–	–	**6 348**
Interest earned - outstanding debtors	–			2 437	–		–	–	**2 437**
Dividends received									**–**
Fines	–			–	67		–	31 792	**31 859**
Licences and permits	–			–	484		–	1 706	**2 190**
Agency services	–			–	–		–	2 970	**2 970**
Other revenue	210		61	5 868	1 887	1 430	6 117	1 209	**16 781**
Transfers recognised - operational	64 598			1 450	5 428	1 661	30 226		**103 363**
Gains on disposal of PPE									**–**
Total Revenue (excluding capital transfers and	**64 808**	**–**	**61**	**180 339**	**247 589**	**3 091**	**374 647**	**37 676**	**908 211**
Expenditure By Type									
Employee related costs	8 330	4 026	19 897	37 335	141 871	4 813	44 590	30 731	**291 593**
Remuneration of councillors	8 674								**8 674**
Debt impairment								22 792	**22 792**
Depreciation & asset impairment	22	18	2 267	298	79 250	126	28 206	1 175	**111 362**
Finance charges			54	119	30 030		16 692		**46 895**
Bulk purchases				17	5 006		193 573		**198 596**
Other materials	20	34	309	377	32 022	128	35 698	2 298	**70 885**
Contracted services			7 403	2 408	57 475	423	18 632	10 573	**96 915**
Transfers and grants	46 778		70						**46 848**
Other expenditure	7 671	411	13 328	29 197	8 814	3 241	18 402	1 884	**82 947**
Loss on disposal of PPE									**–**
Total Expenditure	**71 496**	**4 489**	**43 327**	**69 750**	**354 470**	**8 731**	**355 793**	**69 453**	**977 508**
Surplus/(Deficit)	**(6 688)**	**(4 489)**	**(43 266)**	**110 589**	**(106 881)**	**(5 640)**	**18 854**	**(31 777)**	**(69 296)**
Transfers recognised - capital			**930**		**24 497**		**24 888**		**50 315**
Contributions recognised - capital									**–**
Contributed assets									**–**
Surplus/(Deficit) after capital transfers & contributions	**(6 688)**	**(4 489)**	**(42 336)**	**110 589**	**(82 384)**	**(5 640)**	**43 743**	**(31 777)**	**(18 981)**

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

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
ASSETS									
Call investment deposits									
Call deposits < 90 days	75 000	55 042	50 039						
Other current investments > 90 days									
Total Call investment deposits	**75 000**	**55 042**	**50 039**	**–**	**–**	**–**	**–**	**–**	**–**
Consumer debtors									
Consumer debtors	68 475	65 941	63 810	69 091	69 091	69 091	67 774	71 841	76 151
Less: Provision for debt impairment	(18 114)	(16 916)	(16 359)	(16 500)	(16 500)	(16 500)	(16 000)	(15 500)	(15 000)
Total Consumer debtors	**50 361**	**49 025**	**47 451**	**52 591**	**52 591**	**52 591**	**51 774**	**56 341**	**61 151**
Debt impairment provision									
Balance at the beginning of the year	20 232	18 114	16 916	17 000	17 000	17 000	16 500	16 000	15 500
Contributions to the provision	(190)	594	(107)						
Bad debts written off	(1 928)	(1 792)	(449)	(500)	(500)	(500)	(500)	(500)	(500)
Balance at end of year	**18 114**	**16 916**	**16 359**	**16 500**	**16 500**	**16 500**	**16 000**	**15 500**	**15 000**
Property, plant and equipment (PPE)									
PPE at cost/valuation (excl. finance leases)	5 709 629	5 819 933	5 900 309	6 061 941	6 121 309	6 121 309	6 102 482	6 197 088	6 300 649
Leases recognised as PPE	1 208	1 379	139	1 406	1 406	1 406	6 923	6 923	6 923
Less: Accumulated depreciation	2 637 823	2 724 192	2 789 392	2 990 924	2 987 120	2 987 120	3 005 433	3 122 509	3 246 667
Total Property, plant and equipment (PPE)	**3 073 014**	**3 097 120**	**3 111 056**	**3 072 423**	**3 135 594**	**3 135 594**	**3 103 972**	**3 081 502**	**3 060 905**
LIABILITIES									
Current liabilities - Borrowing									
Short term loans (other than bank overdraft)	374	485	63	1 176	1 135	1 135	1 271	1 352	1 538
Current portion of long-term liabilities	16 424	17 756	20 381	23 929	23 929	23 929	26 841	29 378	32 831
Total Current liabilities - Borrowing	**16 798**	**18 241**	**20 443**	**25 105**	**25 064**	**25 064**	**28 113**	**30 730**	**34 370**
Trade and other payables									
Trade and other creditors	63 172	71 706	61 518	55 831	50 563	50 563	74 229	70 679	84 789
Unspent conditional transfers	4 555	7 783	3 425	–					
VAT									
Total Trade and other payables	**67 728**	**79 489**	**64 943**	**55 831**	**50 563**	**50 563**	**74 229**	**70 679**	**84 789**
Non current liabilities - Borrowing									
Borrowing	340 581	364 394	392 444	407 225	407 225	407 225	411 667	412 288	409 060
Finance leases (including PPP asset element)	623	238	–	4 541	5 604	5 604	4 333	2 981	1 443
Total Non current liabilities - Borrowing	**341 204**	**364 632**	**392 444**	**411 766**	**412 829**	**412 829**	**415 999**	**415 269**	**410 503**
Provisions - non-current									
Retirement benefits	71 562	79 887	95 535	92 875	107 290	107 290	113 727	120 551	127 784
List other major provision items									
Refuse landfill site rehabilitation	32 057	31 933	24 054	36 617	64 550	64 550	78 422	82 528	86 880
Other	7 478	7 498	8 938	8 008	9 040	9 040	9 520	10 028	10 568
Total Provisions - non-current	**111 097**	**119 319**	**128 527**	**137 501**	**180 879**	**180 879**	**201 669**	**213 107**	**225 231**
CHANGES IN NET ASSETS									
Accumulated Surplus/(Deficit)									
Accumulated Surplus/(Deficit) - opening balance	2 564 679	2 847 332	2 855 854	2 857 322	2 857 322	2 857 322	2 736 015	2 717 033	2 713 789
GRAP adjustments	364 261	(9 929)	(6 220)						
Restated balance	2 928 940	2 837 403	2 849 634	2 857 322	2 857 322	2 857 322	2 736 015	2 717 033	2 713 789
Surplus/(Deficit)	(81 607)	10 899	(45 015)	(48 747)	(69 225)	(69 225)	(18 981)	(3 244)	3 838
Appropriations to Reserves									
Transfers from Reserves		1 333	620						
Depreciation offsets									
Other adjustments									
Accumulated Surplus/(Deficit)	**2 847 332**	**2 849 634**	**2 805 240**	**2 808 575**	**2 788 097**	**2 788 097**	**2 717 033**	**2 713 789**	**2 717 628**
Reserves									
Housing Development Fund	1 920	1 891	2 565	1 934	2 573	2 573	2 637	2 703	2 757
Capital replacement									
Self-insurance									
Other reserves									
Revaluation	–	–							
Total Reserves	**1 920**	**1 891**	**2 565**	**1 934**	**2 573**	**2 573**	**2 637**	**2 703**	**2 757**
TOTAL COMMUNITY WEALTH/EQUITY	**2 849 252**	**2 851 526**	**2 807 805**	**2 810 509**	**2 790 670**	**2 790 670**	**2 719 671**	**2 716 492**	**2 720 385**

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

Description of economic indicator	Basis of calculation	2001 Census	2007 Survey	2011 Census	2011/12	2012/13	2013/14	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
					Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics											
Population		55	75	80	83	87	90	93	97	101	108
Females aged 5 - 14		3	6	5	5	6	6	6	6	7	7
Males aged 5 - 14		3	6	5	5	6	6	6	6	7	7
Females aged 15 - 34		6	12	13	14	14	15	15	16	16	18
Males aged 15 - 34		6	11	14	14	15	15	16	16	17	18
Unemployment		5	8	4	4	5	5	5	5	5	6
Monthly household income (no. of households)											
No income		2 226	770	4 585	4 759	4 940	5 128	5 323	5 525	5 735	5 953
R1 - R1 600		6 149	5 307	5 326	5 528	5 738	5 957	6 183	6 418	6 662	6 915
R1 601 - R3 200		3 742	3 177	4 878	5 063	5 256	5 455	5 663	5 878	6 101	6 333
R3 201 - R6 400		3 344	3 789	4 362	4 528	4 700	4 878	5 064	5 256	5 456	5 663
R6 401 - R12 800		2 303	2 750	3 830	3 976	4 127	4 283	4 446	4 615	4 791	4 973
R12 801 - R25 600		920	1 947	2 896	3 006	3 120	3 239	3 362	3 490	3 622	3 760
R25 601 - R51 200		227	1 066	1 456	1 511	1 569	1 628	1 690	1 754	1 821	1 890
R52 201 - R102 400		77	184	486	504	524	544	564	586	608	631
R102 401 - R204 800		44	176	109	113	117	122	127	131	136	142
R204 801 - R409 600		27		81	84	87	91	94	98	101	105
R409 601 - R819 200											
> R819 200											
Poverty profiles (no. of households)											
< R2 060 per household per month	# households earning less	6 149	5 307	5 326	5528.00	5738.00	5957.00	6183.00	6418.00	6662.00	6915.00
Insert description											
Household/demographics (000)											
Number of people in municipal area	Stats SA	55 012	74 546	80 432	83 488	86 661	89 954	93 372	96 920	100 603	108 249
Number of poor people in municipal area				37 433	38 856	40 332	41 865	43 456	45 107	46 821	48 600
Number of households in municipal area	Stats SA		21 953	28 008							
Number of poor households in municipal area			8 439	16 317	17 277	18 285	19 469	20 651	21 968	23 390	24 891
Definition of poor household (R per month)			2 201	4 561	4 561	4 801	5 121	5 401	5 725	6 069	6 433
Housing statistics											
Formal				22 692	22 938	23 152	23 599	23 812	24 415	24 913	25 293
Informal				2 538	3 421	3 407	3 330	3 188	3 188	3 188	3 188
Total number of households		-	-	25 230	26 359	26 559	26 929	27 000	27 603	28 101	28 481
Dwellings provided by municipality			88	410	-	-	183	-	333	218	80
Dwellings provided by province/s		-	-	-	-	-	-	-	-	-	-
Dwellings provided by private sector		116	470	209	246	214	264	213	270	280	300
Total new housing dwellings		116	558	619	246	214	447	213	603	498	380

Table 65 MBRR SA11 – Property rates summary

WC032 Overstrand - Supporting Table SA11 Property rates summary

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Valuation:									
Date of valuation:	02/07/2007	02/07/2011	02/07/2011						
Financial year valuation used	**2008/2009**	**2012/2013**	**2012/2013**	**2012/2013**			**2012/2013**		
Municipal by-laws s6 in place? (Y/N)	Yes		Yes				Yes		
Municipal/assistant valuer appointed? (Y/N)	Yes		Yes				Yes		
Municipal partnership s38 used? (Y/N)	No		No				No	No	No
No. of assistant valuers (FTE)	**2**	**2**	**2**	2	**2**	**2**	2	**2**	**2**
No. of data collectors (FTE)	6	6	6	12	12	12	6	6	6
No. of internal valuers (FTE)	–	–	–	–	–	–	–	–	–
No. of external valuers (FTE)	4	4	3	3	3	3	3	3	3
No. of additional valuers (FTE)	–	–	–	1	1	1	–	–	–
Valuation appeal board established? (Y/N)	Yes		Yes				Yes		
Implementation time of new valuation roll (mths)		36	24	12			–		
No. of properties	40 907	40 801	41 025	41 230	41 230	41 230	41 848	41 492	41 492
No. of sectional title values	2 396	2 383	2 623	2 636	2 636	2 636	2 634	2 647	2 661
No. of unreasonably difficult properties s7(2)	–	–	–	–	–	–	–	–	–
No. of supplementary valuations	1	2	3	2	2	2	1	1	1
No. of valuation roll amendments	2	3	3	2	2	2	12	12	12
No. of objections by rate payers	24	830	103	100	100	100	1 500	400	400
No. of appeals by rate payers	1	53	5	10	10	10	150	40	40
No. of successful objections	5		24	20	20	20	750	200	200
No. of successful objections > 10%	–	137	14	10	10	10	75	20	20
Supplementary valuation	3 323	4 998	4 233	4 487	4 487	4 487	3 610	3 628	3 646
Public service infrastructure value (Rm)	38	40	40	43	43	43	83	83	83
Municipality owned property value (Rm)	701	694	694	736	736	736	737	741	745
Valuation reductions:									
Valuation reductions-public infrastructure (Rm)	41	40	40	43	43	43	85	85	86
Valuation reductions-nature reserves/park (Rm)	–	–	–	–	–	–	276	277	279
Valuation reductions-mineral rights (Rm)	–	–	–	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)	458	453	453	480	480	480	434	436	438
Valuation reductions-public worship (Rm)	211	209	209	222	222	222	258	259	260
Valuation reductions-other (Rm)	2 067	2 046	2 046	2 169	2 169	2 169	2 254	2 265	2 276
Total valuation reductions:	**2 776**	**2 749**	**2 749**	**2 913**	**2 913**	**2 913**	**3 306**	**3 323**	**3 339**
Total value used for rating (Rm)	39 491	39 152	39 152	41 501	41 501	41 501	39 998	40 198	40 399
Total land value (Rm)	22 148	21 360	21 360	22 642	22 642	22 642	22 151	**22 262**	**22 373**
Total value of improvements (Rm)	20 119	20 540	20 540	21 772	21 772	21 772	21 153	21 259	21 365
Total market value (Rm)	42 267	41 900	41 900	44 414	44 414	44 414	43 304	43 521	43 739
Rating:									
Residential rate used to determine rate for other categories? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Differential rates used? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Limit on annual rate increase (s20)? (Y/N)	No	No	No	No	No	No	No	No	No
Special rating area used? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Phasing-in properties s21 (number)	No	No	No	No	No	No	No	No	No
Rates policy accompanying budget? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Fixed amount minimum value (R'000)				100			220		
Non-residential prescribed ratio s19? (%)	46.0%	48.6%	51.4%	51.5%			51.0%		
Rate revenue:									
Rate revenue budget (R '000)	112 600	120 278	134 994	148 520	148 520	148 520	157 847	165 259	175 174
Rate revenue expected to collect (R'000)	112 600	120 278	134 994	148 520	148 520	148 520	157 847	165 259	175 174
Expected cash collection rate (%)	87.6%	99.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Special rating areas (R'000)	–	–	–	–	–	–	–	–	–
Rebates, exemptions - indigent (R'000)	–	–	–	–	–	–	–	–	–
Rebates, exemptions - pensioners (R'000)	205	319487	353	401	401	401	425	450	477
Rebates, exemptions - bona fide farm. (R'000)	634	1 652 839	69	79	79	79	83	89	94
Rebates, exemptions - other (R'000)	2 190	3 707 751	3 410	3 875	3 875	3 875	4 108	4 354	4 615
Phase-in reductions/discounts (R'000)									
Total rebates,exemptns,reductns,discs (R'000)	**3**	**5 680**	**3 833**	**4 355**	**4 355**	**4 355**	**4 616**	**4 893**	**5 187**

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

Description	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.
Current Year 2014/15																
Valuation:																
No. of properties	36 825	–	1 628	288	190	1 866	582	–	–	–	–	–	113	–	138	–
No. of sectional title property values	2 242	–	384	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of unreasonably difficult properties s7(2)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of supplementary valuations	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Supplementary valuation (Rm)	TOTAL: 3592															
No. of valuation roll amendments	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
No. of objections by rate-payers	IN PROCESS															
No. of appeals by rate-payers	IN PROCESS															
No. of appeals by rate-payers finalised	IN PROCESS															
No. of successful objections	IN PROCESS															
No. of successful objections > 10%	IN PROCESS															
Estimated no. of properties not valued	100 TOTAL															
Years since last valuation (select)	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Frequency of valuation (select)	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Method of valuation used (select)	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market
Base of valuation (select)	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.
Phasing-in properties s21 (number)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Combination of rating types used? (Y/N)	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Flat rate used? (Y/N)	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
Is balance rated by uniform rate/variable rate?	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable
Valuation reductions:																
Valuation reductions-public infrastructure (Rm)	–	–	–	–	–	–	82	–	–	–	–	–	–	–	–	–
Valuation reductions-nature reserves/park (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	274	–	–	–
Valuation reductions-mineral rights (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)	432	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-public worship (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	221	–
Valuation reductions-other (Rm)	2 242	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total valuation reductions:																
Total value used for rating (Rm)	35 584	–	3 630	701	316	–	–	–	–	–	–	–	–	–	–	–
Total land value (Rm)	18 632	–	1 555	561	149	561	78	–	–	–	–	–	197	–	90	–
Total value of improvements (Rm)	17 978	–	2 104	183	175	173	7	–	–	–	–	–	75	–	166	–
Total market value (Rm)	**36 610**	**–**	**3 659**	**743**	**324**	**733**	**85**	**–**	**–**	**–**	**–**	**–**	**272**	**–**	**256**	**–**
Rating:																
Average rate	0.004140		0.006700	0.001040	0.006270				0.004140	0.006270						
Rate revenue budget (R '000)	109 920		20 877	597	17 126											
Rate revenue expected to collect (R'000)	109 920		20 877	597	17 126											
Expected cash collection rate (%)	100.0%		100.0%	100.0%	100.0%											
Special rating areas (R'000)																
Rebates, exemptions - indigent (R'000)																
Rebates, exemptions - pensioners (R'000)	401															
Rebates, exemptions - bona fide farm. (R'000)				79												
Rebates, exemptions - other (R'000)				3 875												
Phase-in reductions/discounts (R'000)																
Total rebates,exemptns,reductns,discs (R'000)																

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

Description	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.
Budget Year 2015/16																
Valuation:																
No. of properties	37 009	–	1 636	289	191	1 875	585	–	–	–	–	–	114	–	139	–
No. of sectional title property values	2 253	–	386	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of unreasonably difficult properties s7(2)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of supplementary valuations	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Supplementary valuation (Rm)	TOTAL: 3808															
No. of valuation roll amendments	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12
No. of objections by rate-payers	1 200	–	200	100	–	–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers	300	–	50	50	–	–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers finalised	300	–	50	50	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections	600	–	100	50	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections > 10%	60	–	10	5	–	–	–	–	–	–	–	–	–	–	–	–
Estimated no. of properties not valued	100 TOTAL															
Years since last valuation (select)	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Frequency of valuation (select)	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Method of valuation used (select)	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market
Base of valuation (select)	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.
Phasing-in properties s21 (number)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Combination of rating types used? (Y/N)	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Flat rate used? (Y/N)	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
Is balance rated by uniform rate/variable rate?	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable
Valuation reductions:																
Valuation reductions-public infrastructure (Rm)	–	–	–	–	–	–	83	–	–	–	–	–	–	–	–	–
Valuation reductions-nature reserves/park (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	276	–	–	–
Valuation reductions-mineral rights (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)	434	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-public worship (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	222	–
Valuation reductions-other (Rm)	2 254	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total valuation reductions:																
Total value used for rating (Rm)	35 762	–	3 648	704	318	–	–	–	–	–	–	–	–	–	–	–
Total land value (Rm)	18 725	–	1 563	563	149	564	78	–	–	–	–	–	198	–	90	–
Total value of improvements (Rm)	18 068	–	2 115	184	176	174	7	–	–	–	–	–	75	–	167	–
Total market value (Rm)	**36 793**	**–**	**3 678**	**747**	**326**	**737**	**85**	**–**	**–**	**–**	**–**	**–**	**273**	**–**	**258**	**–**
Rating:																
Average rate	0.004420		0.006700	0.001110	0.006700				0.004420	0.006700					0.004140	
Rate revenue budget (R '000)	116 824		22 188	634	18 201				–						–	
Rate revenue expected to collect (R'000)	116 824		22 188	634	18 201											
Expected cash collection rate (%)	100.0%		100.0%	100.0%	100.0%											
Special rating areas (R'000)	–		–	–	–				–	–					–	
Rebates, exemptions - indigent (R'000)	–		–	–	–				–	–					–	
Rebates, exemptions - pensioners (R'000)	425															
Rebates, exemptions - bona fide farm. (R'000)				83												
Rebates, exemptions - other (R'000)				4 108												
Phase-in reductions/discounts (R'000)																
Total rebates,exemptns,reductns,discs (R'000)																

Table 68 MBRR SA13a – Service tariffs by category

Description	Provide description of tariff structure where appropriate	2011/12	2012/13	2013/14	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
						Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Property rates (rate in the Rand)								
Residential properties		94 852 280	100 066 700	91 896 000	107 622 000	97 925 000	102 523 000	108 674 380
Residential properties - vacant land						18 899 000	19 786 000	20 973 160
Formal/informal settlements								
Small holdings								
Farm properties - used		186 487	287 327	221 000	259 000	634 000	664 000	703 840
Farm properties - not used								
Industrial properties								
Business and commercial properties		17 562 116	19 923 518	18 416 000	21 567 000	22 188 000	23 230 000	24 623 800
Communal land - residential								
Communal land - small holdings								
Communal land - farm property								
Communal land - business and commercial								
Communal land - other								
State-owned properties				16 285 000	19 072 000	18 201 000	19 056 000	20 199 360
Municipal properties								
Public service infrastructure								
Privately owned towns serviced by the owner								
State trust land								
Restitution and redistribution properties								
Protected areas								
National monuments properties								
Exemptions, reductions and rebates (Rands)								
Residential properties								
R15 000 threshhold rebate		15 000	15 000	15 000	15 000	15 000	15 000	15 000
General residential rebate		15 000	15 000	15 000	15 000	15 000	15 000	15 000
Indigent rebate or exemption		35 000	100 000	100 000	100 000	220 000	220 000	220 000
Pensioners/social grants rebate or exemption		50 000	100 000	100 000	100 000	220 000	220 000	220 000
Temporary relief rebate or exemption		30-100%	30-100%	30-100%	30-100%	40-100%	40-100%	40-100%
Bona fide farmers rebate or exemption								
Other rebates or exemptions		85%	75%	75%	75%	75%	75%	75%
Water tariffs								
Domestic								
Basic charge/fixed fee (Rands/month)		88	93	96	102	102	111	118
Service point - vacant land (Rands/month)		88	93	96	102	102	111	118
Water usage - flat rate tariff (c/kl)								
Water usage - life line tariff	Consumption - Households			307	325	325	345	365
Water usage - Block 1 (c/kl)	0 - 6 kl per kl	-	-	811	1 005	1 005	1 065	1 129
Water usage - Block 2 (c/kl)	7 - 20kl per kl	702	746	1 316	1 631	1 631	1 729	1 833
Water usage - Block 3 (c/kl)	21 - 30 kl per kl	702	1 200	2 026	2 512	2 512	2 663	2 822
Water usage - Block 4 (c/kl)	31 - 60 kl per kl	1 755	1 860	2 632	3 263	3 263	3 459	3 666
Other	> 60 kl	2 369	2 518	3 509	4 351	4 351	4 612	4 889
Waste water tariffs								
Domestic								
Basic charge/fixed fee (Rands/month)		76	81	86	91	91	96	102
Service point - vacant land (Rands/month)		161	123	130	109	109	116	122
Waste water - flat rate tariff (c/kl)		811	877	965	1 026	1 026	1 088	1 153
Volumetric charge - Block 1 (c/kl)	Basic charge - pumps	51	54	58	61	61	65	69
Volumetric charge - Block 2 (c/kl)	Service per pump	351	373	396	419	419	444	471
Volumetric charge - Block 3 (c/kl)	(fill in structure)							
Volumetric charge - Block 4 (c/kl)	(fill in structure)							
Other								
Electricity tariffs								
Domestic								
Basic charge/fixed fee (Rands/month)		152	158	193	204	204	216	229
Service point - vacant land (Rands/month)		152	158	193	204	204	216	229
FBE	Qualify for indigent							
Life-line tariff - meter	(describe structure)							
Life-line tariff - prepaid	<30 Amp	720	795	795	886	886	939	996
Flat rate tariff - meter (c/kwh)								
Flat rate tariff - prepaid(c/kwh)	Credit meter							
Meter - IBT Block 1 (c/kwh)	0 - 350 kWH	720	861	886	959	959	1 017	1 078
Meter - IBT Block 2 (c/kwh)	351 - 600 kWH	980	1 133	1 201	1 300	1 300	1 378	1 461
Meter - IBT Block 3 (c/kwh)	> 600 kWH	1 140	1 328	1 448	1 567	1 567	1 661	1 761
Meter - IBT Block 4 (c/kwh)	(fill in thresholds)							
Meter - IBT Block 5 (c/kwh)	Prepaid meter							
Prepaid - IBT Block 1 (c/kwh)	0 - 350 kWH	720	795	819	886	886	939	996
Prepaid - IBT Block 2 (c/kwh)	351 - 600 kWH	980	1 068	1 132	1 225	1 225	1 299	1 376
Prepaid - IBT Block 3 (c/kwh)	> 600 kWH	1 140	1 277	1 392	1 506	1 506	1 596	1 692
Prepaid - IBT Block 4 (c/kwh)	(fill in thresholds)							
Prepaid - IBT Block 5 (c/kwh)	(fill in thresholds)							
Other								
Waste management tariffs								
Domestic								
Street cleaning charge								
Basic charge/fixed fee		83	113	123	130	130	138	146
80l bin - once a week								
250l bin - once a week		284	113	123	130	130	138	146

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

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

Table 70 MBRR SA32 – List of external mechanisms

External mechanism 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
Outsourcing of sub function solid waste : Overstran	Mths	107	Outsourcing of sub function solid waste	30 October 2022	126 345
Outsourcing of sub function solid waste : Overstran	Mths	96	Outsourcing of sub function solid waste	01 May 2017	18 651
Note: Overstrand make use of contractual agreements to support the implementation of core function, but the definition of outsourcing do not apply to the other contracts entered into, due to ownership that is kept within the organisation					
Outsourcing of sub function: Waste water treatment	Yrs	15	Outsourcing of sub function waste water treatment	timated date June 203	To be determined

Table 71 MBRR SA33 – Contracts having future budgetary implications

Description	Preceding Years	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework			Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Total Contract Value
R thousand	Total	Original Budget	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Parent Municipality:													
Revenue Obligation By Contract													
Contract 1: SC1127/2011 Leasing for the operation of illuminated street signs in the Overstrand Municiapl area.Term of contract 01/07/ 2012 until 31/05/2022		**194**	**204**	**214**	**224**	**236**	**247**	**260**	**273**	**263**			2 114
Contract 2													–
Contract 3 etc													–
Total Operating Revenue Implication	**–**	**194**	**204**	**214**	**224**	**236**	**247**	**260**	**273**	**263**	**–**	**–**	2 114
Expenditure Obligation By Contract													
Contract 1:SC867B/2010 Operation of the merchanised materiaal recovery facility at the Hermanus solid waste transfer station.Term of contract 01/12/2013 until 30/10/ 2022		1 130	1 216	1 309	1 409	1 519	1 639	1 770	1 912				11 904
Contract 2:SC878/2010 Operation of the Gansbaai landfill and public drop offs in greater Gansbaai and Stanford.Term of contract 01/05/2010 until 01/05/2017		3 388	2 949	3 323	3 697	1 738							15 095
Contract 3 etc													–
Total Operating Expenditure Implication	–	4 518	4 165	4 631	5 107	3 258	1 639	1 770	1 912	–	–	–	26 999
Capital Expenditure Obligation By Contract													
													–
													–
													–
Total Capital Expenditure Implication	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Parent Expenditure Implication	**–**	**4 518**	**4 165**	**4 631**	**5 107**	**3 258**	**1 639**	**1 770**	**1 912**	**–**	**–**	**–**	26 999

2.15 Municipal manager's quality certificate

I, C.C. GROENEWALD, municipal manager of Overstrand Municipality, hereby certify that the draft annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the draft annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name C. C. GROENEWALD

Municipal manager of Overstrand Municipality (WC032)

Signature

Date 25.03.2015

ANNEXURE A

DRAFT BUDGET SCHEDULES 1-10

SCHEDULE 1

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

Vote Description	2011/12	2012/13	2013/14	Current Year 2014/15			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote									
Vote 1 - Council	31 483	38 353	42 274	52 401	52 401	52 401	64 808	72 470	79 794
Vote 2 - Municipal Manager	–	–	–	–	–	–	–	–	–
Vote 3 - Management Services	1 264	1 476	1 286	2 410	1 844	1 844	991	1 018	1 094
Vote 4 - Finance	127 745	137 728	150 786	169 095	170 420	170 420	180 339	191 921	204 338
Vote 5 - Community Services	245 501	253 932	276 626	253 829	256 019	256 019	272 086	284 150	300 688
Vote 6 - Local Economic Development	2 817	3 750	6 431	2 968	2 968	2 968	3 091	1 573	1 730
Vote 7 - Infrastructure & Planning	242 061	307 588	281 304	326 955	343 154	343 154	399 535	443 953	473 685
Vote 8 - Protection Services	10 048	20 142	28 300	13 184	36 094	36 094	37 676	39 164	40 802
Total Revenue by Vote	**660 918**	**762 969**	**787 007**	**820 842**	**862 900**	**862 900**	**958 526**	**1 034 249**	**1 102 130**
Expenditure by Vote ***to be appropriated***									
Vote 1 - Council	55 945	64 385	68 239	63 289	64 228	64 228	71 496	78 840	87 821
Vote 2 - Municipal Manager	2 872	3 243	1 295	1 003	780	780	4 489	3 643	3 865
Vote 3 - Management Services	32 796	30 890	5 492	15 189	13 315	13 315	43 327	45 629	48 384
Vote 4 - Finance	48 679	51 399	23 830	24 503	25 398	25 398	69 750	71 154	75 197
Vote 5 - Community Services	332 230	296 939	394 516	386 685	377 259	377 259	354 470	371 463	392 545
Vote 6 - Local Economic Development	5 845	7 722	9 945	11 140	10 915	10 915	8 731	7 464	7 931
Vote 7 - Infrastructure & Planning	232 916	254 841	271 782	318 607	368 337	368 337	355 793	387 020	407 279
Vote 8 - Protection Services	31 241	42 651	56 923	49 173	71 893	71 893	69 453	72 280	75 270
Total Expenditure by Vote	**742 525**	**752 070**	**832 022**	**869 588**	**932 125**	**932 125**	**977 508**	**1 037 493**	**1 098 292**
Surplus/(Deficit) for the year	**(81 607)**	**10 899**	**(45 015)**	**(48 747)**	**(69 225)**	**(69 225)**	**(18 981)**	**(3 244)**	**3 838**

SCHEDULE 2

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

	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	**Audited Outcome**	**Audited Outcome**	**Audited Outcome**	**Original Budget**	**Adjusted Budget**	**Full Year Forecast**	**Budget Year 2014/15**	**Budget Year +1 2015/16**	**Budget Year +2 2016/17**
Revenue By Source									
Property rates	108 913	120 799	134 813	148 640	153 509	153 509	162 730	173 308	184 573
Property rates - penalties & collection charges	925	772	821	1 050	1 050	1 050	891	980	1 078
Service charges - electricity revenue	224 950	247 663	268 362	310 085	310 085	310 085	338 877	371 635	407 747
Service charges - water revenue	83 755	85 243	95 136	95 897	95 897	95 897	102 045	107 700	113 691
Service charges - sanitation revenue	57 212	56 895	62 798	63 455	63 455	63 455	66 375	70 081	74 010
Service charges - refuse revenue	39 498	46 637	52 957	56 130	56 130	56 130	59 488	63 061	66 849
Service charges - other					–	–			
Rental of facilities and equipment	6 743	7 212	7 591	7 966	7 966	7 966	11 859	12 953	14 176
Interest earned - external investments	6 881	7 555	6 352	6 166	6 166	6 166	6 348	6 348	6 348
Interest earned - outstanding debtors	2 331	2 199	2 118	2 288	2 288	2 288	2 437	2 680	2 948
Dividends received				–	–	–			
Fines	5 278	14 244	22 739	7 965	30 875	30 875	31 859	32 766	33 763
Licences and permits	1 786	1 968	1 956	2 229	2 229	2 229	2 190	2 408	2 649
Agency services	1 912	2 025	2 395	2 480	2 480	2 480	2 970	3 267	3 594
Transfers recognised - operational	38 005	41 680	67 835	58 407	62 032	62 032	103 363	107 886	97 173
Other revenue	17 375	68 978	10 504	21 717	16 387	16 387	16 781	18 301	19 972
Gains on disposal of PPE	1 920								
Total Revenue (excluding capital transfers and contributions)	**597 482**	**703 871**	**736 376**	**784 474**	**810 548**	**810 548**	**908 211**	**973 373**	**1 028 569**
Expenditure By Type									
Employee related costs	207 938	231 642	260 645	280 066	276 217	276 217	291 593	305 408	323 583
Remuneration of councillors	6 717	7 084	7 933	8 516	8 516	8 516	8 674	9 192	9 741
Debt impairment	28	6 688	12 526		22 792	22 792	22 792	22 792	22 792
Depreciation & asset impairment	104 041	104 408	99 361	109 265	105 461	105 461	111 362	118 043	125 126
Finance charges	31 727	37 331	39 927	45 162	44 480	44 480	46 895	46 780	47 279
Bulk purchases	126 669	145 022	157 055	169 444	169 444	169 444	193 573	221 138	252 628
Other materials	54 582	12 441	13 595	17 295	17 315	17 315	70 885	69 631	53 593
Contracted services	24 079	67 697	72 754	81 062	81 875	81 875	126 986	129 953	137 384
Transfers and grants	28 454	35 856	38 749	41 370	41 668	41 668	48 497	54 667	62 244
Other expenditure	158 290	102 146	117 460	117 407	164 357	164 357	56 251	59 890	63 924
Loss on disposal of PPE		1 756	12 017						
Total Expenditure	**742 525**	**752 070**	**832 022**	**869 588**	**932 125**	**932 125**	**977 508**	**1 037 493**	**1 098 292**
Surplus/(Deficit)	**(145 043)**	**(48 199)**	**(95 646)**	**(85 115)**	**(121 577)**	**(121 577)**	**(69 296)**	**(64 120)**	**(69 723)**
Transfers recognised - capital	54 833	53 809	38 090	34 234	50 301	50 301	50 315	60 876	73 561
Contributions recognised - capital	8 603	5 289	7 871	2 134	2 051	2 051	–	–	–
Contributed assets			4 671						
Surplus/(Deficit) after capital transfers & contributions	**(81 607)**	**10 899**	**(45 015)**	**(48 747)**	**(69 225)**	**(69 225)**	**(18 981)**	**(3 244)**	**3 838**
Taxation									
Surplus/(Deficit) after taxation	**(81 607)**	**10 899**	**(45 015)**	**(48 747)**	**(69 225)**	**(69 225)**	**(18 981)**	**(3 244)**	**3 838**
Attributable to minorities									
	(81 607)	**10 899**	**(45 015)**	**(48 747)**	**(69 225)**	**(69 225)**	**(18 981)**	**(3 244)**	**3 838**
Surplus/(Deficit) attributable to municipality									
Share of surplus/ (deficit) of associate									
Surplus/(Deficit) for the year	**(81 607)**	**10 899**	**(45 015)**	**(48 747)**	**(69 225)**	**(69 225)**	**(18 981)**	**(3 244)**	**3 838**

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

Vote Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital Expenditure - Standard									
Governance and administration	**24 047**	**7 154**	**21 308**	**16 815**	**17 776**	**17 776**	**2 648**	**3 730**	**–**
Executive and council					–	–			
Budget and treasury office					–	–			
Corporate services	24 047	7 154	21 308	16 815	17 776	17 776	2 648	3 730	
Community and public safety	**3 319**	**7 268**	**19 582**	**21 205**	**37 425**	**37 425**	**25 415**	**45 550**	**55 174**
Community and social services	327	4 666	3 482	5 635	5 595	5 595	3 901	4 000	4 000
Sport and recreation	1 531	2 601	5 696	3 090	2 616	2 616	4 526	6 800	6 800
Public safety	645	–			–	–	100		
Housing	817	–	10 404	12 480	29 213	29 213	16 888	34 750	44 374
Health					–	–			
Economic and environmental services	**8 340**	**25 552**	**16 051**	**5 400**	**6 300**	**6 300**	**12 098**	**4 000**	**4 000**
Planning and development	2 863	945			–	–	25		
Road transport	5 477	24 607	16 051	5 400	6 300	6 300	12 073	4 000	4 000
Environmental protection					–	–			
Trading services	**127 569**	**103 790**	**73 989**	**54 300**	**56 087**	**56 087**	**45 355**	**41 326**	**44 387**
Electricity	30 061	26 768	37 115	17 000	17 000	17 000	17 775	14 000	16 000
Water	57 384	50 766	23 631	12 800	16 384	16 384	16 326	14 726	15 787
Waste water management	39 927	20 728	10 202	14 300	13 403	13 403	11 244	12 600	12 600
Waste management	196	5 528	3 041	10 200	9 300	9 300	10		
Other					**–**	**–**			
Total Capital Expenditure - Standard	**163 275**	**143 764**	**130 930**	**97 721**	**117 588**	**117 588**	**85 515**	**94 606**	**103 561**
Funded by:									
National Government	40 212	36 911	6 339	24 174	23 608	23 608	30 347	26 126	29 187
Provincial Government	14 621	16 898	31 751	10 060	26 693	26 693	19 968	34 750	44 374
District Municipality					–	–			
Other transfers and grants				2 134	2 051	2 051			
Transfers recognised - capital	**54 833**	**53 809**	**38 090**	**36 368**	**52 352**	**52 352**	**50 315**	**60 876**	**73 561**
Public contributions & donations	14 300	5 067	7 985	–	885	885			
Borrowing	73 964	67 544	70 634	46 923	48 770	48 770	30 000	30 000	30 000
Internally generated funds	20 178	17 345	14 222	14 430	15 582	15 582	5 200	3 730	
Total Capital Funding	**163 275**	**143 764**	**130 930**	**97 721**	**117 588**	**117 588**	**85 515**	**94 606**	**103 561**

WC032 Overstrand - Schedule 4 - Budgeted Financial Position

R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
ASSETS									
Current assets									
Cash	51 699	29 106	13 119	88 050	90 815	90 815	99 079	128 754	173 717
Call investment deposits	75 000	55 042	50 039	–	–	–	–	–	–
Consumer debtors	50 361	49 025	47 451	52 591	52 591	52 591	51 774	56 341	61 151
Other debtors	36 501	52 222	51 704	44 398	55 398	55 398	44 112	38 172	37 391
Current portion of long-term receivables	25	17	15	14	14	14	13	11	10
Inventory	16 446	20 257	13 137	12 092	11 092	11 092	14 483	15 207	15 968
Total current assets	**230 033**	**205 668**	**175 465**	**197 146**	**209 911**	**209 911**	**209 462**	**238 485**	**288 238**
Non current assets									
Long-term receivables	126	84	68	57	57	57	41	30	20
Investments	5 691	11 597	16 965	22 207	22 207	22 207	28 455	34 384	40 409
Investment property	104 673	175 866	164 501	175 866	164 501	164 501	164 501	164 501	164 501
Investment in Associate					–	–			
Property, plant and equipment	3 073 014	3 097 120	3 111 056	3 072 423	3 135 594	3 135 594	3 103 972	3 081 502	3 060 905
Agricultural					–	–			
Biological					–	–			
Intangible	3 547	4 449	5 220	6 426	5 220	5 220	5 368	4 401	3 433
Other non-current assets	22 049	1 025	4 301	39 500	–	–			
Total non current assets	**3 209 100**	**3 290 140**	**3 302 111**	**3 316 479**	**3 327 579**	**3 327 579**	**3 302 336**	**3 284 818**	**3 269 268**
TOTAL ASSETS	**3 439 132**	**3 495 808**	**3 477 576**	**3 513 625**	**3 537 490**	**3 537 490**	**3 511 798**	**3 523 303**	**3 557 506**
LIABILITIES									
Current liabilities									
Bank overdraft					–				
Borrowing	16 798	18 241	20 443	25 105	25 064	25 064	28 113	30 730	34 370
Consumer deposits	31 206	34 932	37 751	41 321	41 321	41 321	43 801	46 429	49 215
Trade and other payables	67 728	79 489	64 943	55 831	50 563	50 563	74 229	70 679	84 789
Provisions	21 847	27 670	25 663	31 592	36 166	36 166	28 317	30 597	33 013
Total current liabilities	**137 580**	**160 331**	**148 801**	**153 849**	**153 113**	**153 113**	**174 459**	**178 435**	**201 387**
Non current liabilities									
Borrowing	341 204	364 632	392 444	411 766	412 829	412 829	415 999	415 269	410 503
Provisions	111 097	119 319	128 527	137 501	180 879	180 879	201 669	213 107	225 231
Total non current liabilities	**452 301**	**483 951**	**520 970**	**549 267**	**593 707**	**593 707**	**617 668**	**628 376**	**635 734**
TOTAL LIABILITIES	**589 880**	**644 282**	**669 772**	**703 116**	**746 820**	**746 820**	**792 127**	**806 811**	**837 121**
NET ASSETS	**2 849 252**	**2 851 526**	**2 807 805**	**2 810 509**	**2 790 670**	**2 790 670**	**2 719 671**	**2 716 492**	**2 720 385**
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	2 847 332	2 849 634	2 805 240	2 808 575	2 788 097	2 788 097	2 717 033	2 713 789	2 717 628
Reserves	1 920	1 891	2 565	1 934	2 573	2 573	2 637	2 703	2 757
Minorities' interests									
TOTAL COMMUNITY WEALTH/EQUITY	**2 849 252**	**2 851 526**	**2 807 805**	**2 810 509**	**2 790 670**	**2 790 670**	**2 719 671**	**2 716 492**	**2 720 385**

WC032 Overstrand - Schedule 5 - Budgeted Cash Flows

	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates, penalties & collection charges	110 347	120 273	135 875	148 254	152 362	152 362	163 800	173 297	184 620
Service charges	397 229	437 061	483 167	522 072	521 632	521 632	567 409	608 975	658 596
Other revenue	69 894	41 689	63 976	46 516	97 208	97 208	77 022	75 627	74 910
Government - operating	37 750	44 140	63 477	58 407	61 486	61 486	103 363	107 886	97 173
Government - capital	54 833	54 577	38 090	36 368	52 352	52 352	50 315	60 876	73 561
Interest	9 211	9 754	8 470	8 454	8 454	8 454	8 784	9 028	9 296
Dividends							–	–	–
Payments									
Suppliers and employees	(520 159)	(558 519)	(637 833)	(653 525)	(689 747)	(689 747)	(782 702)	(808 560)	(835 753)
Finance charges	(31 669)	(37 199)	(39 858)	(45 162)	(44 480)	(44 480)	(46 895)	(46 780)	(47 279)
Transfers and Grants	(28 454)	(35 856)	(38 749)	(41 370)	(41 668)	(41 668)	(48 497)	(54 667)	(62 244)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**98 981**	**75 920**	**76 616**	**80 014**	**117 599**	**117 599**	**92 599**	**125 682**	**152 880**
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	13 722	1 725	5 073	–		–	–	–	–
Decrease (Increase) in non-current debtors	2 189	–	–	–	4 301	4 301	–	–	–
Decrease (increase) other non-current receivables	20	45	18	15	11	11	18	13	11
Decrease (increase) in non-current investments	(4 430)	(4 960)	(4 529)	(5 827)	(5 242)	(5 242)	(6 248)	(5 930)	(6 025)
Payments									
Capital assets	(163 275)	(143 764)	(130 930)	(97 721)	(117 588)	(117 588)	(85 515)	(94 606)	(103 561)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(151 774)**	**(146 955)**	**(130 368)**	**(103 533)**	**(118 517)**	**(118 517)**	**(91 745)**	**(100 523)**	**(109 575)**
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	940	(389)	(730)	5 520	6 066	6 066	(1 135)	(1 271)	(1 352)
Borrowing long term/refinancing	110 000	38 700	51 300	40 000	40 000	40 000	30 000	30 000	30 000
Increase (decrease) in consumer deposits	12 844	3 726	2 819	2 703	3 570	3 570	2 479	2 628	2 786
Payments									
Repayment of borrowing	(14 295)	(13 554)	(20 626)	(21 061)	(21 061)	(21 061)	(23 936)	(26 841)	(29 775)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**109 489**	**28 482**	**32 764**	**27 163**	**28 576**	**28 576**	**7 409**	**4 515**	**1 659**
NET INCREASE/ (DECREASE) IN CASH HELD	**56 696**	**(42 552)**	**(20 989)**	**3 644**	**27 657**	**27 657**	**8 263**	**29 675**	**44 964**
Cash/cash equivalents at the year begin:	**70 004**	**126 699**	**84 147**	**84 406**	**63 158**	**63 158**	**90 815**	**99 079**	**128 754**
Cash/cash equivalents at the year end:	**126 699**	**84 147**	**63 158**	**88 050**	**90 815**	**90 815**	**99 079**	**128 754**	**173 717**

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

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash and investments available									
Cash/cash equivalents at the year end	126 699	84 147	63 158	88 050	90 815	90 815	99 079	128 754	173 717
Other current investments > 90 days	0	–	0	–	–	–	–	–	–
Non current assets - Investments	5 691	11 597	16 965	22 207	22 207	22 207	28 455	34 384	40 409
Cash and investments available:	**132 391**	**95 744**	**80 123**	**110 257**	**113 022**	**113 022**	**127 533**	**163 138**	**214 126**
Application of cash and investments									
Unspent conditional transfers	4 555	7 783	3 425	–	–	–	–	–	–
Unspent borrowing	18 255	–	–	–	–	–	–	–	–
Statutory requirements									
Other working capital requirements	(28 049)	(21 016)	(40 826)	(40 803)	(61 683)	(61 683)	(22 868)	(23 728)	(13 036)
Other provisions									
Long term investments committed	5 691	11 597	16 965	22 207	22 207	22 207	28 455	34 384	40 409
Reserves to be backed by cash/investments	1 920	1 891	2 565	1 934	2 573	2 573	2 637	2 703	2 757
Total Application of cash and investments:	**2 373**	**255**	**(17 871)**	**(16 663)**	**(36 904)**	**(36 904)**	**8 224**	**13 360**	**30 131**
Surplus(shortfall)	**130 018**	**95 489**	**97 994**	**126 920**	**149 926**	**149 926**	**119 309**	**149 778**	**183 996**

WC032 Overstrand - Schedule 7 - Asset Management

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CAPITAL EXPENDITURE									
Total New Assets	**163 275**	**139 617**	**83 899**	**69 581**	**84 749**	**84 749**	**64 758**	**73 606**	**97 061**
Infrastructure - Road transport	12 754	15 578	9 203	800	1 332	1 332	15 049	5 000	5 000
Infrastructure - Electricity	30 061	22 203	24 160	13 900	13 900	13 900	17 775	8 500	14 500
Infrastructure - Water	57 384	48 634	7 300	–	580	580	4 673	4 726	11 787
Infrastructure - Sanitation	32 650	16 478	8 449	9 600	8 892	8 892	3 320	6 100	10 600
Infrastructure - Other	196	5 359	1 400	10 200	9 300	9 300	10	–	–
Infrastructure	*133 045*	*108 252*	*50 511*	*34 500*	*34 003*	*34 003*	*40 827*	*24 326*	*41 887*
Community	6 183	20 997	13 896	18 266	32 970	32 970	21 257	45 550	55 174
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	795	–	–	–	–	–	–
Other assets	23 118	9 038	18 697	16 815	17 776	17 776	2 673	3 730	–
Intangibles	928	1 330	–	–	–	–	–	–	–
Total Renewal of Existing Assets	**–**	**4 147**	**47 032**	**28 139**	**32 838**	**32 838**	**20 758**	**21 000**	**6 500**
Infrastructure - Road transport	–	131	6 892	5 400	6 300	6 300	–	–	–
Infrastructure - Electricity	–	–	12 955	3 100	3 100	3 100	–	5 500	1 500
Infrastructure - Water	–	–	16 331	12 800	15 805	15 805	11 653	10 000	4 000
Infrastructure - Sanitation	–	–	1 711	3 900	3 179	3 179	4 947	5 500	1 000
Infrastructure - Other	–	–	1 641	–	–	–	–	–	–
Infrastructure	–	*131*	*39 529*	*25 200*	*28 384*	*28 384*	*16 600*	*21 000*	*6 500*
Community	–	756	5 686	2 939	4 454	4 454	4 158	–	–
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	–	3 260	1 817	–	–	–	–	–	–
Intangibles	–	–	–	–	–	–	–	–	–
Total Capital Expenditure									
Infrastructure - Road transport	12 754	15 709	16 094	6 200	7 632	7 632	15 049	5 000	5 000
Infrastructure - Electricity	30 061	22 203	37 115	17 000	17 000	17 000	17 775	14 000	16 000
Infrastructure - Water	57 384	48 634	23 631	12 800	16 384	16 384	16 326	14 726	15 787
Infrastructure - Sanitation	32 650	16 478	10 159	13 500	12 071	12 071	8 267	11 600	11 600
Infrastructure - Other	196	5 359	3 041	10 200	9 300	9 300	10	–	–
Infrastructure	*133 045*	*108 383*	*90 040*	*59 700*	*62 387*	*62 387*	*57 427*	*45 326*	*48 387*
Community	6 183	21 753	19 582	21 205	37 425	37 425	25 415	45 550	55 174
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	795	–	–	–	–	–	–
Other assets	23 118	12 298	20 513	16 815	17 776	17 776	2 673	3 730	–
Intangibles	928	1 330	–	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class	**163 275**	**143 764**	**130 930**	**97 721**	**117 588**	**117 588**	**85 515**	**94 606**	**103 561**
ASSET REGISTER SUMMARY - PPE (WDV)									
Infrastructure - Road transport	946 061	947 141	942 269	906 551	907 352	907 352	925 642	915 933	909 563
Infrastructure - Electricity	600 736	609 815	619 999	620 545	621 764	621 764	620 094	612 727	606 077
Infrastructure - Water	419 500	458 648	459 954	453 857	459 276	459 276	453 842	450 864	448 638
Infrastructure - Sanitation	379 653	381 194	377 248	376 342	373 384	373 384	382 220	387 578	395 126
Infrastructure - Other	37 051	39 059	39 501	70 579	71 090	71 090	41 057	36 026	30 694
Infrastructure	*2 383 001*	*2 435 858*	*2 438 970*	*2 427 874*	*2 432 867*	*2 432 867*	*2 422 855*	*2 403 128*	*2 390 098*
Community	81 364	58 783	62 814	88 257	106 034	106 034	63 654	66 637	69 391
Heritage assets	108 552	99 573	99 572	99 322	99 322	99 322	99 572	99 572	99 572
Investment properties	104 673	175 866	164 501	175 866	164 501	164 501	164 501	164 501	164 501
Other assets	500 097	502 906	509 700	456 970	497 371	497 371	517 890	512 165	501 844
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	3 547	4 449	5 220	6 426	5 220	5 220	5 368	4 401	3 433
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	**3 181 234**	**3 277 435**	**3 280 777**	**3 254 715**	**3 305 315**	**3 305 315**	**3 273 841**	**3 250 403**	**3 228 839**
EXPENDITURE OTHER ITEMS									
Depreciation & asset impairment	104 041	104 408	99 361	109 265	105 461	105 461	111 362	118 043	125 126
Repairs and Maintenance by Asset Class	64 845	114 414	150 358	162 268	162 268	162 268	121 077	126 814	150 754
Infrastructure - Road transport	25 843	42 236	63 749	68 540	68 540	68 540	57 090	60 842	64 540
Infrastructure - Electricity	4 601	14 105	20 488	25 491	25 491	25 491	16 835	17 340	23 891
Infrastructure - Water	6 892	21 502	27 931	26 775	26 775	26 775	22 874	24 001	24 393
Infrastructure - Sanitation	4 568	7 708	15 486	14 146	14 146	14 146	12 159	12 963	16 387
Infrastructure - Other	1 215	1 499	1 491	1 800	1 800	1 800	2 492	2 719	4 130
Infrastructure	*43 120*	*87 048*	*129 145*	*136 752*	*136 752*	*136 752*	*111 449*	*117 865*	*133 341*
Community	6 012	5 408	7 349	9 298	9 298	9 298	4 546	4 391	8 211
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	270	–	–	–	–	–	–	–	–
Other assets	15 443	21 958	13 864	16 218	16 218	16 218	5 081	4 559	9 203
TOTAL EXPENDITURE OTHER ITEMS	**168 886**	**218 821**	**249 719**	**271 533**	**267 729**	**267 729**	**232 439**	**244 857**	**275 880**
Renewal of Existing Assets as % of total capex	*0.0%*	*2.9%*	*35.9%*	*28.8%*	*27.9%*	*27.9%*	*24.3%*	*22.2%*	*6.3%*
Renewal of Existing Assets as % of deprecn"	*0.0%*	*4.0%*	*47.3%*	*25.8%*	*31.1%*	*31.1%*	*18.6%*	*17.8%*	*5.2%*
R&M as a % of PPE	*2.1%*	*3.7%*	*4.8%*	*5.3%*	*5.2%*	*5.2%*	*3.9%*	*4.1%*	*4.9%*
Renewal and R&M as a % of PPE	*2.0%*	*4.0%*	*6.0%*	*6.0%*	*6.0%*	*6.0%*	*4.0%*	*5.0%*	*5.0%*

WC032 Overstrand - Schedule 8 - Basic service delivery measurement

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Household service targets									
Water:									
Piped water inside dwelling	27 203	27 295	32 032	28 100	28 100	28 100	29 366	30 350	31 300
Piped water inside yard (but not in dwelling)	–	–	–		–	–			
Using public tap (at least min.service level)	3 449	3 436	3 334	3 350	3 350	3 350	3 320	3 270	3 200
Other water supply (at least min.service level)	199	199	155		–	–			
Minimum Service Level and Above sub-total	30 851	30 930	35 521	31 450	31 450	31 450	32 686	33 620	34 500
Using public tap (< min.service level)	–	–	–						
Other water supply (< min.service level)	–	–	–						
No water supply									
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	**30 851**	**30 930**	**35 521**	**31 450**	**31 450**	**31 450**	**32 686**	**33 620**	**34 500**
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	21 205	21 284	21 632	20 030	20 030	20 030	20 818	21 413	21 973
Flush toilet (with septic tank)	9 646	9 646	9 799	11 420	11 420	11 420	11 868	12 207	12 527
Chemical toilet	–	–	–		–	–			
Pit toilet (ventilated)	–	–	–		–	–			
Other toilet provisions (> min.service level)	–	–	–		–	–			
Minimum Service Level and Above sub-total	30 851	30 930	31 431	31 450	31 450	31 450	32 686	33 620	34 500
Bucket toilet	–	–	–						
Other toilet provisions (< min.service level)	–	–	–						
No toilet provisions	–	–	–						
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	**30 851**	**30 930**	**31 431**	**31 450**	**31 450**	**31 450**	**32 686**	**33 620**	**34 500**
Energy:									
Electricity (at least min.service level)	8 420	7 918	7 136	8 700	6 625	6 625	6 114	5 603	5 092
Electricity - prepaid (min.service level)	13 478	14 080	16 458	17 700	18 379	18 379	19 240	20 132	21 024
Minimum Service Level and Above sub-total	21 898	21 998	23 594	26 400	25 004	25 004	25 354	25 735	26 116
Electricity (< min.service level)	–	–	–		–	–			
Electricity - prepaid (< min. service level)	–	–	–	1 000	1 000	1 000			
Other energy sources	–	–	–		–	–			
Below Minimum Service Level sub-total	–	–	–	1 000	1 000	1 000	–	–	–
Total number of households	**21 898**	**21 998**	**23 594**	**27 400**	**26 004**	**26 004**	**25 354**	**25 735**	**26 116**
Refuse:									
Removed at least once a week	31 373	31 739	31 829	32 691	32 691	32 691	33 023	34 014	35 034
Minimum Service Level and Above sub-total	31 373	31 739	31 829	32 691	32 691	32 691	33 023	34 014	35 034
Removed less frequently than once a week	–	–	–						
Using communal refuse dump	–	–	–						
Using own refuse dump	–	–	–						
Other rubbish disposal	–	–	–						
No rubbish disposal	–	–	–						
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	**31 373**	**31 739**	**31 829**	**32 691**	**32 691**	**32 691**	**33 023**	**34 014**	**35 034**
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	25 310	25 406	6 543	6 700	6 700	6 700	6 900	7 000	7 100
Sanitation (free minimum level service)	5 852	6 423	6 543	6 700	6 700	6 700	6 900	7 000	7 100
Electricity/other energy (50kwh per household per mont	5 852	6 423	6 543	4 785	4 785	4 785	6 900	7 000	7 100
Refuse (removed at least once a week)	5 852	6 423	6 543	6 700	6 700	6 700	6 900	7 000	7 100
Cost of Free Basic Services provided (R'000)									
Water (6 kilolitres per household per month)	5 470	6 020	6 502	7 723	7 723	7 723			
Sanitation (free sanitation service)	5 046	8 756	9 459	6 930	6 930	6 930			
Electricity/other energy (50kwh per household per mont	11 665	13 482	14 562	18 809	18 809	18 809			
Refuse (removed once a week)	5 903	7 198	7 775	9 174	9 174	9 174			
Total cost of FBS provided (minimum social package)	**28 084**	**35 456**	**38 298**	**42 637**	**42 637**	**42 637**	**–**	**–**	**–**
Highest level of free service provided									
Property rates (R value threshold)	50 000	100 000	100 000	100 000	100 000	100 000	220 000	220 000	220 000
Water (kilolitres per household per month)	6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)	4.2	4.2	4.0	4.2	4.2	4.2	4.0	4.0	4.0
Sanitation (Rand per household per month)	51	54	58	61	61	61	65	69	73
Electricity (kwh per household per month)	50	50	50	50	50	50	50	50	50
Refuse (average litres per week)	210	210	210	210	210	210	210	210	210
Revenue cost of free services provided (R'000)									
Property rates (R15 000 threshold rebate)	1 712	1 824	1 537	1 965	1 965	1 965	1 872	1 984	2 103
Property rates (other exemptions, reductions and rebates)	27 813	30 454	29 590	26 522	26 522	26 522	35 960	38 118	40 405
Water	13 295	15 549	1 649	8 285	8 285	8 285	588	623	661
Sanitation	4 094	4 779	5 182	6 420	6 420	6 420	823	873	925
Electricity/other energy	2 882	3 495	3 667	15 842	15 842	15 842	2 644	2 802	2 970
Refuse	6 671	9 934	10 992	10 545	10 545	10 545	916	971	1 030
Municipal Housing - rental rebates	15 176	–	–	–	–	–			
Housing - top structure subsidies					–	–			
Other					–	–			
Total revenue cost of free services provided (total social package)	**71 643**	**66 035**	**52 617**	**69 579**	**69 579**	**69 579**	**42 803**	**45 371**	**48 094**

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

Standard Classification Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard									
Governance and administration	**167 928**	**232 385**	**199 504**	**231 071**	**232 413**	**232 413**	**255 994**	**272 264**	**292 533**
Executive and council	31 483	38 355	42 355	52 442	52 442	52 442	64 861	72 528	79 858
Budget and treasury office	127 745	137 728	150 786	169 095	170 420	170 420	180 339	191 921	204 338
Corporate services	8 700	56 303	6 363	9 534	9 551	9 551	10 795	7 816	8 338
Community and public safety	**23 195**	**50 862**	**71 418**	**33 726**	**73 422**	**73 422**	**100 972**	**125 079**	**119 019**
Community and social services	2 574	2 990	2 574	2 402	2 402	2 402	4 677	9 025	9 525
Sport and recreation	6 609	7 765	11 427	9 565	9 191	9 191	11 052	14 163	14 899
Public safety	10 048	20 142	28 300	13 184	36 094	36 094	37 676	39 164	40 802
Housing	3 965	19 965	29 116	8 576	25 735	25 735	47 567	62 726	53 793
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	**12 963**	**18 567**	**30 962**	**13 939**	**16 496**	**16 496**	**20 041**	**10 939**	**13 263**
Planning and development	8 801	7 907	12 853	8 465	8 550	8 550	9 051	8 129	8 942
Road transport	3 863	10 595	17 790	5 397	7 869	7 869	10 890	2 700	4 200
Environmental protection	299	65	319	76	76	76	101	110	121
Trading services	**456 833**	**461 155**	**485 124**	**542 106**	**540 568**	**540 568**	**581 518**	**625 966**	**677 315**
Electricity	229 488	249 645	270 880	313 388	312 305	312 305	346 361	375 057	413 102
Water	108 189	96 325	96 086	96 872	96 872	96 872	106 211	113 026	120 078
Waste water management	79 550	68 428	65 091	72 155	71 106	71 106	69 402	74 765	77 229
Waste management	39 605	46 758	53 066	59 691	60 286	60 286	59 544	63 118	66 906
Other	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Revenue - Standard	**660 918**	**762 969**	**787 007**	**820 842**	**862 900**	**862 900**	**958 526**	**1 034 249**	**1 102 130**
Expenditure - Standard									
Governance and administration	**190 332**	**205 348**	**119 512**	**127 368**	**124 670**	**124 670**	**237 218**	**248 313**	**267 049**
Executive and council	58 811	67 621	71 355	66 867	68 003	68 003	92 505	98 337	108 547
Budget and treasury office	48 679	51 399	23 830	24 503	25 398	25 398	69 750	71 154	75 197
Corporate services	82 842	86 328	24 327	35 998	31 269	31 269	74 963	78 822	83 305
Community and public safety	**124 992**	**87 288**	**134 133**	**113 536**	**135 146**	**135 146**	**154 971**	**158 237**	**146 267**
Community and social services	24 079	26 093	30 255	32 563	32 499	32 499	31 322	33 034	35 198
Sport and recreation	15 378	14 271	18 637	22 245	20 744	20 744	18 220	19 390	20 550
Public safety	31 241	42 651	56 923	49 173	71 893	71 893	69 453	72 280	75 270
Housing	54 294	4 273	28 318	9 554	10 009	10 009	35 976	33 533	15 249
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	**116 245**	**113 012**	**130 335**	**139 514**	**138 641**	**138 641**	**132 046**	**137 946**	**145 918**
Planning and development	35 519	36 280	30 370	37 314	36 945	36 945	40 308	40 867	43 282
Road transport	75 715	71 108	92 659	95 166	94 492	94 492	84 786	89 863	94 986
Environmental protection	5 011	5 624	7 306	7 035	7 204	7 204	6 952	7 217	7 651
Trading services	**310 956**	**346 423**	**448 042**	**489 171**	**533 668**	**533 668**	**453 273**	**492 997**	**539 058**
Electricity	177 473	198 933	247 859	272 386	272 466	272 466	257 278	287 386	322 086
Water	53 445	61 422	99 439	93 157	90 979	90 979	78 375	81 294	85 130
Waste water management	42 466	45 965	64 659	67 138	69 170	69 170	63 357	67 214	71 597
Waste management	37 573	40 102	36 085	56 489	101 052	101 052	54 264	57 103	60 245
Other	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Expenditure - Standard	**742 525**	**752 070**	**832 022**	**869 588**	**932 125**	**932 125**	**977 508**	**1 037 493**	**1 098 292**
Surplus/(Deficit) for the year	**(81 607)**	**10 899**	**(45 015)**	**(48 747)**	**(69 225)**	**(69 225)**	**(18 981)**	**(3 244)**	**3 838**

WC032 Overstrand - Schedule 10 - Budgeted Capital Expenditure by directorate

Vote Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure - Vote									
Multi-year expenditure to be appropriated									
Vote 1 - Council	–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager	–	–	–	–	–	–	–	–	–
Vote 3 - Management Services	–	–	–	–	–	–	–	–	–
Vote 4 - Finance	–	–	–	–	–	–	–	–	–
Vote 5 - Community Services	–	–	5 000	4 939	3 565	3 565	20 438	4 500	4 000
Vote 6 - Local Economic Development	–	–	–	–	–	–	–	–	–
Vote 7 - Infrastructure & Planning	–	–	–	–	–	–	7 500	3 000	3 000
Vote 8 - Protection Services	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Vote	**–**	**–**	**5 000**	**4 939**	**3 565**	**3 565**	**27 938**	**7 500**	**7 000**
Single-year expenditure to be appropriated									
Vote 1 - Council	–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager	–	–	–	–	–	–	–	–	–
Vote 3 - Management Services	928	1 274	1 790	2 548	2 534	2 534	2 528	–	–
Vote 4 - Finance	–	–	–	–	–	–	–	–	–
Vote 5 - Community Services	119 308	110 111	74 622	71 999	92 038	92 038	44 030	72 106	79 561
Vote 6 - Local Economic Development	–	945	–	–	–	–	–	–	–
Vote 7 - Infrastructure & Planning	42 394	31 434	49 518	18 235	19 450	19 450	10 920	15 000	17 000
Vote 8 - Protection Services	645	–	–	–	–	–	100	–	–
Capital single-year expenditure sub-total	**163 275**	**143 764**	**125 930**	**92 781**	**114 022**	**114 022**	**57 578**	**87 106**	**96 561**
Total Capital Expenditure - Vote	**163 275**	**143 764**	**130 930**	**97 721**	**117 588**	**117 588**	**85 515**	**94 606**	**103 561**

ANNEXURE B

A1 SCHEDULE & A2 BUDGET CHARTS

Municipal annual budgets and MTREF & supporting tables

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Munisipaliteit • U-Masipala • Municipality

OVERSTRAND

Municipality Name:	WC032 Overstrand
CFO Name:	SANTIE REYNEKE-NAUDE
Tel:	028 3138040
Fax:	028 3138128
E-Mail:	cfo@overstrand.gov.za
Budget for MTREF starting:	2015
Budget Year:	2015/16
Does this municipality have Entities?	No
If YES: Identify type of report:	

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

WC032 Overstrand - Contact Information

A. GENERAL INFORMATION

Municipality	**WC032 Overstrand**
Grade	3 *1 Grade in terms of the Remuneration of Public Office Bearers Act.*
Province	**WC WESTERN CAPE**
Web Address	**www.overstrand.gov.za**
e-mail Address	**bking@overstrand.gov.za**

B. CONTACT INFORMATION

Postal address:	
P.O. Box	P.O.BOX 20
City / Town	HERMANUS
Postal Code	7200
Street address	
Building	MUNICIPAL OFFICE
Street No. & Name	MAGNOLIA STREET
City / Town	HERMANUS
Postal Code	7200
General Contacts	
Telephone number	028 313 8000
Fax number	028 313 8128

C. POLITICAL LEADERSHIP

Speaker:		**Secretary/PA to the Speaker:**	
Name	ANTON COETSEE	Name	RENE DU PLOOY
Telephone number	028 3138018	Telephone number	028 313 8002
Cell number	083 2835 237	Cell number	
Fax number	028 3138067	Fax number	028 313 8067
E-mail address	acoetsee@overstrand.gov.za	E-mail address	maycomsec@overstrand.gov.za
Mayor/Executive Mayor:		**Secretary/PA to the Mayor/Executive Mayor:**	
Name	NICOLETTE BOTHA -GUTHRIE	Name	ELIZE VERRIJ
Telephone number	028 3138011	Telephone number	028 3138058
Cell number	082 3766 265	Cell number	083 9255 404
Fax number	028 3138067	Fax number	028 3138067
E-mail address	nbotha-guthrie@overstrand.gov.za	E-mail address	everrij@overstrand.gov.za
Deputy Mayor/Executive Mayor:		**Secretary/PA to the Deputy Mayor/Executive Mayor:**	
Name	RUDOLPH SMITH	Name	RENE DU PLOOY
Telephone number	028 313 8191	Telephone number	028 313 8002
Cell number	082 514 6411	Cell number	
Fax number	028 313 8067	Fax number	028 313 8067
E-mail address	rsmith@overstrand.gov.za	E-mail address	maycomsec@overstrand.gov.za

D. MANAGEMENT LEADERSHIP

Municipal Manager:		**Secretary/PA to the Municipal Manager:**	
Name	COENIE GROENEWALD	Name	RENTIA PRETORIUS
Telephone number	028 3138003	Telephone number	028 3138909
Cell number	082 5529 555	Cell number	
Fax number	0865689726	Fax number	0865689726
E-mail address	cgroenewald@overstrand.gov.za	E-mail address	rpretorius@overstrand.gov.za
Chief Financial Officer		**Secretary/PA to the Chief Financial Officer**	
Name	SANTIE REYNEKE-NAUDE	Name	RITA LE ROUX
Telephone number	028 3138040	Telephone number	028 313 8074
Cell number	082 551 4499	Cell number	
Fax number	028 3138128	Fax number	028 313 8128
E-mail address	cfo@overstrand.gov.za	E-mail address	rleroux@overstrand.gov.za

Official responsible for submitting financial information	
Name	BERNARD KING
Telephone number	028 3138154
Cell number	
Fax number	028 313 8128
E-mail address	bking@overstrand.gov.za
Official responsible for submitting financial information	
Name	GEORGIA BUCCHIANERI
Telephone number	028 3138913
Cell number	
Fax number	028 313 8128
E-mail address	gbucchianeri@overstrand.gov.za
Official responsible for submitting financial information	
Name	VERONICA ALLEN
Telephone number	028 3138131
Cell number	
Fax number	028 313 8128
E-mail address	vallen@overstrand.gov.za

WC032 Overstrand - Table A1 Budget Summary

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Financial Performance									
Property rates	**109 838**	121 571	135 633	149 690	154 559	154 559	163 621	174 288	185 651
Service charges	405 415	436 439	479 253	525 567	525 567	525 567	566 784	612 476	662 296
Investment revenue	6 881	7 555	6 352	6 166	6 166	6 166	6 348	6 348	6 348
Transfers recognised - operational	38 005	41 680	67 835	58 407	62 032	62 032	103 363	107 886	97 173
Other own revenue	37 344	96 627	47 302	44 644	62 224	62 224	68 095	72 375	77 102
Total Revenue (excluding capital transfers and contributions)	597 482	703 871	736 376	784 474	810 548	810 548	908 211	973 373	1 028 569
Employee costs	207 938	231 642	260 645	280 066	276 217	276 217	291 593	305 408	323 583
Remuneration of councillors	6 717	7 084	7 933	8 516	8 516	8 516	8 674	9 192	9 741
Depreciation & asset impairment	104 041	104 408	99 361	109 265	105 461	105 461	111 362	118 043	125 126
Finance charges	31 727	37 331	39 927	45 162	44 480	44 480	46 895	46 780	47 279
Materials and bulk purchases	181 251	157 462	170 650	186 739	186 759	186 759	264 458	290 769	306 221
Transfers and grants	28 454	35 856	38 749	41 370	41 668	41 668	48 497	54 667	62 244
Other expenditure	182 396	178 287	214 757	198 469	269 024	269 024	206 029	212 634	224 099
Total Expenditure	742 525	752 070	832 022	869 588	932 125	932 125	977 508	1 037 493	1 098 292
Surplus/(Deficit)	(145 043)	(48 199)	(95 646)	(85 115)	(121 577)	(121 577)	(69 296)	(64 120)	(69 723)
Transfers recognised - capital	54 833	53 809	38 090	34 234	50 301	50 301	50 315	60 876	73 561
Contributions recognised - capital & contributed assets	8 603	5 289	12 542	2 134	2 051	2 051	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(81 607)	10 899	(45 015)	(48 747)	(69 225)	(69 225)	(18 981)	(3 244)	3 838
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(81 607)	10 899	(45 015)	(48 747)	(69 225)	(69 225)	(18 981)	(3 244)	3 838
Capital expenditure & funds sources									
Capital expenditure	**163 275**	143 764	130 930	97 721	117 588	117 588	85 515	94 606	103 561
Transfers recognised - capital	**54 833**	53 809	38 090	36 368	52 352	52 352	50 315	60 876	73 561
Public contributions & donations	**14 300**	5 067	7 985	–	885	885	–	–	–
Borrowing	**73 964**	67 544	70 634	46 923	48 770	48 770	30 000	30 000	30 000
Internally generated funds	**20 178**	17 345	14 222	14 430	15 582	15 582	5 200	3 730	–
Total sources of capital funds	**163 275**	143 764	130 930	97 721	117 588	117 588	85 515	94 606	103 561
Financial position									
Total current assets	**230 033**	205 668	175 465	197 146	209 911	209 911	209 462	238 485	288 238
Total non current assets	**3 209 100**	3 290 140	3 302 111	3 316 479	3 327 579	3 327 579	3 302 336	3 284 818	3 269 268
Total current liabilities	**137 580**	160 331	148 801	153 849	153 113	153 113	174 459	178 435	201 387
Total non current liabilities	**452 301**	483 951	520 970	549 267	593 707	593 707	617 668	628 376	635 734
Community wealth/Equity	**2 849 252**	2 851 526	2 807 805	2 810 509	2 790 670	2 790 670	2 719 671	2 716 492	2 720 385
Cash flows									
Net cash from (used) operating	**98 981**	75 920	76 616	80 014	117 599	117 599	92 599	125 682	152 880
Net cash from (used) investing	**(151 774)**	(146 955)	(130 368)	(103 533)	(118 517)	(118 517)	(91 745)	(100 523)	(109 575)
Net cash from (used) financing	**109 489**	28 482	32 764	27 163	28 576	28 576	7 409	4 515	1 659
Cash/cash equivalents at the year end	**126 699**	84 147	63 158	88 050	90 815	90 815	99 079	128 754	173 717
Cash backing/surplus reconciliation									
Cash and investments available	**132 391**	95 744	80 123	110 257	113 022	113 022	127 533	163 138	214 126
Application of cash and investments	**2 373**	6 388	(16 024)	(16 663)	(36 904)	(36 904)	8 224	13 360	30 131
Balance - surplus (shortfall)	**130 018**	89 356	96 147	126 920	149 926	149 926	119 309	149 778	183 996
Asset management									
Asset register summary (WDV)	**3 181 234**	3 277 435	3 280 777	3 254 715	3 305 315	3 305 315	3 273 841	3 250 403	3 228 839
Depreciation & asset impairment	**104 041**	104 408	99 361	109 265	105 461	105 461	111 362	118 043	125 126
Renewal of Existing Assets	**–**	4 147	47 032	28 139	32 838	32 838	20 758	21 000	6 500
Repairs and Maintenance	**64 845**	114 414	150 358	162 268	162 268	162 268	121 077	126 814	150 754
Free services									
Cost of Free Basic Services provided	**28 084**	32 049	34 509	41 716	41 716	41 716	48 296	52 358	56 767
Revenue cost of free services provided	**82 641**	77 796	74 679	75 253	75 253	75 253	88 909	95 819	103 302
Households below minimum service level									
Water:	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	1	1	1	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–

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

Standard Classification Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard									
Governance and administration	**167 928**	**232 385**	**199 504**	**231 071**	**232 413**	**232 413**	**255 994**	**272 264**	**292 533**
Executive and council	31 483	38 355	42 355	52 442	52 442	52 442	64 861	72 528	79 858
Budget and treasury office	127 745	137 728	150 786	169 095	170 420	170 420	180 339	191 921	204 338
Corporate services	8 700	56 303	6 363	9 534	9 551	9 551	10 795	7 816	8 338
Community and public safety	**23 195**	**50 862**	**71 418**	**33 726**	**73 422**	**73 422**	**100 972**	**125 079**	**119 019**
Community and social services	2 574	2 990	2 574	2 402	2 402	2 402	4 677	9 025	9 525
Sport and recreation	6 609	7 765	11 427	9 565	9 191	9 191	11 052	14 163	14 899
Public safety	10 048	20 142	28 300	13 184	36 094	36 094	37 676	39 164	40 802
Housing	3 965	19 965	29 116	8 576	25 735	25 735	47 567	62 726	53 793
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	**12 963**	**18 567**	**30 962**	**13 939**	**16 496**	**16 496**	**20 041**	**10 939**	**13 263**
Planning and development	8 801	7 907	12 853	8 465	8 550	8 550	9 051	8 129	8 942
Road transport	3 863	10 595	17 790	5 397	7 869	7 869	10 890	2 700	4 200
Environmental protection	299	65	319	76	76	76	101	110	121
Trading services	**456 833**	**461 155**	**485 124**	**542 106**	**540 568**	**540 568**	**581 518**	**625 966**	**677 315**
Electricity	229 488	249 645	270 880	313 388	312 305	312 305	346 361	375 057	413 102
Water	108 189	96 325	96 086	96 872	96 872	96 872	106 211	113 026	120 078
Waste water management	79 550	68 428	65 091	72 155	71 106	71 106	69 402	74 765	77 229
Waste management	39 605	46 758	53 066	59 691	60 286	60 286	59 544	63 118	66 906
Other	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Revenue - Standard	**660 918**	**762 969**	**787 007**	**820 842**	**862 900**	**862 900**	**958 526**	**1 034 249**	**1 102 130**
Expenditure - Standard									
Governance and administration	**190 332**	**205 348**	**119 512**	**127 368**	**124 670**	**124 670**	**237 218**	**248 313**	**267 049**
Executive and council	58 811	67 621	71 355	66 867	68 003	68 003	92 505	98 337	108 547
Budget and treasury office	48 679	51 399	23 830	24 503	25 398	25 398	69 750	71 154	75 197
Corporate services	82 842	86 328	24 327	35 998	31 269	31 269	74 963	78 822	83 305
Community and public safety	**124 992**	**87 288**	**134 133**	**113 536**	**135 146**	**135 146**	**154 971**	**158 237**	**146 267**
Community and social services	24 079	26 093	30 255	32 563	32 499	32 499	31 322	33 034	35 198
Sport and recreation	15 378	14 271	18 637	22 245	20 744	20 744	18 220	19 390	20 550
Public safety	31 241	42 651	56 923	49 173	71 893	71 893	69 453	72 280	75 270
Housing	54 294	4 273	28 318	9 554	10 009	10 009	35 976	33 533	15 249
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	**116 245**	**113 012**	**130 335**	**139 514**	**138 641**	**138 641**	**132 046**	**137 946**	**145 918**
Planning and development	35 519	36 280	30 370	37 314	36 945	36 945	40 308	40 867	43 282
Road transport	75 715	71 108	92 659	95 166	94 492	94 492	84 786	89 863	94 986
Environmental protection	5 011	5 624	7 306	7 035	7 204	7 204	6 952	7 217	7 651
Trading services	**310 956**	**346 423**	**448 042**	**489 171**	**533 668**	**533 668**	**453 273**	**492 997**	**539 058**
Electricity	177 473	198 933	247 859	272 386	272 466	272 466	257 278	287 386	322 086
Water	53 445	61 422	99 439	93 157	90 979	90 979	78 375	81 294	85 130
Waste water management	42 466	45 965	64 659	67 138	69 170	69 170	63 357	67 214	71 597
Waste management	37 573	40 102	36 085	56 489	101 052	101 052	54 264	57 103	60 245
Other	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Expenditure - Standard	**742 525**	**752 070**	**832 022**	**869 588**	**932 125**	**932 125**	**977 508**	**1 037 493**	**1 098 292**
Surplus/(Deficit) for the year	**(81 607)**	**10 899**	**(45 015)**	**(48 747)**	**(69 225)**	**(69 225)**	**(18 981)**	**(3 244)**	**3 838**

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

Standard Classification Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard									
Municipal governance and administration	**167 928**	**232 385**	**199 504**	**231 071**	**232 413**	**232 413**	**255 994**	**272 264**	**292 533**
Executive and council	31 483	38 355	42 355	52 442	52 442	52 442	64 861	72 528	79 858
Mayor and Council	31 483	38 355	42 355	52 442	52 442	52 442	64 861	72 528	79 858
Municipal Manager	–	–							
Budget and treasury office	127 745	137 728	150 786	169 095	170 420	170 420	180 339	191 921	204 338
Corporate services	8 700	56 303	6 363	9 534	9 551	9 551	10 795	7 816	8 338
Human Resources	1 217	1 158	305	908	908	908	60	60	60
Information Technology	45	150	350	1 500	1 500	1 500	930	957	1 033
Property Services	6 290	53 722	3 670						
Other Admin	1 148	1 273	2 037	7 126	7 143	7 143	9 805	6 799	7 245
Community and public safety	**23 195**	**50 862**	**71 418**	**33 726**	**73 422**	**73 422**	**100 972**	**125 079**	**119 019**
Community and social services	**2 574**	**2 990**	**2 574**	**2 402**	**2 402**	**2 402**	**4 677**	**9 025**	**9 525**
Libraries and Archives	230	129	233	118	118	118	123	134	146
Museums & Art Galleries etc									
Community halls and Facilities	2 153	2 692	2 180	2 099	2 099	2 099	4 341	8 657	9 121
Cemeteries & Crematoriums	191	169	161	185	185	185	214	235	259
Child Care									
Aged Care									
Other Community									
Other Social									
Sport and recreation	6 609	7 765	11 427	9 565	9 191	9 191	11 052	14 163	14 899
Public safety	**10 048**	**20 142**	**28 300**	**13 184**	**36 094**	**36 094**	**37 676**	**39 164**	**40 802**
Police	119	115	79	42	42	42	97	106	117
Fire	228	307	684	250	250	250	325	358	393
Civil Defence									
Street Lighting									
Other	9 701	19 719	27 537	12 892	35 802	35 802	37 255	38 701	40 292
Housing	**3 965**	**19 965**	**29 116**	**8 576**	**25 735**	**25 735**	**47 567**	**62 726**	**53 793**
Health	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Clinics									
Ambulance									
Other									
Economic and environmental services	**12 963**	**18 567**	**30 962**	**13 939**	**16 496**	**16 496**	**20 041**	**10 939**	**13 263**
Planning and development	**8 801**	**7 907**	**12 853**	**8 465**	**8 550**	**8 550**	**9 051**	**8 129**	**8 942**
Economic Development/Planning	4 558	4 150	8 191	4 068	4 153	4 153	3 091	1 573	1 730
Town Planning/Building enforcement	4 243	3 757	4 662	4 397	4 397	4 397	5 960	6 556	7 211
Licensing & Regulation									
Road transport	**3 863**	**10 595**	**17 790**	**5 397**	**7 869**	**7 869**	**10 890**	**2 700**	**4 200**
Roads	3 863	10 595	17 790	5 397	7 869	7 869	10 890	2 700	4 200
Public Buses									
Parking Garages									
Vehicle Licensing and Testing									
Other									
Environmental protection	**299**	**65**	**319**	**76**	**76**	**76**	**101**	**110**	**121**
Pollution Control									
Biodiversity & Landscape	299	65	319	76	76	76	101	110	121
Other									
Trading services	**456 833**	**461 155**	**485 124**	**542 106**	**540 568**	**540 568**	**581 518**	**625 966**	**677 315**
Electricity	**229 488**	**249 645**	**270 880**	**313 388**	**312 305**	**312 305**	**346 361**	**375 057**	**413 102**
Electricity Distribution	229 488	249 645	270 880	313 388	312 305	312 305	346 361	375 057	413 102
Electricity Generation									
Water	**108 189**	**96 325**	**96 086**	**96 872**	**96 872**	**96 872**	**106 211**	**113 026**	**120 078**
Water Distribution	108 189	96 325	96 086	96 872	96 872	96 872	106 211	113 026	120 078
Water Storage									
Waste water management	**79 550**	**68 428**	**65 091**	**72 155**	**71 106**	**71 106**	**69 402**	**74 765**	**77 229**
Sewerage	78 665	63 963	65 032	71 055	69 906	69 906	66 926	72 265	76 229
Storm Water Management	885	4 465	59	1 100	1 200	1 200	2 477	2 500	1 000
Public Toilets									
Waste management	**39 605**	**46 758**	**53 066**	**59 691**	**60 286**	**60 286**	**59 544**	**63 118**	**66 906**
Solid Waste	39 605	46 758	53 066	59 691	60 286	60 286	59 544	63 118	66 906
Other	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Air Transport									
Abattoirs									
Tourism									
Forestry									
Markets									
Total Revenue - Standard	**660 918**	**762 969**	**787 007**	**820 842**	**862 900**	**862 900**	**958 526**	**1 034 249**	**1 102 130**

Expenditure - Standard									
Municipal governance and administration	**190 332**	**205 348**	**119 512**	**127 368**	**124 670**	**124 670**	**237 218**	**248 313**	**267 049**
Executive and council	58 811	67 621	71 355	66 867	68 003	68 003	92 505	98 337	108 547
Mayor and Council	55 939	64 378	70 977	66 289	67 425	67 425	90 230	97 002	107 121
Municipal Manager	2 872	3 243	378	579	578	578	2 275	1 335	1 426
Budget and treasury office	48 679	51 399	23 830	24 503	25 398	25 398	69 750	71 154	75 197
Corporate services	82 842	86 328	24 327	35 998	31 269	31 269	74 963	78 822	83 305
Human Resources	8 288	8 333	1 928	3 696	3 679	3 679	9 594	10 145	10 853
Information Technology	12 282	10 698	(732)	4 590	3 762	3 762	15 509	16 418	17 451
Property Services	16 066	17 074	6 440	6 484	6 484	6 484	5 690	6 032	6 394
Other Admin	46 206	50 223	16 691	21 228	17 344	17 344	44 170	46 228	48 607
Community and public safety	**124 992**	**87 288**	**134 133**	**113 536**	**135 146**	**135 146**	**154 971**	**158 237**	**146 267**
Community and social services	**24 079**	**26 093**	**30 255**	**32 563**	**32 499**	**32 499**	**31 322**	**33 034**	**35 198**
Libraries and Archives	4 257	4 649	6 218	7 074	7 028	7 028	6 496	6 889	7 400
Museums & Art Galleries etc									
Community halls and Facilities	19 538	21 120	23 607	25 072	25 053	25 053	24 407	25 700	27 318
Cemeteries & Crematoriums	284	325	430	418	418	418	419	445	480
Child Care									
Aged Care									
Other Community									
Other Social									
Sport and recreation	15 378	14 271	18 637	22 245	20 744	20 744	18 220	19 390	20 550
Public safety	**31 241**	**42 651**	**56 923**	**49 173**	**71 893**	**71 893**	**69 453**	**72 280**	**75 270**
Police	9 438	10 668	13 606	14 428	14 042	14 042	12 795	13 682	14 534
Fire	8 441	9 619	11 187	12 707	13 013	13 013	12 277	12 886	13 648
Civil Defence									
Street Lighting									
Other	13 361	22 364	32 129	22 038	44 839	44 839	44 381	45 712	47 088
Housing	**54 294**	**4 273**	**28 318**	**9 554**	**10 009**	**10 009**	**35 976**	**33 533**	**15 249**
Health	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Clinics									
Ambulance									
Other									
Economic and environmental services	**116 245**	**113 012**	**130 335**	**139 514**	**138 641**	**138 641**	**132 046**	**137 946**	**145 918**
Planning and development	**35 519**	**36 280**	**30 370**	**37 314**	**36 945**	**36 945**	**40 308**	**40 867**	**43 282**
Economic Development/Planning	22 139	22 758	14 781	19 046	18 618	18 618	24 086	23 639	25 058
Town Planning/Building enforcement	13 380	13 522	15 589	18 267	18 327	18 327	16 221	17 227	18 224
Licensing & Regulation									
Road transport	**75 715**	**71 108**	**92 659**	**95 166**	**94 492**	**94 492**	**84 786**	**89 863**	**94 986**
Roads	75 715	71 108	92 659	95 166	94 492	94 492	84 786	89 863	94 986
Public Buses									
Parking Garages									
Vehicle Licensing and Testing									
Other									
Environmental protection	**5 011**	**5 624**	**7 306**	**7 035**	**7 204**	**7 204**	**6 952**	**7 217**	**7 651**
Pollution Control									
Biodiversity & Landscape	5 011	5 624	7 306	7 035	7 204	7 204	6 952	7 217	7 651
Other									
Trading services	**310 956**	**346 423**	**448 042**	**489 171**	**533 668**	**533 668**	**453 273**	**492 997**	**539 058**
Electricity	**177 473**	**198 933**	**247 859**	**272 386**	**272 466**	**272 466**	**257 278**	**287 386**	**322 086**
Electricity Distribution	177 473	198 933	247 859	272 386	272 466	272 466	257 278	287 386	322 086
Electricity Generation									
Water	**53 445**	**61 422**	**99 439**	**93 157**	**90 979**	**90 979**	**78 375**	**81 294**	**85 130**
Water Distribution	53 445	61 422	99 439	93 157	90 979	90 979	78 375	81 294	85 130
Water Storage									
Waste water management	**42 466**	**45 965**	**64 659**	**67 138**	**69 170**	**69 170**	**63 357**	**67 214**	**71 597**
Sewerage	38 378	41 565	58 276	58 197	60 066	60 066	54 453	57 749	61 608
Storm Water Management	4 088	4 400	6 024	8 548	8 772	8 772	8 478	9 015	9 514
Public Toilets			359	394	333	333	426	450	475
Waste management	**37 573**	**40 102**	**36 085**	**56 489**	**101 052**	**101 052**	**54 264**	**57 103**	**60 245**
Solid Waste	37 573	40 102	36 085	56 489	101 052	101 052	54 264	57 103	60 245
Other	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Air Transport									
Abattoirs									
Tourism									
Forestry									
Markets									
Total Expenditure - Standard	**742 525**	**752 070**	**832 022**	**869 588**	**932 125**	**932 125**	**977 508**	**1 037 493**	**1 098 292**
Surplus/(Deficit) for the year	**(81 607)**	**10 899**	**(45 015)**	**(48 747)**	**(69 225)**	**(69 225)**	**(18 981)**	**(3 244)**	**3 838**

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

Vote Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote									
Vote 1 - Council	31 483	38 353	42 274	52 401	52 401	52 401	64 808	72 470	79 794
Vote 2 - Municipal Manager	–	–	–	–	–	–	–	–	–
Vote 3 - Management Services	1 264	1 476	1 286	2 410	1 844	1 844	991	1 018	1 094
Vote 4 - Finance	127 745	137 728	150 786	169 095	170 420	170 420	180 339	191 921	204 338
Vote 5 - Community Services	245 501	253 932	276 626	253 829	256 019	256 019	272 086	284 150	300 688
Vote 6 - Local Economic Development	2 817	3 750	6 431	2 968	2 968	2 968	3 091	1 573	1 730
Vote 7 - Infrastructure & Planning	242 061	307 588	281 304	326 955	343 154	343 154	399 535	443 953	473 685
Vote 8 - Protection Services	10 048	20 142	28 300	13 184	36 094	36 094	37 676	39 164	40 802
Total Revenue by Vote	**660 918**	**762 969**	**787 007**	**820 842**	**862 900**	**862 900**	**958 526**	**1 034 249**	**1 102 130**
Expenditure by Vote ***to be appropriated***									
Vote 1 - Council	55 945	64 385	68 239	63 289	64 228	64 228	71 496	78 840	87 821
Vote 2 - Municipal Manager	2 872	3 243	1 295	1 003	780	780	4 489	3 643	3 865
Vote 3 - Management Services	32 796	30 890	5 492	15 189	13 315	13 315	43 327	45 629	48 384
Vote 4 - Finance	48 679	51 399	23 830	24 503	25 398	25 398	69 750	71 154	75 197
Vote 5 - Community Services	332 230	296 939	394 516	386 685	377 259	377 259	354 470	371 463	392 545
Vote 6 - Local Economic Development	5 845	7 722	9 945	11 140	10 915	10 915	8 731	7 464	7 931
Vote 7 - Infrastructure & Planning	232 916	254 841	271 782	318 607	368 337	368 337	355 793	387 020	407 279
Vote 8 - Protection Services	31 241	42 651	56 923	49 173	71 893	71 893	69 453	72 280	75 270
Total Expenditure by Vote	**742 525**	**752 070**	**832 022**	**869 588**	**932 125**	**932 125**	**977 508**	**1 037 493**	**1 098 292**
Surplus/(Deficit) for the year	**(81 607)**	**10 899**	**(45 015)**	**(48 747)**	**(69 225)**	**(69 225)**	**(18 981)**	**(3 244)**	**3 838**

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

Vote Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote									
Vote 1 - Council	**31 483**	**38 353**	**42 274**	**52 401**	**52 401**	**52 401**	**64 808**	**72 470**	**79 794**
1.1 - Council General	31 483	38 353	42 274	52 401	52 401	52 401	64 808	72 470	79 794
1.2 - Mayor's Office									
1.3 - Pensioners & Continued Members									
Vote 2 - Municipal Manager	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
2.1 - Municipal Manager									
2.2 - Internal Audit									
Vote 3 - Management Services	**1 264**	**1 476**	**1 286**	**2 410**	**1 844**	**1 844**	**991**	**1 018**	**1 094**
3.1 - Director: Management Services		166	631						
3.2 - Communication									
3.3 - Legal Services									
3.4 - Strategic Services									
3.5 - Human Resources	1 217	1 158	305	908	908	908	60	60	60
3.6 - Info & Communication Technology	45	150	350	1 500	934	934	930	957	1 033
3.7 - Council Support Services	2	3		2	2	2	1	1	1
3.8 - Social Development									
3.9 - Risk Management									
3.10 - Municipal Court									
Vote 4 - Finance	**127 745**	**137 728**	**150 786**	**169 095**	**170 420**	**170 420**	**180 339**	**191 921**	**204 338**
4.1 - Director: Finance									
4.2 - Deputy Director: Finance	1 250	1 250	1 455	884	2 209	2 209	1 450	1 475	1 550
4.3 - Accounting Services	6 881	8 049	7 192	6 166	6 166	6 166	6 348	6 348	6 348
4.4 - Expenditure & Asset Management	19	18	25	21	21	21	15	16	16
4.5 - Revenue	6 908	7 418	7 154	8 365	8 365	8 365	9 675	10 642	11 705
4.6 - Supply Chain Management	78	138	101	110	110	110	121	133	146
4.7 - Data Control		22					–	–	–
4.8 - Assessment Rates	112 609	120 833	134 860	153 549	153 549	153 549	162 730	173 308	184 573
Vote 5 - Community Services	**245 501**	**253 932**	**276 626**	**253 829**	**256 019**	**256 019**	**272 086**	**284 150**	**300 688**
5.1 - Director & Administration	1 146	1 107	938	5 525	5 443	5 443	8 447	5 691	6 034
5.2 - Offices & Community Buildings	556	891	971	1 803	2 469	2 469	1 706	5 451	5 650
5.3 - Parks & Townlands, Cemetries	1 787	1 970	1 920	2 121	2 121	2 121	4 257	4 605	5 003
5.4 - Libraries	230	129	233	118	118	118	123	134	146
5.5 - Sport & Recreation	6 609	7 765	11 427	9 565	9 191	9 191	11 052	14 163	14 899
5.6 - Housing & Social Upliftment	3 965	19 965	29 116	583	583	583	453	496	543
5.7 - Roads & Stormwater	4 748	15 060	17 849	6 498	9 070	9 070	13 366	5 200	5 200
5.8 - Water	108 189	96 325	96 086	96 872	96 872	96 872	106 211	113 026	120 078
5.9 - Sewerage	78 665	63 963	65 032	71 055	69 906	69 906	66 926	72 265	76 229
5.10 - Refuse	39 605	46 758	53 054	59 691	60 248	60 248	59 544	63 118	66 906
Vote 6 - Local Economic Development	**2 817**	**3 750**	**6 431**	**2 968**	**2 968**	**2 968**	**3 091**	**1 573**	**1 730**
6.1 - Director: Economic Development & Planning	2 817	3 750	5 207	1 768	1 768	1 768	1 661		
6.2 - Tourism									
6.3 - Parking Services			1 224	1 200	1 200	1 200	1 430	1 573	1 730
Vote 7 - Infrastructure & Planning	**242 061**	**307 588**	**281 304**	**326 955**	**343 154**	**343 154**	**399 535**	**443 953**	**473 685**
7.1 - Director: Infrastructure & Planning			1 000						
7.2 - Deputy Director:Engineering Planning	1 741	400	759	1 100	1 185	1 185	0	0	0
7.3 - Engineering Services & Housing Development				7 993	25 152	25 152	47 114	62 230	53 250
7.4 - Town Planning	758	794	912	803	803	803	1 120	1 232	1 355
7.5 - Geographical Info System (GIS)									
7.6 - Building Control Services	3 486	2 963	3 750	3 594	3 594	3 594	4 840	5 324	5 856
7.7 - Environmental Management Services	299	65	319	76	76	76	101	110	121
7.8 - Electricity	229 488	249 645	270 880	313 388	312 305	312 305	346 361	375 057	413 102
7.9 - Solid Waste Planning & Solid Waste Disposal			12		38	38			
7.10 - Property Administration	6 290	53 722	3 670						
Vote 8 - Protection Services	**10 048**	**20 142**	**28 300**	**13 184**	**36 094**	**36 094**	**37 676**	**39 164**	**40 802**
8.1 - Director: Protection Services		50	100						
8.2 - Traffic	9 701	18 557	27 437	12 892	35 802	35 802	37 255	38 701	40 292
8.3 - Law Enforcement	119	115	79	42	42	42	97	106	117
8.4 - Vehicle testing								–	–
8.5 - Fire Brigade/Disaster Management	228	307	684	250	250	250	325	358	393
8.6 - Vehicle Licensing		1 112							
Total Revenue by Vote	**660 918**	**762 969**	**787 007**	**820 842**	**862 900**	**862 900**	**958 526**	**1 034 249**	**1 102 130**

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

Vote Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Expenditure by Vote									
Vote 1 - Council	**55 945**	**64 385**	**68 239**	**63 289**	**64 228**	**64 228**	**71 496**	**78 840**	**87 821**
1.1 - Council General	54 911	63 356	68 203	62 915	63 855	63 855	70 656	77 950	86 877
1.2 - Mayor's Office	1 028	1 022	28	365	365	365	832	882	935
1.3 - Pensioners & Continued Members	6	7	8	8	8	8	8	8	9
Vote 2 - Municipal Manager	**2 872**	**3 243**	**1 295**	**1 003**	**780**	**780**	**4 489**	**3 643**	**3 865**
2.1 - Municipal Manager	1 897	1 834	378	579	578	578	2 275	1 335	1 426
2.2 - Internal Audit	974	1 409	917	424	202	202	2 214	2 308	2 439
Vote 3 - Management Services	**32 796**	**30 890**	**5 492**	**15 189**	**13 315**	**13 315**	**43 327**	**45 629**	**48 384**
3.1 - Director: Management Services	5 081	4 461	1 482	444	781	781	5 709	5 733	6 064
3.2 - Communication	2 218	2 280	41	1 234	565	565	2 757	2 926	3 052
3.3 - Legal Services	840	1 358	779	806	1 015	1 015	2 974	3 127	3 297
3.4 - Strategic Services	1 699	1 084	166	394	317	317	1 408	1 616	1 696
3.5 - Human Resources	8 288	8 333	1 928	3 696	3 679	3 679	9 594	10 145	10 853
3.6 - Info & Communication Technology	12 282	10 695	(732)	4 590	3 762	3 762	15 509	16 418	17 451
3.7 - Council Support Services	2 387	2 679	989	987	735	735	3 527	3 713	3 895
3.8 - Social Development			700	1 153	984	984	1 100	1 158	1 235
3.9 - Risk Management				543	520	520			
3.10 - Municipal Court			139	1 342	956	956	749	794	841
Vote 4 - Finance	**48 679**	**51 399**	**23 830**	**24 503**	**25 398**	**25 398**	**69 750**	**71 154**	**75 197**
4.1 - Director: Finance	1 515	1 717	662	594	570	570	2 042	2 165	2 296
4.2 - Deputy Director: Finance	2 005	4 385	4 347	2 217	3 542	3 542	6 993	7 342	7 761
4.3 - Accounting Services	6 205	3 561	424	1 503	1 523	1 523	5 275	5 515	5 798
4.4 - Expenditure & Asset Management	6 951	7 654	1 798	1 989	2 643	2 643	10 240	10 973	11 579
4.5 - Revenue	19 209	20 869	7 154	7 423	6 968	6 968	24 880	26 658	28 526
4.6 - Supply Chain Management	5 924	7 247	4 138	2 775	2 151	2 151	9 043	9 412	9 959
4.7 - Data Control	356	518	186	241	240	240	966	1 024	1 085
4.8 - Assessment Rates	6 514	5 449	5 121	7 760	7 760	7 760	10 312	8 065	8 194
Vote 5 - Community Services	**332 230**	**296 939**	**394 516**	**386 685**	**377 259**	**377 259**	**354 470**	**371 463**	**392 545**
5.1 - Director & Administration	33 974	38 337	13 822	16 241	14 577	14 577	40 353	40 784	43 021
5.2 - Offices & Community Buildings	5 879	6 534	4 987	4 816	4 798	4 798	6 381	6 727	7 188
5.3 - Parks & Townlands, Cemetries	13 943	14 915	19 444	21 333	21 317	21 317	20 558	21 649	22 976
5.4 - Libraries	4 257	4 649	6 218	7 074	7 028	7 028	6 496	6 889	7 400
5.5 - Sport & Recreation	15 378	14 271	18 637	22 245	20 744	20 744	18 220	19 390	20 550
5.6 - Housing & Social Upliftment	54 294	4 273	28 318	9 554	6 605	6 605	5 750	6 053	6 374
5.7 - Roads & Stormwater	79 802	75 508	98 348	101 919	101 256	101 256	92 424	97 871	103 433
5.8 - Water	53 445	61 422	99 439	93 157	90 979	90 979	78 375	81 294	85 130
5.9 - Sewerage	38 378	41 565	58 634	59 390	61 094	61 094	54 879	58 199	62 083
5.10 - Refuse	32 880	35 466	46 668	50 955	48 859	48 859	31 035	32 607	34 390
Vote 6 - Local Economic Development	**5 845**	**7 722**	**9 945**	**11 140**	**10 915**	**10 915**	**8 731**	**7 464**	**7 931**
6.1 - Director: Economic Development & Planning	5 845	4 720	4 291	4 853	4 726	4 726	5 672	4 223	4 497
6.2 - Tourism		3 002	3 820	3 752	3 555	3 555	2 741	2 905	3 079
6.3 - Parking Services			1 833	2 534	2 634	2 634	317	336	355
Vote 7 - Infrastructure & Planning	**232 916**	**254 841**	**271 782**	**318 607**	**368 337**	**368 337**	**355 793**	**387 020**	**407 279**
7.1 - Director: Infrastructure & Planning	2 137	2 781	432	1 220	1 216	1 216	2 384	2 611	2 759
7.2 - Deputy Director:Engineering Planning	11 223	9 124	2 315	4 424	4 240	4 240	8 664	9 083	9 596
7.3 - Engineering Services & Housing Development	1 894	2 003	1 595	1 577	4 750	4 750	32 871	30 185	11 730
7.4 - Town Planning	9 268	9 494	10 635	12 970	12 688	12 688	11 192	11 915	12 520
7.5 - Geographical Info System (GIS)	1 040	1 128	495	686	708	708	1 289	1 378	1 494
7.6 - Building Control Services	4 113	4 027	4 954	5 297	5 526	5 526	5 030	5 312	5 703
7.7 - Environmental Management Services	5 011	5 624	7 306	7 035	7 204	7 204	6 952	7 217	7 651
7.8 - Electricity	177 473	198 933	248 194	273 381	273 769	273 769	258 118	288 393	323 153
7.9 - Solid Waste Planning & Solid Waste Disposal	4 693	4 636	(10 583)	5 534	51 788	51 788	23 229	24 496	25 855
7.10 - Property Administration	16 066	17 089	6 440	6 484	6 449	6 449	6 064	6 430	6 817
Vote 8 - Protection Services	**31 241**	**42 651**	**56 923**	**49 173**	**71 893**	**71 893**	**69 453**	**72 280**	**75 270**
8.1 - Director: Protection Services	1 336	1 518	1 289	1 600	1 604	1 604	1 948	2 064	2 191
8.2 - Traffic	11 806	19 243	30 524	20 115	42 437	42 437	41 049	42 189	43 361
8.3 - Law Enforcement	9 438	10 668	13 606	14 428	13 987	13 987	12 795	13 682	14 534
8.4 - Vehicle testing	219	178	316	324	488	488	296	314	321
8.5 - Fire Brigade/Disaster Management	8 441	9 619	11 187	12 707	13 012	13 012	12 277	12 886	13 648
8.6 - Vehicle Licensing		1 426			365	365	1 087	1 146	1 215
Surplus/(Deficit) for the year	**(81 607)**	**10 899**	**(45 015)**	**(48 747)**	**(69 225)**	**(69 225)**	**(18 981)**	**(3 244)**	**3 838**

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

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source									
Property rates	108 913	120 799	134 813	148 640	153 509	153 509	162 730	173 308	184 573
Property rates - penalties & collection charges	925	772	821	1 050	1 050	1 050	891	980	1 078
Service charges - electricity revenue	224 950	247 663	268 362	310 085	310 085	310 085	338 877	371 635	407 747
Service charges - water revenue	83 755	85 243	95 136	95 897	95 897	95 897	102 045	107 700	113 691
Service charges - sanitation revenue	57 212	56 895	62 798	63 455	63 455	63 455	66 375	70 081	74 010
Service charges - refuse revenue	39 498	46 637	52 957	56 130	56 130	56 130	59 488	63 061	66 849
Service charges - other					–	–			
Rental of facilities and equipment	6 743	7 212	7 591	7 966	7 966	7 966	11 859	12 953	14 176
Interest earned - external investments	6 881	7 555	6 352	6 166	6 166	6 166	6 348	6 348	6 348
Interest earned - outstanding debtors	2 331	2 199	2 118	2 288	2 288	2 288	2 437	2 680	2 948
Dividends received				–	–	–			
Fines	5 278	14 244	22 739	7 965	30 875	30 875	31 859	32 766	33 763
Licences and permits	1 786	1 968	1 956	2 229	2 229	2 229	2 190	2 408	2 649
Agency services	1 912	2 025	2 395	2 480	2 480	2 480	2 970	3 267	3 594
Transfers recognised - operational	38 005	41 680	67 835	58 407	62 032	62 032	103 363	107 886	97 173
Other revenue	17 375	68 978	10 504	21 717	16 387	16 387	16 781	18 301	19 972
Gains on disposal of PPE	1 920								
Total Revenue (excluding capital transfers and contributions)	**597 482**	**703 871**	**736 376**	**784 474**	**810 548**	**810 548**	**908 211**	**973 373**	**1 028 569**
Expenditure By Type									
Employee related costs	207 938	231 642	260 645	280 066	276 217	276 217	291 593	305 408	323 583
Remuneration of councillors	6 717	7 084	7 933	8 516	8 516	8 516	8 674	9 192	9 741
Debt impairment	28	6 688	12 526		22 792	22 792	22 792	22 792	22 792
Depreciation & asset impairment	104 041	104 408	99 361	109 265	105 461	105 461	111 362	118 043	125 126
Finance charges	31 727	37 331	39 927	45 162	44 480	44 480	46 895	46 780	47 279
Bulk purchases	126 669	145 022	157 055	169 444	169 444	169 444	193 573	221 138	252 628
Other materials	54 582	12 441	13 595	17 295	17 315	17 315	70 885	69 631	53 593
Contracted services	24 079	67 697	72 754	81 062	81 875	81 875	126 986	129 953	137 384
Transfers and grants	28 454	35 856	38 749	41 370	41 668	41 668	48 497	54 667	62 244
Other expenditure	158 290	102 146	117 460	117 407	164 357	164 357	56 251	59 890	63 924
Loss on disposal of PPE		1 756	12 017						
Total Expenditure	**742 525**	**752 070**	**832 022**	**869 588**	**932 125**	**932 125**	**977 508**	**1 037 493**	**1 098 292**
Surplus/(Deficit)	**(145 043)**	**(48 199)**	**(95 646)**	**(85 115)**	**(121 577)**	**(121 577)**	**(69 296)**	**(64 120)**	**(69 723)**
Transfers recognised - capital	54 833	53 809	38 090	34 234	50 301	50 301	50 315	60 876	73 561
Contributions recognised - capital	8 603	5 289	7 871	2 134	2 051	2 051	–	–	–
Contributed assets			4 671						
Surplus/(Deficit) after capital transfers & contributions	**(81 607)**	**10 899**	**(45 015)**	**(48 747)**	**(69 225)**	**(69 225)**	**(18 981)**	**(3 244)**	**3 838**
Taxation									
Surplus/(Deficit) after taxation	**(81 607)**	**10 899**	**(45 015)**	**(48 747)**	**(69 225)**	**(69 225)**	**(18 981)**	**(3 244)**	**3 838**
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	**(81 607)**	**10 899**	**(45 015)**	**(48 747)**	**(69 225)**	**(69 225)**	**(18 981)**	**(3 244)**	**3 838**
Share of surplus/ (deficit) of associate									
Surplus/(Deficit) for the year	**(81 607)**	**10 899**	**(45 015)**	**(48 747)**	**(69 225)**	**(69 225)**	**(18 981)**	**(3 244)**	**3 838**

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

Vote Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure - Vote									
Multi-year expenditure *to be appropriated*									
Vote 1 - Council	–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager	–	–	–	–	–	–	–	–	–
Vote 3 - Management Services	–	–	–	–	–	–	–	–	–
Vote 4 - Finance	–	–	–	–	–	–	–	–	–
Vote 5 - Community Services	–	–	5 000	4 939	3 565	3 565	20 438	4 500	4 000
Vote 6 - Local Economic Development	–	–	–	–	–	–	–	–	–
Vote 7 - Infrastructure & Planning	–	–	–	–	–	–	7 500	3 000	3 000
Vote 8 - Protection Services	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	**–**	**–**	**5 000**	**4 939**	**3 565**	**3 565**	**27 938**	**7 500**	**7 000**
Single-year expenditure *to be appropriated*									
Vote 1 - Council	–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager	–	–	–	–	–	–	–	–	–
Vote 3 - Management Services	928	1 274	1 790	2 548	2 534	2 534	2 528	–	–
Vote 4 - Finance	–	–	–	–	–	–	–	–	–
Vote 5 - Community Services	119 308	110 111	74 622	71 999	92 038	92 038	44 030	72 106	79 561
Vote 6 - Local Economic Development	–	945	–	–	–	–	–	–	–
Vote 7 - Infrastructure & Planning	42 394	31 434	49 518	18 235	19 450	19 450	10 920	15 000	17 000
Vote 8 - Protection Services	645	–	–	–	–	–	100	–	–
Capital single-year expenditure sub-total	**163 275**	**143 764**	**125 930**	**92 781**	**114 022**	**114 022**	**57 578**	**87 106**	**96 561**
Total Capital Expenditure - Vote	**163 275**	**143 764**	**130 930**	**97 721**	**117 588**	**117 588**	**85 515**	**94 606**	**103 561**
Capital Expenditure - Standard									
Governance and administration	**24 047**	**7 154**	**21 308**	**16 815**	**17 776**	**17 776**	**2 648**	**3 730**	**–**
Executive and council					–	–			
Budget and treasury office					–	–			
Corporate services	24 047	7 154	21 308	16 815	17 776	17 776	2 648	3 730	
Community and public safety	**3 319**	**7 268**	**19 582**	**21 205**	**37 425**	**37 425**	**25 415**	**45 550**	**55 174**
Community and social services	327	4 666	3 482	5 635	5 595	5 595	3 901	4 000	4 000
Sport and recreation	1 531	2 601	5 696	3 090	2 616	2 616	4 526	6 800	6 800
Public safety	645	–			–	–	100		
Housing	817	–	10 404	12 480	29 213	29 213	16 888	34 750	44 374
Health					–	–			
Economic and environmental services	**8 340**	**25 552**	**16 051**	**5 400**	**6 300**	**6 300**	**12 098**	**4 000**	**4 000**
Planning and development	2 863	945			–	–	25		
Road transport	5 477	24 607	16 051	5 400	6 300	6 300	12 073	4 000	4 000
Environmental protection					–	–			
Trading services	**127 569**	**103 790**	**73 989**	**54 300**	**56 087**	**56 087**	**45 355**	**41 326**	**44 387**
Electricity	30 061	26 768	37 115	17 000	17 000	17 000	17 775	14 000	16 000
Water	57 384	50 766	23 631	12 800	16 384	16 384	16 326	14 726	15 787
Waste water management	39 927	20 728	10 202	14 300	13 403	13 403	11 244	12 600	12 600
Waste management	196	5 528	3 041	10 200	9 300	9 300	10		
Other					**–**	**–**			
Total Capital Expenditure - Standard	**163 275**	**143 764**	**130 930**	**97 721**	**117 588**	**117 588**	**85 515**	**94 606**	**103 561**
Funded by:									
National Government	40 212	36 911	6 339	24 174	23 608	23 608	30 347	26 126	29 187
Provincial Government	14 621	16 898	31 751	10 060	26 693	26 693	19 968	34 750	44 374
District Municipality					–	–			
Other transfers and grants				2 134	2 051	2 051			
Transfers recognised - capital	**54 833**	**53 809**	**38 090**	**36 368**	**52 352**	**52 352**	**50 315**	**60 876**	**73 561**
Public contributions & donations	14 300	5 067	7 985	–	885	885			
Borrowing	73 964	67 544	70 634	46 923	48 770	48 770	30 000	30 000	30 000
Internally generated funds	20 178	17 345	14 222	14 430	15 582	15 582	5 200	3 730	
Total Capital Funding	**163 275**	**143 764**	**130 930**	**97 721**	**117 588**	**117 588**	**85 515**	**94 606**	**103 561**

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

Vote Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure - Municipal Vote									
Multi-year expenditure appropriation									
Vote 1 - Council	–	–	–	–	–	–	–	–	–
1.1 - Council General							–	–	–
1.2 - Mayor's Office							–	–	–
1.3 - Pensioners & Continued Members							–	–	–
Vote 2 - Municipal Manager	–	–	–	–	–	–	–	–	–
2.1 - Municipal Manager							–	–	–
2.2 - Internal Audit							–	–	–
Vote 3 - Management Services	–	–	–	–	–	–	–	–	–
3.1 - Director: Management Services					–	–	–	–	–
3.2 - Communication					–	–	–	–	–
3.3 - Legal Services					–	–	–	–	–
3.4 - Strategic Services					–	–	–	–	–
3.5 - Human Resources					–	–	–	–	–
3.6 - Info & Communication Technology							–	–	–
3.7 - Council Support Services					–	–	–	–	–
3.8 - Social Development					–	–	–	–	–
3.9 - Risk Management					–	–	–	–	–
3.10 - Municipal Court					–	–	–	–	–
Vote 4 - Finance	–	–	–	–	–	–	–	–	–
4.1 - Director: Finance							–	–	–
4.2 - Deputy Director: Finance							–	–	–
4.3 - Accounting Services							–	–	–
4.4 - Expenditure & Asset Management							–	–	–
4.5 - Revenue							–	–	–
4.6 - Supply Chain Management							–	–	–
4.7 - Data Control							–	–	–
4.8 - Assessment Rates							–	–	–
Vote 5 - Community Services	–	–	**5 000**	**4 939**	**3 565**	**3 565**	**20 438**	**4 500**	**4 000**
5.1 - Director & Administration							–	–	–
5.2 - Offices & Community Buildings							–	–	–
5.3 - Parks & Townlands, Cemetries							–	–	–
5.4 - Libraries				2 000	2 000	2 000	**3 080**	–	–
5.5 - Sport & Recreation			5 000	2 939	1 565	1 565	**4 158**	–	–
5.6 - Housing & Social Upliftment							–	–	–
5.7 - Roads & Stormwater							–	–	–
5.8 - Water							**9 653**	–	**4 000**
5.9 - Sewerage							**3 547**	**4 500**	–
5.10 - Refuse							–	–	–
Vote 6 - Local Economic Development	–	–	–	–	–	–	–	–	–
6.1 - Director: Economic Development & Planning	–						–	–	–
6.2 - Tourism							–	–	–
6.3 - Parking Services							–	–	–
Vote 7 - Infrastructure & Planning	–	–	–	–	–	–	**7 500**	**3 000**	**3 000**
7.1 - Director: Infrastructure & Planning							–	–	–
7.2 - Deputy Director:Engineering Planning							–	–	–
7.3 - Engineering Services & Housing Development							–	–	–
7.4 - Town Planning							–	–	–
7.5 - Geographical Info System (GIS)							–	–	–
7.6 - Building Control Services							–	–	–
7.7 - Environmental Management Services							–	–	–
7.8 - Electricity							**7 500**	**3 000**	**3 000**
7.9 - Solid Waste Planning & Solid Waste Disposal							–	–	–
7.10 - Property Administration							–	–	–
Vote 8 - Protection Services	–	–	–	–	–	–	–	–	–
8.1 - Director: Protection Services		–					–	–	–
8.2 - Traffic							–	–	–
8.3 - Law Enforcement							–	–	–
8.4 - Vehicle testing							–	–	–
8.5 - Fire Brigade/Disaster Management							–	–	–
8.6 - Vehicle Licensing							–	–	–
Capital multi-year expenditure sub-total	–	–	**5 000**	**4 939**	**3 565**	**3 565**	**27 938**	**7 500**	**7 000**

Capital expenditure - Municipal Vote									
Single-year expenditure appropriation									
Vote 1 - Council	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
1.1 - Council General									
1.2 - Mayor's Office									
1.3 - Pensioners & Continued Members									
Vote 2 - Municipal Manager	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
2.1 - Municipal Manager									
2.2 - Internal Audit									
Vote 3 - Management Services	**928**	**1 274**	**1 790**	**2 548**	**2 534**	**2 534**	**2 528**	**–**	**–**
3.1 - Director: Management Services									
3.2 - Communication									
3.3 - Legal Services									
3.4 - Strategic Services									
3.5 - Human Resources									
3.6 - Info & Communication Technology	928	1 274	1 790	2 548	2 534	2 534	2 528		
3.7 - Council Support Services									
3.8 - Social Development									
3.9 - Risk Management									
3.10 - Municipal Court									
Vote 4 - Finance	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
4.1 - Director: Finance									
4.2 - Deputy Director: Finance									
4.3 - Accounting Services									
4.4 - Expenditure & Asset Management									
4.5 - Revenue									
4.6 - Supply Chain Management									
4.7 - Data Control									
4.8 - Assessment Rates									
#REF!									
#REF!									
Vote 5 - Community Services	**119 308**	**110 111**	**74 622**	**71 999**	**92 038**	**92 038**	**44 030**	**72 106**	**79 561**
5.1 - Director & Administration							321	3 730	
5.2 - Offices & Community Buildings	10 786	5 880	10 597	16 667	16 387	16 387			
5.3 - Parks & Townlands, Cemetries					–	–			
5.4 - Libraries					–	–			
5.5 - Sport & Recreation	5 538	2 601	696	151	1 051	1 051	368	6 800	6 800
5.6 - Housing & Social Upliftment	–	–	10 404	12 480	29 213	29 213	16 888	34 750	44 374
5.7 - Roads & Stormwater	12 754	30 715	16 094	6 200	7 632	7 632	15 049	5 000	5 000
5.8 - Water	57 384	50 766	23 631	12 800	16 384	16 384	6 673	14 726	11 787
5.9 - Sewerage	32 650	14 621	10 159	13 500	12 071	12 071	4 720	7 100	11 600
5.10 - Refuse	196	5 528	3 041	10 200	9 300	9 300	10		
Vote 6 - Local Economic Development	**–**	**945**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
6.1 - Director: Economic Development & Planning		945							
6.2 - Tourism									
6.3 - Parking Services									
Vote 7 - Infrastructure & Planning	**42 394**	**31 434**	**49 518**	**18 235**	**19 450**	**19 450**	**10 920**	**15 000**	**17 000**
7.1 - Director: Infrastructure & Planning					–	–			
7.2 - Deputy Director:Engineering Planning					–	–			
7.3 - Engineering Services & Housing Development					–	–			
7.4 - Town Planning					–	–			
7.5 - Geographical Info System (GIS)					–	–			
7.6 - Building Control Services					–	–			
7.7 - Environmental Management Services					–	–			
7.8 - Electricity	30 061	26 768	37 115	17 000	17 000	17 000	10 275	11 000	13 000
7.9 - Solid Waste Planning & Solid Waste Disposal					–	–			
7.10 - Property Administration	12 332	4 666	12 403	1 235	2 450	2 450	645	4 000	4 000
Vote 8 - Protection Services	**645**	**–**	**–**	**–**	**–**	**–**	**100**	**–**	**–**
8.1 - Director: Protection Services	645	–					100		
8.2 - Traffic									
8.3 - Law Enforcement									
8.4 - Vehicle testing									
8.5 - Fire Brigade/Disaster Management									
8.6 - Vehicle Licensing									
Capital single-year expenditure sub-total	**163 275**	**143 764**	**125 930**	**92 781**	**114 022**	**114 022**	**57 578**	**87 106**	**96 561**
Total Capital Expenditure	**163 275**	**143 764**	**130 930**	**97 721**	**117 588**	**117 588**	**85 515**	**94 606**	**103 561**

WC032 Overstrand - Table A6 Budgeted Financial Position

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
ASSETS									
Current assets									
Cash	51 699	29 106	13 119	88 050	90 815	90 815	99 079	128 754	173 717
Call investment deposits	75 000	55 042	50 039	–	–	–	–	–	–
Consumer debtors	50 361	49 025	47 451	52 591	52 591	52 591	51 774	56 341	61 151
Other debtors	36 501	52 222	51 704	44 398	55 398	55 398	44 112	38 172	37 391
Current portion of long-term receivables	25	17	15	14	14	14	13	11	10
Inventory	16 446	20 257	13 137	12 092	11 092	11 092	14 483	15 207	15 968
Total current assets	**230 033**	**205 668**	**175 465**	**197 146**	**209 911**	**209 911**	**209 462**	**238 485**	**288 238**
Non current assets									
Long-term receivables	126	84	68	57	57	57	41	30	20
Investments	5 691	11 597	16 965	22 207	22 207	22 207	28 455	34 384	40 409
Investment property	104 673	175 866	164 501	175 866	164 501	164 501	164 501	164 501	164 501
Investment in Associate					–	–			
Property, plant and equipment	3 073 014	3 097 120	3 111 056	3 072 423	3 135 594	3 135 594	3 103 972	3 081 502	3 060 905
Agricultural					–	–			
Biological					–	–			
Intangible	3 547	4 449	5 220	6 426	5 220	5 220	5 368	4 401	3 433
Other non-current assets	22 049	1 025	4 301	39 500	–	–			
Total non current assets	**3 209 100**	**3 290 140**	**3 302 111**	**3 316 479**	**3 327 579**	**3 327 579**	**3 302 336**	**3 284 818**	**3 269 268**
TOTAL ASSETS	**3 439 132**	**3 495 808**	**3 477 576**	**3 513 625**	**3 537 490**	**3 537 490**	**3 511 798**	**3 523 303**	**3 557 506**
LIABILITIES									
Current liabilities									
Bank overdraft					–				
Borrowing	16 798	18 241	20 443	25 105	25 064	25 064	28 113	30 730	34 370
Consumer deposits	31 206	34 932	37 751	41 321	41 321	41 321	43 801	46 429	49 215
Trade and other payables	67 728	79 489	64 943	55 831	50 563	50 563	74 229	70 679	84 789
Provisions	21 847	27 670	25 663	31 592	36 166	36 166	28 317	30 597	33 013
Total current liabilities	**137 580**	**160 331**	**148 801**	**153 849**	**153 113**	**153 113**	**174 459**	**178 435**	**201 387**
Non current liabilities									
Borrowing	341 204	364 632	392 444	411 766	412 829	412 829	415 999	415 269	410 503
Provisions	111 097	119 319	128 527	137 501	180 879	180 879	201 669	213 107	225 231
Total non current liabilities	**452 301**	**483 951**	**520 970**	**549 267**	**593 707**	**593 707**	**617 668**	**628 376**	**635 734**
TOTAL LIABILITIES	**589 880**	**644 282**	**669 772**	**703 116**	**746 820**	**746 820**	**792 127**	**806 811**	**837 121**
NET ASSETS	**2 849 252**	**2 851 526**	**2 807 805**	**2 810 509**	**2 790 670**	**2 790 670**	**2 719 671**	**2 716 492**	**2 720 385**
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	2 847 332	2 849 634	2 805 240	2 808 575	2 788 097	2 788 097	2 717 033	2 713 789	2 717 628
Reserves	1 920	1 891	2 565	1 934	2 573	2 573	2 637	2 703	2 757
Minorities' interests									
TOTAL COMMUNITY WEALTH/EQUITY	**2 849 252**	**2 851 526**	**2 807 805**	**2 810 509**	**2 790 670**	**2 790 670**	**2 719 671**	**2 716 492**	**2 720 385**

WC032 Overstrand - Table A7 Budgeted Cash Flows

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates, penalties & collection charges	110 347	120 273	135 875	148 254	152 362	152 362	163 800	173 297	184 620
Service charges	397 229	437 061	483 167	522 072	521 632	521 632	567 409	608 975	658 596
Other revenue	69 894	41 689	63 976	46 516	97 208	97 208	77 022	75 627	74 910
Government - operating	37 750	44 140	63 477	58 407	61 486	61 486	103 363	107 886	97 173
Government - capital	54 833	54 577	38 090	36 368	52 352	52 352	50 315	60 876	73 561
Interest	9 211	9 754	8 470	8 454	8 454	8 454	8 784	9 028	9 296
Dividends							–	–	–
Payments									
Suppliers and employees	(520 159)	(558 519)	(637 833)	(653 525)	(689 747)	(689 747)	(782 702)	(808 560)	(835 753)
Finance charges	(31 669)	(37 199)	(39 858)	(45 162)	(44 480)	(44 480)	(46 895)	(46 780)	(47 279)
Transfers and Grants	(28 454)	(35 856)	(38 749)	(41 370)	(41 668)	(41 668)	(48 497)	(54 667)	(62 244)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**98 981**	**75 920**	**76 616**	**80 014**	**117 599**	**117 599**	**92 599**	**125 682**	**152 880**
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	13 722	1 725	5 073	–		–	–	–	–
Decrease (Increase) in non-current debtors	2 189	–	–	–	4 301	4 301	–	–	–
Decrease (increase) other non-current receivables	20	45	18	15	11	11	18	13	11
Decrease (increase) in non-current investments	(4 430)	(4 960)	(4 529)	(5 827)	(5 242)	(5 242)	(6 248)	(5 930)	(6 025)
Payments									
Capital assets	(163 275)	(143 764)	(130 930)	(97 721)	(117 588)	(117 588)	(85 515)	(94 606)	(103 561)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(151 774)**	**(146 955)**	**(130 368)**	**(103 533)**	**(118 517)**	**(118 517)**	**(91 745)**	**(100 523)**	**(109 575)**
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	940	(389)	(730)	5 520	6 066	6 066	(1 135)	(1 271)	(1 352)
Borrowing long term/refinancing	110 000	38 700	51 300	40 000	40 000	40 000	30 000	30 000	30 000
Increase (decrease) in consumer deposits	12 844	3 726	2 819	2 703	3 570	3 570	2 479	2 628	2 786
Payments									
Repayment of borrowing	(14 295)	(13 554)	(20 626)	(21 061)	(21 061)	(21 061)	(23 936)	(26 841)	(29 775)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**109 489**	**28 482**	**32 764**	**27 163**	**28 576**	**28 576**	**7 409**	**4 515**	**1 659**
NET INCREASE/ (DECREASE) IN CASH HELD	**56 696**	**(42 552)**	**(20 989)**	**3 644**	**27 657**	**27 657**	**8 263**	**29 675**	**44 964**
Cash/cash equivalents at the year begin:	**70 004**	**126 699**	**84 147**	**84 406**	**63 158**	**63 158**	**90 815**	**99 079**	**128 754**
Cash/cash equivalents at the year end:	**126 699**	**84 147**	**63 158**	**88 050**	**90 815**	**90 815**	**99 079**	**128 754**	**173 717**

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

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash and investments available									
Cash/cash equivalents at the year end	126 699	84 147	63 158	88 050	90 815	90 815	99 079	128 754	173 717
Other current investments > 90 days	0	–	0	–	–	–	–	–	–
Non current assets - Investments	5 691	11 597	16 965	22 207	22 207	22 207	28 455	34 384	40 409
Cash and investments available:	**132 391**	**95 744**	**80 123**	**110 257**	**113 022**	**113 022**	**127 533**	**163 138**	**214 126**
Application of cash and investments									
Unspent conditional transfers	4 555	7 783	3 425	–	–	–	–	–	–
Unspent borrowing	18 255	6 133	1 847	–	–	–	–	–	–
Statutory requirements									
Other working capital requirements	(28 049)	(21 016)	(40 826)	(40 803)	(61 683)	(61 683)	(22 868)	(23 728)	(13 036)
Other provisions									
Long term investments committed	5 691	11 597	16 965	22 207	22 207	22 207	28 455	34 384	40 409
Reserves to be backed by cash/investments	1 920	1 891	2 565	1 934	2 573	2 573	2 637	2 703	2 757
Total Application of cash and investments:	**2 373**	**6 388**	**(16 024)**	**(16 663)**	**(36 904)**	**(36 904)**	**8 224**	**13 360**	**30 131**
Surplus(shortfall)	**130 018**	**89 356**	**96 147**	**126 920**	**149 926**	**149 926**	**119 309**	**149 778**	**183 996**

WC032 Overstrand - Table A9 Asset Management

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CAPITAL EXPENDITURE									
Total New Assets	**163 275**	**139 617**	**83 899**	**69 581**	**84 749**	**84 749**	**64 758**	**73 606**	**97 061**
Infrastructure - Road transport	12 754	15 578	9 203	800	1 332	1 332	15 049	5 000	5 000
Infrastructure - Electricity	30 061	22 203	24 160	13 900	13 900	13 900	17 775	8 500	14 500
Infrastructure - Water	57 384	48 634	7 300	–	580	580	4 673	4 726	11 787
Infrastructure - Sanitation	32 650	16 478	8 449	9 600	8 892	8 892	3 320	6 100	10 600
Infrastructure - Other	196	5 359	1 400	10 200	9 300	9 300	10	–	–
Infrastructure	*133 045*	*108 252*	*50 511*	*34 500*	*34 003*	*34 003*	*40 827*	*24 326*	*41 887*
Community	6 183	20 997	13 896	18 266	32 970	32 970	21 257	45 550	55 174
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	795	–	–	–	–	–	–
Other assets	23 118	9 038	18 697	16 815	17 776	17 776	2 673	3 730	–
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	928	1 330	–	–	–	–	–	–	–
Total Renewal of Existing Assets	**–**	**4 147**	**47 032**	**28 139**	**32 838**	**32 838**	**20 758**	**21 000**	**6 500**
Infrastructure - Road transport	–	131	6 892	5 400	6 300	6 300	–	–	–
Infrastructure - Electricity	–	–	12 955	3 100	3 100	3 100	–	5 500	1 500
Infrastructure - Water	–	–	16 331	12 800	15 805	15 805	11 653	10 000	4 000
Infrastructure - Sanitation	–	–	1 711	3 900	3 179	3 179	4 947	5 500	1 000
Infrastructure - Other	–	–	1 641	–	–	–	–	–	–
Infrastructure	–	*131*	*39 529*	*25 200*	*28 384*	*28 384*	*16 600*	*21 000*	*6 500*
Community	–	756	5 686	2 939	4 454	4 454	4 158	–	–
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	–	3 260	1 817	–	–	–	–	–	–
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	–	–	–	–	–	–	–	–	–
Total Capital Expenditure									
Infrastructure - Road transport	12 754	15 709	16 094	6 200	7 632	7 632	15 049	5 000	5 000
Infrastructure - Electricity	30 061	22 203	37 115	17 000	17 000	17 000	17 775	14 000	16 000
Infrastructure - Water	57 384	48 634	23 631	12 800	16 384	16 384	16 326	14 726	15 787
Infrastructure - Sanitation	32 650	16 478	10 159	13 500	12 071	12 071	8 267	11 600	11 600
Infrastructure - Other	196	5 359	3 041	10 200	9 300	9 300	10	–	–
Infrastructure	*133 045*	*108 383*	*90 040*	*59 700*	*62 387*	*62 387*	*57 427*	*45 326*	*48 387*
Community	6 183	21 753	19 582	21 205	37 425	37 425	25 415	45 550	55 174
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	795	–	–	–	–	–	–
Other assets	23 118	12 298	20 513	16 815	17 776	17 776	2 673	3 730	–
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	928	1 330	–	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class	**163 275**	**143 764**	**130 930**	**97 721**	**117 588**	**117 588**	**85 515**	**94 606**	**103 561**
ASSET REGISTER SUMMARY - PPE (WDV)									
Infrastructure - Road transport	946 061	947 141	942 269	906 551	907 352	907 352	925 642	915 933	909 563
Infrastructure - Electricity	600 736	609 815	619 999	620 545	621 764	621 764	620 094	612 727	606 077
Infrastructure - Water	419 500	458 648	459 954	453 857	459 276	459 276	453 842	450 864	448 638
Infrastructure - Sanitation	379 653	381 194	377 248	376 342	373 384	373 384	382 220	387 578	395 126
Infrastructure - Other	37 051	39 059	39 501	70 579	71 090	71 090	41 057	36 026	30 694
Infrastructure	*2 383 001*	*2 435 858*	*2 438 970*	*2 427 874*	*2 432 867*	*2 432 867*	*2 422 855*	*2 403 128*	*2 390 098*
Community	81 364	58 783	62 814	88 257	106 034	106 034	63 654	66 637	69 391
Heritage assets	108 552	99 573	99 572	99 322	99 322	99 322	99 572	99 572	99 572
Investment properties	104 673	175 866	164 501	175 866	164 501	164 501	164 501	164 501	164 501
Other assets	500 097	502 906	509 700	456 970	497 371	497 371	517 890	512 165	501 844
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	3 547	4 449	5 220	6 426	5 220	5 220	5 368	4 401	3 433
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	**3 181 234**	**3 277 435**	**3 280 777**	**3 254 715**	**3 305 315**	**3 305 315**	**3 273 841**	**3 250 403**	**3 228 839**
EXPENDITURE OTHER ITEMS									
Depreciation & asset impairment	104 041	104 408	99 361	109 265	105 461	105 461	111 362	118 043	125 126
Repairs and Maintenance by Asset Class	64 845	114 414	150 358	162 268	162 268	162 268	121 077	126 814	150 754
Infrastructure - Road transport	25 843	42 236	63 749	68 540	68 540	68 540	57 090	60 842	64 540
Infrastructure - Electricity	4 601	14 105	20 488	25 491	25 491	25 491	16 835	17 340	23 891
Infrastructure - Water	6 892	21 502	27 931	26 775	26 775	26 775	22 874	24 001	24 393
Infrastructure - Sanitation	4 568	7 708	15 486	14 146	14 146	14 146	12 159	12 963	16 387
Infrastructure - Other	1 215	1 499	1 491	1 800	1 800	1 800	2 492	2 719	4 130
Infrastructure	*43 120*	*87 048*	*129 145*	*136 752*	*136 752*	*136 752*	*111 449*	*117 865*	*133 341*
Community	6 012	5 408	7 349	9 298	9 298	9 298	4 546	4 391	8 211
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	270	–	–	–	–	–	–	–	–
Other assets	15 443	21 958	13 864	16 218	16 218	16 218	5 081	4 559	9 203
TOTAL EXPENDITURE OTHER ITEMS	**168 886**	**218 821**	**249 719**	**271 533**	**267 729**	**267 729**	**232 439**	**244 857**	**275 880**
Renewal of Existing Assets as % of total capex	*0.0%*	*2.9%*	*35.9%*	*28.8%*	*27.9%*	*27.9%*	*24.3%*	*22.2%*	*6.3%*
Renewal of Existing Assets as % of deprecn"	*0.0%*	*4.0%*	*47.3%*	*25.8%*	*31.1%*	*31.1%*	*18.6%*	*17.8%*	*5.2%*
R&M as a % of PPE	*2.1%*	*3.7%*	*4.8%*	*5.3%*	*5.2%*	*5.2%*	*3.9%*	*4.1%*	*4.9%*
Renewal and R&M as a % of PPE	*2.0%*	*4.0%*	*6.0%*	*6.0%*	*6.0%*	*6.0%*	*4.0%*	*5.0%*	*5.0%*

WC032 Overstrand - Table A10 Basic service delivery measurement

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Household service targets									
Water:									
Piped water inside dwelling	27 203	27 295	32 032	28 100	28 100	28 100	29 366	30 350	31 300
Piped water inside yard (but not in dwelling)	–	–	–		–	–			
Using public tap (at least min.service level)	3 449	3 436	3 334	3 350	3 350	3 350	3 320	3 270	3 200
Other water supply (at least min.service level)	199	199	155		–	–			
Minimum Service Level and Above sub-total	30 851	30 930	35 521	31 450	31 450	31 450	32 686	33 620	34 500
Using public tap (< min.service level)	–	–	–						
Other water supply (< min.service level)	–	–	–						
No water supply									
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	**30 851**	**30 930**	**35 521**	**31 450**	**31 450**	**31 450**	**32 686**	**33 620**	**34 500**
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	21 205	21 284	21 632	20 030	20 030	20 030	20 818	21 413	21 973
Flush toilet (with septic tank)	9 646	9 646	9 799	11 420	11 420	11 420	11 868	12 207	12 527
Chemical toilet	–	–	–		–	–			
Pit toilet (ventilated)	–	–	–		–	–			
Other toilet provisions (> min.service level)	–	–	–		–	–			
Minimum Service Level and Above sub-total	30 851	30 930	31 431	31 450	31 450	31 450	32 686	33 620	34 500
Bucket toilet	–	–	–						
Other toilet provisions (< min.service level)	–	–	–						
No toilet provisions	–	–	–						
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	**30 851**	**30 930**	**31 431**	**31 450**	**31 450**	**31 450**	**32 686**	**33 620**	**34 500**
Energy:									
Electricity (at least min.service level)	8 420	7 918	7 136	8 700	6 625	6 625	6 114	5 603	5 092
Electricity - prepaid (min.service level)	13 478	14 080	16 458	17 700	18 379	18 379	19 240	20 132	21 024
Minimum Service Level and Above sub-total	21 898	21 998	23 594	26 400	25 004	25 004	25 354	25 735	26 116
Electricity (< min.service level)	–	–	–		–	–			
Electricity - prepaid (< min. service level)	–	–	–	1 000	1 000	1 000			
Other energy sources	–	–	–		–	–			
Below Minimum Service Level sub-total	–	–	–	1 000	1 000	1 000	–	–	–
Total number of households	**21 898**	**21 998**	**23 594**	**27 400**	**26 004**	**26 004**	**25 354**	**25 735**	**26 116**
Refuse:									
Removed at least once a week	31 373	31 739	31 829	32 691	32 691	32 691	33 023	34 014	35 034
Minimum Service Level and Above sub-total	31 373	31 739	31 829	32 691	32 691	32 691	33 023	34 014	35 034
Removed less frequently than once a week	–	–	–						
Using communal refuse dump	–	–	–						
Using own refuse dump	–	–	–						
Other rubbish disposal	–	–	–						
No rubbish disposal	–	–	–						
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	**31 373**	**31 739**	**31 829**	**32 691**	**32 691**	**32 691**	**33 023**	**34 014**	**35 034**
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	25 310	25 406	6 543	6 700	6 700	6 700	6 900	7 000	7 100
Sanitation (free minimum level service)	5 852	6 423	6 543	6 700	6 700	6 700	6 900	7 000	7 100
Electricity/other energy (50kwh per household per mont	5 852	6 423	6 543	4 785	4 785	4 785	6 900	7 000	7 100
Refuse (removed at least once a week)	5 852	6 423	6 543	6 700	6 700	6 700	6 900	7 000	7 100
Cost of Free Basic Services provided (R'000)									
Water (6 kilolitres per household per month)	5 470	6 020	6 502	7 723	7 723	7 723	9 231	9 926	10 672
Sanitation (free sanitation service)	5 046	5 349	5 670	6 010	6 010	6 010	6 370	6 753	7 158
Electricity/other energy (50kwh per household per mont	11 665	13 482	14 562	18 809	18 809	18 809	21 104	23 214	25 536
Refuse (removed once a week)	5 903	7 198	7 775	9 174	9 174	9 174	11 591	12 465	13 401
Total cost of FBS provided (minimum social package)	**28 084**	**32 049**	**34 509**	**41 716**	**41 716**	**41 716**	**48 296**	**52 358**	**56 767**
Highest level of free service provided									
Property rates (R value threshold)	50 000	100 000	100 000	100 000	100 000	100 000	220 000	220 000	220 000
Water (kilolitres per household per month)	6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)	4	4	4	4	4	4	4	4	4
Sanitation (Rand per household per month)	51	54	58	61	61	61	65	69	73
Electricity (kwh per household per month)	50	50	50	50	50	50	50	50	50
Refuse (average litres per week)	210	210	210	210	210	210	210	210	210
Revenue cost of free services provided (R'000)									
Property rates (R15 000 threshold rebate)	1 712	1 824	1 537	1 965	1 965	1 965	1 872	1 984	2 103
Property rates (other exemptions, reductions and rebates)	27 813	30 454	29 590	26 522	26 522	26 522	35 960	38 118	40 405
Water	13 295	15 549	9 010	9 791	9 791	9 791	10 776	11 588	12 458
Sanitation	4 094	4 779	5 182	6 420	6 420	6 420	6 805	7 214	7 646
Electricity/other energy	13 880	15 256	18 368	20 010	20 010	20 010	22 071	24 630	27 480
Refuse	6 671	9 934	10 992	10 545	10 545	10 545	11 426	12 287	13 210
Municipal Housing - rental rebates	15 176	–	–	–	–	–			
Housing - top structure subsidies					–	–			
Other					–	–			
Total revenue cost of free services provided (total social package)	**82 641**	**77 796**	**74 679**	**75 253**	**75 253**	**75 253**	**88 909**	**95 819**	**103 302**

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

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
REVENUE ITEMS:									
Property rates									
Total Property Rates	138 437	153 077	165 939	184 330	189 199	189 199	200 857	213 090	226 085
less Revenue Foregone	29 525	32 278	31 127	35 690	35 690	35 690	38 126	39 782	41 512
Net Property Rates	**108 913**	**120 799**	**134 813**	**148 640**	**153 509**	**153 509**	**162 730**	**173 308**	**184 573**
Service charges - electricity revenue									
Total Service charges - electricity revenue	224 950	247 663	268 362	323 104	323 104	323 104	341 092	373 983	410 237
less Revenue Foregone				13 018	13 018	13 018	2 215	2 348	2 489
Net Service charges - electricity revenue	**224 950**	**247 663**	**268 362**	**310 085**	**310 085**	**310 085**	**338 877**	**371 635**	**407 747**
Service charges - water revenue									
Total Service charges - water revenue	**83 755**	**85 243**	**95 136**	**101 149**	**101 149**	**101 149**	**103 365**	**109 152**	**115 288**
less Revenue Foregone				5 252	5 252	5 252	1 320	1 452	1 597
Net Service charges - water revenue	**83 755**	**85 243**	**95 136**	**95 897**	**95 897**	**95 897**	**102 045**	**107 700**	**113 691**
Service charges - sanitation revenue									
Total Service charges - sanitation revenue	**57 212**	**56 895**	**62 798**	**63 455**	**63 455**	**63 455**	**66 375**	**70 081**	**74 010**
less Revenue Foregone									
Net Service charges - sanitation revenue	**57 212**	**56 895**	**62 798**	**63 455**	**63 455**	**63 455**	**66 375**	**70 081**	**74 010**
Service charges - refuse revenue									
Total refuse removal revenue	39 498	46 637	52 957	56 130	56 130	56 130	59 488	63 061	66 849
Total landfill revenue									
less Revenue Foregone									
Net Service charges - refuse revenue	**39 498**	**46 637**	**52 957**	**56 130**	**56 130**	**56 130**	**59 488**	**63 061**	**66 849**
Other Revenue by source									
Building plan fees	3 252	2 880	3 439	3 300	3 300	3 300	4 500	4 950	5 445
Collection charges	2 071	2 542	2 288	2 805	2 805	2 805	3 850	4 235	4 659
Developers contributions	1 719	2 615	2 766	1 995	1 995	1 995	1 451	1 484	1 519
Central improvement district	3 663	–	–	4 869	–	–			
Sundry income	599	2 637	1 330	669	669	669			
Townplanning fees	756	793	908	803	803	803	1 013	1 114	1 225
Admission fees	661	707	714	770	770	770	562	589	620
Valuation and clearance certificates	335	388	400	504	504	504	495	545	599
Fair value adjustments	–	49 649	(7 021)						
Roadworthy certificates	453	463	493	578	578	578	630	693	762
SETA claims	1 046	1 058	133	848	848	848			
Exchange Revenue (SCOA) / Other Income	2 819	5 247	5 054	4 577	4 116	4 116	4 280	4 691	5 142
Total 'Other' Revenue	**17 375**	**68 978**	**10 504**	**21 717**	**16 387**	**16 387**	**16 781**	**18 301**	**19 972**
EXPENDITURE ITEMS:									
Employee related costs									
Basic Salaries and Wages	131 998	151 957	166 955	184 410	180 419	180 419	199 643	209 073	221 793
Pension and UIF Contributions	25 219	24 051	25 104	29 321	29 321	29 321	31 736	33 673	35 726
Medical Aid Contributions	7 521	8 176	8 828	11 463	11 463	11 463	11 618	12 327	13 079
Overtime	12 030	12 428	14 370	13 913	13 913	13 913	15 295	16 228	16 938
Performance Bonus									
Motor Vehicle Allowance	8 299	9 178	9 750	11 760	11 760	11 760	12 164	11 881	12 029
Cellphone Allowance				1 638	1 638	1 638	1 502	1 597	1 606
Housing Allowances	1 025	1 046	967	1 018	1 018	1 018	153	153	153
Other benefits and allowances	9 693	11 182	11 624	11 118	11 118	11 118	10 373	10 703	11 234
Payments in lieu of leave	1 327	2 138	1 659	2 350	2 350	2 350	729	773	819
Long service awards	759	690	3 587	1 200	1 291	1 291	1 802	2 028	2 815
Post-retirement benefit obligations	10 068	10 795	17 799	11 875	11 925	11 925	6 578	6 973	7 391
sub-total	**207 938**	**231 642**	**260 645**	**280 066**	**276 217**	**276 217**	**291 593**	**305 408**	**323 583**
Less: Employees costs capitalised to PPE									
Total Employee related costs	**207 938**	**231 642**	**260 645**	**280 066**	**276 217**	**276 217**	**291 593**	**305 408**	**323 583**
Contributions recognised - capital									
Public contribution - non cash - assets	4 471	4 387	7 871						
DWA ACIP project	1 302	–		1 000	1 000	1 000			
Government contribution - non cash - assets	–	180							
KM CSIR	395	–							
Spaces for sport/Lotto	156	200		51	1 051	1 051			
Eskom Solar Rebate/ Stony Point Eco Centre etc	2 280	522		1 083					
Total Contributions recognised - capital	**8 603**	**5 289**	**7 871**	**2 134**	**2 051**	**2 051**	**–**	**–**	**–**
Depreciation & asset impairment									
Depreciation of Property, Plant & Equipment	100 930	94 948	99 130	109 265	105 461	105 461	111 362	118 043	125 126
Lease amortisation		235	231						
Capital asset impairment	3 111	9 224							
Depreciation resulting from revaluation of PPE									
Total Depreciation & asset impairment	**104 041**	**104 408**	**99 361**	**109 265**	**105 461**	**105 461**	**111 362**	**118 043**	**125 126**
Bulk purchases									
Electricity Bulk Purchases	126 669	145 022	157 055	169 444	169 444	169 444	193 573	221 138	252 628
Water Bulk Purchases									
Total bulk purchases	**126 669**	**145 022**	**157 055**	**169 444**	**169 444**	**169 444**	**193 573**	**221 138**	**252 628**
Transfers and grants									
Cash transfers and grants	28 454	35 856	38 749	41 370	41 668	41 668	48 497	54 667	62 244
Non-cash transfers and grants	–	–	–	–	–	–	–	–	–
Total transfers and grants	**28 454**	**35 856**	**38 749**	**41 370**	**41 668**	**41 668**	**48 497**	**54 667**	**62 244**

Contracted services									
Specialist services									
Other contractors									
Ward projects	5 247	5 679	2 129	1 566	1 566	1 566			
Vehicle maintenance	4 732	4 925	5 665	6 198	6 230	6 230			
Maintenance contractors	41	45 380	49 471	55 483	55 451	55 451			
Contracted services	14 059	11 713	15 488	17 816	18 629	18 629			
Maintenance Of Unspecified Assets							25 439	26 465	28 088
Maintenance Of Buildings & Facilities							15 403	16 286	17 241
Haulage							13 695	14 517	15 388
Civil							6 828	7 156	7 586
Litter Picking & Street Cleaning							6 430	6 835	7 281
Security Servs							5 219	5 905	6 260
Safeguard & Security							5 028	5 305	5 598
Business & Advisory - Valuer							4 488	1 541	1 279
Meter Management							4 367	4 588	4 854
Maintenance Of Equip							4 177	3 537	3 757
Traffic Fines Management							3 968	4 206	4 458
Business & Advisory - Project Management							3 167	3 197	3 430
Infrastructure & Planning - Ecologica							2 640	2 796	2 964
Legal Cost - Legal Advice & Litigation							2 597	2 752	2 916
Chipping							2 490	2 639	2 798
Management Of Informal Settlements							1 981	2 100	2 226
Laboratory Servs - Water							1 802	1 910	2 025
Sewerage Servs							1 772	1 878	1 991
Infrastructure & Planning - Town Planner							1 700	1 802	1 910
Electrical							1 060	1 036	1 013
Other contractors							12 734	13 502	14 322
sub-total	**24 079**	**67 697**	**72 754**	**81 062**	**81 875**	**81 875**	**126 986**	**129 953**	**137 384**
Allocations to organs of state:									
Electricity									
Water									
Sanitation									
Other									
Total contracted services	**24 079**	**67 697**	**72 754**	**81 062**	**81 875**	**81 875**	**126 986**	**129 953**	**137 384**
Other Expenditure By Type									
Collection costs									
Contributions to 'other' provisions	3 601	3 246	(12 399)	3 010	49 216	49 216			
Consultant fees	10 766	9 376	9 431	12 858	12 858	12 858			
Audit fees (External)	2 501	2 869	3 559	4 104	4 104	4 104	4 514	4 786	5 073
General expenses	22 505	16 384	19 600	13 244	14 072	14 072	5 256	5 810	6 450
Conditional receipts expenses	54 612	4 133	28 072	3 382	5 189	5 189			
Property valuation charges	2 418	1 030	442	1 100	1 000	1 000			
Water catchment, research and testing	5 648	5 295	4 266	4 260	4 260	4 260			
Fuel and oil	9 042	9 903	11 477	12 506	12 514	12 514			
Chemicals	6 411	8 488	10 553	9 664	9 649	9 649			
Legal fees	2 766	1 669	3 017	1 700	1 940	1 940			
Telephone and fax	3 912	2 934	2 839	3 342	3 142	3 142	3 048	3 221	3 431
Tourism development	2 824	2 732	2 796	2 618	1 649	1 649			
Security services	3 435	3 759	4 262	4 325	4 495	4 495			
Solid waste dumping fees	1 375	–	–						
Solid waste haulage	4 345	6 318	7 742	8 217	8 136	8 136			
Hermanus public protection	3 603	3 921	4 251	5 029	5 029	5 029			
Training	2 748	2 363	1 804	2 300	2 299	2 299	2 000	2 120	2 247
Prepaid Electricity	2 575	3 248	3 652	4 672	4 494	4 494	3 804	4 032	4 274
Commission paid	3 416	4 014	1 019	1 145	1 145	1 145	1 213	1 286	1 363
Advertising	1 366	1 511	1 905	1 623	1 668	1 668			
Management of informal settlements	1 475	1 513	1 982	1 869	1 869	1 869	1 981	2 100	2 226
Insurance	1 651	2 145	2 363	2 750	2 500	2 500	2 350	2 696	2 798
Printing and stationery	1 868	1 875	2 035	2 309	2 309	2 309			
Solid waste chipping	2 369	2 151	2 076	2 809	2 583	2 583			
Special projects	1 059	1 270	714	868	868	868			
Workmen's Compensation Assurance				1 650	1 650	1 650	1 750	1 802	1 910
SALGA Membership Fees				2 505	2 505	2 505			
Rentals (Equipment & Offices)				1 731	1 426	1 426			
Postage & Courier Services				1 818	1 788	1 788	1 571	1 860	2 181
Decommissioning Cost							4 619	4 896	5 190
Op Cst - Prof Bodies Memb & Subs							3 365	3 416	3 617
Specialised Computer Service							2 452	2 611	2 781
Op Cst - Uniform & Protective Clothing							2 395	2 433	2 577
Operational Cost - Skills Dev Fund Lev							2 082	2 231	2 367
Infrastructure & Planning - Town Plann							1 700	1 747	1 852
Software Licences							2 051	2 184	2 326
Bnk Chgs Fac & Card Fees - Bank Accoun							1 639	1 738	1 842
Op Cst - Printing & Publications							1 471	1 543	1 636
Third Party Vendors							1 213	1 286	1 363
Operating Lease							1 170	1 245	1 325
Wireless Ntwrk							937	998	1 063
Corporate Municipal Activities							721	767	807
Op Cst - Remuneration To Ward Commts							689	689	689
System Adviser							634	685	740
Tenders							612	648	687
Op Cst - Levies Paid - H2O Res Man Chrg							560	575	594
Municipal Newsletters							454	483	515
Total 'Other' Expenditure	**158 290**	**102 146**	**117 460**	**117 407**	**164 357**	**164 357**	**56 251**	**59 890**	**63 924**

by Expenditure Item									
Employee related costs	15 563	27 460	35 905	40 285	40 285	40 285	45 175	47 787	50 645
Other materials	5 188	9 153	8 865	8 807	8 807	8 807	14 541	15 638	16 361
Contracted Services	12 320	21 740	32 675	34 161	34 161	34 161	35 194	37 739	39 865
Other Expenditure	31 774	56 061	72 912	79 016	79 016	79 016	26 167	25 650	43 884
Total Repairs and Maintenance Expenditure	64 845	114 414	150 358	162 268	162 268	162 268	121 077	126 814	150 754

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

Description R thousand	Vote 1 - Council	Vote 2 - Municipal Manager	Vote 3 - Management Services	Vote 4 - Finance	Vote 5 - Community Services	Vote 6 - Local Economic Development	Vote 7 - Infrastructure & Planning	Vote 8 - Protection Services	Total
Revenue By Source									
Property rates	–	–	–	162 730		–	–	–	**162 730**
Property rates - penalties & collection charges	–	–	–	891		–	–	–	**891**
Service charges - electricity revenue	–	–	–	616		–	338 261	–	**338 877**
Service charges - water revenue	–	–	–	–	102 045	–	–	–	**102 045**
Service charges - sanitation revenue	–	–	–	–	66 375	–	–	–	**66 375**
Service charges - refuse revenue	–	–	–	–	59 488	–	–	–	**59 488**
Service charges - other									**–**
Rental of facilities and equipment	–	–	–	–	11 815		43	–	**11 859**
Interest earned - external investments	–	–	–	6 348	–		–	–	**6 348**
Interest earned - outstanding debtors	–	–	–	2 437	–		–	–	**2 437**
Dividends received									**–**
Fines	–	–	–	–	67		–	31 792	**31 859**
Licences and permits	–	–	–	–	484		–	1 706	**2 190**
Agency services	–	–	–	–	–		–	2 970	**2 970**
Other revenue	210		61	5 868	1 887	1 430	6 117	1 209	**16 781**
Transfers recognised - operational	64 598			1 450	5 428	1 661	30 226		**103 363**
Gains on disposal of PPE									**–**
Total Revenue (excluding capital transfers and contri	**64 808**	**–**	**61**	**180 339**	**247 589**	**3 091**	**374 647**	**37 676**	**908 211**
Expenditure By Type									
Employee related costs	8 330	4 026	19 897	37 335	141 871	4 813	44 590	30 731	**291 593**
Remuneration of councillors	8 674								**8 674**
Debt impairment								22 792	**22 792**
Depreciation & asset impairment	22	18	2 267	298	79 250	126	28 206	1 175	**111 362**
Finance charges			54	119	30 030		16 692		**46 895**
Bulk purchases				17	5 006		193 573		**198 596**
Other materials	20	34	309	377	32 022	128	35 698	2 298	**70 885**
Contracted services			7 403	2 408	57 475	423	18 632	10 573	**96 915**
Transfers and grants	46 778		70						**46 848**
Other expenditure	7 671	411	13 328	29 197	8 814	3 241	18 402	1 884	**82 947**
Loss on disposal of PPE									**–**
Total Expenditure	**71 496**	**4 489**	**43 327**	**69 750**	**354 470**	**8 731**	**355 793**	**69 453**	**977 508**
Surplus/(Deficit)	**(6 688)**	**(4 489)**	**(43 266)**	**110 589**	**(106 881)**	**(5 640)**	**18 854**	**(31 777)**	**(69 296)**
Transfers recognised - capital			**930**		**24 497**		**24 888**		**50 315**
Contributions recognised - capital									**–**
Contributed assets									**–**
Surplus/(Deficit) after capital transfers & contributions	**(6 688)**	**(4 489)**	**(42 336)**	**110 589**	**(82 384)**	**(5 640)**	**43 743**	**(31 777)**	**(18 981)**

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

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
ASSETS									
Call investment deposits									
Call deposits < 90 days	75 000	55 042	50 039						
Other current investments > 90 days									
Total Call investment deposits	**75 000**	**55 042**	**50 039**	**–**	**–**	**–**	**–**	**–**	**–**
Consumer debtors									
Consumer debtors	68 475	65 941	63 810	69 091	69 091	69 091	67 774	71 841	76 151
Less: Provision for debt impairment	(18 114)	(16 916)	(16 359)	(16 500)	(16 500)	(16 500)	(16 000)	(15 500)	(15 000)
Total Consumer debtors	**50 361**	**49 025**	**47 451**	**52 591**	**52 591**	**52 591**	**51 774**	**56 341**	**61 151**
Debt impairment provision									
Balance at the beginning of the year	20 232	18 114	16 916	17 000	17 000	17 000	16 500	16 000	15 500
Contributions to the provision	(190)	594	(107)						
Bad debts written off	(1 928)	(1 792)	(449)	(500)	(500)	(500)	(500)	(500)	(500)
Balance at end of year	**18 114**	**16 916**	**16 359**	**16 500**	**16 500**	**16 500**	**16 000**	**15 500**	**15 000**
Property, plant and equipment (PPE)									
PPE at cost/valuation (excl. finance leases)	5 709 629	5 819 933	5 900 309	6 061 941	6 121 309	6 121 309	6 102 482	6 197 088	6 300 649
Leases recognised as PPE	1 208	1 379	139	1 406	1 406	1 406	6 923	6 923	6 923
Less: Accumulated depreciation	2 637 823	2 724 192	2 789 392	2 990 924	2 987 120	2 987 120	3 005 433	3 122 509	3 246 667
Total Property, plant and equipment (PPE)	**3 073 014**	**3 097 120**	**3 111 056**	**3 072 423**	**3 135 594**	**3 135 594**	**3 103 972**	**3 081 502**	**3 060 905**
LIABILITIES									
Current liabilities - Borrowing									
Short term loans (other than bank overdraft)	374	485	63	1 176	1 135	1 135	1 271	1 352	1 538
Current portion of long-term liabilities	16 424	17 756	20 381	23 929	23 929	23 929	26 841	29 378	32 831
Total Current liabilities - Borrowing	**16 798**	**18 241**	**20 443**	**25 105**	**25 064**	**25 064**	**28 113**	**30 730**	**34 370**
Trade and other payables									
Trade and other creditors	63 172	71 706	61 518	55 831	50 563	50 563	74 229	70 679	84 789
Unspent conditional transfers	4 555	7 783	3 425	–					
VAT									
Total Trade and other payables	**67 728**	**79 489**	**64 943**	**55 831**	**50 563**	**50 563**	**74 229**	**70 679**	**84 789**
Non current liabilities - Borrowing									
Borrowing	340 581	364 394	392 444	407 225	407 225	407 225	411 667	412 288	409 060
Finance leases (including PPP asset element)	623	238	–	4 541	5 604	5 604	4 333	2 981	1 443
Total Non current liabilities - Borrowing	**341 204**	**364 632**	**392 444**	**411 766**	**412 829**	**412 829**	**415 999**	**415 269**	**410 503**
Provisions - non-current									
Retirement benefits	71 562	79 887	95 535	92 875	107 290	107 290	113 727	120 551	127 784
List other major provision items									
Refuse landfill site rehabilitation	32 057	31 933	24 054	36 617	64 550	64 550	78 422	82 528	86 880
Other	7 478	7 498	8 938	8 008	9 040	9 040	9 520	10 028	10 568
Total Provisions - non-current	**111 097**	**119 319**	**128 527**	**137 501**	**180 879**	**180 879**	**201 669**	**213 107**	**225 231**
CHANGES IN NET ASSETS									
Accumulated Surplus/(Deficit)									
Accumulated Surplus/(Deficit) - opening balance	2 564 679	2 847 332	2 855 854	2 857 322	2 857 322	2 857 322	2 736 015	2 717 033	2 713 789
GRAP adjustments	364 261	(9 929)	(6 220)						
Restated balance	2 928 940	2 837 403	2 849 634	2 857 322	2 857 322	2 857 322	2 736 015	2 717 033	2 713 789
Surplus/(Deficit)	(81 607)	10 899	(45 015)	(48 747)	(69 225)	(69 225)	(18 981)	(3 244)	3 838
Appropriations to Reserves									
Transfers from Reserves		1 333	620						
Depreciation offsets									
Other adjustments									
Accumulated Surplus/(Deficit)	**2 847 332**	**2 849 634**	**2 805 240**	**2 808 575**	**2 788 097**	**2 788 097**	**2 717 033**	**2 713 789**	**2 717 628**
Reserves									
Housing Development Fund	1 920	1 891	2 565	1 934	2 573	2 573	2 637	2 703	2 757
Capital replacement									
Self-insurance									
Other reserves									
Revaluation	–	–							
Total Reserves	**1 920**	**1 891**	**2 565**	**1 934**	**2 573**	**2 573**	**2 637**	**2 703**	**2 757**
TOTAL COMMUNITY WEALTH/EQUITY	**2 849 252**	**2 851 526**	**2 807 805**	**2 810 509**	**2 790 670**	**2 790 670**	**2 719 671**	**2 716 492**	**2 720 385**

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

Strategic Objective	Goal	Goal Code	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
The provision of democratic, accountable and ethical governance	Good Governance	1	167 928	232 385	199 504	183 397	232 413	232 413	255 994	272 264	292 533
The provision and maintenance of municipal services	Basic Service Delivery	2	456 833	461 155	485 124	559 189	540 568	540 568	581 518	625 966	677 315
The encouragement of structured community participation in the matters of the municipality	Good Governance	3	19 203	41 457	62 333	53 339	44 557	44 557	63 296	85 915	78 218
The creation and maintenance of a safe and healthy environment	Safe and Healthy Environment	4	10 346	20 206	28 620	13 260	36 170	36 170	37 777	39 275	40 923
The promotion of tourism, economic and social development	Economic Development and Social upliftmnent	5	6 609	7 765	11 427	11 658	9 191	9 191	19 941	10 829	13 142
Total Revenue (excluding capital transfers and contributions)			**660 918**	**762 969**	**787 007**	**820 842**	**862 900**	**862 900**	**958 526**	**1 034 249**	**1 102 130**

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

Strategic Objective	Goal	Goal Code	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
The provision of democratic, accountable and ethical governance	Good Governance	1	190 332	205 348	119 512	93 256	124 670	124 670	237 218	248 313	267 049
The provision and maintenance of municipal services	Basic Service Delivery	2	310 956	346 423	448 042	627 915	533 668	533 668	448 031	492 997	539 058
The encouragement of structured community participation in the matters of the municipality	Good Governance	3	189 607	137 754	181 602	63 289	63 253	63 253	90 760	85 957	70 997
The creation and maintenance of a safe and healthy environment	Safe and Healthy Environment	4	36 252	48 275	64 229	56 208	79 097	79 097	76 405	79 497	82 921
The promotion of tourism, economic and social development	Economic Development and Social upliftmnent	5	15 378	14 271	18 637	28 920	131 437	131 437	125 094	130 729	138 267
Total Expenditure			**742 525**	**752 070**	**832 022**	**869 588**	**932 125**	**932 125**	**977 508**	**1 037 493**	**1 098 292**

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

Strategic Objective	Goal	Goal Code	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
The provision of democratic, accountable and ethical governance	Good Governance	1	24 047	7 154	21 308	16 815	17 776	17 776	2 648	3 730	
The provision and maintenance of municipal services	Basic Service Delivery	2	127 569	103 790	73 989	54 300	56 087	56 087	45 355	41 326	44 387
The encouragement of structured community participation in the matters of the municipality	Good Governance	3	9 484	30 219	29 937	23 515	37 425	37 425	25 315	45 550	55 174
The creation and maintenance of a safe and healthy environment	Safe and Healthy Environment	4	645	–	–	–			100		
The promotion of tourism, economic and social development	Economic Development and Social upliftmnent	5	1 531	2 601	5 696	3 090	6 300	6 300	12 098	4 000	4 000
Total Capital Expenditure			**163 275**	**143 764**	**130 930**	**97 721**	**117 588**	**117 588**	**85 515**	**94 606**	**103 561**

WC032 Overstrand - Supporting Table SA7 Measureable performance objectives **25 March 2015 (Draft TL SDBIP kpi's for 2015/16)**

Description	Unit of measurement	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Council										
Council and Municipal Manager										
Municipal Manager										
Risk based audit plan pproved by the Audit Committee by the end of June 2016	Plan approved	1	1	1	1	1	1	1		
Quarterly report to the Management, Executive Mayor, Auditor-General and Audit Committee on progress with implementation of key controls as identified in key control deficiencies	Quarterly reports submitted on achievement of committed dates	1	1	1	4	4	4	4		
Submit quarterly progress reports on the revision of the top 10 risks as a corrective action to the Executive Management Team	Number of progress reports submitted	1	1	1	4	4	4	4		
Percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's IDP {(Actual amount spent on projects as identified for the year in the IDP/Total amount spent on capital projects)X100}	% of capital budget spent	91.80%	98.00%	93.77%	98%	98%	98%	98%		
Management Services										
Director: Management Services										
Human Resources										
90% of the approved and funded organogram filled {(actual number of posts filled dived by the funded posts budgeted) x100}	% filled	91.25%	92.86%	92.41%	90%	90%	90%	90%		
The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	The number of people from EE target groups employed	4	2	no kpi set	54	54	54	54		
The percentage of a municipality's budget (training budget) actually spent on implementing its workplace skills plan	% of the training budget spent on implementation of the WSP	100%	100%	100%	100%	100%	100%	100%		
Review the Municipal Organisational Staff Structure by the end of June 2016	Structure reviewed	no kpi set	no kpi set	0	1	1	1	1		
Revise the Section 14 Access to Information Manual by the end of June to ensure compliant and up to date policies	Policy revised	1	1	1	1	1	1	1		
Review identified HR policies by the end of June 2016	Number of policies reviewed	no kpi set	no kpi set	5	4	4	4	4		
Finance										
Director: Finance										
Director Finance										
Financial viability measured in terms of the available cash to cover fixed operating expenditure ((Available cash+ investments)/ Monthly fixed operating expenditure)	Ratio achieved	5.17%	3.49%	2.30%	1.2	1.2	1.2	1		
Financial viability measured in terms of the municipality's ability to meet it's service debt obligations ((Total operating revenue-operating grants received)/debt service payments due within the year) (%)	Ratio achieved	18.60%	17.46%	16.90%	17	17	17	17		
Financial viability measured in terms of the outstanding service debtors (Total outstanding service debtors/ revenue received for services)	% achieved	11.60%	11.90%	10.40%	12	12	12	12.2		
Appoint a service provider to review the feasible capital funding plan by the end of June 2016	Reviewed plan approved	no kpi set	no kpi set	no kpi set	1	1	1	1		
Financial statements submitted to the Auditor General by the end of August	Financial statements submitted	1	1	1	1	1	1	1		
Provision of free basic electricity, refuse removal, sanitation and water in terms of the equitable share requirements	Number of households	5477	6523	6536	6580	6580	6580	6800		
Revenue										
Achieve a debt recovery rate not less than 95%	% Recovered		100.44%	100.33%	95%	95%	95%			

Description	Unit of measurement	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Community Services										
Director: Community Services										
Director: Community Services										
Ward committee meetings held to facilitate consistent and regular communication with residents	No of ward committee meetings per ward per annum	8	8	9	8	8	8	8		
98% of the operational conditional grant (Libraries, CDW) spent (Actual expenditure divided by the total grant received)	% of total conditional operational grants spent (Libraries, CDW)	100.0%	100.0%	100.45%	98%	98%	98%	98%		
m² of roads patched (works orders) and resealed according to approved Paveman Management System within available budget	m² of roads patched (works orders) and resealed	171344	216162	101560	120000	120000	120000	120000		
Quality of effluent comply 90% with SANS 241	% compliance	88.60%	86.02%	82.78%	90%	90%	90%	90%		
Quality of potable water comply 95% with SANS 241	% compliance	no kpi set	no kpi set	95.38%	95%	95%	95%	95%		
Limit unaccounted water to less than 25% {(Number of kiloliter water purified - Number of kiloliter water sold)/Number of kiloliter sold x 100)}	% of water unaccounted for	27.25%	25.57%	21.5%	25%	25%	25%	25%		
Provision of water to informal households with access within a 200 m radius	No of informal households that have access to water within a 200 m radius	3565	no kpi set	no kpi set	3406	3406	3406	3406		
Provision of cleaned piped water to all formal households within 200 m from households	No of formal households that meet agreed service standards for piped water	25066	25426	27373	28077	28077	28077	28077		
Provision of refuse removal, refuse dumps and solid waste disposal to all formal households at least once a week	Number of formal households for which refuse is removed at least once a week	32265	no kpi set	34299	32697	32697	32697	32697		
Provision of refuse removal, refuse dumps and solid waste disposal to all informal households at least once a week	Number of informal households for which refuse is removed at least once a week	3565	no kpi set	no kpi set	3406	3406	3406	3406		
The provision of sanitation services to informal households based on the standard of 1 toilette to 5 households	No of informal households that have access to sanitation based on the standard of 1 toilette to 5 households	3565	no kpi set	no kpi set	3406	3406	3406	3406		
Provision of sanitation services to formal residential households	No of formal residential households which are billed for sewerage in accordance to the SAMRAS financial system	30016	31221	31231	31202	31202	31202	31202		
Local Economic Develeopment										
Director: LED										
LED										
Report quaterly to Portfolio committee on the development and implementation of tourism marketing tools	Quaterly report on marketing tools	no kpi set	no kpi set	no kpi set	4	4	4	4		
Bi-annual report on Grants to festival organisers through Service Level Agreements	Number of reports submitted	no kpi set	no kpi set	no kpi set	no kpi set	no kpi set	no kpi set	2		
Develop and implement an SMME Development Programme	Number of SMME's supported	55	23	45	no kpi set	no kpi set	no kpi set	30		
Financial and non-financial resources mobilised	Number of MOU's entered into and amount generated	no kpi set	no kpi set	no kpi set	2	2	2	3		
Report quaterly to Director LED on linkages established with other spheres of government, agencies, donors, SALGA and other relevant bodies for benefit of local area	Quarterly report on linkages established	no kpi set	no kpi set	no kpi set	4	4	4	4		
The number of job opportunities created through the EPWP programme and as per set targets (grant agreement - 86 FTE's, translates to 287 work opportunities)	Number of temporary jobs created	204	609	517	287	287	287	287		
Monthly register on Outreach Statistics and referrals made (Walk-in Centre)	Number of registers on outreach statistics completed (walk-in centre)	no kpi set	no kpi set	no kpi set	no kpi set	no kpi set	no kpi set	12		

Description	Unit of measurement	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Infrastructure & Planning										
Director: Infrastructure and Planning										
Electricity										
Limit electricity losses to 8.5% or less {(Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated) × 100}	% of electricity unaccounted for	7.10%	6.88%	5.95%	8.5%	8.5%	8.5%	8.5%		
Provision of Electricity: Number of metered electrical connections in formal area (Eskom Areas excluded)	Number of formal household that meet agreed service standards	20604	no kpi set	25751	21998	21998	21998	21998		
Waste Water Management										
Achieve two Green Drop awards	Number of awards	no kpi set	0	4	2	2	2	2		
Achieve 6 Blue drop awards	Number of awards	no kpi set	no kpi set	no kpi set	6	6	6	6		
Water										
Report on the implementation of the Water Service Development plan annually by the end of October 2015	Report submitted	1	1	1	1	1	1	1		
Planning and Development										
Municipal Infrastrructure Grant (MIG)- % expenditure	% expenditure of allocated grant	no kpi set	no kpi set	no kpi set	no kpi set	no kpi set	no kpi set	100.0%		
Protection Services										
Director Protection Services										
Annually review Community Safety Plan by the end of June in conjunction with the Department of Community Safety	Plan reviewed	1	1	1	1	1	1	1		
Arrange public awareness sessions on Protection Services	Number of sessions held	57	60	55	32	32	32	32		
Disaster and Fire Manangement										
Annually review and submit Disaster Management Plan to the District by the end of June	Reviewed plan submitted	1	1	1	1	1	1	1		
Annually review the Fire Management Plan by the end of June	Plan reviewed	1	1	1	1	1	1	1		
Perform compliance inspections in terms of the National Standard for community fire protection as specified in SANS 10090	Number of inspections performed	no kpi set	no kpi set	6574	1200	1200	1200	3600		
Traffic										
Optimal collection of public safety income for the financial year	R-value of public safety collected income	R 4 893 128	R 5 730 902	R 5 154 575	10000000	10000000	10000000	8000000		

WC032 Overstrand - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Borrowing Management										
Credit Rating										
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	6.2%	6.8%	7.3%	7.6%	7.0%	7.0%	7.2%	7.1%	7.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	8.2%	7.7%	9.1%	9.1%	8.8%	8.8%	8.8%	8.5%	8.3%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	117.8%	45.1%	59.6%	74.2%	71.6%	71.6%	82.0%	85.2%	95.5%
Safety of Capital										
Gearing	Long Term Borrowing/ Funds & Reserves	17772.6%	19277.5%	15300.9%	21294.4%	16045.6%	16045.6%	15774.5%	15362.7%	14888.6%
Liquidity										
Current Ratio	Current assets/current liabilities	1.7	1.3	1.2	1.3	1.4	1.4	1.2	1.3	1.4
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.7	1.3	1.0	1.1	1.2	1.2	1.1	1.2	1.3
Liquidity Ratio	Monetary Assets/Current Liabilities	0.9	0.5	0.4	0.6	0.6	0.6	0.6	0.7	0.9
Revenue Management										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		105.3%	91.5%	103.1%	99.6%	104.5%	0.0%	101.2%	99.9%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		104.9%	91.5%	103.1%	99.6%	103.9%	103.9%	101.2%	99.9%	99.3%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	14.6%	14.4%	13.5%	12.4%	13.3%	13.3%	10.6%	9.7%	9.6%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	86.7%	90.3%	97.2%	100.3%	100.3%	100.3%	99.5%	99.5%	99.5%
Creditors Management										
Creditors System Efficiency	% of Creditors Paid Within Terms (within`MFMA' s 65(e))	99.8%	100.0%	97.8%	95.0%	95.0%	95.0%	98.0%	98.0%	98.0%
Creditors to Cash and Investments		49.9%	85.2%	97.4%	63.4%	55.7%	55.7%	74.9%	54.9%	48.8%
Other Indicators										
Electricity Distribution Losses (2)	Total Volume Losses (kW)	16012859	15831477	13668967	15896000	15896000	15896000	13 667 000	13 665 499	13 664 000
	Total Cost of Losses (Rand '000)	6 513	7 101	7 028	9 127	9 127	9 127	7 927	7 926	7 925
	% Volume (units purchased and generated less units sold)/units purchased and generated	7.12%	6.91%	5.95%	6.67%	6.67%	6.67%	5.95%	5.94%	5.93%
Water Distribution Losses (2)	Total Volume Losses (kℓ)	1 429	1 445	1 455	1 476	1 476	1 476	1 453	1 451	1 449
	Total Cost of Losses (Rand '000)	2891622	3829726	5726220	3085	3085	3085	4272	4264	4260
	% Volume (units purchased and generated less units sold)/units purchased and generated	20.36%	20.01%	21.47%	20.23%	20.23%	20.23%	20.19%	20.05%	20.00%
Employee costs	Employee costs/(Total Revenue - capital revenue)	34.8%	32.9%	35.4%	35.7%	34.1%	34.1%	32.1%	31.4%	31.5%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	35.9%	33.9%	36.5%	36.8%	35.1%	35.1%	33.1%	32.3%	32.4%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	10.9%	16.3%	20.4%	20.7%	20.0%	20.0%	13.3%	13.0%	14.7%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	22.7%	20.1%	18.9%	19.7%	18.5%	18.5%	17.4%	16.9%	16.8%
IDP regulation financial viability indicators										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	24.0	22.8	22.7	24.6	24.6	24.6	22.4	22.2	23.8
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	16.6%	17.9%	15.9%	14.2%	15.7%	15.7%	12.9%	11.8%	11.4%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	3.1	1.8	1.2	1.6	1.6	1.6	1.6	1.9	2.4

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

Description of economic indicator	Basis of calculation	2001 Census	2007 Survey	2011 Census	2011/12	2012/13	2013/14	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
					Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics											
Population		55	75	80	83	87	90	93	97	101	108
Females aged 5 - 14		3	6	5	5	6	6	6	6	7	7
Males aged 5 - 14		3	6	5	5	6	6	6	6	7	7
Females aged 15 - 34		6	12	13	14	14	15	15	16	16	18
Males aged 15 - 34		6	11	14	14	15	15	16	16	17	18
Unemployment		5	8	4	4	5	5	5	5	5	6
Monthly household income (no. of households)											
No income		2 226	770	4 585	4 759	4 940	5 128	5 323	5 525	5 735	5 953
R1 - R1 600		6 149	5 307	5 326	5 528	5 738	5 957	6 183	6 418	6 662	6 915
R1 601 - R3 200		3 742	3 177	4 878	5 063	5 256	5 455	5 663	5 878	6 101	6 333
R3 201 - R6 400		3 344	3 789	4 362	4 528	4 700	4 878	5 064	5 256	5 456	5 663
R6 401 - R12 800		2 303	2 750	3 830	3 976	4 127	4 283	4 446	4 615	4 791	4 973
R12 801 - R25 600		920	1 947	2 896	3 006	3 120	3 239	3 362	3 490	3 622	3 760
R25 601 - R51 200		227	1 066	1 456	1 511	1 569	1 628	1 690	1 754	1 821	1 890
R52 201 - R102 400		77	184	486	504	524	544	564	586	608	631
R102 401 - R204 800		44	176	109	113	117	122	127	131	136	142
R204 801 - R409 600		27		81	84	87	91	94	98	101	105
R409 601 - R819 200											
> R819 200											
Poverty profiles (no. of households)											
< R2 060 per household per month	# households earning less than R1600 based on	6 149	5 307	5 326	5 528	5 738	5 957	6 183	6 418	6 662	6 915
Insert description											
Household/demographics (000)											
Number of people in municipal area	Stats SA	55 012	74 546	80 432	83488	86661	89 954	93 372	96 920	100 603	108 249
Number of poor people in municipal area				37 433	38856	40332	41 865	43 456	45 107	46 821	48 600
Number of households in municipal area	Stats SA		21 953	28 008							
Number of poor households in municipal area			8 439	16 317	17277	18285	19 469	20 651	21 968	23 390	24 891
Definition of poor household (R per month)			2 201	4 561	4561	4801	5 121	5 401	5 725	6 069	6 433
Housing statistics											
Formal				22 692	22 938	23 152	23 599	23 812	24 415	24 913	25 293
Informal				2 538	3 421	3 407	3 330	3 188	3 188	3 188	3 188
Total number of households		-	-	25 230	26 359	26 559	26 929	27 000	27 603	28 101	28 481
Dwellings provided by municipality			88	410	-	-	183	-	333	218	80
Dwellings provided by province/s		-	-	-	-	-	-	-	-	-	-
Dwellings provided by private sector		116	470	209	246	214	264	213	270	280	300
Total new housing dwellings		116	558	619	246	214	447	213	603	498	380
Economic											
Inflation/inflation outlook (CPIX)					5.6%	5.7%	5.9%	5.8%	4.8%	5.9%	5.6%
Interest rate - borrowing					9.6%	9.7%	9.7%	9.7%	9.6%	9.6%	9.6%
Interest rate - investment					5.6%	5.1%	5.4%	6.2%	6.3%	6.5%	6.5%
Remuneration increases					6.1%	6.5%	6.8%	6.8%	6.1%	6.1%	6.1%
Consumption growth (electricity)					1.1%	1.8%	0.5%	1.5%	1.4%	1.5%	1.5%
Consumption growth (water)					-8.2%	4.2%	-5.4%	3.3%	3.0%	3.0%	3.0%
Collection rates											
Property tax/service charges					99.3%	100.4%	100.3%	100.3%	100.3%	100.3%	100.3%
Rental of facilities & equipment					99.3%	100.4%	100.3%	100.3%	100.3%	100.3%	100.3%
Interest - external investments					100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Interest - debtors					100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Revenue from agency services					100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

WC032 Overstrand Supporting Table SA10 Funding measurement

Description	MFMA section	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Funding measures										
Cash/cash equivalents at the year end - R'000	18(1)b	126 699	84 147	63 158	88 050	90 815	90 815	99 079	128 754	173 717
Cash + investments at the yr end less applications - R'000	18(1)b	130 018	89 356	96 147	126 920	149 926	149 926	119 309	149 778	183 996
Cash year end/monthly employee/supplier payments	18(1)b	3.1	1.8	1.2	1.6	1.6	1.6	1.6	1.9	2.4
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	(81 607)	10 899	(45 015)	(48 747)	(69 225)	(69 225)	(18 981)	(3 244)	3 838
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	N.A.	2.3%	4.2%	3.8%	(5.3%)	(6.0%)	1.4%	1.7%	1.8%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	104.9%	91.5%	103.1%	99.6%	103.9%	103.9%	101.2%	99.9%	99.3%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	0.0%	1.2%	2.0%	0.0%	3.4%	3.4%	3.1%	2.9%	2.7%
Capital payments % of capital expenditure	18(1)c;19	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	101.4%	43.0%	55.3%	65.2%	61.3%	61.3%	85.2%	88.9%	100.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a							0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	16.5%	(2.1%)	(2.2%)	11.3%	0.0%	(11.2%)	(1.4%)	4.3%
Long term receivables % change - incr(decr)	18(1)a	N.A.	(33.7%)	(18.4%)	(16.1%)	0.0%	0.0%	(28.3%)	(26.0%)	(33.9%)
R&M % of Property Plant & Equipment	20(1)(vi)	2.1%	3.7%	4.8%	5.3%	5.2%	5.2%	3.9%	4.1%	4.9%
Asset renewal % of capital budget	20(1)(vi)	0.0%	2.9%	35.9%	28.8%	27.9%	27.9%	24.3%	22.2%	6.3%
High Level Outcome of Funding Compliance										
Total Operating Revenue		597 482	703 871	736 376	784 474	810 548	810 548	908 211	973 373	1 028 569
Total Operating Expenditure		742 525	752 070	832 022	869 588	932 125	932 125	977 508	1 037 493	1 098 292
Surplus/(Deficit) Budgeted Operating Statement		(145 043)	(48 199)	(95 646)	(85 115)	(121 577)	(121 577)	(69 296)	(64 120)	(69 723)
Surplus/(Deficit) Considering Reserves and Cash Backing		130 018	89 356	96 147	126 920	149 926	149 926	119 309	149 778	183 996
MTREF Funded (1) / Unfunded (0)		1	1	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded ✗		✓	✓	✓	✓	✓	✓	✓	✓	✓

WC032 Overstrand - Supporting Table SA11 Property rates summary

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Valuation:									
Date of valuation:	02/07/2007	02/07/2011	02/07/2011						
Financial year valuation used	**2008/2009**	**2012/2013**	**2012/2013**	**2012/2013**			**2012/2013**		
Municipal by-laws s6 in place? (Y/N)	Yes		Yes				Yes		
Municipal/assistant valuer appointed? (Y/N)	Yes		Yes				Yes		
Municipal partnership s38 used? (Y/N)	No		No				No	No	No
No. of assistant valuers (FTE)	**2**	**2**	**2**	2	**2**	**2**	2	**2**	**2**
No. of data collectors (FTE)	6	6	6	12	12	12	6	6	6
No. of internal valuers (FTE)	–	–	–	–	–	–	–	–	–
No. of external valuers (FTE)	4	4	3	3	3	3	3	3	3
No. of additional valuers (FTE)	–	–	–	1	1	1	–	–	–
Valuation appeal board established? (Y/N)	Yes		Yes				Yes		
Implementation time of new valuation roll (mths)		36	24	12			–		
No. of properties	40 907	40 801	41 025	41 230	41 230	41 230	41 848	41 492	41 492
No. of sectional title values	2 396	2 383	2 623	2 636	2 636	2 636	2 634	2 647	2 661
No. of unreasonably difficult properties s7(2)	–	–	–	–	–	–	–	–	–
No. of supplementary valuations	1	2	3	2	2	2	1	1	1
No. of valuation roll amendments	2	3	3	2	2	2	12	12	12
No. of objections by rate payers	24	830	103	100	100	100	1 500	400	400
No. of appeals by rate payers	1	53	5	10	10	10	150	40	40
No. of successful objections	5		24	20	20	20	750	200	200
No. of successful objections > 10%	–	137	14	10	10	10	75	20	20
Supplementary valuation	3 323	4 998	4 233	4 487	4 487	4 487	3 610	3 628	3 646
Public service infrastructure value (Rm)	38	40	40	43	43	43	83	83	83
Municipality owned property value (Rm)	701	694	694	736	736	736	737	741	745
Valuation reductions:									
Valuation reductions-public infrastructure (Rm)	41	40	40	43	43	43	85	85	86
Valuation reductions-nature reserves/park (Rm)	–	–	–	–	–	–	276	277	279
Valuation reductions-mineral rights (Rm)	–	–	–	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)	458	453	453	480	480	480	434	436	438
Valuation reductions-public worship (Rm)	211	209	209	222	222	222	258	259	260
Valuation reductions-other (Rm)	2 067	2 046	2 046	2 169	2 169	2 169	2 254	2 265	2 276
Total valuation reductions:	**2 776**	**2 749**	**2 749**	**2 913**	**2 913**	**2 913**	**3 306**	**3 323**	**3 339**
Total value used for rating (Rm)	39 491	39 152	39 152	41 501	41 501	41 501	39 998	40 198	40 399
Total land value (Rm)	22 148	21 360	21 360	22 642	22 642	22 642	22 151	**22 262**	**22 373**
Total value of improvements (Rm)	20 119	20 540	20 540	21 772	21 772	21 772	21 153	21 259	21 365
Total market value (Rm)	42 267	41 900	41 900	44 414	44 414	44 414	43 304	43 521	43 739
Rating:									
Residential rate used to determine rate for other categories? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Differential rates used? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Limit on annual rate increase (s20)? (Y/N)	No	No	No	No	No	No	No	No	No
Special rating area used? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Phasing-in properties s21 (number)	No	No	No	No	No	No	No	No	No
Rates policy accompanying budget? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Fixed amount minimum value (R'000)				100			220		
Non-residential prescribed ratio s19? (%)	46.0%	48.6%	51.4%	51.5%			51.0%		
Rate revenue:									
Rate revenue budget (R '000)	112 600	120 278	134 994	148 520	148 520	148 520	157 847	165 259	175 174
Rate revenue expected to collect (R'000)	112 600	120 278	134 994	148 520	148 520	148 520	157 847	165 259	175 174
Expected cash collection rate (%)	87.6%	99.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Special rating areas (R'000)	–	–	–	–	–	–	–	–	–
Rebates, exemptions - indigent (R'000)	–	–	–	–	–	–	–	–	–
Rebates, exemptions - pensioners (R'000)	0	319	353	401	401	401	425	450	477
Rebates, exemptions - bona fide farm. (R'000)	1	1 653	69	79	79	79	83	89	94
Rebates, exemptions - other (R'000)	2	3 708	3 410	3 875	3 875	3 875	4 108	4 354	4 615
Phase-in reductions/discounts (R'000)									
Total rebates,exemptns,reductns,discs (R'000)	**3**	**5 680**	**3 833**	**4 355**	**4 355**	**4 355**	**4 616**	**4 893**	**5 187**

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

Description	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.
Current Year 2014/15																
Valuation:																
No. of properties	36 825	–	1 628	288	190	1 866	582	–	–	–	–	–	113	–	138	–
No. of sectional title property values	2 242	–	384	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of unreasonably difficult properties s7(2)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of supplementary valuations	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Supplementary valuation (Rm)	TOTAL: 3592															
No. of valuation roll amendments	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
No. of objections by rate-payers	IN PROCESS															
No. of appeals by rate-payers	IN PROCESS															
No. of appeals by rate-payers finalised	IN PROCESS															
No. of successful objections	IN PROCESS															
No. of successful objections > 10%	IN PROCESS															
Estimated no. of properties not valued	100 TOTAL															
Years since last valuation **(select)**	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Frequency of valuation **(select)**	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Method of valuation used **(select)**	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market
Base of valuation **(select)**	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.
Phasing-in properties s21 (number)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Combination of rating types used? (Y/N)	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Flat rate used? (Y/N)	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
Is balance rated by uniform rate/variable rate?	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable
Valuation reductions:																
Valuation reductions-public infrastructure (Rm)	–	–	–	–	–	–	82	–	–	–	–	–	–	–	–	–
Valuation reductions-nature reserves/park (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	274	–	–	–
Valuation reductions-mineral rights (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)	432	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-public worship (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	221	–
Valuation reductions-other (Rm)	2 242	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total valuation reductions:																
Total value used for rating (Rm)	35 584	–	3 630	701	316	–	–	–	–	–	–	–	–	–	–	–
Total land value (Rm)	18 632	–	1 555	561	149	561	78	–	–	–	–	–	197	–	90	–
Total value of improvements (Rm)	17 978	–	2 104	183	175	173	7	–	–	–	–	–	75	–	166	–
Total market value (Rm)	**36 610**	**–**	**3 659**	**743**	**324**	**733**	**85**	**–**	**–**	**–**	**–**	**–**	**272**	**–**	**256**	**–**
Rating:																
Average rate	0.004140		0.006700	0.001040	0.006270				0.004140	0.006270						
Rate revenue budget (R '000)	109 920		20 877	597	17 126											
Rate revenue expected to collect (R'000)	109 920		20 877	597	17 126											
Expected cash collection rate (%)	100.0%		100.0%	100.0%	100.0%											
Special rating areas (R'000)																
Rebates, exemptions - indigent (R'000)																
Rebates, exemptions - pensioners (R'000)	401															
Rebates, exemptions - bona fide farm. (R'000)				79												
Rebates, exemptions - other (R'000)				3 875												
Phase-in reductions/discounts (R'000)																
Total rebates,exemptns,reductns,discs (R'000)																

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

Description	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.
Budget Year 2015/16																
Valuation:																
No. of properties	37 009	–	1 636	289	191	1 875	585	–	–	–	–	–	114	–	139	–
No. of sectional title property values	2 253	–	386	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of unreasonably difficult properties s7(2)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of supplementary valuations	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Supplementary valuation (Rm)	TOTAL: 3808															
No. of valuation roll amendments	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12
No. of objections by rate-payers	1 200	–	200	100	–	–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers	300	–	50	50	–	–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers finalised	300	–	50	50	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections	600	–	100	50	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections > 10%	60	–	10	5	–	–	–	–	–	–	–	–	–	–	–	–
Estimated no. of properties not valued	100 TOTAL															
Years since last valuation **(select)**	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Frequency of valuation **(select)**	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Method of valuation used **(select)**	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market
Base of valuation **(select)**	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.
Phasing-in properties s21 (number)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Combination of rating types used? (Y/N)	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Flat rate used? (Y/N)	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
Is balance rated by uniform rate/variable rate?	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable
Valuation reductions:																
Valuation reductions-public infrastructure (Rm)	–	–	–	–	–	–	83	–	–	–	–	–	–	–	–	–
Valuation reductions-nature reserves/park (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	276	–	–	–
Valuation reductions-mineral rights (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)	434	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-public worship (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	222	–
Valuation reductions-other (Rm)	2 254	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total valuation reductions:																
Total value used for rating (Rm)	35 762	–	3 648	704	318	–	–	–	–	–	–	–	–	–	–	–
Total land value (Rm)	18 725	–	1 563	563	149	564	78	–	–	–	–	–	198	–	90	–
Total value of improvements (Rm)	18 068	–	2 115	184	176	174	7	–	–	–	–	–	75	–	167	–
Total market value (Rm)	**36 793**	**–**	**3 678**	**747**	**326**	**737**	**85**	**–**	**–**	**–**	**–**	**–**	**273**	**–**	**258**	**–**
Rating:																
Average rate	0.004420		0.006700	0.001110	0.006700				0.004420	0.006700					0.004140	
Rate revenue budget (R '000)	116 824		22 188	634	18 201				–						–	
Rate revenue expected to collect (R'000)	116 824		22 188	634	18 201											
Expected cash collection rate (%)	100.0%		100.0%	100.0%	100.0%											
Special rating areas (R'000)	–		–	–	–				–	–					–	
Rebates, exemptions - indigent (R'000)	–		–	–	–				–	–					–	
Rebates, exemptions - pensioners (R'000)	425															
Rebates, exemptions - bona fide farm. (R'000)				83												
Rebates, exemptions - other (R'000)				4 108												
Phase-in reductions/discounts (R'000)																
Total rebates,exemptns,reductns,discs (R'000)																

WC032 Overstrand - Supporting Table SA13a Service Tariffs by category

Description	Provide description of tariff structure where appropriate	2011/12	2012/13	2013/14	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
						Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Property rates *(rate in the Rand)*								
Residential properties		94 852 280	100 066 700	91 896 000	107 622 000	97 925 000	102 523 000	108 674 380
Residential properties - vacant land						18 899 000	19 786 000	20 973 160
Formal/informal settlements								
Small holdings								
Farm properties - used		186 487	287 327	221 000	259 000	634 000	664 000	703 840
Farm properties - not used								
Industrial properties								
Business and commercial properties		17 562 116	19 923 518	18 416 000	21 567 000	22 188 000	23 230 000	24 623 800
Communal land - residential								
Communal land - small holdings								
Communal land - farm property								
Communal land - business and commercial								
Communal land - other								
State-owned properties				16 285 000	19 072 000	18 201 000	19 056 000	20 199 360
Municipal properties								
Public service infrastructure								
Privately owned towns serviced by the owner								
State trust land								
Restitution and redistribution properties								
Protected areas								
National monuments properties								
Exemptions, reductions and rebates *(Rands)*								
Residential properties								
R15 000 threshhold rebate		15 000	15 000	15 000	15 000	15 000	15 000	15 000
General residential rebate		15 000	15 000	15 000	15 000	15 000	15 000	15 000
Indigent rebate or exemption		35 000	100 000	100 000	100 000	220 000	220 000	220 000
Pensioners/social grants rebate or exemption		50 000	100 000	100 000	100 000	220 000	220 000	220 000
Temporary relief rebate or exemption		30-100%	30-100%	30-100%	30-100%	40-100%	40-100%	40-100%
Bona fide farmers rebate or exemption								
Other rebates or exemptions		85%	75%	75%	75%	75%	75%	75%
Water tariffs								
Domestic								
Basic charge/fixed fee *(Rands/month)*		88	93	96	102	102	111	118
Service point - vacant land *(Rands/month)*		88	93	96	102	102	111	118
Water usage - flat rate tariff *(c/kl)*								
Water usage - life line tariff	Consumption - Households			307	325	325	345	365
Water usage - Block 1 (c/kl)	0 - 6 kl per kl	-	-	811	1 005	1 005	1 065	1 129
Water usage - Block 2 (c/kl)	7 - 20kl per kl	702	746	1 316	1 631	1 631	1 729	1 833
Water usage - Block 3 (c/kl)	21 - 30 kl per kl	702	1 200	2 026	2 512	2 512	2 663	2 822
Water usage - Block 4 (c/kl)	31 - 60 kl per kl	1 755	1 860	2 632	3 263	3 263	3 459	3 666
Other	> 60 kl	2 369	2 518	3 509	4 351	4 351	4 612	4 889
Waste water tariffs								
Domestic								
Basic charge/fixed fee *(Rands/month)*		76	81	86	91	91	96	102
Service point - vacant land *(Rands/month)*		161	123	130	109	109	116	122
Waste water - flat rate tariff *(c/kl)*		811	877	965	1 026	1 026	1 088	1 153
Volumetric charge - Block 1 (c/kl)	Basic charge - pumps	51	54	58	61	61	65	69
Volumetric charge - Block 2 (c/kl)	Service per pump	351	373	396	419	419	444	471
Volumetric charge - Block 3 (c/kl)	(fill in structure)							
Volumetric charge - Block 4 (c/kl)	(fill in structure)							
Other								
Electricity tariffs								
Domestic								
Basic charge/fixed fee *(Rands/month)*		152	158	193	204	204	216	229
Service point - vacant land *(Rands/month)*		152	158	193	204	204	216	229
FBE	Qualify for indigent							
Life-line tariff - meter	(describe structure)							
Life-line tariff - prepaid	<30 Amp	720	795	795	886	886	939	996
Flat rate tariff - meter *(c/kwh)*								
Flat rate tariff - prepaid *(c/kwh)*	Credit meter							
Meter - IBT Block 1 (c/kwh)	0 - 350 kWH	720	861	886	959	959	1 017	1 078
Meter - IBT Block 2 (c/kwh)	351 - 600 kWH	980	1 133	1 201	1 300	1 300	1 378	1 461
Meter - IBT Block 3 (c/kwh)	> 600 kWH	1 140	1 328	1 448	1 567	1 567	1 661	1 761
Meter - IBT Block 4 (c/kwh)	(fill in thresholds)							
Meter - IBT Block 5 (c/kwh)	Prepaid meter							
Prepaid - IBT Block 1 (c/kwh)	0 - 350 kWH	720	795	819	886	886	939	996
Prepaid - IBT Block 2 (c/kwh)	351 - 600 kWH	980	1 068	1 132	1 225	1 225	1 299	1 376
Prepaid - IBT Block 3 (c/kwh)	> 600 kWH	1 140	1 277	1 392	1 506	1 506	1 596	1 692
Prepaid - IBT Block 4 (c/kwh)	(fill in thresholds)							
Prepaid - IBT Block 5 (c/kwh)	(fill in thresholds)							
Other								
Waste management tariffs								
Domestic								
Street cleaning charge								
Basic charge/fixed fee		83	113	123	130	130	138	146
80l bin - once a week								
250l bin - once a week		284	113	123	130	130	138	146

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

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

WC032 Overstrand - Supporting Table SA14 Household bills

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
Rand/cent	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16 % incr.	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Monthly Account for Household - 'Middle Income Range'										
Rates and services charges:										
Property rates	141.26	151.25	156.00	179.40	179.40	179.40	7.0%	191.69	203.19	215.38
Electricity: Basic levy	151.75	157.89	192.98	204.56	204.56	204.56	6.0%	216.83	229.84	243.63
Electricity: Consumption	953.00	1 056.28	1 126.62	1 219.00	1 219.00	1 219.00	11.0%	1 357.95	1 439.43	1 525.79
Water: Basic levy	87.72	92.98	96.49	102.28	102.28	102.28	6.0%	108.42	114.93	121.82
Water: Consumption	168.48	224.44	273.66	273.66	273.66	273.66	15.0%	313.77	332.60	352.55
Sanitation	245.92	264.87	288.62	305.94	305.94	305.94	6.0%	325.09	344.60	365.27
Refuse removal	83.33	113.16	122.81	130.18	130.18	130.18	6.0%	137.99	146.27	155.05
Other										
sub-total	**1 831.46**	**2 060.87**	**2 257.18**	**2 415.02**	**2 415.02**	**2 415.02**	**9.8%**	**2 651.74**	**2 810.84**	**2 979.50**
VAT on Services	236.63	267.35	294.17	312.99	312.99	312.99		344.41	365.07	386.98
Total large household bill:	**2 068.09**	**2 328.22**	**2 551.35**	**2 728.00**	**2 728.00**	**2 728.00**	**9.8%**	**2 996.15**	**3 175.92**	**3 366.47**
% increase/-decrease		**12.6%**	**9.6%**	**6.9%**	**–**	**–**		**9.8%**	**6.0%**	**6.0%**
Monthly Account for Household - 'Affordable Range'										
Rates and services charges:										
Property rates	97.80	104.70	108.00	124.20	124.20	124.20	7.0%	132.71	140.67	149.11
Electricity: Basic levy	151.75	157.89	192.98	204.56	204.56	204.56	6.0%	216.83	229.84	243.63
Electricity: Consumption	399.00	438.62	456.59	494.01	494.01	494.01	11.0%	550.31	583.33	618.33
Water: Basic levy	87.72	92.98	96.49	102.28	102.28	102.28	6.0%	108.42	114.93	121.82
Water: Consumption	133.38	164.44	207.86	220.35	220.35	220.35	7.0%	236.54	250.73	265.78
Sanitation	231.74	234.17	254.84	270.13	270.13	270.13	6.0%	287.01	304.23	322.48
Refuse removal	83.33	113.16	122.81	130.18	130.18	130.18	6.0%	137.99	146.27	155.05
Other										
sub-total	**1 184.72**	**1 305.96**	**1 439.57**	**1 545.71**	**1 545.71**	**1 545.71**	**8.0%**	**1 669.81**	**1 770.00**	**1 876.20**
VAT on Services	152.17	168.18	186.42	199.01	199.01	199.01		215.19	228.11	241.79
Total small household bill:	**1 336.88**	**1 474.14**	**1 625.99**	**1 744.72**	**1 744.72**	**1 744.72**	**8.0%**	**1 885.00**	**1 998.10**	**2 117.99**
% increase/-decrease		**10.3%**	**10.3%**	**7.3%**	**–**	**–**		**8.0%**	**6.0%**	**6.0%**
Monthly Account for Household - 'Indigent' Household receiving free basic services										
Rates and services charges:										
Property rates	54.33	58.16	60.00	69.00	69.00	69.00	7.0%	73.73	78.15	82.84
Electricity: Basic levy	151.75	157.89	192.98	204.56	204.56	204.56	6.0%	216.83	229.84	243.63
Electricity: Consumption	252.00	278.39	286.75	310.24	310.24	310.24	11.0%	345.59	366.33	388.30
Water: Basic levy	87.72	92.98	96.49	102.28	102.28	102.28	6.0%	108.42	114.93	121.82
Water: Consumption	98.28	104.44	123.67	131.10	131.10	131.10	6.0%	139.02	149.64	158.62
Sanitation	204.15	203.48	221.07	234.33	234.33	234.33	6.0%	248.93	263.87	279.70
Refuse removal	83.33	113.16	122.81	130.18	130.18	130.18	6.0%	137.99	146.27	155.05
Other	(468.47)	(521.33)	(598.16)	(635.06)	(635.06)	(635.06)	7.0%	(676.64)	(717.24)	(760.27)
sub-total	**463.09**	**487.17**	**505.61**	**546.63**	**546.63**	**546.63**	**8.6%**	**593.87**	**631.78**	**669.69**
VAT on Services	57.23	60.06	64.96	69.60	69.60	69.60		73.12	77.51	82.16
Total small household bill:	**520.32**	**547.23**	**570.57**	**616.23**	**616.23**	**616.23**	**8.2%**	**666.99**	**709.29**	**751.85**
% increase/-decrease		**5.2%**	**4.3%**	**8.0%**	**–**	**–**		**8.2%**	**6.3%**	**6.0%**

WC032 Overstrand - Supporting Table SA15 Investment particulars by type

Investment type	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Parent municipality									
Securities - National Government									
Listed Corporate Bonds									
Deposits - Bank	75 000	55 042	50 039						
Deposits - Public Investment Commissioners									
Deposits - Corporation for Public Deposits									
Bankers Acceptance Certificates									
Negotiable Certificates of Deposit - Banks									
Guaranteed Endowment Policies (sinking)	5 691	11 597	16 965	22 207	22 207	22 207	28 455	34 384	40 409
Repurchase Agreements - Banks									
Municipal Bonds									
Consolidated total:	**80 691**	**66 638**	**67 004**	**22 207**	**22 207**	**22 207**	**28 455**	**34 384**	**40 409**

WC032 Overstrand - Supporting Table SA16 Investment particulars by maturity

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

WC032 Overstrand - Supporting Table SA17 Borrowing

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

Unspent Borrowing - Categorised by type									
Parent municipality									
Long-Term Loans (annuity/reducing balance)	18 255	6 133	1 847						
Long-Term Loans (non-annuity)									
Local registered stock									
Instalment Credit									
Financial Leases									
PPP liabilities									
Finance Granted By Cap Equipment Supplier									
Marketable Bonds									
Non-Marketable Bonds									
Bankers Acceptances									
Financial derivatives									
Other Securities									
Total Unspent Borrowing	**18 255**	**6 133**	**1 847**	**–**	**–**	**–**	**–**	**–**	**–**

WC032 Overstrand - Supporting Table SA18 Transfers and grant receipts

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
RECEIPTS:									
Operating Transfers and Grants									
National Government:	**33 973**	**38 956**	**45 033**	**54 673**	**56 511**	**56 511**	**67 709**	**74 702**	**82 187**
Local Government Equitable Share	31 156	36 146	41 949	52 021	52 021	52 021	64 598	72 270	79 604
Finance Management	1 250	698	1 300	884	1 450	1 450	1 450	1 475	1 550
Municipal Systems Improvement	790	780	540					957	1 033
EPWP Incentive	777	1 332	1 244	1 768	1 768	1 768	1 661		
Municipal Disaster Receovery Grant					1 272	1 272			
Other transfers/grants [insert description]									
Provincial Government:	**10 697**	**2 703**	**23 332**	**3 734**	**4 371**	**4 371**	**35 654**	**33 184**	**14 986**
Housing	9 914	1 659	18 669	183	288	288	30 226	27 480	8 876
Emergency Housing Programme (EHP)	–	–	–	220	220	220			
Provincial Library Grant	640	691	795	3 182	3 182	3 182	5 242	5 557	5 890
Finanicial Management Support Grant	–	–	800		514	514			
Community Development Worker Grant	78	70	49	52	70	70	72	76	80
Main Road Subsidy	65	65	2 651	97	97	97	114		
Sport & Recreation Grant	–	–	–						
Nelson Mandela commemoration Grant	–	–	100						
Greenest Municipality	–	–	50						
Thusong Service centre grant	–	218	218					71	140
District Municipality:	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
[insert description]									
Other grant providers:	**270**	**652**	**586**	**–**	**185**	**185**	**–**	**–**	**–**
ACIP									
Prov Govt. Nelson Mandela Commemoration									
Prov Govt. ICT Projects for Libraries	–	–	27						
Table Mountain Fund	–	–	240						
Public Contr. KCIH									
Samras Usergroup	–	22	–						
Friedrich Naumann Foundation	–	–	319		185	185			
Spaces 4 Sport	270	630	–						
Total Operating Transfers and Grants	**44 940**	**42 311**	**68 951**	**58 407**	**61 067**	**61 067**	**103 363**	**107 886**	**97 173**
Capital Transfers and Grants									
National Government:	**54 183**	**36 911**	**26 068**	**24 174**	**23 608**	**23 608**	**30 347**	**26 126**	**29 187**
Municipal Infrastructure Grant (MIG)	13 971	16 947	18 755	20 674	20 674	20 674	21 417	22 126	23 187
Public Transport and Systems									
Regional Bulk Infrastructure	36 212	15 174	–						
Neighbourhood Development Partnership	2 000	2 418	3 963						
Finance Management	–	552	–	566	–	–			
Municipal Systems Improvement	–	20	350	934	934	934	930		
INEP	2 000	1 800	3 000	2 000	2 000	2 000	8 000	4 000	6 000
Provincial Government:	**–**	**20 217**	**8 819**	**10 060**	**25 319**	**25 319**	**19 968**	**34 750**	**44 374**
Housing	–	18 693	7 727	7 810	23 169	23 169	16 888	34 750	44 374
Sport & Recreation Grant	–	–	100	100	–	–			
Provincial Library Grant	–	13	10	2 150	2 150	2 150	3 080		
Pronicial Transport Infrastructure Grant		1 500	982						
Community Development Worker Grant	–	11	–						
District Municipality:	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
[insert description]									
Other grant providers:	**500**	**–**	**–**	**2 134**	**2 051**	**2 051**	**–**	**–**	**–**
Mobility strategy (pound)/ Walkways									
DWA ACIP				1 000	1 000	1 000			
Spaces 4 Sport				51	51	51			
Eskom Rebate/National Lotto	500			1 083	1 000	1 000			
Total Capital Transfers and Grants	**54 683**	**57 128**	**34 887**	**36 368**	**50 978**	**50 978**	**50 315**	**60 876**	**73 561**
TOTAL RECEIPTS OF TRANSFERS & GRANTS	**99 623**	**99 439**	**103 838**	**94 775**	**112 045**	**112 045**	**153 678**	**168 762**	**170 734**

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

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
EXPENDITURE:									
Operating expenditure of Transfers and Grants									
National Government:	**33 973**	**38 956**	**45 033**	**54 673**	**56 511**	**56 511**	**67 709**	**74 702**	**82 187**
Local Government Equitable Share	31 156	36 146	41 949	52 021	52 021	52 021	64 598	72 270	79 604
Finance Management	1 250	698	1 300	884	1 450	1 450	1 450	1 475	1 550
Municipal Systems Improvement	790	780	540		–	–		957	1 033
EPWP Incentive	777	1 332	1 244	1 768	1 768	1 768	1 661		
Municipal Disaster Receovery Grant					1 272	1 272			
Other transfers/grants [insert description]									
Provincial Government:	**4 032**	**2 724**	**22 802**	**3 734**	**4 975**	**4 975**	**35 654**	**33 184**	**14 986**
Housing	3 186	1 659	18 669	183	609	609	30 226	27 480	8 876
Community Development Worker Grant	78	70	49	52	70	70			
Main Road Subsidy	65	65	2 651	97	97	97	5 242	5 557	5 890
Sport & Recreation Grant									
Provincial Library Grant	640	691	795	3 182	3 182	3 182			
Emergency Housing Programme (EHP)	–	–	–	220	220	220	72	76	80
Finanicial Management Support Grant	–	–	155		759	759	114		
Nelson Mandela commemoration Grant	–	–	100						
Greenest Municipality	–	–	12		38	38			
HCE	63	19	47						
Mobility Strategy	–	2	106						
Tusong Service Centre Grant	–	218	218					71	140
District Municipality:	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
[insert description]									
Other grant providers:	**156**	**222**	**894**	**–**	**546**	**546**	**–**	**–**	**–**
Spaces 4 Sport/Friedrich Naumann Foundation	156	200	627	–	546	546			
ICT Projects for Libraries/Samras Usergroup	–	22	267						
Total operating expenditure of Transfers and Grants:	**38 161**	**41 902**	**68 730**	**58 407**	**62 032**	**62 032**	**103 363**	**107 886**	**97 173**
Capital expenditure of Transfers and Grants									
National Government:	**54 183**	**36 911**	**25 094**	**24 174**	**23 608**	**23 608**	**30 347**	**26 126**	**29 187**
Municipal Infrastructure Grant (MIG)	13 971	16 947	18 755	20 674	20 674	20 674	21 417	22 126	23 187
Public Transport and Systems					–	–			
Regional Bulk Infrastructure	36 212	15 174	–		–	–			
Municipal Systems Improvement	–	20	350	934	934	934	930		
INEP	2 000	1 800	2 026	2 000	2 000	2 000	8 000	4 000	6 000
Finance Management	–	552	–	566	–	–			
Neighbourhood Development Partnership	2 000	2 418	3 963						
Provincial Government:	**650**	**16 898**	**12 996**	**10 060**	**26 693**	**26 693**	**19 968**	**34 750**	**44 374**
Housing	–	16 651	10 404	7 810	24 543	24 543	16 888	34 750	44 374
Sport & Recreation Grant	–	–	100	100	–	–			
Public transport non-motorised infrastructure grant	–	–	2 482						
Provincial Library Grant	–	13	10	2 150	2 150	2 150	3 080		
Mobility strategy (pound)/ CDW	650	234	–						
District Municipality:	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
[insert description]									
Other grant providers:	**–**	**500**	**–**	**2 134**	**2 051**	**2 051**	**–**	**–**	**–**
Mobility strategy (pound)/ Walkways				1 000	1 000	1 000			
'DWA ACIP				51	51	51			
'Spaces 4 Sport				1 083	1 000	1 000			
National Lotto	–	500	–	–	–	–			
Total capital expenditure of Transfers and Grants	**54 833**	**54 309**	**38 090**	**36 368**	**52 352**	**52 352**	**50 315**	**60 876**	**73 561**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	**92 993**	**96 211**	**106 820**	**94 775**	**114 384**	**114 384**	**153 678**	**168 762**	**170 734**

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

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Operating transfers and grants:									
National Government:									
Balance unspent at beginning of the year	–	–	–						
Current year receipts	33 973	38 956	45 033	54 673	56 511	56 511	67 709	74 702	82 187
Conditions met - transferred to revenue	**33 973**	**38 956**	**45 033**	**54 673**	**56 511**	**56 511**	**67 709**	**74 702**	**82 187**
Conditions still to be met - transferred to liabilities									
Provincial Government:									
Balance unspent at beginning of the year	129	174	153	–	683	683			
Current year receipts	10 697	2 703	23 332	3 734	4 371	4 371	35 654	33 184	14 986
Transfer to creditor/debtor	(3 310)	–	–	–	(79)	(79)			
Conditions met - transferred to revenue	**4 032**	**2 724**	**22 802**	**3 734**	**4 975**	**4 975**	**35 654**	**33 184**	**14 986**
Conditions still to be met - transferred to liabilities	3 485	153	683						
District Municipality:									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities									
Other grant providers:									
Balance unspent at beginning of the year	125	240	669	–	361	361			
Current year receipts	270	652	586	–	185	185			
Conditions met - transferred to revenue	**156**	**222**	**894**	**–**	**546**	**546**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities	240	669	361						
Total operating transfers and grants revenue	**38 161**	**41 902**	**68 730**	**58 407**	**62 032**	**62 032**	**103 363**	**107 886**	**97 173**
Total operating transfers and grants - CTBM	**3 725**	**822**	**1 044**	**–**	**–**	**–**	**–**	**–**	**–**
Capital transfers and grants:									
National Government:									
Balance unspent at beginning of the year	–	–	–						
Current year receipts	54 183	36 911	26 068	24 174	23 608	23 608	30 347	26 126	29 187
Transfer to creditor/debtor	–	–	(974)						
Conditions met - transferred to revenue	**54 183**	**36 911**	**25 094**	**24 174**	**23 608**	**23 608**	**30 347**	**26 126**	**29 187**
Conditions still to be met - transferred to liabilities	–	–	–						
Provincial Government:									
Balance unspent at beginning of the year	981	3 642	6 961		2 382	2 382			
Current year receipts	–	20 217	8 819	10 060	25 319	25 319	19 968	34 750	44 374
Transfer to creditor/debtor	–	–	(402)		(1 008)	(1 008)			
Conditions met - transferred to revenue	**650**	**16 898**	**12 996**	**10 060**	**26 693**	**26 693**	**19 968**	**34 750**	**44 374**
Conditions still to be met - transferred to liabilities	331	6 961	2 382						
District Municipality:									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities									
Other grant providers:									
Balance unspent at beginning of the year	–	500	–						
Current year receipts	500	–	–	2 134	2 051	2 051			
Conditions met - transferred to revenue	**–**	**500**	**–**	**2 134**	**2 051**	**2 051**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities	500	–	–						
Total capital transfers and grants revenue	**54 833**	**54 309**	**38 090**	**36 368**	**52 352**	**52 352**	**50 315**	**60 876**	**73 561**
Total capital transfers and grants - CTBM	**831**	**6 961**	**2 382**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL TRANSFERS AND GRANTS REVENUE	**92 993**	**96 211**	**106 820**	**94 775**	**114 384**	**114 384**	**153 678**	**168 762**	**170 734**
TOTAL TRANSFERS AND GRANTS - CTBM	**4 555**	**7 783**	**3 425**	**–**	**–**	**–**	**–**	**–**	**–**

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

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

WC032 Overstrand - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	6 717	7 084	7 415	7 968	7 911	7 911	8 037	8 527	9 047
Pension and UIF Contributions					–	–			
Medical Aid Contributions					–	–			
Motor Vehicle Allowance					–	–			
Cellphone Allowance			518	548	605	605	638	665	694
Housing Allowances					–	–			
Other benefits and allowances					–	–			
Sub Total - Councillors	**6 717**	**7 084**	**7 933**	**8 516**	**8 516**	**8 516**	**8 674**	**9 192**	**9 741**
% increase		**5.5%**	**12.0%**	**7.3%**	**–**	**–**	**1.9%**	**6.0%**	**6.0%**
Senior Managers of the Municipality									
Basic Salaries and Wages	7 082	8 100	8 566	9 190	9 190	9 190	9 735	10 311	10 938
Pension and UIF Contributions					–	–			
Medical Aid Contributions					–	–			
Overtime					–	–			
Performance Bonus					–	–			
Motor Vehicle Allowance					–	–			
Cellphone Allowance	128	139	139	163	163	163	154	163	172
Housing Allowances					–	–			
Other benefits and allowances		3			–	–			
Payments in lieu of leave		82			–	–			
Long service awards					–	–			
Post-retirement benefit obligations					–	–			
Sub Total - Senior Managers of Municipality	**7 210**	**8 324**	**8 706**	**9 354**	**9 354**	**9 354**	**9 889**	**10 473**	**11 110**
% increase		**15.5%**	**4.6%**	**7.4%**	**–**	**–**	**5.7%**	**5.9%**	**6.1%**
Other Municipal Staff									
Basic Salaries and Wages	126 414	143 857	158 389	175 220	170 729	170 729	189 457	198 284	210 347
Pension and UIF Contributions	21 014	24 051	25 104	29 321	29 321	29 321	31 735	33 672	35 725
Medical Aid Contributions	7 354	8 176	8 828	11 463	11 463	11 463	11 618	12 327	13 079
Overtime	12 030	12 428	14 370	13 913	13 913	13 913	15 046	15 963	16 937
Performance Bonus	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	8 240	9 178	9 750	11 760	11 760	11 760	11 314	11 025	11 174
Cellphone Allowance	725	1 785	1 402	1 474	1 474	1 474	1 348	1 434	1 434
Housing Allowances	1 023	1 046	967	1 018	1 018	1 018	1 002	1 008	1 008
Other benefits and allowances	10 461	9 254	10 083	11 118	11 118	11 118	10 621	10 965	11 233
Provision for Accrued Leave		2 056	1 659	2 350	2 350	2 350	729	773	819
Provision for Long service awards		690	3 587	1 200	1 291	1 291	1 802	2 028	2 815
Provision for Bonus		–	–		500	500	455	482	511
Post-retirement benefit obligations	13 467	10 795	17 799	11 875	11 925	11 925	6 578	6 973	7 391
Sub Total - Other Municipal Staff	**200 729**	**223 317**	**251 939**	**270 713**	**266 863**	**266 863**	**281 705**	**294 934**	**312 473**
% increase		**11.3%**	**12.8%**	**7.5%**	**(1.4%)**	**–**	**5.6%**	**4.7%**	**5.9%**
Total Parent Municipality	**214 656**	**238 726**	**268 577**	**288 582**	**284 732**	**284 732**	**300 268**	**314 600**	**333 324**
		11.2%	**12.5%**	**7.4%**	**(1.3%)**	**–**	**5.5%**	**4.8%**	**6.0%**
TOTAL SALARY, ALLOWANCES & BENEFITS	**214 656**	**238 726**	**268 577**	**288 582**	**284 732**	**284 732**	**300 268**	**314 600**	**333 324**
% increase		**11.2%**	**12.5%**	**7.4%**	**(1.3%)**	**–**	**5.5%**	**4.8%**	**6.0%**
TOTAL MANAGERS AND STAFF	**207 939**	**231 642**	**260 645**	**280 066**	**276 217**	**276 217**	**291 593**	**305 408**	**323 583**

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

Disclosure of Salaries, Allowances & Benefits 1. Rand per annum	No.	Salary	Contributions 1.	Allowances	Performance Bonuses	In-kind benefits	Total Package 2.
Councillors							
Speaker	1	609 285		25 512			634 797
Chief Whip							–
Executive Mayor	1	761 605		25 512			787 117
Deputy Executive Mayor	1	609 285		25 512			634 797
Executive Committee	2	1 713 615		76 536			1 790 151
Total for all other councillors	20	4 342 886		484 728			4 827 614
Total Councillors	**25**	**8 036 676**	**–**	**637 800**			**8 674 476**
Senior Managers of the Municipality							
Municipal Manager (MM)	1	1 768 175		22 872			1 791 047
Chief Finance Officer	1	1 613 208		19 872			1 633 080
Management Services	1	1 212 924		22 872			1 235 796
Community Services	1	1 345 353		22 872			1 368 225
Infrastructure & Planning	1	1 624 404		22 872			1 647 276
LED	1	1 100 164		19 872			1 120 036
Protection Services	1	1 070 390		22 872			1 093 262
Total Senior Managers of the Municipality	**7**	**9 734 618**	**–**	**154 104**	**–**		**9 888 722**
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	**32**	**17 771 294**	**–**	**791 904**	**–**		**18 563 198**

WC032 Overstrand - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	2013/14			Current Year 2014/15			Budget Year 2015/16		
Number	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities									
Councillors (Political Office Bearers plus Other Councillors)	25	7		25	7		25	7	
Board Members of municipal entities									
Municipal employees									
Municipal Manager and Senior Managers	7	7		7	7		7	7	–
Other Managers	57	49		57	49		61	54	–
Professionals	*53*	*52*	–	*54*	*52*	–	*54*	*40*	–
Finance	22	21		22	21		23	15	–
Spatial/town planning	8	8		9	8		8	7	
Information Technology									
Roads	8	8		8	8		8	8	–
Electricity	5	5		5	5		5	1	–
Water	4	4		4	4		4	3	–
Sanitation	3	3		3	3		3	3	–
Refuse	3	3		3	3		3	3	–
Other									
Technicians	*213*	*203*	–	*213*	*203*	–	*215*	*194*	–
Finance									
Spatial/town planning	6	6		6	6		6	5	–
Information Technology	3	3		3	3		4	3	–
Roads	3	2		3	2		3	3	–
Electricity	22	18		22	18		22	15	–
Water	4	2		4	2		5	4	–
Sanitation	6	4		6	4		6	5	–
Refuse	3	3		3	3		3	3	–
Other	166	165		166	165		166	156	–
Clerks (Clerical and administrative)	189	177		189	177		186	162	–
Service and sales workers	54	51		54	51		114	106	–
Skilled agricultural and fishery workers									
Craft and related trades									
Plant and Machine Operators	42	23		42	23		45	40	–
Elementary Occupations	487	474		487	474		492	477	–
TOTAL PERSONNEL NUMBERS	**1 127**	**1 043**	**–**	**1 128**	**1 043**	**–**	**1 199**	**1 087**	**–**
% increase				0.1%	–	–	6.3%	4.2%	–
Total municipal employees headcount	**1 102**	**1 036**		**1 102**	**1 036**		**1 174**	**1 080**	
Finance personnel headcount	**126**	**116**		**126**	**11**		**111**	**116**	
Human Resources personnel headcount	**19**	**18**		**19**	**18**		**18**	**18**	

WC032 Overstrand - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source															
Property rates	15 127	12 905	12 889	12 999	12 895	12 999	12 945	13 047	12 958	13 174	12 904	17 889	162 730	173 308	184 573
Property rates - penalties & collection charges	69	84	79	67	68	66	66	67	66	65	62	132	891	980	1 078
Service charges - electricity revenue	33 517	32 583	30 465	27 574	26 424	26 403	23 222	20 417	26 941	28 802	29 980	32 547	338 877	371 635	407 747
Service charges - water revenue	7 011	5 878	7 016	7 037	9 158	10 198	12 449	9 788	9 644	9 144	7 133	7 588	102 045	107 700	113 691
Service charges - sanitation revenue	4 635	4 571	4 977	4 821	5 307	5 968	7 389	5 799	6 106	5 305	5 270	6 226	66 375	70 081	74 010
Service charges - refuse revenue	5 026	4 939	4 996	5 019	5 032	5 020	4 791	4 978	4 982	4 992	4 965	4 748	59 488	63 061	66 849
Service charges - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	993	736	662	765	1 565	1 375	993	705	989	511	412	2 152	11 859	12 953	14 176
Interest earned - external investments	578	536	594	627	598	603	480	556	438	558	623	156	6 348	6 348	6 348
Interest earned - outstanding debtors	205	227	209	210	189	200	203	210	203	204	200	177	2 437	2 680	2 948
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines	514	445	607	514	428	959	643	1 022	656	901	626	24 544	31 859	32 766	33 763
Licences and permits	182	201	141	165	157	142	213	201	162	192	200	234	2 190	2 408	2 649
Agency services	208	196	170	246	253	217	274	207	204	237	239	519	2 970	3 267	3 594
Transfers recognised - operational	22 503	188	402	154	409	29 324	578	3 753	14 359	13 542	1 427	16 723	103 363	107 886	97 173
Other revenue	891	1 192	1 394	1 510	1 678	1 833	1 440	1 237	1 567	1 678	1 342	1 018	16 781	18 301	19 972
Gains on disposal of PPE												–	–	–	–
Total Revenue (excluding capital transfers and contrib	**91 459**	**64 680**	**64 601**	**61 709**	**64 161**	**95 308**	**65 687**	**61 987**	**79 277**	**79 306**	**65 384**	**114 653**	**908 211**	**973 373**	**1 028 569**
Expenditure By Type															
Employee related costs	19 682	20 717	21 109	20 529	32 182	31 168	24 611	25 983	22 955	26 850	21 292	24 516	291 593	305 408	323 583
Remuneration of councillors	722	722	722	722	722	722	722	722	722	722	722	730	8 674	9 192	9 741
Debt impairment	–	–	–	–	–	–	–	–	–	–	–	22 792	22 792	22 792	22 792
Depreciation & asset impairment	10 128	10 128	10 128	10 128	10 128	10 128	10 054	10 054	10 119	10 119	10 119	130	111 362	118 043	125 126
Finance charges	149	–	–	5 174	–	9 992	–	–	127	8 569	–	22 883	46 895	46 780	47 279
Bulk purchases	3 175	24 350	24 722	10 697	12 885	21 139	16 105	14 933	17 768	21 239	15 642	10 915	193 573	221 138	252 628
Other materials	6 191	8 026	4 536	6 035	6 985	6 375	4 334	4 334	3 857	4 276	6 059	9 877	70 885	69 631	53 593
Contracted services	981	6 285	3 716	6 644	5 451	4 660	5 709	8 076	9 559	21 376	12 831	41 698	126 986	129 953	137 384
Transfers and grants	3 871	3 960	3 941	3 829	3 745	4 148	1 560	1 560	3 276	3 299	3 286	12 020	48 497	54 667	62 244
Other expenditure	2 044	4 311	4 621	5 277	6 177	5 106	9 355	4 887	3 263	4 886	3 925	2 400	56 251	59 890	63 924
Loss on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure	**46 943**	**78 499**	**73 496**	**69 034**	**78 274**	**93 439**	**72 451**	**70 551**	**71 646**	**101 336**	**73 877**	**147 962**	**977 508**	**1 037 493**	**1 098 292**
Surplus/(Deficit)	**44 516**	**(13 819)**	**(8 895)**	**(7 325)**	**(14 114)**	**1 869**	**(6 764)**	**(8 563)**	**7 632**	**(22 030)**	**(8 493)**	**(33 309)**	**(69 296)**	**(64 120)**	**(69 723)**
Transfers recognised - capital	2 890	2 024	1 534	3 010	4 634	7 266	3 555	2 505	4 399	7 412	5 313	5 774	50 315	60 876	73 561
Contributions recognised - capital												–	–	–	–
Contributed assets												–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**47 406**	**(11 795)**	**(7 361)**	**(4 315)**	**(9 480)**	**9 136**	**(3 210)**	**(6 059)**	**12 031**	**(14 618)**	**(3 181)**	**(27 534)**	**(18 981)**	**(3 244)**	**3 838**
Taxation												–	–	–	–
Attributable to minorities												–	–	–	–
Share of surplus/ (deficit) of associate												–	–	–	–
Surplus/(Deficit)	**47 406**	**(11 795)**	**(7 361)**	**(4 315)**	**(9 480)**	**9 136**	**(3 210)**	**(6 059)**	**12 031**	**(14 618)**	**(3 181)**	**(27 534)**	**(18 981)**	**(3 244)**	**3 838**

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

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote															
Vote 1 - Council	22 355	34	28	493	55	19 038	34	31	16 545	6 117	36	41	64 808	72 470	79 794
Vote 2 - Municipal Manager	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 3 - Management Services	62	25	4	114	35	5	61	21	19	60	32	553	991	1 018	1 094
Vote 4 - Finance	19 076	16 454	16 619	16 766	16 435	16 456	16 509	7 810	13 489	13 980	14 022	12 722	180 339	191 921	204 338
Vote 5 - Community Services	17 193	23 302	18 451	17 090	7 592	23 856	22 821	21 132	23 031	27 834	24 744	45 040	272 086	284 150	300 688
Vote 6 - Local Economic Development	25	331	227	355	36	546	126	67	83	521	260	514	3 091	1 573	1 730
Vote 7 - Infrastructure & Planning	34 760	25 800	30 197	28 900	43 649	41 867	28 409	33 979	29 329	36 753	30 376	35 516	399 535	443 953	473 685
Vote 8 - Protection Services	879	758	609	1 001	992	806	1 281	1 451	1 181	1 453	1 225	26 040	37 676	39 164	40 802
Total Revenue by Vote	**94 349**	**66 704**	**66 134**	**64 719**	**68 794**	**102 574**	**69 241**	**64 492**	**83 676**	**86 718**	**70 696**	**120 427**	**958 526**	**1 034 249**	**1 102 130**
Expenditure by Vote to be appropriated															
Vote 1 - Council	4 837	4 958	4 924	5 211	6 080	6 642	4 970	3 456	5 108	5 997	4 464	14 850	71 496	78 840	87 821
Vote 2 - Municipal Manager	274	143	284	504	357	584	449	429	316	449	383	317	4 489	3 643	3 865
Vote 3 - Management Services	4 416	4 813	4 778	2 458	3 095	4 931	2 611	3 496	4 467	656	2 986	4 621	43 327	45 629	48 384
Vote 4 - Finance	2 592	3 857	10 100	10 038	8 768	8 271	6 188	4 929	2 350	3 679	3 497	5 479	69 750	71 154	75 197
Vote 5 - Community Services	10 130	27 005	21 285	25 954	32 279	46 063	34 431	33 147	21 856	42 037	32 495	27 787	354 470	371 463	392 545
Vote 6 - Local Economic Development	306	638	498	402	519	415	549	529	1 383	611	892	1 988	8 731	7 464	7 931
Vote 7 - Infrastructure & Planning	22 078	34 032	28 346	20 820	23 015	23 492	18 878	20 738	32 383	42 756	25 711	63 545	355 793	387 020	407 279
Vote 8 - Protection Services	2 310	3 053	3 281	3 647	4 161	3 041	4 375	3 827	3 782	5 153	3 450	29 373	69 453	72 280	75 270
Total Expenditure by Vote	**46 943**	**78 499**	**73 496**	**69 034**	**78 274**	**93 439**	**72 451**	**70 551**	**71 646**	**101 336**	**73 877**	**147 962**	**977 508**	**1 037 493**	**1 098 292**
Surplus/(Deficit) before assoc.	**47 406**	**(11 795)**	**(7 361)**	**(4 315)**	**(9 480)**	**9 136**	**(3 210)**	**(6 059)**	**12 031**	**(14 618)**	**(3 181)**	**(27 534)**	**(18 981)**	**(3 244)**	**3 838**
Taxation												–	–	–	–
Attributable to minorities												–	–	–	–
Share of surplus/ (deficit) of associate												–	–	–	–
Surplus/(Deficit)	**47 406**	**(11 795)**	**(7 361)**	**(4 315)**	**(9 480)**	**9 136**	**(3 210)**	**(6 059)**	**12 031**	**(14 618)**	**(3 181)**	**(27 534)**	**(18 981)**	**(3 244)**	**3 838**

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

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard															
Governance and administration	**42 002**	**16 842**	**17 078**	**18 356**	**17 434**	**29 373**	**17 412**	**8 403**	**27 833**	**21 068**	**14 673**	**25 520**	**255 994**	**272 264**	**292 533**
Executive and council	22 335	38	31	499	55	12 434	36	74	13 902	6 113	37	9 306	64 861	72 528	79 858
Budget and treasury office	19 076	16 454	16 619	16 766	16 435	16 456	16 509	7 810	13 489	13 980	14 022	12 722	180 339	191 921	204 338
Corporate services	591	349	429	1 091	943	482	867	519	442	974	614	3 492	10 795	7 816	8 338
Community and public safety	**9 099**	**2 257**	**1 731**	**4 296**	**2 693**	**4 796**	**3 426**	**8 773**	**9 633**	**9 243**	**10 594**	**34 431**	**100 972**	**125 079**	**119 019**
Community and social services	432	425	337	358	321	293	268	135	654	379	781	294	4 677	9 025	9 525
Sport and recreation	314	354	340	425	963	939	665	1 048	414	607	577	4 406	11 052	14 163	14 899
Public safety	879	758	609	1 001	992	806	1 281	1 451	1 181	1 453	1 225	26 040	37 676	39 164	40 802
Housing	7 474	720	444	2 512	417	2 758	1 213	6 139	7 385	6 804	8 010	3 690	47 567	62 726	53 793
Health												–	–	–	–
Economic and environmental services	**275**	**1 179**	**1 039**	**1 607**	**301**	**1 687**	**583**	**1 376**	**818**	**1 622**	**1 797**	**7 756**	**20 041**	**10 939**	**13 263**
Planning and development	252	703	540	808	267	1 296	398	308	518	735	494	2 733	9 051	8 129	8 942
Road transport	12	469	492	792	27	367	173	1 043	300	886	1 303	5 024	10 890	2 700	4 200
Environmental protection	11	7	7	7	7	24	12	25	0	0	0	0	101	110	121
Trading services	**42 973**	**46 426**	**46 287**	**40 460**	**48 366**	**66 719**	**47 819**	**45 939**	**45 392**	**54 785**	**43 632**	**52 721**	**581 518**	**625 966**	**677 315**
Electricity	26 537	28 602	28 669	19 607	23 612	41 645	23 907	32 604	25 912	35 620	26 311	33 335	346 361	375 057	413 102
Water	7 326	8 591	8 004	10 148	13 759	12 643	12 841	1 179	8 881	8 465	7 336	7 039	106 211	113 026	120 078
Waste water management	4 721	4 932	5 254	6 323	6 418	7 995	6 905	7 817	6 259	6 340	5 662	776	69 402	74 765	77 229
Waste management	4 388	4 300	4 360	4 383	4 578	4 435	4 167	4 339	4 340	4 360	4 324	11 571	59 544	63 118	66 906
Other												–	–	–	–
Total Revenue - Standard	**94 349**	**66 704**	**66 134**	**64 719**	**68 794**	**102 574**	**69 241**	**64 492**	**83 676**	**86 718**	**70 696**	**120 427**	**958 526**	**1 034 249**	**1 102 130**
Expenditure - Standard															
Governance and administration	**9 306**	**21 846**	**19 275**	**21 209**	**23 504**	**26 680**	**14 258**	**14 397**	**12 648**	**13 679**	**16 018**	**44 399**	**237 218**	**248 313**	**267 049**
Executive and council	5 823	6 254	6 370	6 696	8 268	15 206	6 623	4 773	7 280	8 603	6 684	9 925	92 505	98 337	108 547
Budget and treasury office	2 592	3 857	10 100	10 038	8 768	8 271	6 188	4 929	2 350	3 679	3 497	5 479	69 750	71 154	75 197
Corporate services	891	11 736	2 805	4 475	6 467	3 203	1 446	4 694	3 018	1 397	5 837	28 995	74 963	78 822	83 305
Community and public safety	**5 765**	**7 365**	**7 355**	**8 408**	**10 154**	**7 828**	**8 009**	**11 321**	**7 821**	**35 076**	**7 508**	**38 362**	**154 971**	**158 237**	**146 267**
Community and social services	2 017	2 391	2 330	2 550	3 552	2 417	1 209	5 172	2 190	2 620	2 330	2 543	31 322	33 034	35 198
Sport and recreation	1 140	1 412	1 416	1 553	1 764	1 972	2 062	1 626	1 479	1 671	1 334	791	18 220	19 390	20 550
Public safety	2 310	3 053	3 281	3 647	4 161	3 041	4 375	3 827	3 782	5 153	3 450	29 373	69 453	72 280	75 270
Housing	298	509	328	657	678	397	363	695	370	25 633	394	5 654	35 976	33 533	15 249
Health												–	–	–	–
Economic and environmental services	**6 909**	**8 171**	**9 260**	**10 158**	**10 933**	**12 270**	**11 027**	**11 033**	**15 997**	**16 282**	**14 668**	**5 339**	**132 046**	**137 946**	**145 918**
Planning and development	1 717	2 553	3 314	2 772	4 274	3 017	2 362	3 015	9 423	3 330	3 151	1 381	40 308	40 867	43 282
Road transport	4 865	5 287	5 579	7 050	5 951	8 761	8 213	7 549	6 082	12 570	10 919	1 962	84 786	89 863	94 986
Environmental protection	327	330	367	336	709	492	453	469	492	382	598	1 996	6 952	7 217	7 651
Trading services	**24 964**	**41 117**	**37 607**	**29 260**	**33 683**	**46 661**	**39 157**	**33 800**	**35 180**	**36 299**	**35 684**	**59 862**	**453 273**	**492 997**	**539 058**
Electricity	16 108	30 285	26 526	15 822	19 865	29 699	28 003	22 534	19 075	20 917	18 779	9 664	257 278	287 386	322 086
Water	3 976	4 723	4 821	6 711	5 807	7 970	5 566	5 199	10 257	7 781	10 104	5 461	78 375	81 294	85 130
Waste water management	3 405	4 034	4 043	4 604	5 046	6 653	2 932	4 063	3 603	4 731	4 489	15 753	63 357	67 214	71 597
Waste management	1 474	2 074	2 217	2 124	2 965	2 339	2 656	2 004	2 244	2 870	2 313	28 984	54 264	57 103	60 245
Other												–	–	–	–
Total Expenditure - Standard	**46 943**	**78 499**	**73 496**	**69 034**	**78 274**	**93 439**	**72 451**	**70 551**	**71 646**	**101 336**	**73 877**	**147 962**	**977 508**	**1 037 493**	**1 098 292**
Surplus/(Deficit) before assoc.	**47 406**	**(11 795)**	**(7 361)**	**(4 315)**	**(9 480)**	**9 136**	**(3 210)**	**(6 059)**	**12 031**	**(14 618)**	**(3 181)**	**(27 534)**	**(18 981)**	**(3 244)**	**3 838**
Share of surplus/ (deficit) of associate												–	–	–	–
Surplus/(Deficit)	**47 406**	**(11 795)**	**(7 361)**	**(4 315)**	**(9 480)**	**9 136**	**(3 210)**	**(6 059)**	**12 031**	**(14 618)**	**(3 181)**	**(27 534)**	**(18 981)**	**(3 244)**	**3 838**

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

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Multi-year expenditure ***to be appropriated***															
Vote 1 - Council												–	–	–	–
Vote 2 - Municipal Manager												–	–	–	–
Vote 3 - Management Services												–	–	–	–
Vote 4 - Finance												–	–	–	–
Vote 5 - Community Services		366	400	4 850	3 850	4 850	116	1 700	1 450	700	700	1 455	20 438	4 500	4 000
Vote 6 - Local Economic Development												–	–	–	–
Vote 7 - Infrastructure & Planning				410	821	410	410	821	821	821	821	2 165	7 500	3 000	3 000
Vote 8 - Protection Services												–	–	–	–
Capital multi-year expenditure sub-total	**–**	**366**	**400**	**5 261**	**4 671**	**5 260**	**526**	**2 521**	**2 271**	**1 521**	**1 521**	**3 620**	**27 938**	**7 500**	**7 000**
Single-year expenditure ***to be appropriated***															
Vote 1 - Council												–	–	–	–
Vote 2 - Municipal Manager												–	–	–	–
Vote 3 - Management Services	–	126	267	–	–	–	28	77	20	429	1 444	137	2 528	–	–
Vote 4 - Finance												–	–	–	–
Vote 5 - Community Services	100	192	1 157	4 223	4 760	3 671	421	4 413	5 290	4 526	5 933	9 343	44 030	72 106	79 561
Vote 6 - Local Economic Development												–	–	–	–
Vote 7 - Infrastructure & Planning		35	630	230	500		30	140	2 090	2 110	2 100	3 055	10 920	15 000	17 000
Vote 8 - Protection Services											50	50	100	–	–
Capital single-year expenditure sub-total	**100**	**353**	**2 054**	**4 453**	**5 260**	**3 671**	**479**	**4 630**	**7 400**	**7 065**	**9 527**	**12 585**	**57 578**	**87 106**	**96 561**
Total Capital Expenditure	**100**	**719**	**2 454**	**9 714**	**9 931**	**8 931**	**1 005**	**7 151**	**9 671**	**8 585**	**11 048**	**16 205**	**85 515**	**94 606**	**103 561**

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

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital Expenditure - Standard															
Governance and administration	**–**	**126**	**267**	**40**	**–**	**40**	**28**	**77**	**20**	**429**	**1 444**	**177**	**2 648**	**3 730**	**–**
Executive and council												–	–	–	–
Budget and treasury office												–	–	–	–
Corporate services		126	267	40		40	28	77	20	429	1 444	177	2 648	3 730	–
Community and public safety	**–**	**451**	**580**	**2 733**	**2 871**	**2 731**	**36**	**2 533**	**2 363**	**1 663**	**1 701**	**7 752**	**25 415**	**45 550**	**55 174**
Community and social services		301	430	580	648	500	36	430	60	110	138	668	3 901	4 000	4 000
Sport and recreation		150	150	650	720	728	–	600	800	50	10	668	4 526	6 800	6 800
Public safety											50	50	100	–	–
Housing				1 503	1 503	1 503	–	1 503	1 503	1 503	1 503	6 366	16 888	34 750	44 374
Health												–	–	–	–
Economic and environmental services	**100**	**–**	**900**	**1 430**	**1 537**	**1 500**	**371**	**780**	**1 243**	**1 653**	**1 697**	**888**	**12 098**	**4 000**	**4 000**
Planning and development									5	–	15	5	25	–	–
Road transport	100	–	900	1 430	1 537	1 500	371	780	1 238	1 653	1 683	883	12 073	4 000	4 000
Environmental protection												–	–	–	–
Trading services	**–**	**142**	**707**	**5 511**	**5 523**	**4 660**	**570**	**3 761**	**6 045**	**5 541**	**6 206**	**6 689**	**45 355**	**41 326**	**44 387**
Electricity			500	510	1 321	410	420	931	2 851	2 841	2 821	5 170	17 775	14 000	16 000
Water		142	207	4 400	3 252	3 600	50	1 430	1 194	800	1 250	–	16 326	14 726	15 787
Waste water management				600	950	650	100	1 400	2 000	1 900	2 125	1 519	11 244	12 600	12 600
Waste management											10	–	10	–	–
Other												**–**	**–**	**–**	**–**
Total Capital Expenditure - Standard	**100**	**719**	**2 454**	**9 714**	**9 931**	**8 931**	**1 005**	**7 151**	**9 671**	**9 285**	**11 048**	**15 505**	**85 515**	**94 606**	**103 561**
Funded by:															
National Government	100	392	1 541	3 000	3 300	2 700	351	2 530	4 219	3 864	4 364	**3 986**	**30 347**	**26 126**	**29 187**
Provincial Government		266	300	1 953	2 151	2 003	16	1 903	1 503	1 503	1 503	6 866	19 968	34 750	44 374

WC032 Overstrand - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash Receipts By Source													1		
Property rates	15 142	12 919	12 904	13 015	12 909	13 014	12 959	13 063	12 972	13 189	12 918	17 906	162 909	172 317	183 542
Property rates - penalties & collection charges	69	84	79	67	68	66	66	67	66	65	62	132	891	980	1 078
Service charges - electricity revenue	33 552	32 619	30 499	27 607	26 454	26 432	23 247	20 443	26 971	28 834	30 014	32 578	339 249	369 510	405 469
Service charges - water revenue	7 019	5 884	7 024	7 045	9 168	10 209	12 463	9 800	9 655	9 154	7 141	7 596	102 158	107 084	113 055
Service charges - sanitation revenue	4 640	4 576	4 982	4 826	5 313	5 974	7 397	5 806	6 113	5 311	5 276	6 232	66 448	69 680	73 596
Service charges - refuse revenue	5 031	4 945	5 001	5 025	5 038	5 025	4 797	4 984	4 987	4 998	4 970	4 752	59 554	62 701	66 475
Service charges - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	994	737	663	766	1 567	1 376	994	705	991	512	412	2 154	11 872	12 879	14 097
Interest earned - external investments	578	536	594	627	598	603	480	556	438	558	623	156	6 348	6 348	6 348
Interest earned - outstanding debtors	205	227	209	210	189	200	203	210	203	204	200	177	2 437	2 680	2 948
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines	514	445	607	514	428	959	643	1 022	656	901	626	24 544	31 859	32 766	33 763
Licences and permits	182	201	141	165	157	142	213	201	162	192	200	234	2 190	2 408	2 649
Agency services	208	196	170	246	253	217	274	207	204	237	239	519	2 970	3 267	3 594
Transfer receipts - operational	22 503	188	402	154	409	29 324	578	3 753	14 359	13 542	1 427	16 723	103 363	107 886	97 173
Other revenue	1 837	2 138	2 340	2 456	2 624	2 779	2 386	2 183	2 513	2 624	2 288	1 964	28 131	24 307	20 808
Cash Receipts by Source	**92 473**	**65 694**	**65 615**	**62 723**	**65 175**	**96 322**	**66 701**	**63 001**	**80 291**	**80 320**	**66 398**	**115 667**	**920 378**	**974 813**	**1 024 594**
Other Cash Flows by Source															
Transfer receipts - capital	2 890	2 024	1 534	3 010	4 634	7 266	3 555	2 505	4 399	7 412	5 313	5 774	50 315	60 876	73 561
Contributions recognised - capital & Contributed assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on disposal of PPE												–	–		
Short term loans	(88)	(89)	(90)	(92)	(93)	(94)	(95)	(96)	(97)	(99)	(100)	(101)	(1 135)	(1 271)	(1 352)
Borrowing long term/refinancing	–	–	–	–	–	–	30 000	–	–	–	–	–	30 000	30 000	30 000
Increase (decrease) in consumer deposits	207	207	207	207	207	207	207	207	207	207	207	207	2 479	2 628	2 786
Decrease (Increase) in non-current debtors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables	1	1	1	1	1	1	1	1	1	1	1	1	18	13	11
Decrease (increase) in non-current investments	(521)	(521)	(521)	(521)	(521)	(521)	(521)	(521)	(521)	(521)	(521)	(521)	(6 248)	(5 930)	(6 025)
Total Cash Receipts by Source	**94 962**	**67 316**	**66 745**	**65 329**	**69 403**	**103 182**	**99 848**	**65 097**	**84 280**	**87 320**	**71 298**	**121 028**	**995 808**	**1 061 128**	**1 123 576**
Cash Payments by Type															
Employee related costs	19 134	20 169	20 561	19 980	31 633	30 620	24 063	25 435	22 407	26 301	20 744	23 968	285 015	298 435	316 191
Remuneration of councillors	722	722	722	722	722	722	722	722	722	722	722	730	8 674	9 192	9 741
Finance charges	149	–	–	5 174	–	9 992	–	–	127	8 569	–	22 883	46 895	46 780	47 279
Bulk purchases - Electricity	3 175	24 350	24 722	10 697	12 885	21 139	16 105	14 933	17 768	21 239	15 642	10 915	193 573	221 138	252 628
Bulk purchases - Water & Sewer												–	–		
Other materials	6 191	8 026	4 536	6 035	6 985	6 375	4 334	4 334	3 857	4 276	6 059	9 877	70 885	69 631	53 593
Contracted services	981	6 285	3 716	6 644	5 451	4 660	5 709	8 076	9 559	21 376	12 831	41 698	126 986	129 953	137 384
Transfers and grants - other municipalities												–	–		
Transfers and grants - other	3 871	3 960	3 941	3 829	3 745	4 148	1 560	1 560	3 276	3 299	3 286	12 020	48 497	54 667	62 244
Other expenditure	3 587	5 855	6 165	6 821	7 721	6 650	10 899	6 431	4 807	6 429	5 469	26 736	97 569	80 210	66 216
Cash Payments by Type	**37 811**	**69 367**	**64 364**	**59 902**	**69 142**	**84 306**	**63 392**	**61 492**	**62 523**	**92 213**	**64 754**	**148 827**	**878 094**	**910 006**	**945 276**
Other Cash Flows/Payments by Type															
Capital assets	100	719	2 454	9 714	9 931	8 931	1 005	7 151	9 671	9 285	11 048	15 505	85 515	94 606	103 561
Repayment of borrowing	1 081	743	755	4 882	1 052	2 980	1 508	844	797	5 167	1 114	3 013	23 936	26 841	29 775
Other Cash Flows/Payments												–			
Total Cash Payments by Type	**38 992**	**70 830**	**67 573**	**74 497**	**80 125**	**96 218**	**65 905**	**69 487**	**72 990**	**106 665**	**76 916**	**167 346**	**987 545**	**1 031 453**	**1 078 612**
NET INCREASE/(DECREASE) IN CASH HELD	**55 970**	**(3 514)**	**(828)**	**(9 169)**	**(10 722)**	**6 964**	**33 942**	**(4 390)**	**11 291**	**(19 345)**	**(5 619)**	**(46 318)**	**8 263**	**29 675**	**44 964**
Cash/cash equivalents at the month/year begin	90 815	146 786	143 272	142 444	133 276	122 553	129 518	163 460	159 070	170 361	151 016	145 397	90 815	99 079	128 754
Cash/cash equivalents at the month/year end	146 786	143 272	142 444	133 276	122 553	129 518	163 460	159 070	170 361	151 016	145 397	99 079	99 079	128 754	173 717

WC032 Overstrand - 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
Outsourcing of sub function solid waste : Overstrand Muni	Mths	107	Outsourcing of sub function solid waste	30 October 2022	126 345
Outsourcing of sub function solid waste : Overstrand Muni	Mths	96	Outsourcing of sub function solid waste	01 May 2017	18 651
Note: Overstrand make use of contractual agreements to support the implementation of core function, but the definition of outsourcing do not apply to the other contracts entered into, due to ownership that is kept within the organisation					
Outsourcing of sub function: Waste water treatment works	Yrs	15	Outsourcing of sub function waste water treatment works	Estimated date June 2030	To be determined

WC032 Overstrand - Supporting Table SA33 Contracts having future budgetary implications

Description	Preceding Years	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework			Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Total Contract Value
R thousand	Total	Original Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Parent Municipality:													
Revenue Obligation By Contract													
Contract 1: SC1127/2011 Leasing for the operation of illuminated street s		194	204	214	224	236	247	260	273	263			2 114
Contract 2													–
Contract 3 etc													–
Total Operating Revenue Implication	**–**	**194**	**204**	**214**	**224**	**236**	**247**	**260**	**273**	**263**	**–**	**–**	2 114
Expenditure Obligation By Contract													
Contract 1:SC867B/2010 Operation of the merchanised materiaal recove		1 130	1 216	1 309	1 409	1 519	1 639	1 770	1 912				11 904
Contract 2:SC878/2010 Operation of the Gansbaai landfill and public dro		3 388	2 949	3 323	3 697	1 738							15 095
Contract 3 etc													–
Total Operating Expenditure Implication	–	4 518	4 165	4 631	5 107	3 258	1 639	1 770	1 912	–	–	–	26 999
Capital Expenditure Obligation By Contract													
Contract 1													–
Contract 2													–
Contract 3 etc													–
Total Capital Expenditure Implication	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Parent Expenditure Implication	**–**	**4 518**	**4 165**	**4 631**	**5 107**	**3 258**	**1 639**	**1 770**	**1 912**	**–**	**–**	**–**	26 999

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

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	**133 045**	**108 252**	**50 511**	**34 500**	**34 003**	**34 003**	**40 827**	**24 326**	**41 887**
Infrastructure - Road transport	12 754	15 578	9 203	800	1 332	1 332	15 049	5 000	5 000
Roads, Pavements & Bridges	5 477	10 720	9 160		–	–	12 073	4 000	4 000
Storm water	7 278	4 858	43	800	1 332	1 332	2 977	1 000	1 000
Infrastructure - Electricity	30 061	22 203	24 160	13 900	13 900	13 900	17 775	8 500	14 500
Generation					–	–			
Transmission & Reticulation	30 061	22 203	24 160	13 900	13 900	13 900	17 775	8 500	14 500
Street Lighting					–	–			
Infrastructure - Water	57 384	48 634	7 300	–	580	580	4 673	4 726	11 787
Dams & Reservoirs					–	–			6 000
Water purification	57 384	48 634			–	–			
Reticulation			7 300		580	580	4 673	4 726	5 787
Infrastructure - Sanitation	32 650	16 478	8 449	9 600	8 892	8 892	3 320	6 100	10 600
Reticulation					–	–			
Sewerage purification	32 650	16 478	8 449	9 600	8 892	8 892	3 320	6 100	10 600
Infrastructure - Other	196	5 359	1 400	10 200	9 300	9 300	10	–	–
Waste Management	196	5 359	1 400	10 200	9 300	9 300	10		
Transportation					–	–			
Gas					–	–			
Other					–	–			
Community	**6 183**	**20 997**	**13 896**	**18 266**	**32 970**	**32 970**	**21 257**	**45 550**	**55 174**
Parks & gardens		2 156			–	–			
Sportsfields & stadia	5 538	1 964	5 471	151	1 051	1 051	368	6 800	6 800
Swimming pools					–	–			
Community halls					–	–			
Libraries		3		2 000	2 000	2 000	3 080		
Recreational facilities					–	–			
Fire, safety & emergency					–	–	100		
Security and policing	645	223			–	–			
Buses					–	–			
Clinics					–	–			
Museums & Art Galleries					–	–			
Cemeteries					–	–			
Social rental housing		16 651	4 943	12 480	26 324	26 324	16 888	34 750	44 374
Other		–	3 482	3 635	3 595	3 595	821	4 000	4 000
Heritage assets	–	–	–	–	–	–	–	–	–
Buildings									
Other									
Investment properties	**–**	**–**	**795**	**–**	**–**	**–**	**–**	**–**	**–**
Housing development									
Other			795						
Other assets	**23 118**	**9 038**	**18 697**	**16 815**	**17 776**	**17 776**	**2 673**	**3 730**	**–**
General vehicles	6 800		4 690	10 525	10 525	10 525	120	3 000	
Specialised vehicles	–	–	–	–	–	–	–	–	–
Plant & equipment					–	–			
Computers - hardware/equipment	3 838		961	2 548	2 682	2 682	2 528		
Furniture and other office equipment	148			2 508	2 369	2 369		730	
Abattoirs					–	–			
Markets					–	–			
Civic Land and Buildings					–	–			
Other Buildings	12 332		510		–	–			
Other Land			9 075		–	–			
Surplus Assets - (Investment or Inventory)		9 038			–	–			
Other			3 461	1 235	2 200	2 200	25		
Agricultural assets	–	–	–	–	–	–	–	–	–
List sub-class									
Biological assets	–	–	–	–	–	–	–	–	–
List sub-class									
Intangibles	928	1 330	–	–	–	–	–	–	–
Computers - software & programming	928	1 330							
Other *(list sub-class)*									
Total Capital Expenditure on new assets	**163 275**	**139 617**	**83 899**	**69 581**	**84 749**	**84 749**	**64 758**	**73 606**	**97 061**

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

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	**–**	**131**	**39 529**	**25 200**	**28 384**	**28 384**	**16 600**	**21 000**	**6 500**
Infrastructure - Road transport	–	131	6 892	5 400	6 300	6 300	–	–	–
Roads, Pavements & Bridges			6 892	5 400	6 300	6 300			
Storm water		131			–	–			
Infrastructure - Electricity	–	–	12 955	3 100	3 100	3 100	–	5 500	1 500
Generation					–	–			
Transmission & Reticulation			12 955	3 100	3 100	3 100		5 500	1 500
Street Lighting					–	–			
Infrastructure - Water	–	–	16 331	12 800	15 805	15 805	11 653	10 000	4 000
Dams & Reservoirs					–	–			
Water purification					–	–			
Reticulation			16 331	12 800	15 805	15 805	11 653	10 000	4 000
Infrastructure - Sanitation	–	–	1 711	3 900	3 179	3 179	4 947	5 500	1 000
Reticulation					–	–			
Sewerage purification			1 711	3 900	3 179	3 179	4 947	5 500	1 000
Infrastructure - Other	–	–	1 641	–	–	–	–	–	–
Waste Management			1 641						
Transportation									
Gas									
Other									
Community	**–**	**756**	**5 686**	**2 939**	**4 454**	**4 454**	**4 158**	**–**	**–**
Parks & gardens					–	–			
Sportsfields & stadia			225	2 939	1 565	1 565	4 158		
Swimming pools					–	–			
Community halls					–	–			
Libraries					–	–			
Recreational facilities					–	–			
Fire, safety & emergency					–	–			
Security and policing					–	–			
Buses					–	–			
Clinics					–	–			
Museums & Art Galleries					–	–			
Cemeteries		756			–	–			
Social rental housing			5 461		2 889	2 889			
Other					–	–			
Heritage assets	–	–	–	–	–	–	–	–	–
Buildings									
Other									
Investment properties	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Housing development									
Other									
Other assets	**–**	**3 260**	**1 817**	**–**	**–**	**–**	**–**	**–**	**–**
General vehicles		3 260							
Specialised vehicles	–	–	–	–	–	–	–	–	–
Plant & equipment									
Computers - hardware/equipment			833						
Furniture and other office equipment									
Abattoirs									
Markets									
Civic Land and Buildings									
Other Buildings									
Other Land									
Surplus Assets - (Investment or Inventory)									
Other			984						
Agricultural assets	–	–	–	–	–	–	–	–	–
List sub-class									
Biological assets	–	–	–	–	–	–	–	–	–
List sub-class									
Intangibles	–	–	–	–	–	–	–	–	–
Computers - software & programming									
Other *(list sub-class)*									
Total Capital Expenditure on renewal of existing assets	**–**	**4 147**	**47 032**	**28 139**	**32 838**	**32 838**	**20 758**	**21 000**	**6 500**
Renewal of Existing Assets as % of total capex	*0.0%*	*2.9%*	*35.9%*	*28.8%*	*27.9%*	*27.9%*	*24.3%*	*22.2%*	*6.3%*
Renewal of Existing Assets as % of deprecn"	*0.0%*	*4.0%*	*47.3%*	*25.8%*	*31.1%*	*31.1%*	*18.6%*	*17.8%*	*5.2%*

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

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

WC032 Overstrand - Supporting Table SA34d Depreciation by asset class

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

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

Vote Description	2015/16 Medium Term Revenue & Expenditure Framework			Forecasts			
R thousand	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Present value
Capital expenditure							
Vote 1 - Council	–	–	–				
Vote 2 - Municipal Manager	–	–	–				
Vote 3 - Management Services	2 528	–	–				
Vote 4 - Finance	–	–	–				
Vote 5 - Community Services	64 467	76 606	83 561	5 000			
Vote 6 - Local Economic Development	–	–	–				
Vote 7 - Infrastructure & Planning	18 420	18 000	20 000	15 500	5 000		
Vote 8 - Protection Services	100	–	–				
Total Capital Expenditure	**85 515**	**94 606**	**103 561**	**20 500**	**5 000**	**–**	**–**
Net Financial Implications	**85 515**	**94 606**	**103 561**	**20 500**	**5 000**	**–**	**–**

WC032 Overstrand - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2015/16 Medium Term Revenue & Expenditure Framework			Project information	
R thousand							Audited Outcome 2013/14	Current Year 2014/15 Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Ward location	New or renewal
Parent municipality:													
List all capital projects grouped by Municipal Vote													
FINANCE AND ADMINISTRATION							21 308	17 776					
UPGRADE RF NETWORK (HAWSTON,S	1	Yes	*Other*	*Other*	*34'24'45.16S / 19'10'21.22E*				900			Overstrand	New
TERMINAL SERVER UPGRADE	1	Yes	*Other*	*Other*	*34'23'52.01S / 19'06'38.72E*				100			Overstrand	New
INTEGRATED ASSET MANAGEMENT &	1	Yes	*Other*	*Other*	*Overstrand wide*				930			Overstrand	New
PMU BUILDING	1	Yes	*Other*	*Buildings*	*19°12'25"E34°24'28"S*				341			Ward 03	New
MINOR ASSETS:INFORMATION TECHN	1	Yes	*Other*	*Furniture and other office equipment*	*34'23'52.01S / 19'06'38.72E*				157			Overstrand	New
MINOR ASSETS:INFORMATION TECHN	1	Yes	*Other*	*Furniture and other office equipment*	*34'23'52.01S / 19'06'38.72E*				15			Overstrand	New
MINOR ASSETS:LEGAL SERVICES	1	Yes	*Other*	*Furniture and other office equipment*	*Overstrand wide*				20			Overstrand	New
MINOR ASSETS:HUMAN RESOURCES	1	Yes	*Other*	*Furniture and other office equipment*	*Overstrand wide*				10			Overstrand	New
MINOR ASSETS:FINANCE	1	Yes	*Other*	*Furniture and other office equipment*	*Overstrand wide*				30			Overstrand	New
MINOR ASSETS:PROPERTY SERVICES	1	Yes	*Other*	*Furniture and other office equipment*	*Overstrand wide*				5			Overstrand	New
MINOR ASSETS:FLEET MANAGEMENT	1	Yes	*Other*	*Furniture and other office equipment*	*Overstrand wide*				20	3 000		Overstrand	New
VEHICLES	1	Yes	*Other*	*General vehicles*	*Overstrand wide*				120	730		Overstrand	New
MINOR ASSETS	1	Yes	*Other*	*Furniture and other office equipment*	*Overstrand wide*								
COMMUNITY AND SOCIAL SERVICES							3 482	5 595					
EXTENSION OF COMMUNITY HALL	3	Yes	*Community*	*Community halls*	*19.349477 -34.607311*				150			Ward 01	New
UPGRADING OF MOFFAT HALL KITCHE	3	Yes	*Community*	*Community halls*	*19°12'25"E34°24'28"S*				200			Ward 04	New
COMPLETION OF FIRE STATION & PAR	3	Yes	*Community*	*Fire, safety & emergency*	*19° 01' 54 E 34° 20' 25" S*				195			Ward 10	New
KLEINMOND LIBRARY UPGRADE	3	Yes	*Community*	*Libraries*	*19° 01' 54 E 34° 20' 25" S*				3 000			Ward 09	New
MINOR ASSETS -LIBRARIES AND ARCH	3	Yes	*Community*	*Furniture and other office equipment*	*Overstrand wide*				80			Overstrand	New
EXTENSION OF THUSONG CENTRE	3	Yes	*Community*	*Community halls*	*19°08'03"E34°23'29"S*				100	4 000	4 000	Ward 08	New
EXECUTIVE AND COUNCIL													
SUNDIALS	3	Yes	*Other*	*Other*	*19°12'25"E34°24'28"S*				20			Ward 03	New
PURCHASE OF SCULPTURE	3	Yes	*Other*	*Other*	*19°12'25"E34°24'28"S*				60			Ward 03	New
COIN-OPERATED TELESCOPE (CHARL	3	Yes	*Other*	*Other*	*19.349477 -34.607311*				80			Ward 11	New
MINOR ASSETS:AREA MANAGER	3	Yes	*Other*	*Furniture and other office equipment*	*Overstrand wide*				16			Overstrand	New
PLANNING AND DEVELOPMENT													
MINOR ASSETS:BUILDING REGULATIO	3	Yes	*Other*	*Furniture and other office equipment*	*Overstrand wide*				5			Overstrand	New
MINOR ASSETS:ECONOMIC DEVELOPI	3	Yes	*Other*	*Furniture and other office equipment*	*Overstrand wide*				11			Overstrand	New
MINOR ASSETS:ECONOMIC DEVELOPI	3	Yes	*Other*	*Furniture and other office equipment*	*Overstrand wide*				10			Overstrand	New
PUBLIC SAFETY													
MINOR ASSETS:FIRE FIGHTING AND P	4	Yes	*Other*	*Plant & equipment*	*Overstrand wide*				100			Overstrand	New

Municipal Vote/Capital project R thousand	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2015/16 Medium Term Revenue & Expenditure Framework			Project information	
							Audited Outcome 2013/14	Current Year 2014/15 Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Ward location	New or renewal
SPORT & RECREATION							5 696	2 616					
OVERHILLS:KLEINMOND SOCCER FIEL	3	Yes	*Other*	*Sportsfields & stadia*	*19°°00'21"E34°20'08"S*				4 158			Ward 09	Renewal
TURF SOCCERFIELD	3	Yes	*Other*	*Sportsfields & stadia*	*19°13'01"E34°25'56'S*				200	2 800	2 800	Ward 12	New
SPORT FACILITIES	3	Yes	*Other*	*Sportsfields & stadia*	*Overstrand wide*					4 000	4 000	Overstrand	New
MINOR ASSETS :SPORT AND RECREA	3	Yes	*Other*	*Furniture and other office equipment*	*Overstrand wide*				20			Overstrand	New
MINOR ASSETS :RECREATIONAL FACI	3	Yes	*Other*	*Furniture and other office equipment*	*Overstrand wide*				10			Overstrand	New
PLAY PARK -WESTDENE	3	Yes	*Other*	*Other*	*19°12'25"E34°24'28"S*				100			Ward 04	New
PLAY PARK	3	Yes	*Other*	*Other*	*19°12'25"E34°24'28"S*				10			Ward 10	New
MINOR ASSETS :RECREATIONAL FACI	3	Yes	*Other*	*Furniture and other office equipment*	*Overstrand wide*				28			Overstrand	New
HOUSING							10 404	29 213					
ZWELIHLE MANDELA SQUARE -83 SITE	3	Yes	*Infrastructure - Other*	*Social rental housing*	*34.428927 19.209706*				3 621			Ward 06	New
ZWELIHLE ADMIN SITE - 164 SITES	3	Yes	*Infrastructure - Other*	*Social rental housing*	*34.431056 19.219688*				7 155			Ward 05	New
ZWELIHLE SITE C2 - 132 SITES	3	Yes	*Infrastructure - Other*	*Social rental housing*	*34.427645 19.219046*				5 759			Ward 05	New
MOUNT PLEASANT IRDP	3	Yes	*Infrastructure - Other*	*Social rental housing*	*34.414663 19.214140*				354			Ward 04	New
MASAKHANE	3	Yes	*Infrastructure - Other*	*Social rental housing*	*Lat:-34.591481 / Long:19.360578*					15 269	15 537	Ward 01	New
BEVERLY HILLS PROJECT	3	Yes	*Infrastructure - Other*	*Social rental housing*	*Lat:-34.596490 / Long:19.342096*					4 953		Ward 02	New
ZWELIHLE PROJECT -TRANSIT CAMP	3	Yes	*Infrastructure - Other*	*Social rental housing*	*34.426228 19.216456*					7 984		Ward 06	New
BUFFELJAGSBAAI	3	Yes	*Infrastructure - Other*	*Social rental housing*	*34.445860 19.448758*					2 181		Ward 11	New
HAWSTON PROJECT - IRDP	3	Yes	*Infrastructure - Other*	*Social rental housing*	*34.387826 19.138307*					4 363		Ward 08	New
HAWSTON PROJECT - IRDP	3	Yes	*Infrastructure - Other*	*Social rental housing*	*-34.429049 19.215701*						10 121	Ward 08	New
ZWELIHLE -TAMBO SQUARE PROJECT	3	Yes	*Infrastructure - Other*	*Social rental housing*	*34.445860 19.448758*						4 973	Ward 05	New
STANFORD IRDP	3	Yes	*Infrastructure - Other*	*Social rental housing*	*Lat:-34.597053 / Long:19.347458*						6 544	Ward 11	New
BLOMPARK PROJECT	3	Yes	*Infrastructure - Other*	*Social rental housing*	*34.336437 19.006527*						2 836	Ward 02	New
KLEINMOND OVERHILLS	3										4 363	Ward 10	New
ROADS							16 051	6 300					
REHABILITATION OF EXISTING PAVE F	5	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*19 °12'46"E34°25'48"S*				4 200	2 000	2 000	Ward 06	New
REHABILITATE ROADS AND UPGRADE	5	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*19 °12'59"E34°25'20"S*				6 376	1 500	1 500	Ward 04	New
REHABILITATE ROADS - ANGELIER ST	5	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*19°12'47"E34°25'07"S*					500	500	Ward 04	New
SIDEWALKS	5	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*19.349477 -34.607311*				100			Ward 01	New
TARRING OF ROADS	5	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*19°12'25"E34°24'28"S*				400			Ward 07	New
TARRING OF ROADS	5	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*19°12'25"E34°24'28"S*				100			Ward 08	New
PAVING OF CIRCLES (INCL. STORMWA	5	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*19°12'25"E34°24'28"S*				200			Ward 08	New
EXTENSION OF HEUNINGKLOOF FOOT	5	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*19° 01' 54 E 34° 20' 25" S*				200			Ward 09	New
ADDITIONAL PARKING & GRAVEL STRI	5	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*19° 01' 54 E 34° 20' 25" S*				60			Ward 10	New
PAVEMENT IN MORTON-/BEZUIDENHO	5	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*19.349477 -34.607311*				130			Ward 11	New
PAVING OF SIDEWALK - SHORTMARKE	5	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*19.349477 -34.607311*				100			Ward 11	New
ATLANTIC DRIVE WALKWAY	5	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*19°12'25"E34°24'28"S*				200			Ward 13	New
MINOR ASSETS :ROADS	5	Yes	*Other*	*Furniture and other office equipment*	*Overstrand wide*				7			Overstrand	New

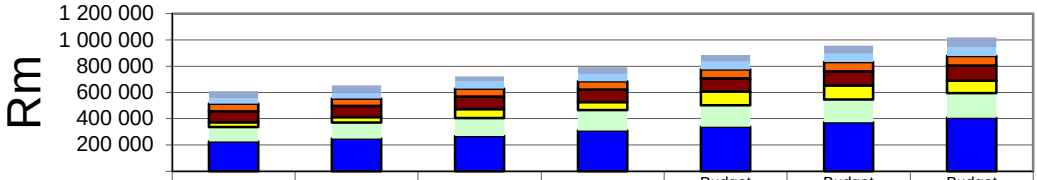
Municipal Vote/Capital project R thousand	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2015/16 Medium Term Revenue & Expenditure Framework			Project information	
							Audited Outcome 2013/14	Current Year 2014/15 Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Ward location	New or renewal
ELECTRICITY							37 115	17 000					
FRANSKRAAL,KLEINBAAI & BIRKENHE	2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*19.349477 -34.607311*				2 600			Ward 01	New
GANSBAAI: MINISUB AND MV/LV UPGR	2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*19.351879 -34.585351*				2 700	3 000	3 000	Ward 02	New
BLOMPARK: LOW VOLTAGE UPGRADE	2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*19.348154 -34.594590*				1 000			Ward 02	New
STANFORD: MV UPGRADE	2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*19.459117 -34.436799*				1 200			Ward 11	New
ELECTRIFICATION OF LOW COST HOU	2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*34 °25' 38.87"S 19 °13' 09.52" E*				8 000	4 000	10 000	Ward 10	New
HERMANUS: LV UPGRADE/REPLACEM	2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*34 °25' 03.44"S 19 °12' 47.88" E*					4 000		Ward 03	Renewal
KLEINMOND: MV & LV NETWORK UPGI	2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*34 °20' 33.67"S 19 °01' 19.94" E*					1 500	1 500	Ward 09	New
HAWSTON: LV UPGRADE/REPLACEME	2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*34 °23' 27.10"S 19 °08' 10.12" E*					1 500	1 500	Ward 08	Renewal
ELECTRICITY TRANSFORMERS(CAPIT	2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*Overstrand wide*				1 500			Overstrand	New
MINOR ASSETS :ELECTRICITY	2	Yes	*Other*	*Plant & equipment*	*Overstrand wide*				6			Overstrand	New
MINOR ASSETS :ELECTRICITY	2	Yes	*Other*	*Plant & equipment*	*Overstrand wide*				16			Overstrand	New
MINOR ASSETS :ELECTRICITY	2	Yes	*Other*	*Plant & equipment*	*Overstrand wide*				24			Overstrand	New
MINOR ASSETS :ELECTRICITY	2	Yes	*Other*	*Plant & equipment*	*Overstrand wide*				5			Overstrand	New
FLOOD LIGHTS FOR ZWELIHLE SPORT	2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*19°12'25"E34°24'28"S*				100			Ward 05	New
ELECTRIFICATION OF ZIPHUNZANA &	2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*19°12'25"E34°24'28"S*				400			Ward 06	New
STREET LIGHTS	2	Yes	*Infrastructure - Electricity*	*Street Lighting*	*19° 01' 54 E 34° 20' 25" S*				40			Ward 09	New
FLOOD LIGHTS FOR ZWELIHLE SPORT	2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*19°12'25"E34°24'28"S*				150			Ward 12	New
STREET LIGHTS (6)	2	Yes	*Infrastructure - Electricity*	*Street Lighting*	*19°12'25"E34°24'28"S*				30			Ward 13	New
MINOR ASSETS :ELECTRICITY	2	Yes	*Other*	*Plant & equipment*	*Overstrand wide*				4			Overstrand	New
WATER							23 631	16 384					
REPLACEMENT OF OVERSTRAND WA	2	Yes	*Infrastructure - Water*	*Reticulation*	*Overstrand wide*				9 653		4 000	Overstrand	Renewal
UPGRADING OF "DIE OOG" PUMP STA	2	Yes	*Infrastructure - Water*	*Reticulation*	*19.27.221154 -34.27.111652*					500		Ward 11	Renewal
NEW BULK WATER RESERVOIR -SAND	2	Yes	*Infrastructure - Water*	*Dams & Reservoirs*	*S34°25.210' / E19°12.063'*						6 000	Ward 07	New
UPGRADING OF FRANSKRAAL-KLEINB	2	Yes	*Infrastructure - Water*	*Reticulation*	*S34°36.417' / E19°23.650'*					9 500		Ward 01	Renewal
PEARLY BEACH WTW PRE-TREATMEN	2	Yes	*Infrastructure - Water*	*Water purification*	*S34'39.744 / E19'32.346*				900			Ward 11	New
REFURBISH BUFFELS RIVER DAM BRI	2	Yes	*Infrastructure - Water*	*Dams & Reservoirs*	*S34°19.96' / E18°50.26'*				2 000			Ward 09	Renewal
WATER PUMPS (CONTINGENCY)	2	Yes	*Infrastructure - Water*	*Reticulation*	*Overstrand wide*				200			Overstrand	New
NEW 1 ML/S RESERVOIR OHW.B31	2	Yes	*Infrastructure - Water*	*Reticulation*	*19°12'43"E34°24'46"S*				3 566			Ward 04	New
160 MM Ø LINK WATERMAIN OHW9.10	2	Yes	*Infrastructure - Water*	*Reticulation*	*19°12'39"E34°25'49"S*					200	200	Ward 12	New
HAWSTON: BULK WATER	2	Yes	*Infrastructure - Water*	*Reticulation*	*19°08'29"E34°23'24"S*					2 000	2 000	Ward 08	New
HAWSTON: BULK WATER UPGRADE F	2	Yes	*Infrastructure - Water*	*Reticulation*	*19°08'30"E34°23'23"S*					1 000	1 000	Ward 08	New
NEW 500 MM -WATER PIPE LINE	2	Yes	*Infrastructure - Water*	*Reticulation*	*19°08'28"E34°23'24"S*					1 526	2 587	Ward 08	New
MINOR ASSETS :WATER DISTRIBUTIO	2	Yes	*Infrastructure - Water*	*Plant & equipment*	*Overstrand wide*				4			Overstrand	New
MINOR ASSETS :WATER DISTRIBUTIO	2	Yes	*Other*	*Plant & equipment*	*Overstrand wide*				3			Overstrand	New

Municipal Vote/Capital project R thousand	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2015/16 Medium Term Revenue & Expenditure Framework			Project information	
							Audited Outcome 2013/14	Current Year 2014/15 Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Ward location	New or renewal
SEWERAGE							10 159	12 071					
UPGRADING OF PUMPSTATIONS	2	Yes	*Infrastructure - Sanitation*	*Other*	*19°12'51"E 34°25'56"S*				3 547	4 500		Overstrand	Renewal
STANFORD - SEWER NETWORK EXTEI	2	Yes	*Infrastructure - Sanitation*	*Other*	*S34°439.75' / E19°455.90'*				3 000	5 500		Ward 11	New
SEWERAGE PUMPS (CONTINGENCY)	2	Yes	*Infrastructure - Sanitation*	*Other*	*Overstrand wide*				300			Overstrand	New
KLEINMOND - SEWER NETWORK EXTE	2	Yes	*Infrastructure - Sanitation*	*Other*	*S34°20.44' / E19°1.91'*						4 000	Ward 09	New
GANSBAAI - CBD SEWER NETWORK E	2	Yes	*Infrastructure - Sanitation*	*Other*	*S34°35.377' / E19°21.087'*						6 000	Ward 09	New
UPGRADING OF KIDBROOKE PIPELINE	2	Yes	*Infrastructure - Sanitation*	*Other*	*S34°24.810' / E19°10.001*				1 400			Ward 13	New
WWTW UPGRADE - STANFORD	2	Yes	*Infrastructure - Sanitation*	*Other*	*S34°26.518' / E19°26.929'*					1 000	1 000	Ward 11	New
ELUXOLWENI - NEW BULK SEWERAGE	2	Yes	*Infrastructure - Sanitation*	*Other*	*19°29'31"E34°39'02"S*							Ward 11	Renewal
UPGRADE EXISTING SEWERAGE PUM	2	Yes	*Infrastructure - Sanitation*	*Other*	*19°12'33"E34°25'46"S*							Ward 05	New
BULK SEWERAGE RISING MAIN 355 M	2	Yes	*Infrastructure - Sanitation*	*Other*	*19°12'36"E34°25'36"S*							Ward 05	New
BULK SEWERAGE MAIN 200 MM Ø OHS	2	Yes	*Infrastructure - Sanitation*	*Other*	*19°12'40"E34°25'52"S*							Ward 12	New
BULK SEWERAGE OUTFALL LINE 525	2	Yes	*Infrastructure - Sanitation*	*Other*	*19°12'45"E34°25'26"S*					600	600	Ward 12	New
MINOR ASSETS : SEWERAGE	2	Yes	*Other*	*Plant & equipment*	*Overstrand wide*				20			Overstrand	New
STORMWATER							43	1 332					
STORMWATER -AD HOC	2	Yes	*Other*	*Storm water*	*34°35'41.17"S 19°21'37.57"E*				50			Ward 01	New
STORMWATER DRAINAGE CHANNELS	2	Yes	*Other*	*Storm water*	*34°35'41.17"S 19°21'37.57"E*				100			Ward 01	New
STORMWATER	2	Yes	*Other*	*Storm water*	*19.349477 -34.607311*				200			Ward 02	New
STORMWATER SYSTEMS	2	Yes	*Other*	*Storm water*	*34.422824 19.218703*				100			Ward 08	New
STORMWATER	2	Yes	*Other*	*Storm water*	*S34°34.870' / E19°34.140'*				50			Ward 11	New
UPGRADE STORMWATER - INTERNAL	2	Yes	*Other*	*Storm water*	*19°12'48"E34°25'32"S*				2 477	1 000	1 000	Ward 05	New
WASTE MANAGEMENT							3 041	9 300					
MINOR ASSETS:SOLID WASTE DISPOS	2	No	*Other*	*Waste Management*	*Overstrand wide*				10			Overstrand	New
Total Capital expenditure							**130 930**	**117 588**	**85 515**	**94 606**	**103 561**		

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

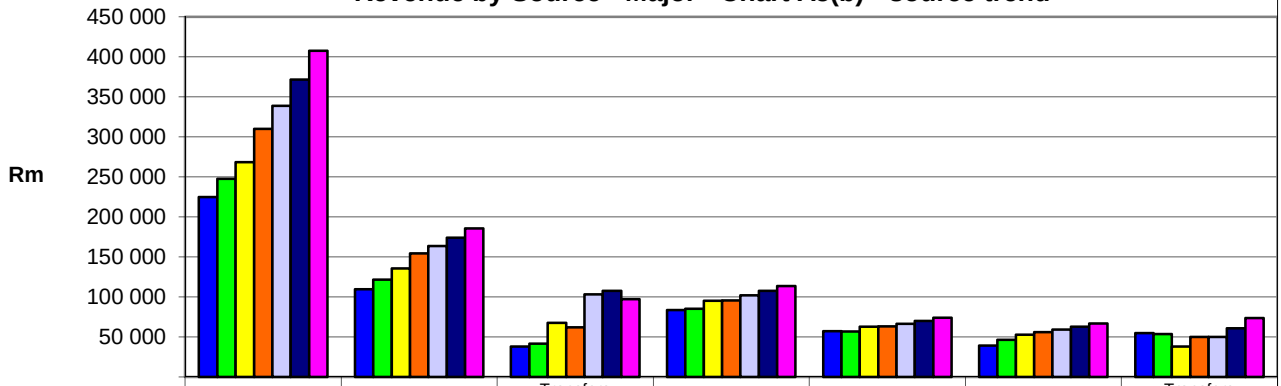
Municipal Vote/Capital project	Project number	Asset Class	Asset Sub-Class	GPS co-ordinates	Previous target year to complete	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
R thousand					Year	Original Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget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

Revenue by Source - Major - Chart A5(a)



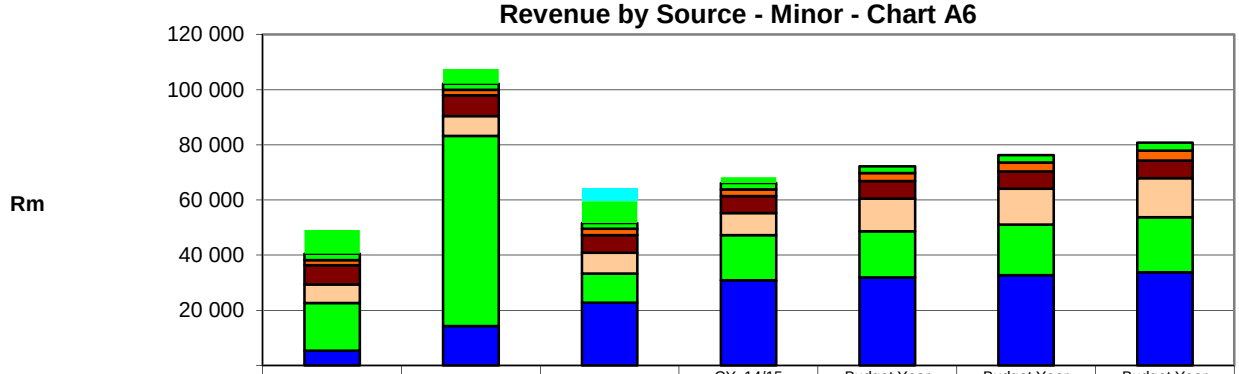
	11/12 AUD	12/13 AUD	13/14 AUD	CY 14/15 ADJ	Budget Year 15/16	Budget Year +1 16/17	Budget Year +2 17/18
Transfers recognised - capital	54 833	53 809	38 090	50 301	50 315	60 876	73 561
Service charges - refuse	39 498	46 637	52 957	56 130	59 488	63 061	66 849
Service charges - sanitation revenue	57 212	56 895	62 798	63 455	66 375	70 081	74 010
Service charges - water revenue	83 755	85 243	95 136	95 897	102 045	107 700	113 691
Transfers recognised - operating	38 005	41 680	67 835	62 032	103 363	107 886	97 173
Property rates	109 838	121 571	135 633	154 559	163 621	174 288	185 651
Service charges - electricity revenue	224 950	247 663	268 362	310 085	338 877	371 635	407 747

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



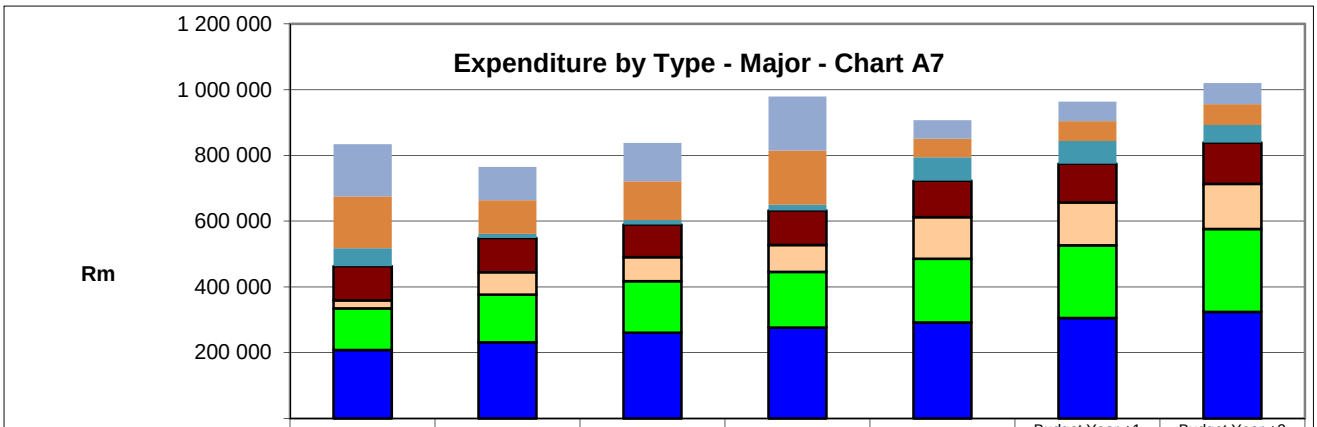
	Service charges - electricity revenue	Property rates	Transfers recognised - operating	Service charges - water revenue	Service charges - sanitation revenue	Service charges - refuse	Transfers recognised - capital
11/12 AUD	224 950	109 838	38 005	83 755	57 212	39 498	54 833
12/13 AUD	247 663	121 571	41 680	85 243	56 895	46 637	53 809
13/14 AUD	268 362	135 633	67 835	95 136	62 798	52 957	38 090
CY 14/15 ADJ	310 085	154 559	62 032	95 897	63 455	56 130	50 301
Budget Year 15/16	338 877	163 621	103 363	102 045	66 375	59 488	50 315
Budget Year +1 16/17	371 635	174 288	107 886	107 700	70 081	63 061	60 876
Budget Year +2 17/18	407 747	185 651	97 173	113 691	74 010	66 849	73 561

Revenue by Source - Minor - Chart A6

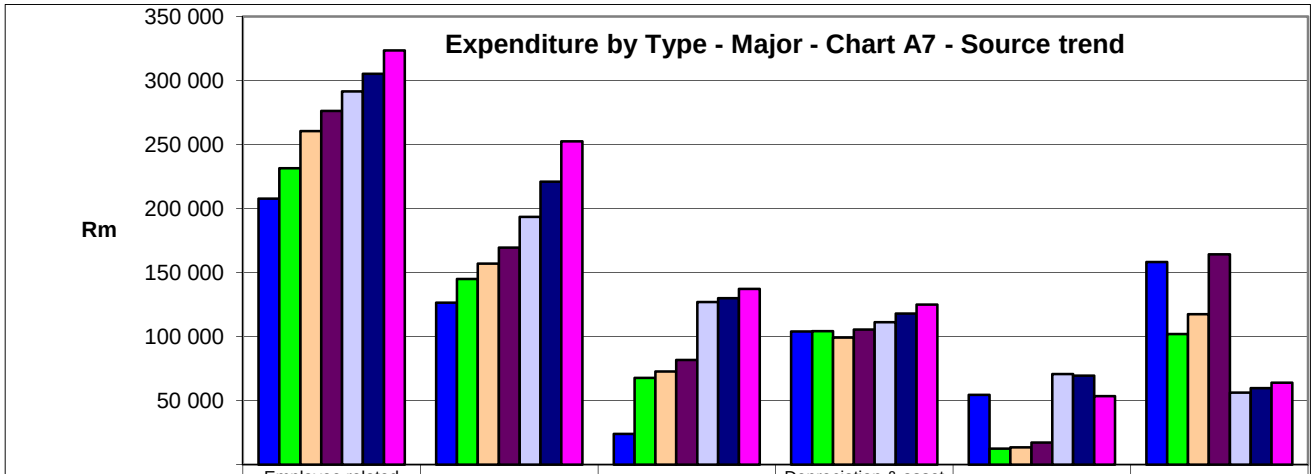


	11/12 AUD	12/13 AUD	13/14 AUD	CY 14/15 ADJ	Budget Year 15/16	Budget Year +1 16/17	Budget Year +2 17/18
Service charges - other							
Contributed assets			4 671				
Dividends received							
Contributions	8 603	5 289	7 871	2 051			
Interest earned - outstanding debtors	2 331	2 199	2 118	2 288	2 437	2 680	2 948
Agency services	1 912	2 025	2 395	2 480	2 970	3 267	3 594
Interest earned - external investments	6 881	7 555	6 352	6 166	6 348	6 348	6 348
Rental of facilities and equipment	6 743	7 212	7 591	7 966	11 859	12 953	14 176
Other revenue	17 375	68 978	10 504	16 387	16 781	18 301	19 972
Fines	5 278	14 244	22 739	30 875	31 859	32 766	33 763

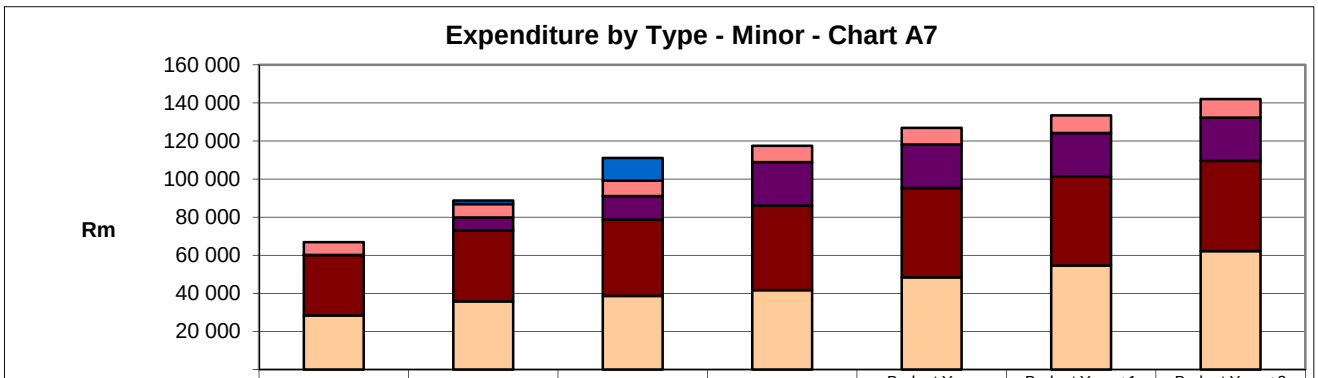
OVERSTRAND MUNICIPALITY - BUDGET REGULATION CHARTS 2015/2016 DRAFT BUDGET



	11/12 AUD	12/13 AUD	13/14 AUD	CY 14/15 ADJ	Budget Year 15/16	Budget Year +1 16/17	Budget Year +2 17/18
Other expenditure	158 290	102 146	117 460	164 357	56 251	59 890	63 924
Other expenditure	158 290	102 146	117 460	164 357	56 251	59 890	63 924
Other materials	54 582	12 441	13 595	17 315	70 885	69 631	53 593
Depreciation & asset impairment	104 041	104 408	99 361	105 461	111 362	118 043	125 126
Contracted services	24 079	67 697	72 754	81 875	126 986	129 953	137 384
Bulk purchases	126 669	145 022	157 055	169 444	193 573	221 138	252 628
Employee related costs	207 938	231 642	260 645	276 217	291 593	305 408	323 583



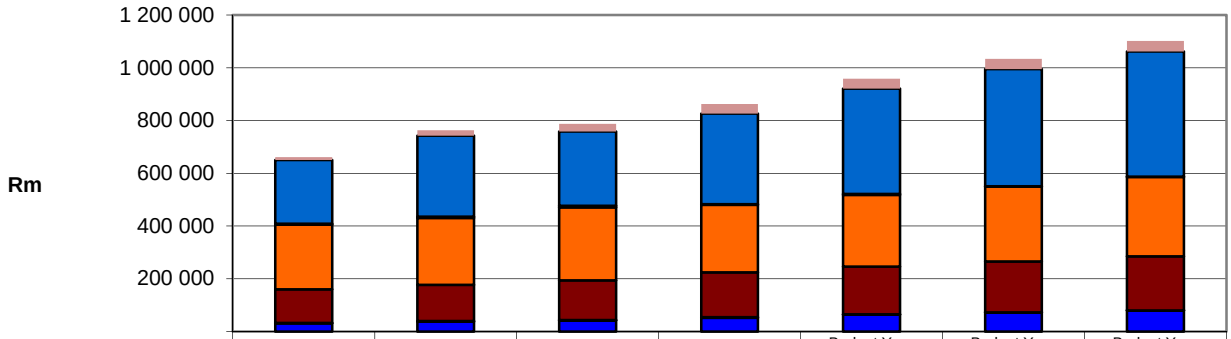
	Employee related costs	Bulk purchases	Contracted services	Depreciation & asset impairment	Other materials	Other expenditure
11/12 AUD	207 938	126 669	24 079	104 041	54 582	158 290
12/13 AUD	231 642	145 022	67 697	104 408	12 441	102 146
13/14 AUD	260 645	157 055	72 754	99 361	13 595	117 460
CY 14/15 ADJ	276 217	169 444	81 875	105 461	17 315	164 357
Budget Year 15/16	291 593	193 573	126 986	111 362	70 885	56 251
Budget Year +1 16/17	305 408	221 138	129 953	118 043	69 631	59 890
Budget Year +2 17/18	323 583	252 628	137 384	125 126	53 593	63 924



	11/12 AUD	12/13 AUD	13/14 AUD	CY 14/15 ADJ	Budget Year 15/16	Budget Year +1 16/17	Budget Year +2 17/18
Loss on disposal of PPE		1 756	12 017				
Remuneration of councillors	6 717	7 084	7 933	8 516	8 674	9 192	9 741
Debt impairment	28	6 688	12 526	22 792	22 792	22 792	22 792
Finance charges	31 727	37 331	39 927	44 480	46 895	46 780	47 279
Grants and subsidies	28 454	35 856	38 749	41 668	48 497	54 667	62 244

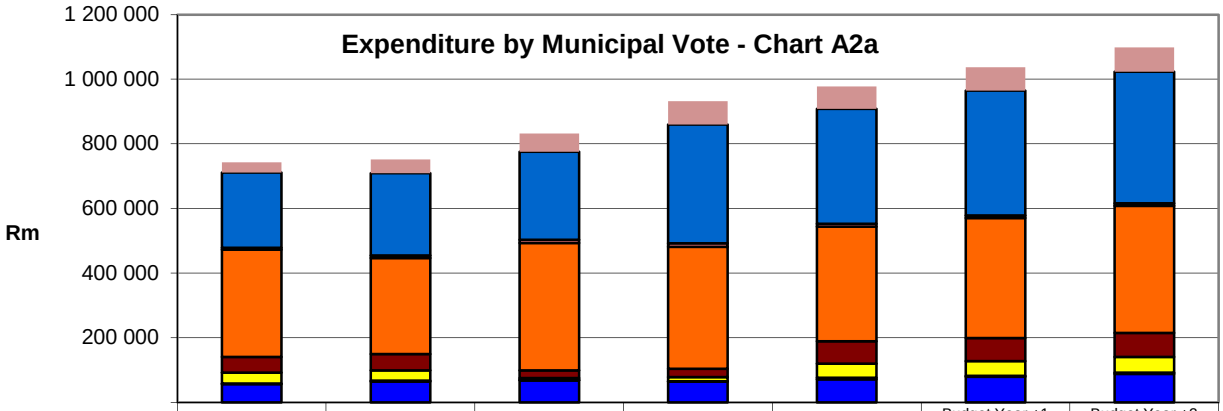
OVERSTRAND MUNICIPALITY - BUDGET REGULATION CHARTS 2015/2016 DRAFT BUDGET

Revenue by Municipal Vote classification - Chart A1



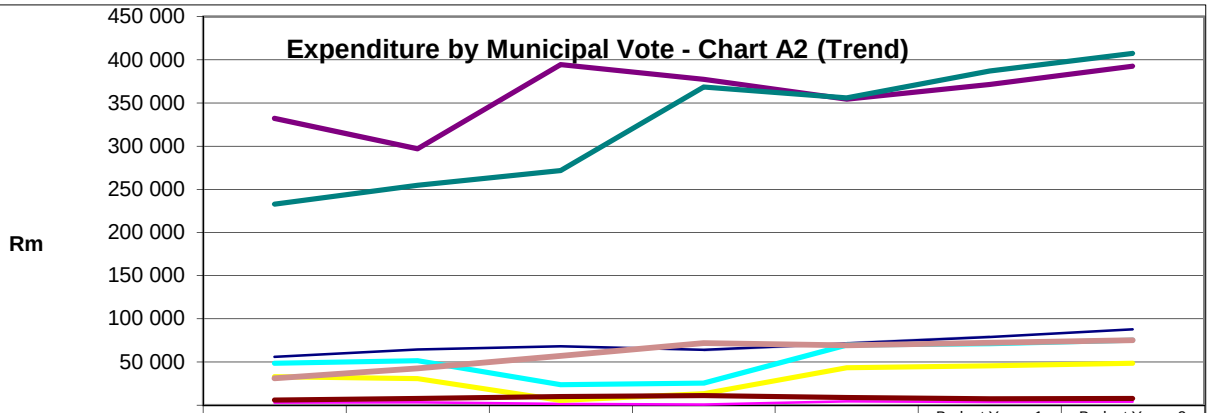
	11/12 AUD	12/13 AUD	13/14 AUD	CY 14/15 ADJ	Budget Year 15/16	Budget Year +1 16/17	Budget Year +2 17/18
Protection Services	10 048	20 142	28 300	36 094	37 676	39 164	40 802
Infrastructure and Planning	242 061	307 588	281 304	343 154	399 535	443 953	473 685
Local Economic Development	2 817	3 750	6 431	2 968	3 091	1 573	1 730
Community Services	245 501	253 932	276 626	256 019	272 086	284 150	300 688
Finance	127 745	137 728	150 786	170 420	180 339	191 921	204 338
Management Services	1 264	1 476	1 286	1 844	991	1 018	1 094
Municipal Manager							
Council	31 483	38 353	42 274	52 401	64 808	72 470	79 794

Expenditure by Municipal Vote - Chart A2a



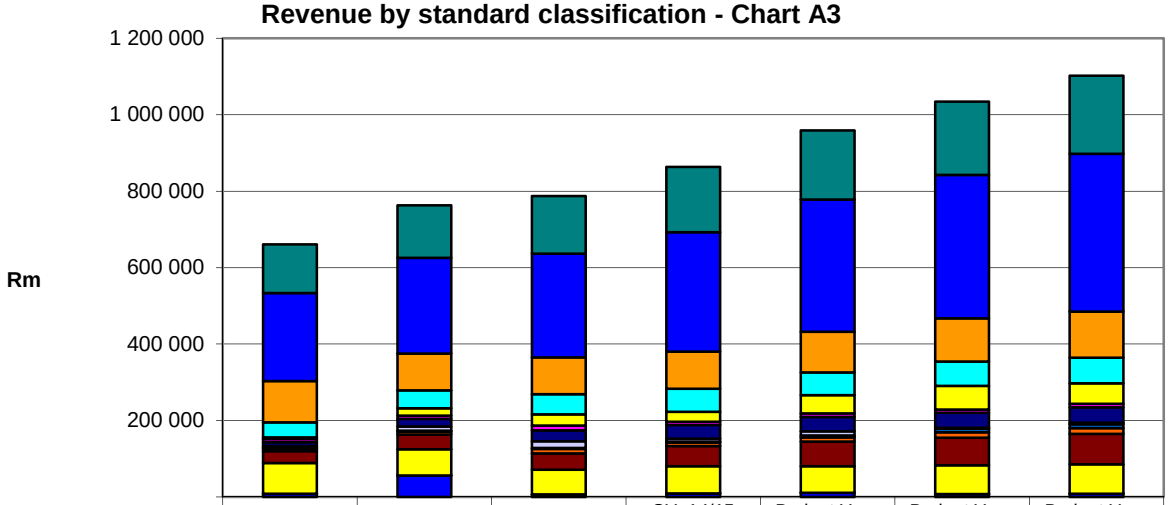
	11/12 AUD	12/13 AUD	13/14 AUD	CY 14/15 ADJ	Budget Year 15/16	Budget Year +1 16/17	Budget Year +2 17/18
Protection Services	31 241	42 651	56 923	71 893	69 453	72 280	75 270
Infrastructure and Planning	232 916	254 841	271 782	368 337	355 793	387 020	407 279
Local Economic Development	5 845	7 722	9 945	10 915	8 731	7 464	7 931
Community Services	332 230	296 939	394 516	377 259	354 470	371 463	392 545
Finance	48 679	51 399	23 830	25 398	69 750	71 154	75 197
Management Services	32 796	30 890	5 492	13 315	43 327	45 629	48 384
Municipal Manager	2 872	3 243	1 295	780	4 489	3 643	3 865
Council	55 945	64 385	68 239	64 228	71 496	78 840	87 821

Expenditure by Municipal Vote - Chart A2 (Trend)



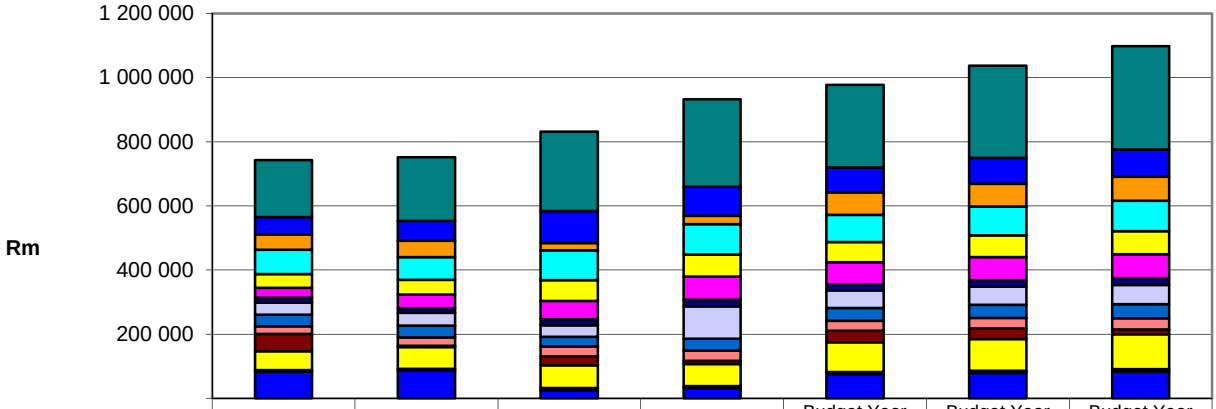
	11/12 AUD	12/13 AUD	13/14 AUD	CY 14/15 ADJ	Budget Year 15/16	Budget Year +1 16/17	Budget Year +2 17/18
Council	55 945	64 385	68 239	64 228	71 496	78 840	87 821
Municipal Manager	2 872	3 243	1 295	780	4 489	3 643	3 865
Management Services	32 796	30 890	5 492	13 315	43 327	45 629	48 384
Finance	48 679	51 399	23 830	25 398	69 750	71 154	75 197
Community Services	332 230	296 939	394 516	377 259	354 470	371 463	392 545
Local Economic Development	5 845	7 722	9 945	10 915	8 731	7 464	7 931
Infrastructure and Planning	232 916	254 841	271 782	368 337	355 793	387 020	407 279
Protection Services	31 241	42 651	56 923	71 893	69 453	72 280	75 270

Revenue by standard classification - Chart A3



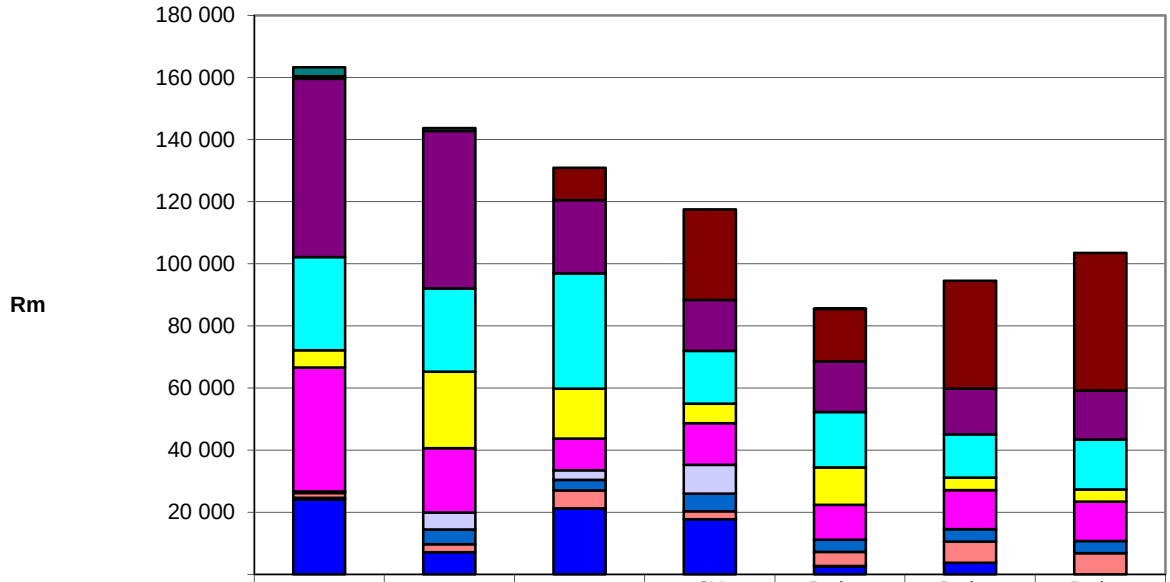
	11/12 AUD	12/13 AUD	13/14 AUD	CY 14/15 ADJ	Budget Year 15/16	Budget Year +1 16/17	Budget Year +2 17/18
Budget & Treasury Office	127 745	137 728	150 786	170 420	180 339	191 921	204 338
Electricity	229 488	249 645	270 880	312 305	346 361	375 057	413 102
Water	108 189	96 325	96 086	96 872	106 211	113 026	120 078
Waste Management	39 605	46 758	53 066	60 286	59 544	63 118	66 906
Housing	3 965	19 965	29 116	25 735	47 567	62 726	53 793
Planning & Development	8 801	7 907	12 853	8 550	9 051	8 129	8 942
Public Safety	10 048	20 142	28 300	36 094	37 676	39 164	40 802
Road Transport	3 863	10 595	17 790	7 869	10 890	2 700	4 200
Community & Social Services	2 574	2 990	2 574	2 402	4 677	9 025	9 525
Health							
Sport and Recreation	6 609	7 765	11 427	9 191	11 052	14 163	14 899
Executive & Council	31 483	38 355	42 355	52 442	64 861	72 528	79 858
Waste Water Management	79 550	68 428	65 091	71 106	69 402	74 765	77 229
Environmental Protection	299	65	319	76	101	110	121
Corporate Services	8 700	56 303	6 363	9 551	10 795	7 816	8 338

Expenditure by standard classification - Chart A4



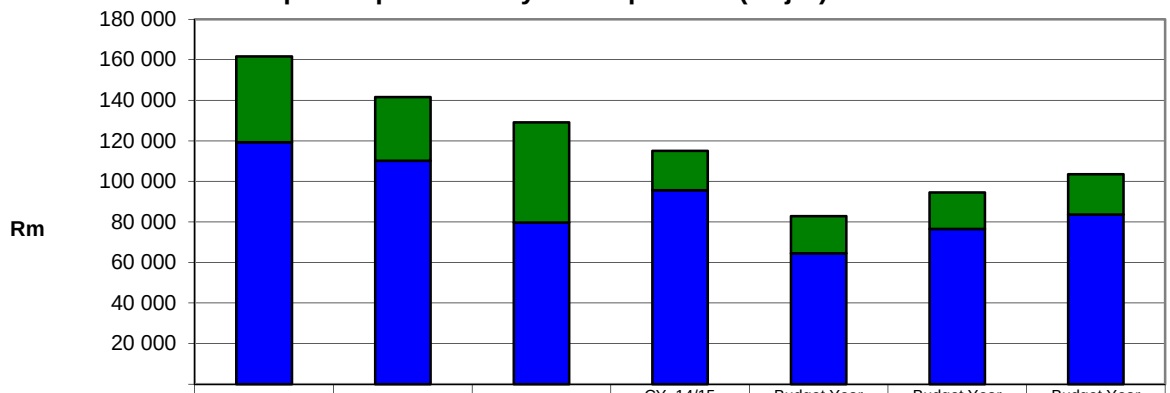
	11/12 AUD	12/13 AUD	13/14 AUD	CY 14/15 ADJ	Budget Year 15/16	Budget Year +1 16/17	Budget Year +2 17/18
Electricity	177 473	198 933	247 859	272 466	257 278	287 386	322 086
Water	53 445	61 422	99 439	90 979	78 375	81 294	85 130
Budget & Treasury Office	48 679	51 399	23 830	25 398	69 750	71 154	75 197
Road Transport	75 715	71 108	92 659	94 492	84 786	89 863	94 986
Waste Water Management	42 466	45 965	64 659	69 170	63 357	67 214	71 597
Public Safety	31 241	42 651	56 923	71 893	69 453	72 280	75 270
Sport and Recreation	15 378	14 271	18 637	20 744	18 220	19 390	20 550
Waste Management	37 573	40 102	36 085	101 052	54 264	57 103	60 245
Planning & Development	35 519	36 280	30 370	36 945	40 308	40 867	43 282
Community & Social Services	24 079	26 093	30 255	32 499	31 322	33 034	35 198
Health							
Housing	54 294	4 273	28 318	10 009	35 976	33 533	15 249
Executive & Council	58 811	67 621	71 355	68 003	92 505	98 337	108 547
Environmental Protection	5 011	5 624	7 306	7 204	6 952	7 217	7 651
Corporate Services	82 842	86 328	24 327	31 269	74 963	78 822	83 305

Capital expenditure by Standard Classification - Chart A11



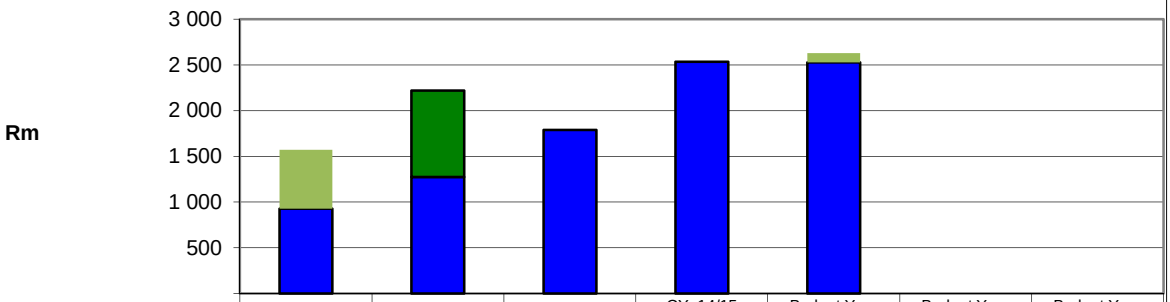
	11/12 AUD	12/13 AUD	13/14 AUD	CY 14/15 ADJ	Budget Year 15/16	Budget Year +1 16/17	Budget Year +2 17/18
Planning & Development	2 863	945			25		
Housing	817		10 404	29 213	16 888	34 750	44 374
Water	57 384	50 766	23 631	16 384	16 326	14 726	15 787
Electricity	30 061	26 768	37 115	17 000	17 775	14 000	16 000
Road Transport	5 477	24 607	16 051	6 300	12 073	4 000	4 000
Waste Water Management	39 927	20 728	10 202	13 403	11 244	12 600	12 600
Budget & Treasury Office							
Waste Management	196	5 528	3 041	9 300	10		
Community & Social Services	327	4 666	3 482	5 595	3 901	4 000	4 000
Sport and Recreation	1 531	2 601	5 696	2 616	4 526	6 800	6 800
Health							
Executive & Council							
Public Safety	645				100		
Environmental Protection							
Corporate Services	24 047	7 154	21 308	17 776	2 648	3 730	

Capital expenditure by Municipal Vote (Major) - Chart A9



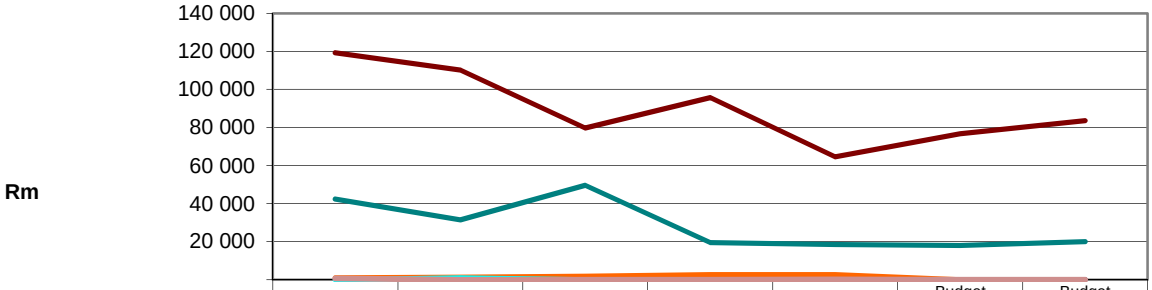
	11/12 AUD	12/13 AUD	13/14 AUD	CY 14/15 ADJ	Budget Year 15/16	Budget Year +1 16/17	Budget Year +2 17/18
Infrastructure and Planning	42 394	31 434	49 518	19 450	18 420	18 000	20 000
Community Services	119 308	110 111	79 622	95 604	64 467	76 606	83 561

Capital expenditure by Municipal Vote (Minor) - Chart A10



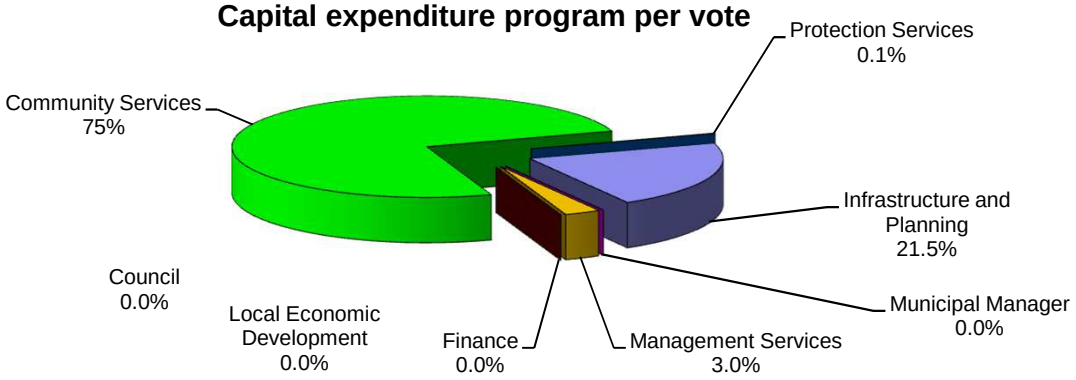
	11/12 AUD	12/13 AUD	13/14 AUD	CY 14/15 ADJ	Budget Year 15/16	Budget Year +1 16/17	Budget Year +2 17/18
Protection Services	645				100		
Local Economic Development		945					
Management Services	928	1 274	1 790	2 534	2 528		

Capital expenditure by Municipal Vote (Trend) - Chart A12

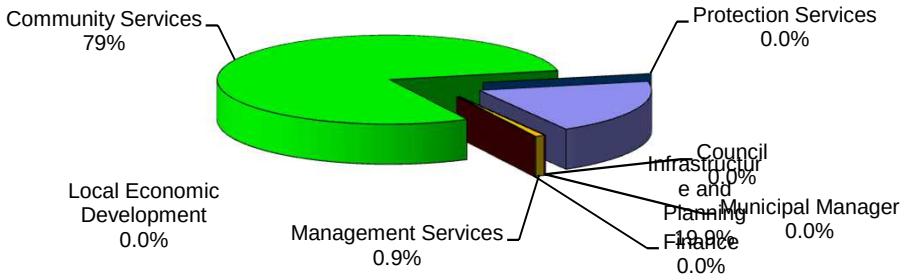


	11/12 AUD	12/13 AUD	13/14 AUD	CY 14/15 ADJ	Budget Year 15/16	Budget Year +1 16/17	Budget Year +2 17/18
Council							
Municipal Manager							
Management Services	928	1 274	1 790	2 534	2 528		
Local Economic Development		945					
Finance							
Community Services	119 308	110 111	79 622	95 604	64 467	76 606	83 561
Infrastructure and Planning	42 394	31 434	49 518	19 450	18 420	18 000	20 000
Protection Services	645				100		

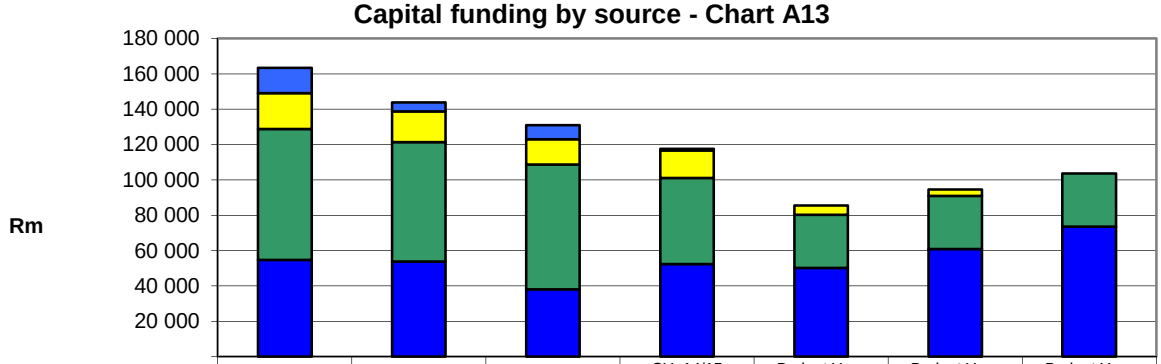
2015/16 Budget Year
Capital expenditure program per vote



2015/16 MTREF (3 year total)
Capital expenditure program per vote

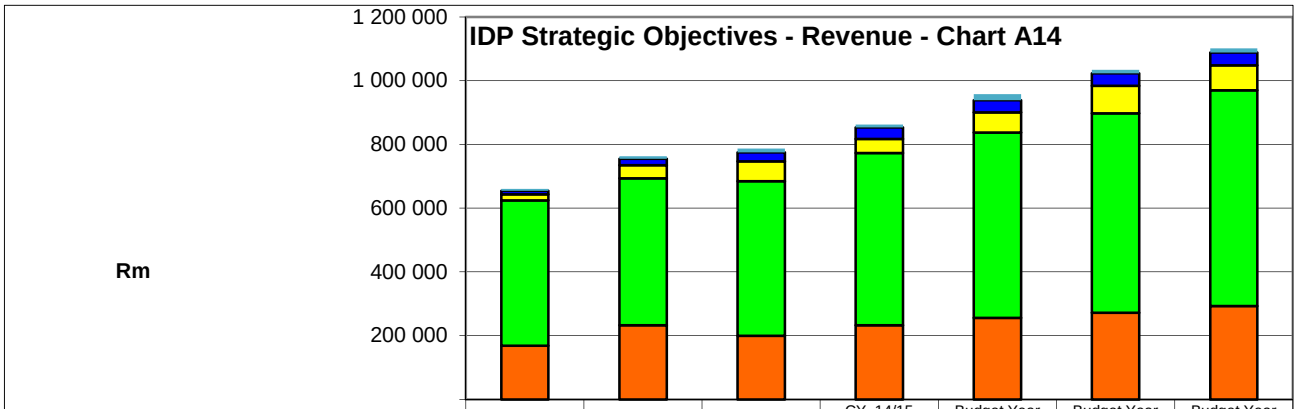


Capital funding by source - Chart A13



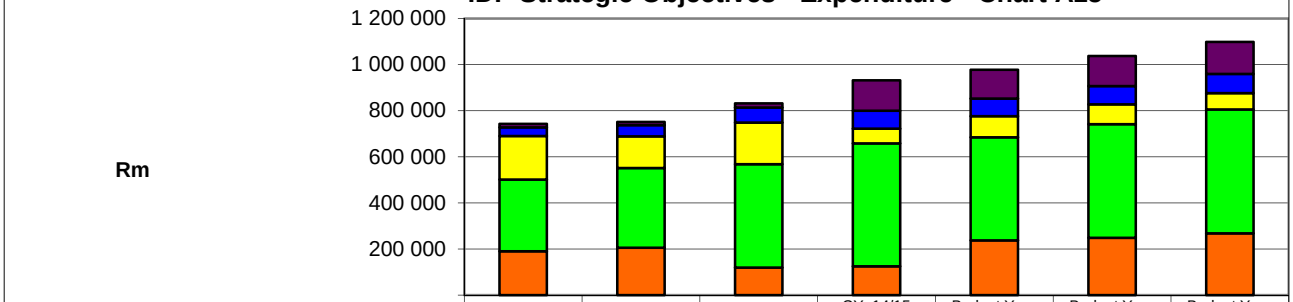
	11/12 AUD	12/13 AUD	13/14 AUD	CY 14/15 ADJ	Budget Year 15/16	Budget Year +1 16/17	Budget Year +2 17/18
Public contributions & donations	14 300	5 067	7 985	885			
Internally generated funds	20 178	17 345	14 222	15 582	5 200	3 730	
Borrowing	73 964	67 544	70 634	48 770	30 000	30 000	30 000
Capital transfers recognised	54 833	53 809	38 090	52 352	50 315	60 876	73 561

IDP Strategic Objectives - Revenue - Chart A14



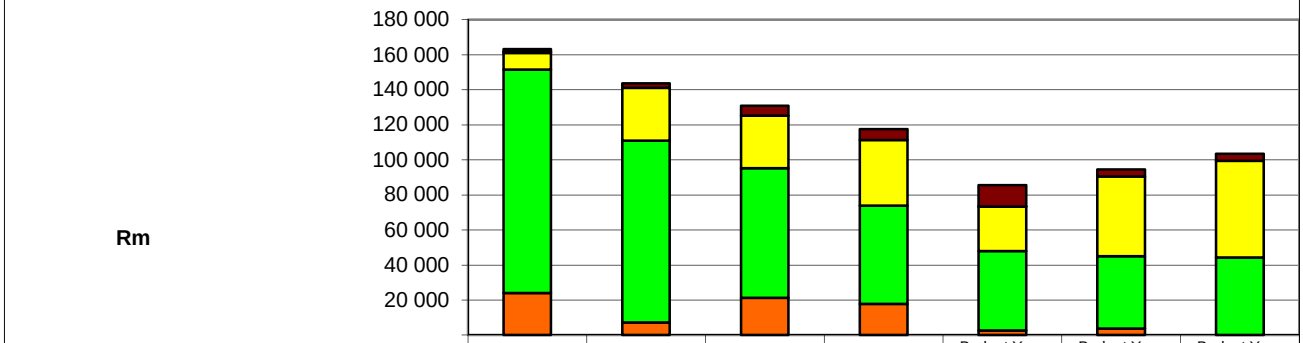
	11/12 AUD	12/13 AUD	13/14 AUD	CY 14/15 ADJ	Budget Year 15/16	Budget Year +1 16/17	Budget Year +2 17/18
The promotion of tourism, economic and social development	6 609	7 765	11 427	9 191	19 941	10 829	13 142
The creation and maintenance of a safe and healthy environment	10 346	20 206	28 620	36 170	37 777	39 275	40 923
The encouragement of structured community participation in the matters of the municipality	19 203	41 457	62 333	44 557	63 296	85 915	78 218
Provision and maintenance of municipal services	456 833	461 155	485 124	540 568	581 518	625 966	677 315
Provision of democratic accountable and ethical governance	167 928	232 385	199 504	232 413	255 994	272 264	292 533

IDP Strategic Objectives - Expenditure - Chart A15



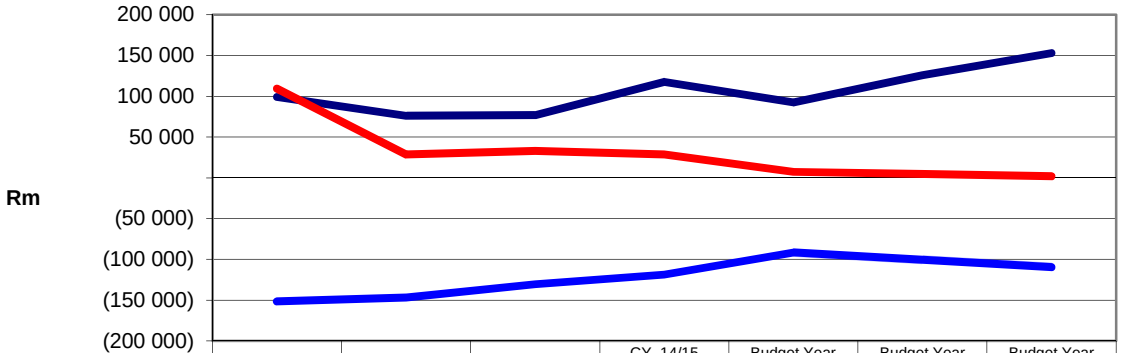
	11/12 AUD	12/13 AUD	13/14 AUD	CY 14/15 ADJ	Budget Year 15/16	Budget Year +1 16/17	Budget Year +2 17/18
The promotion of tourism, economic and social development	15 378	14 271	18 637	131 437	125 094	130 729	138 267
The creation and maintenance of a safe and healthy environment	36 252	48 275	64 229	79 097	76 405	79 497	82 921
The encouragement of structured community participation in the matters of the municipality	189 607	137 754	181 602	63 253	90 760	85 957	70 997
Provision and maintenance of municipal services	310 956	346 423	448 042	533 668	448 031	492 997	539 058
Provision of democratic accountable and ethical governance	190 332	205 348	119 512	124 670	237 218	248 313	267 049

IDP Strategic Objectives - Capital Expenditure - Chart A16



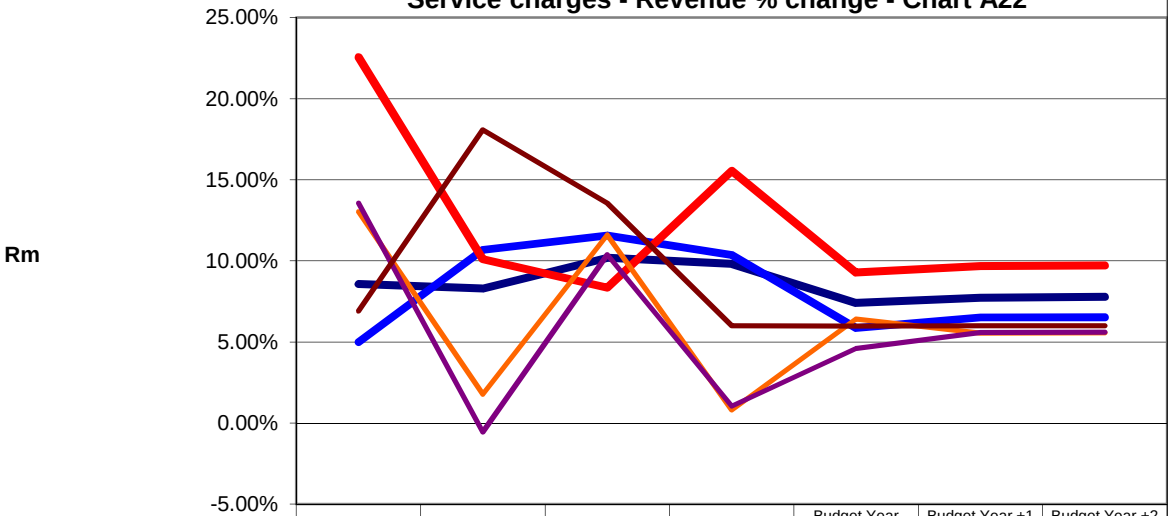
	11/12 AUD	12/13 AUD	13/14 AUD	CY 14/15 ADJ	Budget Year 15/16	Budget Year +1 16/17	Budget Year +2 17/18
The promotion of tourism, economic and social development	1 531	2 601	5 696	6 300	12 098	4 000	4 000
The creation and maintenance of a safe and healthy environment	645				100		
The encouragement of structured community participation in the matters of the municipality	9 484	30 219	29 937	37 425	25 315	45 550	55 174
Provision and maintenance of municipal services	127 569	103 790	73 989	56 087	45 355	41 326	44 387
Provision of democratic accountable and ethical governance	24 047	7 154	21 308	17 776	2 648	3 730	

Cash flow trend - Chart A23



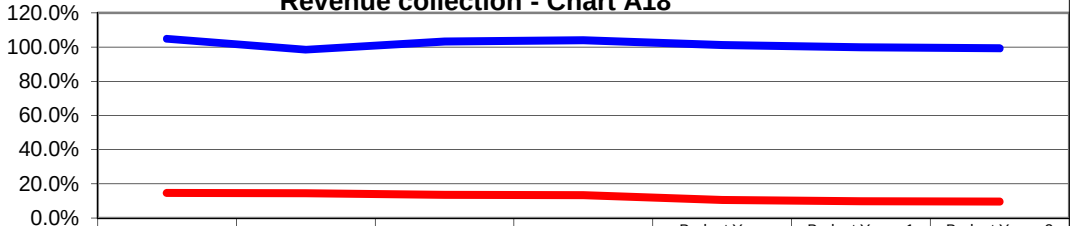
	11/12 AUD	12/13 AUD	13/14 AUD	CY 14/15 ADJ	Budget Year 15/16	Budget Year +1 16/17	Budget Year +2 17/18
Cash Flow - Op. Activities	98 981	75 920	76 616	117 599	92 599	125 682	152 880
Cash Flow - Investing (used)	(151 774)	(146 955)	(130 368)	(118 517)	(91 745)	(100 523)	(109 575)
Cash Flow - Financing	109 489	28 482	32 764	28 576	7 409	4 515	1 659

Service charges - Revenue % change - Chart A22



	11/12 AUD	12/13 AUD	13/14 AUD	CY 14/15 ADJ	Budget Year 15/16	Budget Year +1 16/17	Budget Year +2 17/18
% incr total service charges (incl prop rates)	8.57%	8.30%	10.19%	9.82%	7.39%	7.7%	7.8%
% incr Property Tax	5.0%	10.7%	11.6%	10.4%	5.9%	6.5%	6.5%
% incr Service charges - electricity revenue	22.6%	10.1%	8.4%	15.5%	9.3%	9.7%	9.7%
% incr Service charges - water revenue	13.0%	1.8%	11.6%	0.8%	6.4%	5.5%	5.6%
% incr Service charges - sanitation revenue	13.6%	-0.6%	10.4%	1.0%	4.6%	5.6%	5.6%
% incr Service charges - refuse	6.9%	18.1%	13.5%	6.0%	6.0%	6.0%	6.0%

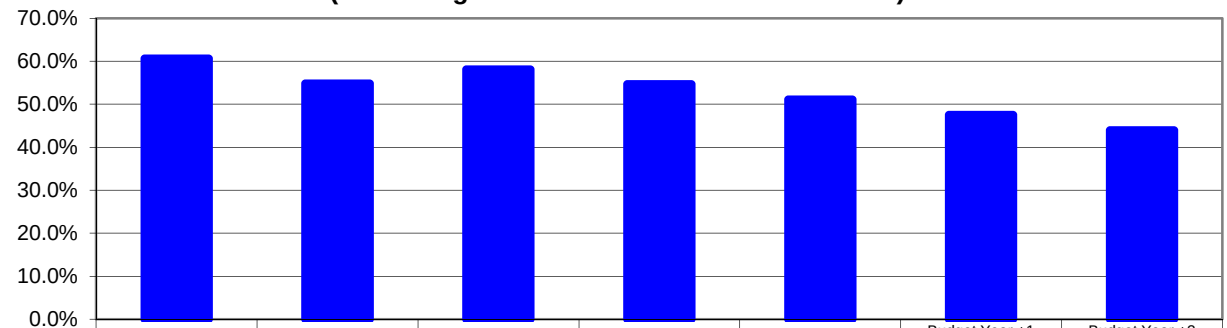
Revenue collection - Chart A18



	11/12 AUD	12/13 AUD	13/14 AUD	CY 14/15 ADJ	Budget Year 15/16	Budget Year +1 16/17	Budget Year +2 17/18
Annual Debtors Collection	104.9%	98.5%	103.1%	103.9%	101.2%	99.9%	99.3%
O/S Debtors to Revenue	14.6%	14.4%	13.5%	13.3%	10.6%	9.7%	9.6%

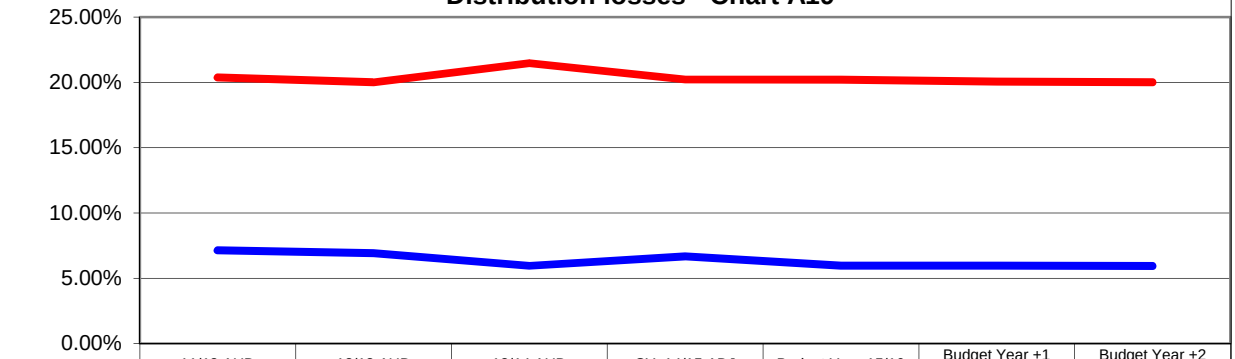
OVERSTRAND MUNICIPALITY - BUDGET REGULATION CHARTS 2015/2016 DRAFT BUDGET

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



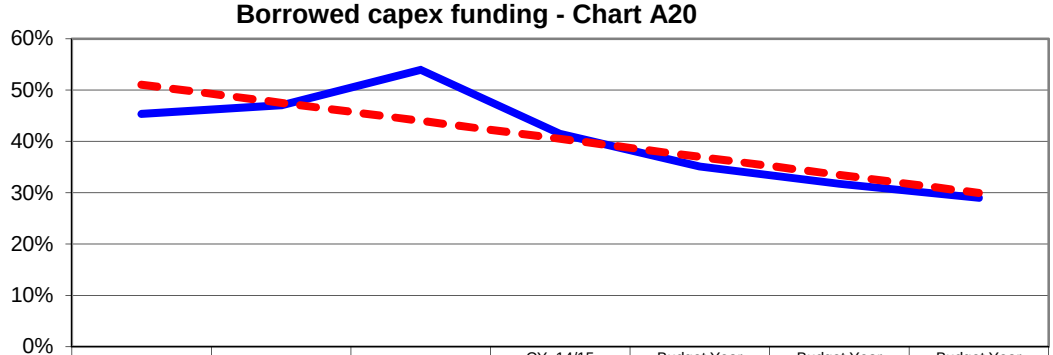
	11/12 AUD	12/13 AUD	13/14 AUD	CY 14/15 ADJ	Budget Year 15/16	Budget Year +1 16/17	Budget Year +2 17/18
Borrowing	60.6%	54.8%	58.1%	54.7%	51.1%	47.6%	44.0%

Distribution losses - Chart A19



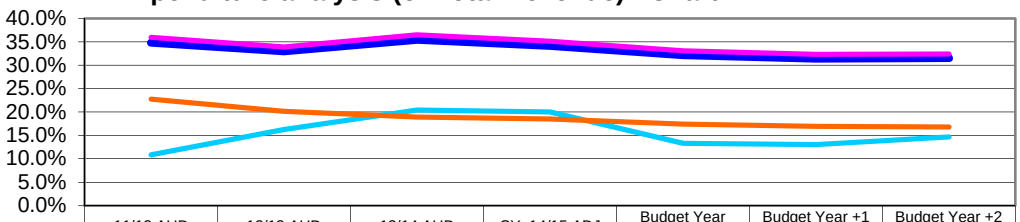
	11/12 AUD	12/13 AUD	13/14 AUD	CY 14/15 ADJ	Budget Year 15/16	Budget Year +1 16/17	Budget Year +2 17/18
Electricity	7.12%	6.91%	5.95%	6.67%	5.95%	5.94%	5.93%
Water	20.36%	20.01%	21.47%	20.23%	20.19%	20.05%	20.00%

Borrowed capex funding - Chart A20



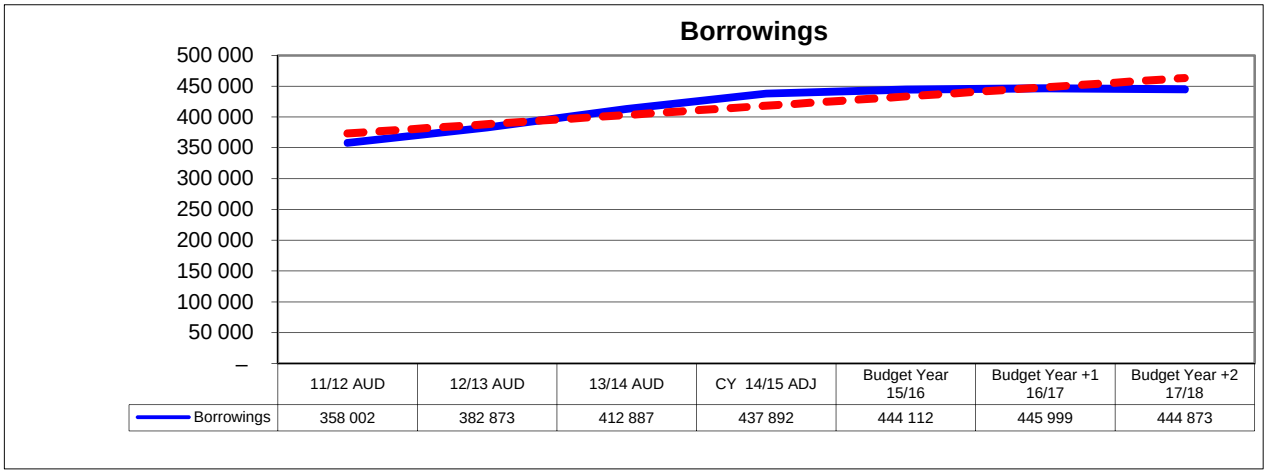
	11/12 AUD	12/13 AUD	13/14 AUD	CY 14/15 ADJ	Budget Year 15/16	Budget Year +1 16/17	Budget Year +2 17/18
Borrowed capex funding	45%	47%	54%	41%	35%	32%	29%

Expenditure analysis (of Total Revenue) - Chart A21

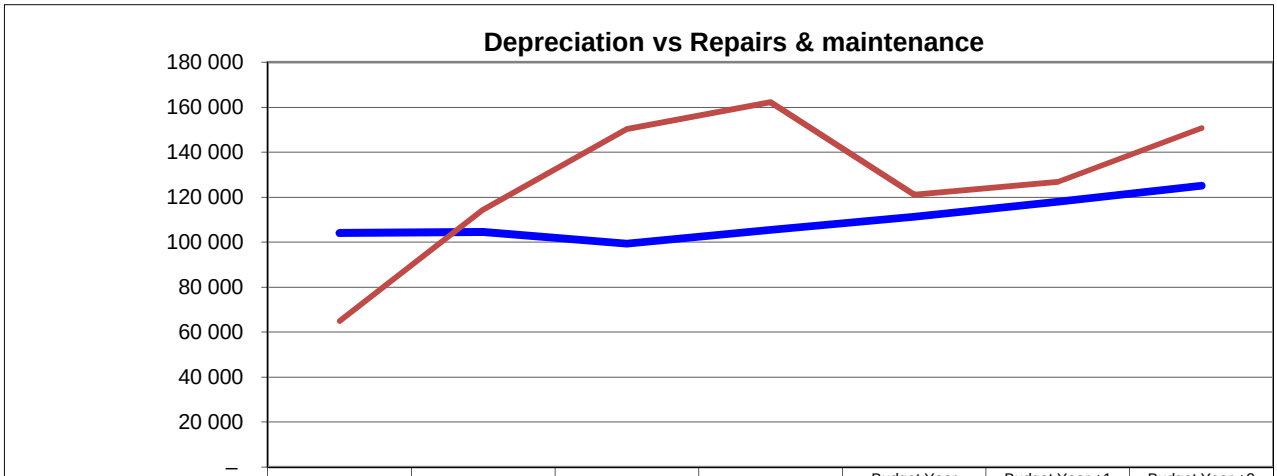


	11/12 AUD	12/13 AUD	13/14 AUD	CY 14/15 ADJ	Budget Year 15/16	Budget Year +1 16/17	Budget Year +2 17/18
Employee costs	34.8%	32.9%	35.4%	34.1%	32.1%	31.4%	31.5%
Remuneration	35.9%	33.9%	36.5%	35.1%	33.1%	32.3%	32.4%
Repairs & Maintenance	10.9%	16.3%	20.4%	20.0%	13.3%	13.0%	14.7%
Finance charges & Depreciation	22.7%	20.1%	18.9%	18.5%	17.4%	16.9%	16.8%

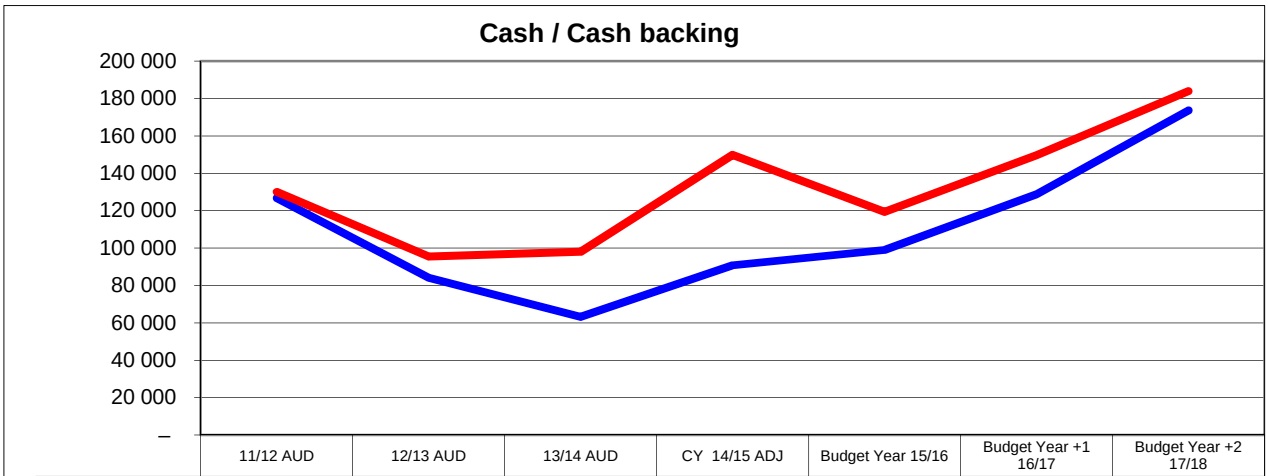
OVERSTRAND MUNICIPALITY - BUDGET REGULATION CHARTS 2015/2016 DRAFT BUDGET



	11/12 AUD	12/13 AUD	13/14 AUD	CY 14/15 ADJ	Budget Year 15/16	Budget Year +1 16/17	Budget Year +2 17/18
Borrowings	358 002	382 873	412 887	437 892	444 112	445 999	444 873



	11/12 AUD	12/13 AUD	13/14 AUD	CY 14/15 ADJ	Budget Year 15/16	Budget Year +1 16/17	Budget Year +2 17/18
Depreciation	104 041	104 408	99 361	105 461	111 362	118 043	125 126
Repairs & maintenance	64 845	114 414	150 358	162 268	121 077	126 814	150 754



	11/12 AUD	12/13 AUD	13/14 AUD	CY 14/15 ADJ	Budget Year 15/16	Budget Year +1 16/17	Budget Year +2 17/18
Cash	126 699	84 147	63 158	90 815	99 079	128 754	173 717
Cash backing	130 018	95 489	97 994	149 926	119 309	149 778	183 996

ANNEXURE C

RATES AND TARIFFS

OVERSTRAND MUNICIPALITY TARIFF LIST

RATES TARIFFS

Tariff Code	Detail	2015/2016		2014/2015		1.0685
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
RATES	**YEAR OF GENERAL VALUATION: 02 JULY 2011**					
RATE1*	Commercial Land with Improvements	0.00670	0.00670	0.00627	0.00627	6.8500%
RATE2*	Residential Land with Improvements	0.00442	0.00442	0.00414	0.00414	6.8500%
	**** See attached schedule of Exemptions and Rebates applicable***					
RATE3	Municipal Properties: Investment Properties	Applicable tariff for Commercial or Residential	Applicable tariff for Commercial or Residential	Applicable tariff for Commercial or Residential	Applicable tariff for Commercial or Residential	
RATE4	Municipal Properties: Property, Plant and Equipment	0.00000	0.00000	0.00000	0.00000	
RATE5	Improvement District Surcharge (HPP) on total rates payable on approved Improvement District	0.10000	0.10000	0.10000	0.10000	0.0000%
RATE6	Building Clause	Equals to tariff for rates on property	Equals to tariff for rates on property	Equals to tariff for rates on property	Equals to tariff for rates on property	
RATE7	Farm/Agriculture (Bona-fide)	0.00111	0.00111	0.00104	0.00104	6.8500%
RATE8	Undeveloped erven	0.00605	0.00605	0.00566	0.00566	6.8500%
RATE9	Government Properties: Commercial	0.00670	0.00670	0.00627	0.00627	6.8500%
RATE10	Government Properties: Residential	0.00442	0.00442	0.00414	0.00414	6.8500%

PLEASE NOTE: VAT IS LEVIED AT A RATE OF 0% ON ASSESSMENT RATES

OVERSTRAND MUNCIPALITY

(Attachments to the Rates Tariff Schedule)

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

PR100 **PR050** **PR040**	Other Rebates	Single residential properties, Group Housing, Retirement Villages, Flats, Sectional Schemes	- Property must be occupied permanently; - The applicant must be the registered owner; - Only one residential unit allowed on the property - Applicant may not be the registered owner of more than one property • A rebate of 100% to approved applicants, in terms of the **Property Rates** Policy, who's gross monthly household income may not exceed the amount of two times (2X) of state funded social pensions per month; • A rebate of 50% to approved applicants, in terms of the **Property Rates** Policy, who are older than 60 with a gross monthly household income less than four times (4X) of state funded social pensions per month; • A rebate of 40% to approved applicants, in terms of the **Property Rates**, who are older than 60 with a gross monthly household income of more than four times (4X) but less than eight times (8X) of state funded social pensions per month.

EXEMPTIONS FROM PROPERTY RATES (Rates Policy)

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

SUNDRY TARIFF LIST

Tariff Code	Detail	2015/2016		2014/2015		1.10
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S1	**BOAT LICENCE/PERMITS, LAUNCHING & ENTRANCE FEE**					
S1J	**Kleinbaai Harbour:**					
S1J1	On site Parking pm	745.61	850.00	675.44	770.00	10.39%
S1J2A	Category B1: Shark-view operators/whale-watching (Incl on-site parking) pa	31 250.00	35 625.00	28 407.02	32 384.00	10.01%
S1J2B	Category B2: Shark-view operators/whale-watching (excl on-site parking) pm	2 390.35	2 725.00	2 171.06	2 475.00	10.10%
S1J2C	Category B2: Shark-view operators/whale-watching (excl on-site parking) pa	23 850.88	27 190.00	21 681.58	24 717.00	10.01%
S1J4A	Kelp Collectors pm	2 986.84	3 405.00	2 713.20	3 093.05	10.09%
S1J4B	Kelp Collectors pa	29 815.79	33 990.00	27 102.00	30 896.28	10.01%
S1J4C	Kelp Collectors per launch	192.98	220.00	175.44	200.00	10.00%
S1J5	Oversize vessel	tariff + 50%	vat on tariff + 50%	tariff + 50%	vat on tariff + 50%	
S1J6A	Nature Conservation	FREE	FREE	FREE	FREE	
S1J6B	Support Service per month	565.79	645.00	511.40	583.00	10.64%
S1J6C	Support Service per launch	74.56	85.00	67.54	77.00	10.39%
S1J7A1	Recreational Fishing (Overstrand Consumers) Vessels < 7m pa	482.46	550.00	438.60	500.00	10.00%
S1J7A2	Recreational Fishing Vessels < 7m per Launch	57.02	65.00	52.63	60.00	8.34%
S1J7A3	Recreational Fishing (Overstrand Consumers) Vessels > 7m pa	578.95	660.00	526.32	600.00	10.00%
S1J7A4	Recreational Fishing Vessels > 7m per Launch	74.56	85.00	65.79	75.00	13.33%
S1J7B1	Commercial Fishing (Overstrand Consumers) Vessels < 7m pa	526.32	600.00	438.60	500.00	20.00%
S1J7B2	Commercial Fishing Vessels > 7m pa	697.37	795.00	631.58	720.00	10.42%
S1J7B3	Commercial Fishing Vessels < 7m per launch	65.79	75.00	New	New	
S1J7B4	Commercial Fishing Vessels > 7m per launch	83.33	95.00	74.56	85.00	11.76%
S1J8A	Passenger Boats pm	1 192.98	1 360.00	1 085.97	1 238.00	9.85%
S1J8B	Passenger Boats per launch	114.04	130.00	106.14	121.00	7.44%
S1J9	Use of Tractor for boat-launching / month	201.75	230.00	183.34	209.00	10.04%
S1J11	Formal Shop Rental / month	692.98	790.00	627.19	715.00	10.49%
S1J12	Informal Trader under cover rental / month	456.14	520.00	414.91	473.00	9.94%
S1M	**Kleinmond Harbour:**					
S1M1	Recreational Fishing (Overstrand Consumers) Vessels < 7m pa	482.46	550.00	New	New	
S1M2	Recreational Fishing Vessels < 7m per Launch	57.02	65.00	New	New	
S1M3	Recreational Fishing (Overstrand Consumers) Vessels > 7m pa	578.95	660.00	New	New	
S1M4	Recreational Fishing Vessels > 7m per Launch	74.56	85.00	New	New	
S1M5	Commercial Fishing (Overstrand Consumers) Vessels < 7m pa	526.32	600.00	New	New	
S1M6	Commercial Fishing Vessels > 7m pa	697.37	795.00	New	New	
S1M7	Commercial Fishing Vessels < 7m per launch	65.79	75.00	New	New	
S1M8	Commercial Fishing Vessels > 7m per launch	78.95	90.00	New	New	
S1M9	Passenger Boats pm	1 192.98	1 360.00	New	New	
S1M10	Passenger Boats per launch	114.04	130.00	New	New	
S1T	**Registered Launching Sites managed by the Overstrand Municipality (08:00-16:00) (Western Cape December School Holiday and when declared by Council**					
S1T1	**Affiliated Members**					
S1T1A	Annually	175.44	200.00	New	New	
S1T1B	Monthly	105.26	120.00	New	New	
S1T1C	Weekly	52.63	60.00	New	New	

SUNDRY TARIFF LIST

Tariff Code	Detail	2015/2016		2014/2015		1.10
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S1T1D	Daily	17.54	20.00	New	New	
S1T2	**Non- Affiliated Members**		0.00	New	New	
S1T2A	Annually	350.88	400.00	New	New	
S1T2B	Monthly	157.89	179.99	New	New	
S1T2C	Weekly	87.72	100.00	New	New	
S1T2D	Daily	26.32	30.00	New	New	
S2	**BUILDING CONTROL**					
S2A1	Building Plan Fees up to 100 m² (R/m²)	23.68	27.00	21.05	24.00	12.49%
S2A2	Building Plan Fees from 101 m² to 200 sq m (R/m²)	28.07	32.00	25.44	29.00	10.34%
S2A3	Building Plan Fees from 201 m² to 300 sq m (R/m²)	32.46	37.00	29.83	34.00	8.83%
S2A4	Building Plan Fees greater than 300 m² (R/m²)	36.84	42.00	34.21	39.00	7.69%
S2A5	Building Plan fees - Building Sub Economic < 70 m²	337.72	385.00	307.02	350.00	10.00%
S2B	Alterations and Additions smaller than 30 m²	710.53	810.00	631.58	720.00	12.50%
S2C	Building Plan fees related to farm buildings (farm sheds, stables, etc) R/m²	15.79	18.00	14.48	16.50	9.08%
S2D1	Building Plan fees related to Industrial buildings R/m²	15.79	18.00	14.48	16.50	9.08%
S2D2	Building Plan Fees Related to Government Buildings (School etc) (R/m²)	15.79	18.00	14.48	16.50	9.08%
S2F1	Plan Scrutiny Fees - < 200 m²	412.28	470.00	377.19	430.00	9.30%
S2F2	> 200 m² (R/m²)	3.33	3.80	3.07	3.50	8.47%
S2G	Demolition application	412.28	470.00	377.19	430.00	9.30%
S2H	Inspection & Re-inspection fees and Inspections on queries, rates clearance etc.	245.61	280.00	219.30	250.00	12.00%
S2J1	Building Deposit - < 50m² or **less** or less than R150,000.00	730.00	no vat	660.00	no vat	10.61%
S2J2	Building Deposit - Recoverable 50m² to 200m² or more than R150,000.00	1 940.00	no vat	1 760.00	no vat	10.23%
S2J3	Building Deposit - Recoverable more than 200m²	5 330.00	no vat	4 840.00	no vat	10.12%
S2J4	Building Deposit - Sub economic Areas only (Not applicable to Additions)	No Deposit	no vat	No Deposit	no vat	
S2K	Administration / Viewing Fee	48.25	55.00	43.86	50.00	10.00%
S2L	Minor Building Works	192.98	220.00	175.44	200.00	10.00%
S2L1	Heritage Investigation Minor Alterations (no additions)	385.97	440.00	350.88	400.00	10.00%
S2L2	Heritage Investigation add and alt smaller than 30m²	771.93	880.00	701.75	800.00	10.00%
S2L3	Heritage Investigation add and alt greater than 30m²	1 543.86	1 760.00	1 403.51	1 600.00	10.00%
S3	**BUILDING CONTROL: PLAN PRINTING FEES**					
S3A1	Per sheet - Size A0 (Private copy)	52.63	60.00	48.25	55.00	9.09%
S3A2	Size A1 (Private copy)	42.11	48.00	38.60	44.00	9.08%
S3A3	Size A2 (Private copy)	31.58	36.00	28.95	33.00	9.08%
S3A4	Per sheet - Size A0 (Official copy)	42.11	48.00	38.60	44.00	9.08%
S3A5	- Size A1 (Official copy)	31.58	36.00	28.95	33.00	9.08%
S3A6	- Size A2 (Official copy)	21.93	25.00	20.18	23.00	8.70%
S3B1	Per sheet - Size A0 (Private copy) Colour	276.32	315.00	250.88	286.00	10.14%
S3B2	Size A1 (Private copy) Colour	210.53	240.00	192.98	220.00	9.09%
S3B3	Size A2 (Private copy) Colour	140.35	160.00	131.58	150.00	6.67%
S3B4	Per sheet - Size A0 (Official copy) Colour	140.35	160.00	127.19	145.00	10.35%
S3B5	- Size A1 (Official copy) Colour	105.26	120.00	96.49	110.00	9.09%
S3B6	- Size A2 (Official copy) Colour	70.18	80.00	65.79	75.00	6.67%

SUNDRY TARIFF LIST

Tariff Code	Detail	2015/2016		2014/2015		1.10
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S5	**BUSINESS LICENSE**					
S25B1	Business Licence - permanent stand	615.62	701.80	559.65	638.00	10.00%
S25B2	Business Licence - not permanent stand	221.93	253.00	221.93	253.00	0.00%
S25B3	Re-inspection Fee	122.06	139.15	110.97	126.50	10.00%
S25B4	Duplicate Licence Fee	122.06	139.15	110.97	126.50	10.00%
S15	**CEMETERY**					
	Residents (RES):					
S15A	**Plot Cost (Fixed)**					
Note	**Grave Depths** - Infill grave (between two existing graves) must have a soil coverage of not less than 1 meter; - Other single graves (not infill) must have a soil coverage of not less than 1.5 meters; - Double graves (in depth) must have a soil coverage of not less than 1.5 meters with a 300mm soil between the coffins; - Child grave must have a soil coverage of not less than 1 meter.					
S15A1	All cemeteries - single grave	521.93	595.00	474.56	541.00	9.98%
S15A2	All cemeteries - Doubble graves - depth for two coffins	1 043.86	1 190.00	736.84	840.00	41.67%
S15A3	Double grave next to each other	1 043.86	1 190.00	949.12	1 082.00	9.98%
S15A4	Children under 12years	394.74	450.00	356.14	406.00	10.84%
S15A3	Garden of Remembrance Fees	192.98	220.00	173.68	198.00	11.11%
S15B	**Indication of grave**					
S15B1	New graves (include inspection before and after funeral)	500.00	570.00	453.51	517.00	10.25%
S15B2	Existing graves	162.28	185.00	144.74	165.00	12.12%
	Non Residents:					
S15C	Plot Cost					
S15C1	All Tariffs	Res Tariff X 5	Vat on Res Tariff X 5	Res Tariff X 5	Vat on Res Tariff X 5	
S15D	**Indication of grave**					
S15D1	All Tariffs	Res Tariff X 5	Vat on Res Tariff X 5	Res Tariff X 5	Vat on Res Tariff X 5	
S18	**COMMERCIAL FILMING/PHOTOGRAPHING**					
S18A1	Large per day or part thereof ≥ 50 people	11 254.39	12 830.00	10 228.07	11 660.00	10.03%
S18A2	Small per day or part thereof more than 10 but < 50 people	3 947.37	4 500.00	3 579.83	4 081.00	10.27%
S18A3	Small per day or part thereof ≤ 10 people	1 131.58	1 290.00	1 022.81	1 166.00	10.63%
	Addition to Shoot					
S18C	Animals (per animal per day or part of a day)	140.35	160.00	125.44	143.00	11.89%
S18D	Area required for production and catering (per m² per day or part of a day)	31.58	36.00	28.95	33.00	9.08%
S18E	Cancellation Fee (per application at full permit fee)	15% of Fee	15% of Fee	15% of Fee	15% of Fee	
S18G	Enviromental Control Officer: Fees per hour or part thereof	328.95	375.00	298.25	340.00	10.30%
S18H	Vehicles off Public Roads per Parking Bay (per vehicle per day/part of a day)	118.42	135.00	105.26	120.00	12.50%
S20	**CREDIT CONTROL AND DEBT COLLECTION**					
S20A1	Admin fee on arrear accounts Notices	315.79	360.00	289.47	330.00	9.09%
S20A2	Admin fee on 24 hour Notices - Bulk users	315.79	360.00	289.47	330.00	9.09%
S20B	Admin fee on arrear accounts Disconnection and Reconnection Fee	530.71	605.00	482.46	550.00	10.00%
S20C	SMS admin fee on arrear accounts Notices	21.93	25.00	NEW	NEW	
S22	**DOG TAX**					

SUNDRY TARIFF LIST

Tariff Code	Detail	2015/2016		2014/2015		1.10
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S22A	Licence per dog	63.16	72.00	57.90	66.00	9.09%
S22B	Social pensioner and registered indigent clients on application	FREE	no vat applicable	FREE	no vat applicable	
S23	**FIRE SERVICES & DISASTER MANAGEMENT**					
S23A	Plot Clearing	Actual Cost + R964.92 admin. Fee	(Actual Cost + Vat) + R1 100,00	Actual Cost + R877.20 admin. Fee	(Actual Cost + Vat) + R1 000,00	10.00%
S23B	Re-inspection Fee under By-law	127.19	145.00	115.79	132.00	9.85%
S23C	**Extinghuising of Fires**					
S23C1	Extinguishing of structural fires per hour or part thereof per incident	1 447.37	1 650.00	1 315.79	1 500.00	10.00%
S23C2	Extinguishing of structural fires - indigent households	FREE	no vat applicable	FREE	no vat applicable	
S23C3	Extinguishing of veld - and other fires per hour or part thereof	482.46	550.00	438.60	500.00	10.00%
S23C4	Assistance at motor vehcile accidents and rescues	FREE	no vat applicable	FREE	no vat applicable	
S23D	**Standby at fire scene**					
S23D1	Per hour or part thereof for vehicle and fire fighters	482.46	550.00	438.60	500.00	10.00%
S23E	**Fire Prevention Inspections**					
S23E1	Tank installation - per tank	289.48	330.00	263.16	300.00	10.00%
S23E2	LP Gas - per installation 48Kg and more incl bulk tanks	289.48	330.00	263.16	300.00	10.00%
S23F	**Fire Safety**					
S23F1	1st and 2nd compliance inspection	FREE	no vat applicable	FREE	no vat applicable	
S23F2	3rd and continuing compliance inspection	289.48	330.00	263.16	300.00	10.00%
S23G	**Events**					
S23G1	Inspection of location and issuing of Population Certificate	192.98	220.00	175.44	200.00	10.00%
S23G2	Standby at event per event per day or part thereof for vehicle and fire fighters	964.91	1 100.00	877.19	1 000.00	10.00%
S23H	**Burn Permits**					
S23H1	Burn Permit Inspection	241.23	275.00	219.30	250.00	10.00%
S25	**LAW ENFORCEMENT**					
S25C	**Impoundment of Hawkers Goods**					
S25C1	Per Impoundment	543.86	620.00	492.11	561.00	10.52%
S25C2	Removal of illegal structure per structure	2 228.07	2 540.00	2 026.32	2 310.00	9.96%
S25C3	Storage Fee per day	144.74	165.00	130.26	148.50	11.12%
S25D	**Pound fee: Dogs and Cats**					
S25D1	Impoundment of Dogs and Cats	58.77	67.00	53.07	60.50	10.74%
S25D2	Pound fee: from day 2 per day	37.72	43.00	33.77	38.50	11.70%
S25E	**Pound fee: Other Animals**					
S25E1	Impoundment fee per week per animal	584.21	666.00	530.71	605.00	10.08%
S25F	**Bylaw on Outdoor Advertising**					
S25F1	Impoundment of illegal Advertising/Agent boards (per board) - small <2400cm²	58.77	67.00	53.07	60.50	10.74%
S25F2	Impoundment of illegal Advertising/Agent boards (per board) - large >2400cm²	584.21	666.00	530.71	605.00	10.08%
S28	**LIBRARY**					
S28A1	Copies: A3 / Page	3.33	3.80	3.07	3.50	8.47%
S28A2	Copies: A3 / Page - **Education Purposes ONLY Black & White**	2.89	3.30	2.63	3.00	10.00%
S28A3	Copies: A3 page Colour	7.28	8.30	6.58	7.50	10.64%

SUNDRY TARIFF LIST

Tariff Code	Detail	2015/2016		2014/2015		1.10
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S28A4	Copies: A3 / Page - **Education Purposes ONLY Colour**	5.79	6.60	5.26	6.00	10.00%
S28A5	Copies: A4/Page	2.89	3.30	2.63	3.00	10.00%
S28A6	Copies: A4 / Page - **Education Purposes ONLY Black & White**	1.40	1.60	1.32	1.50	6.06%
S28A7	Copies: A4 page Colour	5.26	6.00	4.83	5.50	9.02%
S28A8	Copies: A4 / Page - **Education Purposes ONLY Colour**	2.89	3.30	2.63	3.00	10.00%
S28B1	Deposit to person/s **non-residents Fiction & Non-Fiction**	330.00	no vat	297.00	no vat	11.11%
S28C1	Fax per page - excluding 0865/6 numbers	3.77	4.30	3.38	3.85	11.54%
S28C2	Fax per page - 0865/6 numbers	6.40	7.30	5.79	6.60	10.54%
S28D1	Lost Cards: Laminated (R/card)	19.29	22.00	17.54	20.00	10.00%
S28D2	Laminated Cost A3	4.83	5.50	4.39	5.00	9.91%
S28D3	Laminated Cost A4	2.41	2.75	2.19	2.50	10.00%
S28E1	Penalty per book per week	1.00	no vat	1.00	no vat	0.00%
S28E2	Penalty per record/CD per week	1.00	no vat	1.00	no vat	0.00%
S28E3	Penalty per video per day	2.00	no vat	2.00	no vat	0.00%
S28F1	Scanning of Document - Black & White	16.67	19.00	14.91	17.00	11.80%
S28F2	Scanning of Document - Colour	18.42	21.00	16.67	19.00	10.50%
S28G1	Special Requests - Hold per Book	2.89	3.30	2.63	3.00	10.00%
S28G2	Special Requests - ILL per Book	4.83	5.50	4.39	5.00	9.91%
S28H1	Subscriptions/ reader - Adults (Non residents)	127.19	145.00	115.79	132.00	9.85%
S28H2	Subscriptions/ reader - Children (Non residents)	78.95	90.00	72.81	83.00	8.43%
S28H3	Subscriptions/ reader - Family max 5 (Non residents)	307.02	350.00	279.83	319.00	9.72%
S28K	Visitor's fee - Handling charge / item	10.53	12.00	9.65	11.00	9.12%
S28L1	Hire of Library Hall per Hour - Fundraising event	121.05	138.00	109.65	125.00	10.40%
S28L2	Hire of Library Hall per Hour - NON- Fundraising event	21.93	25.00	19.30	22.00	13.63%
S32	**PARKING FEE**					
	Beaches: Grotto & Kleinmond (08:00 - 16:00)(Western Cape December School Holiday)					
S32A	Bus Drop off (more than 14 seats)	115.79	132.00	105.26	120.00	10.00%
S32B	Parking Buses: Municipal Parking Area per day	184.21	210.00	166.67	190.00	10.52%
S32C	Per vehicle per day or part of a day	14.91	17.00	13.16	15.00	13.30%
S32D	Residents permit per year (only 2 per owner of erven)	57.89	66.00	52.63	60.00	10.00%
S32E	Season Ticket (per Motor Vehicle)	127.19	145.00	115.79	132.00	9.85%
	Metered parking (excluding public holidays)					
S32P	Parking Monthly Permit per vehicle	424.56	484.00	385.97	440.00	10.00%
S32Q	Per Quarter Hour or part of it - Monday to Friday 08:30 - 16:00	1.75	2.00	0.88	1.00	98.86%
S32R	Per Half Hour or part of it - Monday to Friday 08:30 - 16:00	2.63	3.00	2.63	3.00	0.00%
S32S	Per Hour Normal (Monday to Friday : 08:30 - 16:00)	5.26	6.00	4.39	5.00	19.82%
S32T	Per Hour Saturday (08:30 - 13:00)	5.26	6.00	4.39	5.00	19.82%
	Kleinmond Launching (08:00 - 16:00)					
S32U	Entrance fee per day (Western Cape December school holiday **plus** Easter Weekend)	32.46	37.00	28.95	33.00	12.12%
S32V	Season Ticket (Western Cape December School Holiday **plus** Easter Weekend) (Motor Vehicles)	282.46	322.00	256.14	292.00	10.28%

SUNDRY TARIFF LIST

Tariff Code	Detail	2015/2016		2014/2015		1.10
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S33	**OPERATIONAL COST**					
S33A	Application fee for Installation of Street Signage (brown direction boards)	cost + 15%	applicable vat	cost + 15%	applicable vat	
S34	**PROPERTY ADMINISTRATION**					
S34A	Application for Encroachment (Administration of Immovable Property Policy (Par. 64.2; 64.3; 64.4)	2 122.81	2 420.00	1 929.83	2 200.00	10.00%
S34B1	Application for lease of Municipal Property (***excluding Sport Facilities/Stalls and organs of state***)	2 122.81	2 420.00	1 929.83	2 200.00	10.00%
S34B2	Application for lease of Municipal Property - registered Social Care Institutions / Organisations	482.46	550.00	438.60	500.00	10.00%
	Encroachment Fee:					
S34C	Veranda, Balcony, Sign, Signboards or similar structure (per annum) (Par. 64.2)	366.66	418.00	333.33	380.00	10.00%
S34D	Garden areas onto Commonage, Public Open Spaces, or Conservation areas (per annum) (Par. 64.3)	366.66	418.00	333.33	380.00	10.00%
S34F	Enclosure or exclusive use or portions of the Commonage, Public Open Spaces, Road Reserves or Public Thoroughfares for gardening purposes **(per m² per month)** (Par 64.4)	10.53	12.00	9.65	11.00	9.12%
	Leases					
S34G	Use of Municipal land for outdoor seating adjoining a Restaurant (per m² per month) (Par 64.5)	24.56	28.00	21.93	25.00	11.99%
S34G1	Temporary use (< 12 months) of Municipal land for general purposes (per m² per month)	24.56	28.00	21.93	25.00	11.99%
S34H	**Radio Mast**					
S34H1	Equipment on Mast - per month per mast	1 614.04	1 840.00	1 466.67	1 672.00	10.05%
S34H2	Space in building per m² - per month	424.56	484.00	385.97	440.00	10.00%
S34H3	Space outside the building per m² - per month	212.28	242.00	192.98	220.00	10.00%
S34H4	Land for installation of a new mast per m² - per month	53.51	61.00	48.25	55.00	10.91%
	Memorial Benches					
S34J	Memorial Benches (Installation)	2 653.51	3 025.00	2 412.28	2 750.00	10.00%
S34K	Memorial Benches (per Annum)	212.28	242.00	192.98	220.00	10.00%
S36	**PROPERTY INFORMATION**					
S36A1	Clearance Certificate (R/certificate) - **ELECTRONIC**	80.70	92.00	72.81	83.00	10.84%
S36A2	Clearance Certificate (R/certificate) - **MANUAL**	245.61	280.00	221.93	253.00	10.67%
S36B1	Deeds office registrations with sales information (R/100 erven or part)	106.14	121.00	96.49	110.00	10.00%
S36B2	Deeds office registrations with sales information (R/erf)	27.19	31.00	24.56	28.00	10.71%
S36C	Extract from the Valuation Roll (R/page)	8.77	10.00	7.90	9.00	11.08%
S36F	Revaluation fee	1 517.54	1 730.00	1 379.83	1 573.00	9.98%
S36G1	Valuation Certificate (R/certificate) - **ELECTRONIC**	37.72	43.00	34.21	39.00	10.26%
S36G2	Valuation Certificate (R/certificate) - **MANUAL**	127.19	145.00	115.79	132.00	9.85%
S36H	Access of valuation roll Information on CD	289.47	330.00	289.47	330.00	0.00%
S40	**RENTAL: COMMUNITY HALLS**					
S40.1	All events hosted where the municipal council or administration is the official host	free of charge	free of charge	**free of charge**	**free of charge**	
S40.2	Day tariff for all approved festivals per day	796.49	908.00	723.68	825.00	10.06%
S40.3	Elections by the Electoral Commission	as per IEC policy	applicable vat	as per IEC policy	applicable vat	

SUNDRY TARIFF LIST

Tariff Code	Detail	2015/2016		2014/2015		1.10
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S40A	**Auditorium & Banqueting Hall**					
S40A1	Deposit for all functions (refundable)	1 700.00	no vat	1 540.00	no vat	10.39%
S40A2	Hire of Auditorium and Banqueting Hall per Hour or part of a hour	509.65	581.00	463.16	528.00	10.04%
S40A3	Hire of Auditorium per Hour or part of a hour	255.26	291.00	231.58	264.00	10.23%
S40A4	Hire of Banqueting Hall per Hour or part of a hour	382.46	436.00	347.37	396.00	10.10%
Note	*Hiring of Kitchen (Banqueting Hall & Auditorium) used for the serving of food only is included in the hiring fee mentioned above as this facility forms an integral part of the building and cannot be separated there from.*					
S40A5	*Non-fundraising events for Schools, other training institutions and sport & recreation per day*	385.97	440.00	350.88	400.00	10.00%
S40A6	Piano per event	Actual Tuning Cost + R302.98 admin. Fee	Actual Tuning Cost + R345.40	Actual Tuning Cost + R275.44 admin. Fee	Actual Tuning Cost + R314.00	10.00%
S40A7	Sound OR Ligthing Equipment per event (each item) per hour	80.70	92.00	72.81	83.00	10.84%
S40A8	Where use is made of the crockery and other facilities i.e. stove, fridge	530.71	605.00	482.46	550.00	10.00%
S40A9	After Midnight	tariff X 2	applicable vat	tariff X 2	applicable vat	
S40A10	Fund raising event: Local CBO's and NGO's per hour per venue	234.21	267.00	212.28	242.00	10.33%
S40A11	Non-fundraising event: Local CBO's and NGO's per hour per venue	159.65	182.00	144.74	165.00	10.30%
S40A12	Preparation for event - per hour / per event dependent on hourly or per event tariff applied	106.14	121.00	96.49	110.00	10.00%
S40A13	Meetings: Government departments (private meetings), NGO's and CBO's from outside the municipal area, per hour (Banquet hall)	234.21	267.00	212.28	242.00	10.33%
S40A14	Meetings: Local CBO's & NGO's per hour (Banquet hall only)	21.93	25.00	19.30	22.00	13.63%
S40C	**Barracks - Kleinmond**					
S40C1	Hire per room per month	35.09	40.00	31.58	36.00	11.11%
S40E	**Baardskeerdersbos / Betty's Bay / Blompark / Buffelsjags /Eluxolweni /Hawston Abalone Village/Kleinmond Youth Centre / Kleinmond Club House / Masakane / Moffat Hall / Mooiuitsig / Overhills / Pringele Bay / Proteadorp / Stanford / Stanford Committee Room / Zwelihle**					
S40E4	Fundraising: (Karaoke) Per daytime *or* evening	234.21	267.00	212.28	242.00	10.33%
S40E5	Funeral Tea (three hours)	95.61	109.00	86.85	99.00	10.09%
S40E7	*Non-fundraising events for Schools, other training institutions and sport & recreation*	192.98	220.00	175.44	200.00	10.00%
S40E8	Meetings: Local CBO's and NGO's per hour	21.93	25.00	19.30	22.00	13.63%
S40E9	Non-fundraising (parties) Per daytime *or* evening	117.54	134.00	106.14	121.00	10.74%
S40E10	Use of Kitchen - Fundraising events per ***event***	212.28	242.00	192.98	220.00	10.00%
S40E11	Use of Kitchen - Non Fundraising	No charge	no vat	No charge	no vat	
Note	***Daytime = 07:00 - 17:00 // Evening = 18:00 - 24:00 (Charge seperately)***					
S40J	**Kleinmond Hall, & Hawston Thusong Centre**					
S40J1	Deposit: (refundable) Funeral Teas, Church Services, Government Imbizos & Meetings.	440.00	no vat	400.00	no vat	10.00%
S40J2	Deposit: Hawston Thusong Centre	1 100.00	no vat	1 000.00	no vat	10.00%
S40J3	Fundraising: Karaoke, Disco, competitions, etc. per daytime or evening	530.71	605.00	482.46	550.00	10.00%
S40J4	Funeral Tea (three hours)	95.61	109.00	86.85	99.00	10.09%
S40J5	Government Imbizos (per day)	1 635.09	1 864.00	1 485.97	1 694.00	10.04%
S40J6	*Non-fundraising events for Schools, other training institutions and sport & recreation*	192.98	220.00	175.44	200.00	10.00%

SUNDRY TARIFF LIST

Tariff Code	Detail	2015/2016		2014/2015		1.10
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S40J7	Meetings: Government Departments (private meetings) & CBO's outside Municipal area per hour	234.21	267.00	212.28	242.00	10.33%
S40J8	Meetings: Local CBO's, NGO's per hour (only large groups > 30)	21.93	25.00	19.30	22.00	13.63%
S40J9	Non-fundraising: Parties, weddings, indoor sports, etc. per hour	106.14	121.00	96.49	110.00	10.00%
S40J10	Sound OR Ligthing Equipment per event (each item) per hour	80.70	92.00	72.81	83.00	10.84%
S40J11	Use of kitchen (per event per day)	255.26	291.00	231.58	264.00	10.23%
S40J12	Use of kitchen (per event per day) - Welfare, churches, non-profit organizations	255.26	291.00	231.58	264.00	10.23%
S43	**RENTAL: HAWKERS' STALLS, OPEN SPACES & BEACHES**					
S43A	**CBD**					
S43A1	All open stalls per day (demarcated area)(excluding Western Cape December Holiday plus Easter Weekend)	21.93	25.00	19.30	22.00	13.66%
S43A2	Open Stalls per day (Western Cape December Holiday plus Easter Weekend)	32.46	37.00	28.95	33.00	12.12%
S43B	**Outside the CBD**					
S43B1	Open Stalls Rental - Western Cape December Holiday plus Easter Weekend / pm	72.81	83.00	65.79	75.00	10.67%
S43B2	Open Stalls Rental - excluding Western Cape December Holiday plus Easter Weekend / pm	31.58	36.00	28.07	32.00	12.50%
S43D	**Public Open Space**					
S43D1	Car Park - Private Car Sales per day (demarcated areas)	28.95	33.00	26.32	30.00	9.97%
S43D2	Funfair, Circus etc per day	690.35	787.00	627.19	715.00	10.07%
S43D3	Welfare, churches, non-profit organizations	no charge	no vat	no charge	no vat	
S43D4	Sport Events per day	3 131.58	3 570.00	2 846.49	3 245.00	10.02%
S43F	**Beaches**					
S43F1	Beach Rentals - per day (Private functions)	1 008.77	1 150.00	916.67	1 045.00	10.05%
S46	**RENTAL: OFFICE**					
S46A	Rental per m² / pm	95.61	109.00	86.85	99.00	10.09%
S46A1	Rental per m² / pm (except the Hermanus area)	48.25	55.00	43.86	50.00	10.00%
S46A2	NGO's/NPO's per m² / pm	28.95	33.00	26.32	30.00	9.97%
S46B	Local Council Functions	no charge	no vat	no charge	no vat	
S48	**RENTAL: SPORT FACILITIES**					
S48A	**Spaces for Sport - Gansbaai**					
S48A1	Club House - per hour (private events)	133.33	152.00	121.05	138.00	10.14%
S48A2	Club House - Sport events (Overstrand Teams)	no charge	no vat	no charge	no vat	
S48A3	Club House - Sport Event - per hour	66.67	76.00	60.53	69.00	10.14%
S48A4	Sport grounds - Non Overstrand per event	1 312.28	1 496.00	1 192.98	1 360.00	10.00%
S48A6	Sport grounds - Functions/Events (excluding departmental events)	723.68	825.00	657.90	750.00	10.00%
S48A7	Gym fees per month	67.54	77.00	61.40	70.00	10.00%
S48B	**Overhills**					
S48B1	Sport grounds - Non Overstrand per event	1 312.28	1 496.00	new	new	
S48B2	Sport grounds - Functions/Events (excluding departmental events)	723.68	825.00	new	new	
S49	**RENTAL: UNDEVELOPED SERVICED ERVEN**					
S49A	Wetcore Stands (Social Housing) - rent per month	26.32	30.00	new	new	
S50	**SCHUSS HOUSES KLEINMOND (Meerenvlei)**					
S50A	Rent per month	785.97	896.00	714.03	813.99	10.07%

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Tariff Code	Detail	2015/2016		2014/2015		1.10
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S55	**SUNDRY**					
S55A	Access to Information as per Act (2 of 2000) - Tariffs	As Stipulated in the Act	As Stipulated in the Act	As Stipulated in the Act	As Stipulated in the Act	
S55B1	Administration Cost - RD ACB	56.14	64.00	50.88	58.00	10.34%
S55B2	Administration Cost - RD cheques ,Post Dated Cheques	actual cost + R37.72	actual cost + R43.00	actual cost + R34.21	actual cost + R39.00	10.26%
S55B3	Administration Cost - Trace of Direct Deposit	77.19	88.00	70.18	80.00	10.00%
S55C	Copies of Council Agendas and Minutes per **annum**	1 096.49	1 250.00	993.86	1 133.00	10.33%
S55D1	Copies: A3 page	3.33	3.80	3.07	3.50	8.47%
S55D2	Copies: A3 page Colour	7.02	8.00	6.58	7.50	6.69%
S55D3	Copies: A4 page	2.63	3.00	2.41	2.75	9.13%
S55D4	Copies: A4 page Colour	5.26	6.00	4.83	5.50	9.02%
S55E	Foreign Bank Cost	actual cost	actual vat	actual cost	actual vat	
S55F1	Fax per page - excluding 0865/6 numbers	3.68	4.20	3.38	3.85	8.88%
S55F2	Fax per page - 0865/6 numbers	6.40	7.30	5.79	6.60	10.54%
S55G1	Interest on accounts in arrear	prime + 4%	no vat	prime + 4%	no vat	
S55G2	Placard / Poster Deposit for Elections	3 630.00	no vat	3 300.00	no vat	10.00%
S55G4	Placard / Poster Deposit for Political Parties	3 630.00	no vat	3 300.00	no vat	10.00%
S55H	Placard / Poster each	12.72	14.50	11.58	13.20	9.84%
S55I	Duplicate Account	6.32	7.20	5.79	6.60	9.15%
S55J	Section 62 of local Government: Systems Act: appeal deposit (refundable if appeal is upheld)	2 560.00	no vat	2 332.00	no vat	9.78%
S55K1A	Tender objection deposit (refundable if appeal is upheld)	2 560.00	no vat	2 332.00	no vat	9.78%
S55k1B	Tender objection deposit (partially upheld - refundable)	1 280.00	no vat	1 166.00	no vat	9.78%
S55K2	Tender documentation Administration Fee: (less than 20 pages)	25.44	29.00	23.16	26.40	9.84%
S55K3	Tender documentation Administration Fee: (more than 21 pages less than 50 pages)	138.60	158.00	125.44	143.00	10.49%
S55K4	Tender documentation Administration Fee: (more than 50 pages)	552.63	630.00	501.75	572.00	10.14%
S55L	Advertising Signs Auctioneers per 14days	392.98	448.00	357.02	407.00	10.07%
S55K1	Laminated Cost A3	4.83	5.50	4.39	5.00	9.91%
S55K2	Laminated Cost A4	2.46	2.80	2.19	2.50	12.33%
S60	**SWIMMING POOL**					
S60A	**Daily Tariffs**					
S60A1	Adults - per person per DAY or part of a day	7.90	9.00	7.02	8.00	12.46%
S60A2	Children (< 16years) per child per day or part of a day	No Charge	no vat	No Charge	no vat	
S60A4	Galas	80.70	92.00	72.81	83.00	10.84%
S60A5	Training sessions (Schools & Clubs) per season	127.19	145.00	115.79	132.00	9.85%
S60B	**Peak time Tariffs (Hourly tariffs) (Western Cape December Holiday plus Easter Weekend)**					
S60B1	Adults - per person per hour or part of a hour	0.97	1.10	0.88	1.00	10.00%
S60B2	Children (< 16years) per child per day or part of a day	No Charge	no vat	No Charge	no vat	
S60B4	Galas	80.70	92.00	72.81	83.00	10.84%
S65	**TOP MANAGEMENT CONSULTATIONS**					
S65A1	Consultation Fee (Top Management) per hour	742.98	847.00	675.44	770.00	10.00%
S72	**TOWN PLANNING: APPLICATION FEES**					

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S72A	Amendment of application and conditions	1 804.39	2 057.00	1 640.35	1 870.00	10.00%
S72B	Application for amendment of SDF	2 122.81	2 420.00	1 929.83	2 200.00	10.00%
S72F	**Removal of Title Deed Restrictions**					
S72F1	Erven **smaller** than 300 m²	394.74	450.00	391.23	446.00	0.90%
S72F2	Erven **larger** than 300 m²	3 006.14	3 427.00	2 732.46	3 115.00	10.02%
S72G	**Consolidations**					
S72G1	Erven **smaller** than 300 m²	371.93	424.00	New	New	
S72G2	Erven **larger** than 300 m²	2 122.81	2 420.00	new	new	
S72H	**Subdivision (cumulative)**					
S72H1	up to 5 erven	4 139.48	4 719.00	3 763.16	4 290.00	10.00%
S72H2	6 to 10 erven	4 882.46	5 566.00	4 438.60	5 060.00	10.00%
S72H3	More than 10	6 899.12	7 865.00	6 271.93	7 150.00	10.00%
S72I1	Application for Consent Uses/Special Consent	2 122.81	2 420.00	1 929.83	2 200.00	10.00%
S72I1	Application for Consent Uses/Special Consent (Erven smaller than 300m²)	446.49	509.00	405.26	462.00	10.17%
S72J	**Application for Rezoning**					
S72J1	Erven **smaller** than 300 m²	446.49	509.00	405.26	462.00	10.17%
S72J2	Erven **between** and including 300 m² and 5000 m²	3 502.63	3 993.00	3 184.21	3 630.00	10.00%
S72J3	Erven **larger** than 5000 m²	4 882.46	5 566.00	4 438.60	5 060.00	10.00%
S72K	**Departure**					
S72K1A	Application for Departure	2 122.81	2 420.00	1 929.83	2 200.00	10.00%
S72K1B	Application for Departure (Erven smaller than 300m²)	371.93	424.00	337.72	385.00	10.13%
S72K2	Application for Departure (**Building Lines)**					
S72K2A	Erven **smaller** than 300 m²	446.49	509.00	405.26	462.00	10.17%
S72K2B	Erven **larger** than 300 m²	1 910.53	2 178.00	1 736.85	1 980.00	10.00%
S72L	Amendment of site development plan, Constitution/Architectural Guidelines	1 543.86	1 760.00	new	new	
S72M	Contravention Application (Sec 40 of the Land Use Planning Ordinance, Ordinance 15 of 1985)	2 122.81	2 420.00	1 929.83	2 200.00	10.00%
S72N	Extention of Time	563.16	642.00	511.40	583.00	10.12%
S75	**TOWN PLANNING: LAND USE PLANNING FEE**					
S75A1	Advertising Costs Government Gazette	2 971.93	3 388.00	2 701.75	3 080.00	10.00%
S75A2	Advertising Costs Local newspapers	2 971.93	3 388.00	2 701.75	3 080.00	10.00%
S75A3	Advertising Costs - Placing of Final Notice in the Government Gazette	1 929.83	2 200.00	1 754.39	2 000.00	10.00%
S75B	Regulations of Zoning schemes	350.88	400.00	318.42	363.00	10.19%
S75C	Spatial Development Framework	828.07	944.00	752.63	858.00	10.02%
S75D	Zoning Certificate	212.28	242.00	192.98	220.00	10.00%
S75E	Registered Letters - more than 10 letters, applicant to pay applicable tariffs according to the South African Post Office Rates	applicable rate	applicable vat	applicable rate	applicable vat	
S75F	CD - Planning Documents	350.88	400.00	318.42	363.00	10.19%
S80	**TRAFFIC**					
S80J	**Business & Other Events**					
S80J1	Per officer per hour or part thereof - Mon - Sat	371.93	424.00	337.72	385.00	10.13%
S80J2	Per officer per hour or part thereof - Sundays and public Holidays	424.56	484.00	385.97	440.00	10.00%

SUNDRY TARIFF LIST

Tariff Code	Detail	2015/2016		2014/2015		1.10
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S80J4	Administrative fee for provision of officers - per application	106.14	121.00	96.49	110.00	10.00%
S80K	**Removal of Vehicles/Towing Fee**					
S80K1	Removal of Vehicles per vehicle	892.11	1 017.00	810.53	924.00	10.07%
S80K2	Storage Fees per day	244.74	279.00	221.93	253.00	10.28%
S80K3	Towing Charge	Cost plus 15%	applicable vat	Cost plus 15%	applicable vat	
S80K4	Wheel Clamping per vehicle	212.28	242.00	192.98	220.00	10.00%
S80L	**Traffic Cones**					
S80L1	Hire of Traffic Cones per Cone per day	53.51	61.00	48.25	55.00	10.91%
S80P	**Disabled Parking Token**					
S80P1	Disabled Parking Token per application - valid for 2year period	96.49	110.00	96.49	110.00	0.00%

REFUSE (SOLID WASTE)

Tariff Code	Detail	2015/2016		2014/2015		1.06
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
SAN1	**REFUSE REMOVAL (1 removal per week of 4 bags or 1X240 Bin)**	**R**	**R**	**R**	**R**	
	DOMESTIC WASTE					
SAN1A	Residential (All registered erven/unit with approved building plan) 1 x removal per week (**R/Month**)	137.99	157.30	130.18	148.40	6.00%
SA1A2	Residential Indigent (All registered erven/unit with approved building plan) 1 x removal per week **(R/Month)**	137.99	157.30	130.18	148.40	6.00%
	BUSINESS WASTE					
SAN1C	Commercial/Businesses (Hostels, Old Age Homes, Caravan Sites, Semi-permanent Resorts etc) **(R/Month)**	137.99	157.30	130.18	148.40	6.00%
SA1N1	Bulk Container 240L (Wheeley bin) **(R/Month) 1** X per week (if available)	137.99	157.30	130.18	148.40	6.00%
SAN1N	Bulk Container 240L (Wheeley bin) **(R/Month) 2** X per week (if available)	275.97	314.60	260.35	296.80	6.00%
SA1N3	Bulk Container 240L (Wheeley bin) **(R/Month) 3** X per week CBD (if available)	413.95	471.90	390.53	445.20	6.00%
SA1N4	Bulk Container 240L (Wheeley bin) **(R/Month) 4** X per week CBD (if available)	551.93	629.20	520.70	593.60	6.00%
SA1N2	Bulk Container 240L (Wheeley bin) **(R/Month) 5** X per week CBD (if available)	689.91	786.50	650.88	742.00	6.00%
SAN1O	Camphill Route **(R/Month)** (If available)	1 084.21	1 236.00	1 022.81	1 166.00	6.00%
SAN1P	Additional Removals per week on **Saturday** per Bin **(R/Month)** Peak Time per removal	206.98	235.95	195.26	222.60	6.00%
SA1P1	Additional Removals on request Central Town (CBD) per bin **(R/Month)** (Sunday or Public Holidays) Peak Time per removal	275.97	314.60	260.35	296.80	6.00%
SA1Q1	Caravan Sites, Chalets, Semi-permanent & Resorts **(R/Month)** (Uilenskraalmond Vakansieoord; Franskraal Vakansieoord; Pearly Beach Camp, Micheal Fuchs Guesthouse) **NO REMOVAL (per unit/site)**	44.35	50.56	41.84	47.70	6.00%
SAN1R	Departmental Consumption (Municipal Consumption per removal site per **month**)	118.27	134.83	111.58	127.20	6.00%
SAN1U	Schools **(R/Month)**	137.99	157.30	130.18	148.40	6.00%
SAN1T	Removal outside service area (per removal per hour) (If available)	1 034.89	1 179.78	976.32	1 113.00	6.00%
SAN1V	Single Quarters & Transit Camps per unit	44.35	50.56	41.84	47.70	6.00%
SAN1W	Guesthouses, Bed & Breakfast **(R/Month)**	137.99	157.30	130.18	148.40	6.00%
SAN2	**SELF DUMPING TRANSFER STATIONS & DUMPING SITES:**					
SA2A	**BUILDERS RUBBLE**					
SA2A1	Vehicles up to 1 Ton per vehicle load capacity (clean builders rubble admission to transfer station)	no Charge	no Charge	no Charge	no Charge	
SA2A2	Vehicles up to 1 Ton per vehicle load capacity - mixed builders rubble NO ADMISSION to Transfer Station. Only to landfill as per tariff SA2B1 - SASB11	applicable tariff	applicable VAT	applicable tariff	applicable VAT	
SA2B	Vehicles up to 1 Ton per vehicle load capacity	no Charge	no Charge	no Charge	no Charge	
SA2B1	Vehicles >1 & up to 2 Ton per vehicle load capacity	200.00	228.00	149.12	170.00	34.12%
SA2B2	Vehicles >2 & up to 3 Ton per vehicle load capacity	300.00	342.00	223.68	255.00	34.12%

REFUSE (SOLID WASTE)

Tariff Code	Detail	2015/2016		2014/2015		1.06
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
SA2B3	Vehicles >3 & up to 4 Ton per vehicle load capacity	400.00	456.00	298.25	340.00	34.12%
SA2B4	Vehicles >4 & up to 5 Ton per vehicle load capacity	500.00	570.00	371.93	424.00	34.43%
SA2B5	Vehicles >5 & up to 6 Ton per vehicle load capacity (no admission to transfer station, only to dumping sites)	600.00	684.00	446.49	509.00	34.38%
SA2B6	Vehicles >6 & up to 7 Ton per vehicle load capacity (no admission to transfer station, only to dumping sites)	700.00	798.00	521.05	594.00	34.34%
SA2B7	Vehicles >7 & up to 8 Ton per vehicle load capacity (no admission to transfer station, only to dumping sites)	800.00	912.00	585.97	668.00	36.53%
SA2B8	Vehicles >8 & up to 9 Ton per vehicle load capacity (no admission to transfer station, only to dumping sites)	900.00	1 026.00	660.53	753.00	36.25%
SA2B9	Vehicles >9 & up to 10 Ton per vehicle load capacity (no admission to transfer station, only to dumping sites)	1 000.00	1 140.00	735.09	838.00	36.04%
SA2B11	Vehicles >10 Ton per vehicle load capacity (no admission to transfer station, only to dumping sites)	1 200.00	1 368.00	883.33	1 007.00	35.85%
SA2C	Dumping at Karwyderskraal Landfill Site by other municipalities and external parties, per Ton	122.00	139.08	new tariff	new tariff	
SAN3	**WEIGHT BRIDGE**					
SAN3A	Load weigh per ton or part of	170.18	194.00	new tariff	new tariff	
SAN4	**BASIC FEE REFUSE SERVICE (Erven without approved building plans)**					
SAN4A	All registered erven without approved building plans **(R/Month)**	68.98	78.64	65.08	74.19	6.00%
SAN5	**SUNDRIES**					
SAN5A	Rental of Bulk Container per day (including disposal)	72.99	83.21	68.86	78.50	6.00%
SAN5B	Deposit - rental of bulk containers per 4 bins or less	560.00	no vat	530.00	no vat	5.66%
SAN5C	Asbestos Sheet - per unit	52.26	59.57	49.30	56.20	6.00%
SAN5D	Baboon Resistant 240L Wheeley bin with lock delivered to homes on programme	818.06	932.58	771.75	879.80	6.00%

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

SEWER TARIFF LIST

Tariff Code	Detail	2015/2016		2014/2015		1.06
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	1.10
SE7A	**SEWERAGE - SINGLE AND INTERMEDIATE RESIDENTIAL (Dwelling house and Duplex flats, Conventional Sewers, small bore sewers and conservancy tanks)**					
SE7A1	0 - 35kl per kl (based on 70% of 50kl water usage) - per unit per month , Conservancy tank service only during office hours per month. For after hours service, refer to tariff SE9B.	10.88	12.40	10.26	11.70	6.00%
	SEWERAGE - REGISTERED INDIGENT HOUSEHOLDS					
SE7A4	0 - 4.2 kl - **subsidised**	10.88	12.40	10.26	11.70	6.00%
SE7A5	4.3 - 35kl per kl (based on 70% of 50kl water usage) - per unit per month , Conservancy tank service only during office hours per month. For after hours service, refer to tariff SE9B.	10.88	12.40	10.26	11.70	6.00%
SE7B	**SEWERAGE - GENERAL RESIDENTIAL (Blocks of flats and Residential Buildings)**					
SE7B1	0 - 45kl per kl (based on 90% of 50kl water usage) per unit per month	10.88	12.40	10.26	11.70	6.00%
SE7C	**SEWERAGE - GUEST HOUSE; BED & BREAKFAST ESTABLISHMENTS**					
SE7C1	per kl (based on 70% of water usage) per unit per month	10.88	12.40	10.26	11.70	6.00%
SE7D	**CONSUMPTION - ALL OTHER (Including Commercial, Industrial, School, Sport, etc)**					
SE7D1	per kl (based on 90% of water usage) per unit per month - this percentage may be adjusted according to the Tariff Policy after investigation	10.88	12.40	10.26	11.70	6.00%
SE7E	**CONSUMPTION - DEPARTMENTAL**					
SE7E1	0 - 35 kl per kl (based on 70% of 50kl water usage) per unit per month	10.88	12.40	10.26	11.70	6.00%
SE8	**BASIC CHARGE**					
SE8A	Basic Monthly Charge Developed sites per erf/unit per month	96.61	110.13	91.14	103.90	6.00%
SE8B	Basic Monthly Charge Undeveloped sites - can not connect to the network per erf/unit per month	65.08	74.20	61.40	70.00	6.00%
SE8C	Basic Monthly Charge Undeveloped sites - can connect to the network per erf/unit per month	116.23	132.50	109.65	125.00	6.00%
SE8D	Basic Monthly Charge Developed sites - with a septic Tank per erf/unit per month	65.08	74.20	61.40	70.00	6.00%
SE8E	Basic Monthly Charge - Low Cost Housing & Single Quarters per erf/unit per month	65.08	74.20	61.40	70.00	6.00%
	Infrastructure					
SE8F	Fixed Infrastructure Basic Charge per erf/unit per month	9.60	10.94	9.60	10.94	0.00%
SE9	**OTHER SEWERAGE CHARGES**					
SE9A	**Vacuum Tanker Service for users not paying tariffs SE7 above - PROVIDED ON REQUEST**					
SE9A1	Vacuum Tanker Service provided on request < 6kl (per 6kl or part thereof)	444.46	506.68	419.30	478.00	6.00%
SE9A2	Vacuum Tanker Service provided on request < 5kl (per 5kl or part thereof)	444.46	506.68	419.30	478.00	6.00%
SE9A4	Vacuum Tanker Service provided on request > 6kl (per 6kl or part thereof)	444.46	506.68	419.30	478.00	6.00%
SE9A5	Call out fee for Tank Service request but no service due to another defect	444.46	506.68	419.30	478.00	6.00%
SE9A6	More than 3 pipes an additional fee per pipe for users not paying tariff SE7 above	65.08	74.20	61.40	70.00	6.00%
SE9BA	**After Hours Vacuum Tanker Service - PROVIDED ON REQUEST**					
SE9B1	After Hours - per request < 6kl (per 6kl or part thereof)	888.92	1 013.36	838.60	956.00	6.00%
SE9B2	After Hours - per request > 6kl (per 6kl or part thereof)	888.92	1 013.36	838.60	956.00	6.00%
SE9B3	After Hours - per request < 5kl (per 5kl or part thereof)	888.92	1 013.36	838.60	956.00	6.00%
SE9B2	After Hours Businesses with Public Toilets per removal	266.86	304.21	251.75	287.00	6.00%
SE9C	**Vacuum Tanker Service outside urban areas - PROVIDED ON REQUEST**					

SEWER TARIFF LIST

Tariff Code	Detail	2015/2016		2014/2015		1.06
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	1.10
SE9C1	Normal Applicable Tariff (SE9A1 or SE9A2 or SE9A4) PLUS additional per hour **PLUS SE9C2**	266.86	304.21	251.75	287.00	6.00%
SE9C2	Normal ApplicableTariff (SE9A2) plus additional per km	13.02	14.84	12.28	14.00	6.00%
	After Hours for Vacuum Tanker Service outside urban areas - PROVIDED ON REQUEST					
SE9C6	After Hours Applicable Tariff (SE9B1 or SE9B2 or SE9B3) **PLUS additional per hour PLUS SE9C7**	266.86	304.21	251.75	287.00	6.00%
SE9C7	After Hours Applicable Tariff (SE9B2) plus additional per km	13.02	14.84	12.28	14.00	6.00%
SE10	**SUNDRY CHARGES**					
SE9D	**Testing and Connection Fees**					
SE9D1	Testing of the septic and conservancy tanks per test	1 156.14	1 318.00	1 050.88	1 198.00	10.02%
SE9D2	Smallbore sewerage connection fee + tank test	5 307.02	6 050.00	4 824.56	5 500.00	10.00%
SE9D3	Sewer Connection	3 976.32	4 533.00	3 614.91	4 121.00	10.00%
SE9E	**Disposal**					
SE9E1	Charge per kl or part thereof	57.89	66.00	52.63	60.00	10.00%

The cut off time for service delivery on the same day will be at 15:00. Any requests for tanker services after 15:00 will be charged at the after hour rate or will stand over untill the next working day.

DC3	**BULK SERVICES DEVELOPMENT FEES**
	Development Contributions will be determined as set out in the Annexure in respect of Development Contribution Policy

ELECTRICITY

Tariff Code	Detail		2015/2016		2014/2015		1.1000
			Exclude VAT	Include VAT	Exclude VAT	Include VAT	1.0600 / 1.1220
ED	**ELECTRICITY CONSUMER DEPOSITS**						
ED2A1	Large Power User Group tariff E5 (excluding Kleinmond)	R	0.00	no vat	0.00	no vat	0.0000%
ED2B2	Large Power User Group tariff E5 Kleinmond 2 weeks highest average consumption	R	calculated	no vat	calculated	no vat	
ED2C3	Two Times average consumption during the preceding 12 months (Defaulters)	R	calculated	no vat	calculated	no vat	
ED3A	Domestic & Commercial Single Phase Credit Meter (Two Part Tariff) Electricity	R	4 674.25	no vat	4 166.00	no vat	12.2000%
ED3B	Two Times average consumption during the preceding 12 months (Defaulters)	R	calculated	no vat	calculated	no vat	
ED4A	Domestic Three Phase Credit Meter (Two Part Tariff)- Electricity	R	7 891.03	no vat	7 033.00	no vat	12.2000%
ED4B	Two Times average consumption during the preceding 12 months (Defaulters)	R	calculated	no vat	calculated	no vat	
ED5A	Commercial Three Phase Credit Meter (Two Part Tariff) - Electricity	R	9 227.33	no vat	8 224.00	no vat	12.2000%
ED5B	Two Times average consumption during the preceding 12 months (Defaulters)	R	calculated	no vat	calculated	no vat	
ED6A	Domestic & Commercial Single Phase P/Paid (Two Part Tariff) - Electricity	R	449.44	no vat	424.00	no vat	6.0000%
ED7A	Domestic & Commercial Three Phase P/Paid (Two Part Tariff) - Electricity	R	1 382.24	no vat	1 304.00	no vat	6.0000%
ED8	Deposit - Registered Indigent	R	146.28	no vat	138.00	no vat	6.0000%
EF	**FIXED CHARGES**						
EF1	Infrastructure Charge per Meter per month	R	16.65	18.98	16.65	18.98	0.0000%
E1	**SINGLE PHASE : DOMESTIC**						
E1A	**Two-Part Tariff: Credit meters up to 60 Amp (13.8 kVA BDMD) (Including Resorts)**						
E1A1	Basic Monthly charge per meter	R	216.83	247.19	204.56	233.20	6.0000%
	kWH Unit cost						
E1A2	IBT BLOCK 1 0 - 350 kWh	c	107.67	122.74	95.96	109.39	12.2000%
E1A3	IBT BLOCK 2 351 - 600 kWh	c	145.88	166.30	130.02	148.22	12.2000%
E1A4	IBT BLOCK 3 > 600 kWh	c	175.82	200.43	156.70	178.64	12.2000%
E1B	**Two-Part Tariff: Pre-Paid up to 60 Amp (13.8 kVA BDMD) (Included Resorts)**						
E1B1	Basic Monthly charge per meter	R	216.83	247.19	204.56	233.20	6.0000%
	kWH Unit cost						
E1B2	IBT BLOCK 1 0 - 350 kWh	c	99.45	113.38	88.64	101.05	12.2000%
E1B3	IBT BLOCK 2 351 - 600 kWh	c	137.46	156.71	122.52	139.67	12.2000%
E1B4	IBT BLOCK 3 > 600 kWh	c	169.00	192.66	150.62	171.71	12.2000%
E1C	**SINGLE PHASE : COMMERCIAL**						
E1C1	Basic Monthly charge per meter	R	216.83	247.19	204.56	233.20	6.0000%
E1C2	kWH Unit cost - Credit Meters	c	149.45	170.37	133.20	151.85	12.2000%
E1C3	KwH Unit cost - Pre-paid meters	c	140.83	160.55	125.52	143.09	12.2000%
E1D	**Life Line One part tariff (Pre-paid meters only) ≤ 30 Amp with Maximum consumption of 350 kWH with average measured over twelve month period. Only available to Informal dwellings**						
	kWH Unit cost						
E1D1	IBT BLOCK 1 0 - 350 kWh	c	98.62	112.43	87.90	100.21	12.2000%
E1E	**One part tariff (Pre-paid meters only) Local Economic Development Projects**						
	kWH Unit cost						
E1E1	IBT BLOCK 1 0 - 350 kWh	c	170.39	194.24	151.86	173.12	12.2000%
E3	**THREE PHASE: COMMERCIAL & DOMESTIC**						
E3E	**Two-Part Tariff: (*up to* 100A,Credit) (70 kVA BDMD) DOMESTIC**						

ELECTRICITY

Tariff Code	Detail		2015/2016		2014/2015		1.1000
			Exclude VAT	Include VAT	Exclude VAT	Include VAT	1.0600
							1.1220
E3E1	Basic Monthly charge per meter	R	433.67	494.38	409.12	466.40	6.0000%
	kWH Unit cost						
E3E2	IBT BLOCK 1 0 - 350 kWh	c	107.67	122.74	95.96	109.39	12.2000%
E3E3	IBT BLOCK 2 351 - 600 kWh	c	145.88	166.30	130.02	148.22	12.2000%
E3E4	IBT BLOCK 3 > 600 kWh	c	175.82	200.43	156.70	178.64	12.2000%
E3E	**Two-Part Tariff: (*up to* 100A, Prepaid) (70 kVA BDMD) DOMESTIC**						
E3E5	Basic Monthly charge per meter	R	433.67	494.38	409.12	466.40	6.0000%
	kWH Unit cost						
E3E6	IBT BLOCK 1 0 - 350 kWh	c	99.45	113.38	88.64	101.05	12.2000%
E3E7	IBT BLOCK 2 351 - 600 kWh	c	137.46	156.71	122.52	139.67	12.2000%
E3E8	IBT BLOCK 3 > 600 kWh	c	169.00	192.66	150.62	171.71	12.2000%
E3E	**Two-Part Tariff: (*up to* 100A,Credit)(70 kVA BDMD) COMMERCIAL**						
E3E9	Basic Monthly charge per meter	R	433.67	494.38	409.12	466.40	6.0000%
E3E10	**kWH Unit cost**	c	149.45	170.37	133.20	151.85	12.2000%
E3E	**Two-Part Tariff: (*up to* 100A, Prepaid)(70 kVA BDMD) COMMERCIAL**						
E3E11	Basic Monthly charge per meter	R	433.67	494.38	409.12	466.40	6.0000%
E3E12	**kWH Unit cost**	c	140.83	160.55	125.52	143.09	12.2000%
E3G	**One-Part Tariff: (up to 100A,only prepaid) (70 kVA BDMD) Businesses, Flats, Sport grounds, Churches.(minimum of 800kWH average for twelve months)**						
E3G1	**kWH Unit cost**	c	186.58	212.70	166.29	189.57	12.2000%
E5	**TIME OF USE TARIFF (> 70kVA)**						
	Service Charge (per month) for MV and LV consumers						
E5A1	**Administrative and Service** charge per month	R	2 335.53	2 662.50	New Structure	New Structure	
E5A2	Network demand charge kVA: Utilised capacity	R	22.00	25.08	New Structure	New Structure	
E5A3	Network Capacity Charge kVA: Notified Maximum Demand (NMD)	R	17.50	19.95	New Structure	New Structure	
	Medium Voltage Metering Points (11000V) > 500kVA						
E5A4	Off Peak kWh Unit Charge	c	40.00	45.60	New Structure	New Structure	
E5A5	Standard kWh Unit Charge	c	72.00	82.08	New Structure	New Structure	
E5A6	Peak kWh Unit Charge	c	234.00	266.76	New Structure	New Structure	
	Low Voltage Metering Points (400V) >70kVA ≤ 500kVA						
E5A7	Off Peak kWh Unit Charge	c	43.00	49.02	New Structure	New Structure	
E5A8	Standard kWh Unit Charge	c	75.00	85.50	New Structure	New Structure	
E5A9	Peak kWh Unit Charge	c	237.00	270.18	New Structure	New Structure	
	Sundry Charges						
E5A10	Exceed NOTIFIED MAXIMUM DEMAND (NMD) per kVA Per month	R	860.45	980.91	766.89	874.25	12.2000%
E6	**SUBSIDIZED TARIFFS: Grant to be shown separately**						
E7	**PUBLIC LIGHTING**						
E7A1	Streetlights (metered) per kWh	c	64.34	73.35	57.35	65.37	12.2000%
E7A2	Streetlights (consumption) (R per 100watt /per month)	R	22.57	25.73	20.12	22.93	12.2000%
E7A5	Illuminated street sign boards per month	R	22.57	25.73	20.12	22.93	12.2000%
E8	**CASUAL SUPPLIES**						
E8A1	Per connection includes disconnection excluding hire of kiosk	R	865.04	986.15	786.40	896.50	10.0000%

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1.1220

Tariff Code	Detail		2015/2016		2014/2015		
			Exclude VAT	Include VAT	Exclude VAT	Include VAT	
E8A2	Consumption per day/CB Ampere size (per amp) if not metered	R	6.20	7.07	5.64	6.43	10.0000%
E8A3	Hire of temporary distribution kiosk, per kiosk, per occasion	R	337.72	385.00	307.02	350.00	10.0000%
E8A4	Deposit (Usage will be subtracted)	R	1 166.00	no vat	1 060.00	no vat	10.0000%
E9	**AVAILABILITY CHARGES**						
E9A1	Availability charge per vacant plot per month	R	216.83	247.19	204.56	233.20	6.0000%
E9A2	Infrastructure per vacant plot per month	R	16.65	18.98	16.65	18.98	0.0000%
E10	**SUNDRY CHARGES**						
E10A1	Call-out Fee - (office hours)	R	541.32	617.10	492.11	561.00	10.0000%
E10A2	Call-out Fee - after hours (Weekdays & Saturdays)	R	817.28	931.70	742.98	847.00	10.0000%
E10A3	Call-out Fee - after hours (Sundays & Public Holidays)	R	1 082.63	1 234.20	984.21	1 122.00	10.0000%
E10A4	MV. Switching on Council's equipment (office hours)	R	1 613.33	1 839.20	1 466.67	1 672.00	10.0000%
E10A5	MV. Switching on Council's equipment -after hours (Weekdays & Saturdays)	R	2 420.00	2 758.80	2 200.00	2 508.00	10.0000%
E10A6	MV. Switching on Council's equipment -after hours (Sundays & Public holidays)	R	3 226.67	3 678.40	2 933.34	3 344.00	10.0000%
E10A7	Contractor Inspection 2nd	R	541.32	617.10	492.11	561.00	10.0000%
E10A8	Contractor Inspection 3rd	R	817.28	931.70	742.98	847.00	10.0000%
E10A9	Change of Circuit Breaker - S/Phase(1/annum) contact Electricity Department for approval	R	456.40	520.30	414.91	473.00	10.0000%
E10A10	Change of Circuit Breaker - 3 Phase(1/annum) contact Electricity Department for approval	R	902.19	1 028.49	820.17	934.99	10.0000%
E10A11	Disconnection	R	265.35	302.50	241.23	275.00	10.0000%
E10A12	Reconnection	R	265.35	302.50	241.23	275.00	10.0000%
E10A13	Verification of a Meter Reading	R	265.35	302.50	241.23	275.00	10.0000%
E10A14	Administration fee - recalculation due to no meter access	R	137.98	157.30	125.44	143.00	10.0000%
E10A15	Test of Meter: 1 & 3 Phase (Conditionally Refundable)	R	488.25	556.60	443.86	506.00	10.0000%
E10A16	Test of Meter: All other Meters (Conditionally Refundable)	R	1 008.33	1 149.50	916.67	1 045.00	10.0000%
E10A17	Tariff change - change between one part and two-part	R	180.44	205.70	164.04	187.00	10.0000%
E10A18	Damage elect meter (based on meter cost + call out X 2 + 15%)	R	1 695.00	1 932.30	1 061.40	1 210.00	59.6947%
E10A19	Damage elect meter 3 phase (based on meter cost + call out X 2 + 15%)	R	1 836.22	2 093.30	1 669.30	1 903.00	10.0000%
E10A191	Replacement of CIU (Meter keypad)		847.37	966.00	NEW	NEW	
E10A20	Damage of Bulk meter	R	9 393.42	10 708.50	8 539.48	9 735.00	10.0000%
E10A21	Change from Bulk to Time of Use (with existing bulk meter) + Deposit on request of user	R	541.32	617.10	492.11	561.00	10.0000%
E10A22	Change from Bulk to Time of Use (without existing bulk meter) + Deposit	R	9 393.42	10 708.50	8 539.48	9 735.00	10.0000%
E10A23	Commission of Bulk meter, supplied by customer (callout x 3)	R	1 634.56	1 863.40	1 485.97	1 694.00	10.0000%
E10A24	Damage of HV Cable	R	cost + R30,250.00	Applicable Vat	cost + R27,500.00	Applicable Vat	10.0000%
E10A25	Damage of MV Cable	R	cost + R7,907.46	Applicable Vat	cost + R7,188.60	Applicable Vat	10.0000%
E10A26	Damage of LV Cable	R	cost + R3,184.21	Applicable Vat	cost + R2,894.74	Applicable Vat	9.9999%
E10A27	Damage of Service Connection Cable	R	cost + R796.05	Applicable Vat	cost + R723.68	Applicable Vat	10.0003%
E10A28	Working without Way leave	R	4 081.00	4 652.34	3 710.00	4 229.40	10.0000%
E10A29	Refundable Wayleave **deposit** for HV cables	R	58 300.00	no vat	53 000.00	no vat	10.0000%
E10A30	Refundable Way leave **deposit** for MV cables	R	14 575.00	no vat	13 250.00	no vat	10.0000%
E10A31	Refundable Way leave **deposit** for LV cables	R	3 148.20	no vat	2 862.00	no vat	10.0000%
E10A32	Cancellation Fee of requested service	R	15% of Service Value	no vat	15% of Service Value	no vat	
E10A33	Erection and removal of Banners, signs & lights (per hour) (Vehicle cost + labour)	R	660.00	752.40	1 100.00	1 254.00	-40.0000%
E12	**CONVERSION OF METERS**						

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Tariff Code	Detail		2015/2016		2014/2015		1.1000 1.0600 1.1220
			Exclude VAT	Include VAT	Exclude VAT	Include VAT	
E12A1	Convert Credit Meter to P/P: SP (no cable work) (based on meter cost + call out X 2 +15%)	R	934.03	1 064.80	849.12	968.00	10.0000%
E12A2	Convert Credit Meter to P/P: 3P (no cable work) (Based on meter cost + call out X 2 +15%)	R	2 220.00	2 530.80	3 087.72	3 520.00	-28.1023%
E12A3	Convert Credit Three Phase to Singe Phase P/P meter	R	1 138.60	1 298.00	1 035.09	1 180.00	10.0000%
E12A4	Convert Credit Three Phase to Single Phase Credit (Commercial only)	R	859.74	980.10	781.58	891.00	10.0000%
E12A5	Convert P/P Single Phase to Three Phase PP (based on tariff E13A8) cost included cable to boundary	R	R8,724 + ext fee	Applicable Vat	R7,931.58 + ext fee	Applicable Vat	10.0000%
E12A6	Convert P/P Three Phase to Single Phase PP (based on meter cost = call out x 2 = CB = 15%)	R	1 167.54	1 331.00	1 061.40	1 210.00	10.0000%
E12A7	Removal of Meter		541.32	617.10	492.11	561.00	10.0000%
E12A8	Repositioning of Meter (excl. cable)	R	541.32	617.10	492.11	561.00	10.0000%
E12A9	Repositioning of Meter (incl. cable)	R	1 326.75	1 512.50	1 206.14	1 375.00	10.0000%
E13	**SERVICE CONNECTIONS**						
E13A1	Builders connection (plus applicable service connection tariff)	R	700.53	798.60	636.85	726.00	10.0001%
E13A4	Single Phase (Credit - 60A) option for Commercial users only	R	4 723.25	5 384.50	4 293.86	4 895.00	10.0000%
E13A6	Single Phase - (Pre-paid meters - 60A) applicable to Domestic users (Network Permitted)	R	4 723.25	5 384.50	4 293.86	4 895.00	10.0000%
E13A7	Three Phase : (Credit - 60A) Plus Extension fee	R	R8,724.74 + ext fee	Applicable Vat	R7,931.58 + ext fee	Applicable Vat	10.0000%
E13A8	Three Phase : (Pre-Paid - 60A) Plus Extension fee	R	R8,724.74 + ext fee	Applicable Vat	R9,166.67 + ext fee	Applicable Vat	10.0000%
E13A9	Non Standard : Pre-paid 30 Amp Single phase (Sub economic connections)	R	2 865.79	3 267.00	2 605.26	2 970.00	10.0000%
E13A10	Single Phase (Credit 60A- Developer install cable to boundary) option for Commercial users only	R	1 326.75	1 512.50	1 206.14	1 375.00	10.0000%
E13A11	Single Phase (Pre-Paid 60A-Developer install cable to boundary) applicable to Domestic users (Network permitted)	R	1 231.22	1 403.60	1 119.30	1 276.00	10.0000%
E13A12	Three Phase (Credit 60A- Developer install cable to boundary)	R	R2,706.57 + ext fee	Applicable Vat	R2,460.52 + ext fee	Applicable Vat	9.9999%
E13A13	Three Phase (Pre-Paid 60A-Developer install cable to boundary)	R	R2,706.57 + ext fee	Applicable Vat	R2,460.52 + ext fee	Applicable Vat	9.9999%
E13A14	Any other none standard connections		cost + 15% admin	Applicable vat	cost + 15% admin	Applicable vat	
E14	**REMEDIAL ACTION FEE (TAMPERING) (Including damage or bypass of the DSM Hot Water Cylinder Control Unit**						
E14A1	1 st Offence	R	3 230.70	no vat	2 937.00	no vat	10.0000%
E14A2	2 nd Offence (E14A1 X 2)	R	6 461.40	no vat	4 400.00	no vat	46.8500%
E14A3	3 rd Offence and re-occurance (Disconnection of service and remedial action fee = double previous offence fee)		Previous offence amount X 2	Applicable Vat	Cost of new Connection plus 50%	Applicable Vat	
E14A4	Unsafe / Illegal leads (per visit) (**reconnection fee included)**	R	1 447.37	1 650.00	1 315.79	1 500.00	10.0000%
E15	**UPGRADING EXTENSION FEES (Network permitted : to be approved by Electricity Department)**						
E15A1	Primary Cost p/kVA -include all HV Equipment UP to HV Substation or identified point of supply excluding Dist. TF	R	1 162.98	1 325.80	1 630.71	1 859.00	-28.6824%
E15A2	Primary Cost p/kVA -include all MV. Equipment UP to Main Substation or identified point of supply excluding Dist. TF	R	3 187.61	3 633.88	2 770.88	3 158.80	15.0396%
E15A3	Secondary Cost p/kVA -include all MV. Equipment UP to Main Substation or identified point of supply including Dist. TF	R	4 060.19	4 628.62	4 086.40	4 658.50	-0.6414%
E15A4	Secondary Cost p/kVA -include all MV. Equipment UP to Main Substation or identified point of supply including Dist. TF and Kiosk	R	5 297.86	6 039.56	5 133.34	5 852.00	3.2050%
E15A5	Buying/Refund of spare capacity cost/kVA	R	100% of approved installation cost	Applicable VAT	50%	Applicable VAT	
E15A6	Investigation Fee	R	3 237.28	3 690.50	2 942.98	3 355.00	10.0000%

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Tariff Code	Detail		2015/2016		2014/2015		
			Exclude VAT	Include VAT	Exclude VAT	Include VAT	
E15A7	FACTOR OF 0,36 APPLICABLE ON DOMESTIC USERS : TARIFF : applicable on E15A3 AND E15A4 (Commercial /Business no factor apply)	R	Factor 0.36	Applicable VAT	Factor 0.36	Applicable VAT	
DC2	**DEVELOPMENT CONTRIBUTIONS (Bulk Service Levies - BICL)**						
DC2A	**Sub Division of existing erf**						
DC2A1	Single Phase 60 AMP (5 kVA) Domestic X Tariff E15A4 = P/ERF **PLUS** STANDARD CONNECTION FEES	R	26 489.30	30 197.80	24 966.67	28 462.00	6.0987%
DC2B	**New Developments**						
DC2B1	Standard fee per Singel Phase Domestic erf - infrastructure provide by developer (13.8 kVA xE15A2 x.36)	R	15 836.05	18 053.10	14 285.18	16 285.11	10.8565%
DC2B2	Standard fee per Three Phase Domestic erf - infrastructure provide by developer (42kVA x E15A2x.36)	R	48 196.66	54 944.19	43 476.65	49 563.38	10.8564%
DC2C	MV/LV Bulk Supply with metering point cost / kVA= Tariff E15A2	R	3 187.61	3 633.88	2 797.37	3 189.00	13.9502%
DC2C1	LV Bulk Supply if capacity is available on existing TF cost / kVA = Tariff E15A3	R	4 060.19	4 628.62	3 975.44	4 532.00	2.1318%
E17	**WHEELING TARIFF**						
E17A1	Firm network situation (network will not be interupted under normal operations	c	19.11	21.78	17.37	19.80	10.0000%
E17A2	Non-Firm network situation (Municipal networks may not always be available for transport of energy under normal operation per kWh	c	11.67	13.30	10.61	12.10	10.0000%

WATER TARIFFS

Tariff Code	Detail	2015/2016		2014/2015		1.06
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	1.10
WD	**CONSUMER DEPOSITS**					
WD1A	Domestic - Water	955.00	no vat	901.00	no vat	5.99%
WD1B	Two Times average consumption during the preceding 12 months (Defaulters)	calculated	no vat	calculated	no vat	
WD2A	Commercial - Water - Consumption < 40kl	2 191.00	no vat	2 067.00	no vat	6.00%
WE2B	Two Times average consumption during the preceding 12 months (Defaulters)	calculated	no vat	calculated	no vat	
WD3A	Commercial - Water - Consumption 40 - 100kl	7 722.00	no vat	7 722.00	no vat	0.00%
WD3B	Two Times average consumption during the preceding 12 months (Defaulters)	calculated	no vat	calculated	no vat	
WD4A	Commercial - Water - Consumption 100 kl +	12 865.00	no vat	12 137.00	no vat	6.00%
WD4B	Two Times average consumption during the preceding 12 months (Defaulters)	calculated	no vat	calculated	no vat	
WD5A	Domestic - Water RUE's	Applicable Rue's X WD1A	no vat	Applicable Rue's X WD1A	no vat	
WD5B	Two Times average consumption during the preceding 12 months (Defaulters)	calculated	no vat	calculated	no vat	
WD6	Indigent - registered	150.00	no vat	138.00	no vat	8.70%
W1	**BASIC CHARGE**					
W1A1	Basic Monthly Charge per erf/unit per month	108.42	123.60	102.28	116.60	6.00%
W1A3	Fixed Infrastructure Basic Charge per erf/unit per month	15.45	17.61	15.45	17.61	0.00%
	See attachment for the amount of RUE's allocated to different household consumers					
W1B	**CONSUMPTION - HOUSEHOLDS**					
	Normal Tariff					
W1B1	0 - 6 kl per kl	3.62	4.13	3.25	3.71	11.50%
W1B2	7 - 18 kl per kl	9.12	10.39	8.60	9.80	6.00%
W1B3	19 - 30 kl per kl	14.79	16.86	13.95	15.90	6.00%
W1B4	31 - 45 kl per kl	22.76	25.95	21.48	24.48	6.00%
W1B5	46 - 60 kl per kl	29.57	33.71	27.90	31.81	6.00%
W1B6	>60kl per kl	39.43	44.95	37.20	42.40	6.00%
	Restriction Tariff (level 1 restrictions)					
W1B7	0 - 6 kl per kl	4.71	5.37	4.23	4.82	11.37%
W1B8	7 - 18 kl per kl	11.85	13.51	11.18	12.74	6.05%
W1B9	19 - 30 kl per kl	19.22	21.91	18.13	20.67	6.03%
W1B10	31 - 45 kl per kl	29.59	33.74	27.92	31.83	5.99%
W1B11	46 - 60 kl per kl	38.45	43.83	36.27	41.35	6.00%
W1B12	>60kl per kl	51.25	58.43	48.36	55.12	6.00%
	Restriction Tariff (level 2 restrictions)					
W1B13	0 - 6 kl per kl	5.80	6.61	5.21	5.94	11.29%
W1B14	7 - 18 kl per kl	14.59	16.63	13.75	15.68	6.08%
W1B15	19 - 30 kl per kl	23.66	26.97	22.31	25.43	6.05%
W1B16	31 - 45 kl per kl	36.42	41.52	34.36	39.17	6.00%
W1B17	46 - 60 kl per kl	47.32	53.94	44.64	50.89	6.00%
W1B18	>60kl per kl	63.08	71.91	59.51	67.84	6.00%
	Restriction Tariff (level 3 restrictions)					
W1B19	0 - 6 kl per kl	7.25	8.26	6.51	7.42	11.33%
W1B20	7 - 18 kl per kl	18.23	20.78	17.19	19.60	6.06%

WATER TARIFFS

Tariff Code	Detail	2015/2016		2014/2015		1.06
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	1.10
W1B21	>18 kl per kl	78.85	89.89	74.39	84.80	6.00%
W1BI	**CONSUMPTION - REGISTERED INDIGENT HOUSEHOLDS**					
	Normal Tariff					
W1BI1	0 - 6 kl per kl - **subsidised**	3.62	4.13	3.25	3.71	11.50%
W1BI2	7 - 18 kl per kl	9.12	10.39	8.60	9.80	6.00%
W1BI3	19 - 30 kl per kl	14.79	16.86	13.95	15.90	6.00%
W1BI4	31 - 45 kl per kl	22.76	25.95	21.48	24.48	6.00%
W1BI5	46 - 60 kl per kl	29.57	33.71	27.90	31.81	6.00%
W1BI6	>60kl per kl	39.43	44.95	37.20	42.40	6.00%
	Restriction Tariff (level 1 restrictions)					
W1BI7	0 - 6 kl per kl - **subsidised**	4.71	5.37	4.23	4.82	11.37%
W1BI8	7 - 18 kl per kl	11.85	13.51	11.18	12.74	6.05%
W1BI9	19 - 30 kl per kl	19.22	21.91	18.13	20.67	6.03%
W1BI10	31 - 45 kl per kl	29.59	33.74	27.92	31.83	5.99%
W1BI11	46 - 60 kl per kl	38.45	43.83	36.27	41.35	6.00%
W1BI12	>60kl per kl	51.25	58.43	48.36	55.12	6.00%
	Restriction Tariff (level 2 restrictions)					
W1BI13	0 - 6 kl per kl - **subsidised**	5.80	6.61	5.21	5.94	11.29%
W1BI14	7 - 18 kl per kl	14.59	16.63	13.75	15.68	6.08%
W1BI15	19 - 30 kl per kl	23.66	26.97	22.31	25.43	6.05%
W1BI16	31 - 45 kl per kl	36.42	41.52	34.36	39.17	6.00%
W1BI17	46 - 60 kl per kl	47.32	53.94	44.64	50.89	6.00%
W1BI18	>60kl per kl	63.08	71.91	59.51	67.84	6.00%
	Restriction Tariff (level 3 restrictions)					
W1BI19	0 - 6 kl per kl - **subsidised**	7.25	8.26	6.51	7.42	11.33%
W1BI20	7 - 18 kl per kl	18.23	20.78	17.19	19.60	6.06%
W1BI21	>18 kl per kl	78.85	89.89	74.39	84.80	6.00%
W1C	**CONSUMPTION - ALL OTHER**					
	Normal Tariff					
W1C1	0 - 18 kl per kl	9.59	10.93	8.60	9.80	11.50%
W1C2	19 - 30 kl per kl	14.79	16.86	13.95	15.90	6.00%
W1C3	31 - 45 kl per kl	22.76	25.95	21.48	24.48	6.00%
W1C4	46 - 60 kl per kl	29.57	33.71	27.90	31.81	6.00%
W1C5	>60 kl per kl	39.43	44.95	37.20	42.40	6.00%
	Restriction Tariff (level 1 restrictions)					
W1C6	0 - 18 kl per kl	12.47	14.21	11.18	12.74	11.55%
W1C7	19 - 30 kl per kl	19.22	21.91	18.13	20.67	6.03%
W1C8	31 - 45 kl per kl	29.59	33.74	27.92	31.83	5.99%
W1C9	46 - 60 kl per kl	38.45	43.83	36.27	41.35	6.00%
W1C10	>60 kl per kl	51.25	58.43	48.35	55.12	6.01%
	Restriction Tariff (level 2 restrictions)					
W1C11	0 - 18 kl per kl	15.34	17.49	13.75	15.68	11.58%
W1C12	19 - 30 kl per kl	23.66	26.97	22.31	25.43	6.05%

WATER TARIFFS

Tariff Code	Detail	2015/2016		2014/2015		1.06
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	1.10
W1C13	31 - 45 kl per kl	36.42	41.52	34.36	39.17	6.00%
W1C14	46 - 60 kl per kl	47.32	53.94	44.64	50.89	6.00%
W1C15	>60 kl per kl	63.08	71.91	59.51	67.84	6.00%
	Restriction Tariff (level 3 restrictions)					
W1C16	0 - 10 kl per kl	19.18	21.86	17.19	19.60	11.56%
W1C17	>10 kl per kl	78.85	89.89	74.39	84.80	6.00%
W1D	**OTHER CONSUMERS**					
W1D1	Departmental per Kl	13.95	15.90	13.95	15.90	0.00%
W1D2	Fire Hoses: Basic per Month	137.99	157.30	130.18	148.40	6.00%
W1D3	Bulk usage (Unconnected to networks) per Kl	11.84	13.50	11.16	12.72	6.09%
W1D4	Kid Brooke (Van Cauter 0 - 8000kl per year)	0.08	0.09	0.08	0.09	0.00%
W1D5	Onrus Small Holdings tariff 2 (Van Cauter)	0.08	0.09	0.08	0.09	0.00%
W1D6	Onrus Small Holdings tariff 4 (Per agreement)	1.05	1.20	1.05	1.20	0.00%
W1D7	Contractors water consumption - temporary connection	13.95	15.90	13.95	15.90	0.00%
W1E	**WET COMMERCIAL, SPORT, PARKS etc (must apply for this tariff)**					
	Normal Tariff					
W1E1	0 - 500kl per kl	15.55	17.73	13.95	15.90	11.50%
W1E2	501 - 1000kl per kl	22.18	25.28	20.92	23.85	6.00%
W1E3	>1000kl per kl	29.57	33.71	27.90	31.81	6.00%
	Restriction Tariff (level 1 restrictions)					
W1E4	0 - 300kl per kl	20.22	23.05	18.13	20.67	11.53%
W1E5	301 - 700kl per kl	28.83	32.86	27.20	31.01	5.98%
W1E6	>700kl per kl	38.45	43.83	36.27	41.34	6.01%
	Restriction Tariff (level 2 restrictions)					
W1E7	0 - 250kl per kl	24.89	28.37	22.32	25.44	11.50%
W1E8	251 - 500kl per kl	35.48	40.45	33.48	38.16	5.99%
W1E9	>500kl per kl	47.32	53.94	44.64	50.88	6.01%
	Restriction Tariff (level 3 restrictions)					
W1E10	0 - 100kl per kl	31.11	35.46	27.90	31.81	11.50%
W1E11	>100 kl per kl	59.15	67.43	55.79	63.60	6.02%
W1F	**WET INDUSTRY (Marine etc. must apply for this tariff) (Average of 100kl per day over previous 365 days**					
	Normal Tariff					
W1F1	0 - 5800kl per kl	14.53	16.56	13.03	14.85	11.50%
W1F2	> 5800kl per kl	29.57	33.71	27.90	31.81	6.00%
	Restriction Tariff (level 1 restrictions)					
W1F3	0 - 5800kl per kl	18.89	21.53	16.94	19.31	11.49%
W1F4	> 5800kl per kl	38.45	43.83	36.27	41.35	6.00%
	Restriction Tariff (level 2 restrictions)					
W1F5	0 - 5800kl per kl	23.25	26.50	20.85	23.77	11.49%
W1F6	> 5800kl per kl	47.32	53.94	44.64	50.89	6.00%
	Restriction Tariff (level 3 restrictions)					
W1F7	0 - 5 800kl per kl	29.06	33.12	26.06	29.71	11.50%
W1F8	>5 800 kl per kl	59.15	67.43	55.79	63.60	6.02%

WATER TARIFFS

Tariff Code	Detail	2015/2016		2014/2015		1.06
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	1.10
W2A	**AVAILABILITY CHARGES**					
W2A1	Overstrand per month	108.42	123.60	102.28	116.60	6.00%
W2A2	Farms connected to water pipe line	108.42	123.60	102.28	116.60	6.00%
W2J	**REBATES (This can be granted by the Municipal Manager after application) refer to Policy # 6.8.1**					
W2J1	Kl above average - per kl	13.95	15.90	13.95	15.90	0.00%
W3A	**IRRIGATION WATER ("LEI WATER") & RAW WATER**					
W3A1	Use and pump water (80-90 min) per annum Stanford	225.72	257.32	212.94	242.75	6.00%
W3A2	Pearly Beach Small Holdings: Basic	40.40	46.05	38.11	43.45	6.00%
W3A3	Pearly Beach Small Holdings: Consumption 0- 70 kl per kl	3.16	3.60	2.98	3.40	6.00%
W3A4	Pearly Beach Small Holdings: Consumption >70 kl per kl	7.39	8.42	6.97	7.95	6.00%
W3A5	Others	3.16	3.60	2.98	3.40	6.00%
W3A6	Farm 1/722 Stanford as per agreement 1.75% of raw water abstraction from municipal boreholes, maximum 8760 kl/a	0.00	0.00	0.00	0.00	0.00%
W3B	**IRRIGATION WATER - (TREATED EFFLUENT)**					
W3B2	Hermanus Golf Club per month	35 975.44	41 012.00	33 938.60	38 690.00	6.00%
W3B3	All other per kl	2.02	2.30	1.89	2.15	6.88%
W3B4	Schools, municipal sports grounds & project sport grounds as per agreement	no charge	no charge	no charge	no charge	
W3B5	Curro Holdings - 250kl free per day as per deed of sale	2.02	2.30	1.89	2.15	6.88%
W4	**SUNDRY CHARGES**					
W4A1	Testing of a Meter (Call-out Fee incl)(Conditionally refundable)	723.68	825.00	657.90	750.00	10.00%
W4A2	Testing of a Meter (Ind/Bulk Meter)(Conditionally refundable) ***Minimum charge of R500***					
W4A3	Disconnection	328.07	374.00	297.54	339.20	10.26%
W4A4	Reconnection	328.07	374.00	297.54	339.20	10.26%
W4A5	Reconnection After Normal Working Hours	656.14	748.00	595.09	678.40	10.26%
W4A6	Administration fee - recalculation due to no meter access	128.07	146.00	116.23	132.50	10.19%
W4A7	Verification of a Meter Reading	179.83	205.00	162.72	185.50	10.51%
W4A8	Final and Special Readings	164.04	187.00	148.77	169.60	10.26%
W4A9	Call-out Fee - Normal Working Hours	328.07	374.00	297.54	339.20	10.26%
W4A10	Call-out Fee - After Hours	656.14	748.00	595.09	678.40	10.26%
W4A11	Registration of Borehole (Including inspection fee)	245.61	280.00	223.16	254.40	10.06%
W4A12	Repositioning of Meter (excl. pipe)	721.05	822.00	655.53	747.30	9.99%
W4A13	Convert to Water Flow Restrictor Meter	2 348.25	2 677.00	2 134.21	2 433.00	10.03%
W4A14	Temporary Connections - Deposit	6 180.00	no vat	5 618.00	no vat	10.00%
W4A15	Temporary Connection - Usage per kl	11.58	13.20	10.53	12.00	10.00%
W4A16	Damage of Water Meter	Actual cost plus 15%	Applicable vat	Actual cost plus 15%	Applicable vat	
W4A17	Damage of Watermain	Actual cost plus R2,495.24	Applicable vat	Actual cost plus R2,268.40	Applicable vat	10.00%
W4A18	Damage of Service Connection (including water meter)	Actual cost plus R623.81	Applicable vat	Actual cost plus R567.10	Applicable vat	10.00%
W5	**REMEDIAL ACTION FEE (TAMPERING)**					
W5A1	1st Offence	5 480.00	no vat	4 982.00	no vat	10.00%

WATER TARIFFS

Tariff Code	Detail	2015/2016		2014/2015		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	1.06
						1.10
W5A2	2nd Offence Total disconnection/removal of connection	Total disconnection		Total disconnection		
W6	**CONNECTION FEE**					
W6A1	20 mm Connection Conventional Meter	4 014.91	4 577.00	3 650.00	4 161.00	10.00%
W6A2	20 mm Connection Water Flow Restrictor Meter	4 768.42	5 436.00	4 335.09	4 942.00	10.00%
W6A3	Other Connections	Actual cost plus 15%	Applicable vat	Actual cost plus 15%	Applicable vat	
W6A4	Connections (Erf Boundary - by Developer)	1 043.86	1 190.00	949.12	1 082.00	9.98%
W7	**BULK SERVICES DEVELOPMENT FEES**					
	Development Contributions will be determined as set out in the Annexure in respect of Development Contribution Policy					

OVERSTRAND MUNICIPALITY

ANNEXURE TO WATER TARIFFS

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

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

RUE = Residential Unit Equivalent

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

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

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

NOTE:

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

PALMIET & KLEINMOND CARAVAN PARKS (Vote number 1 01 0260 255 & 1 01 0261 255)							
SEASON	**PERIOD**	**A Stands**	**B Stands**	**C Stands**	**A Stands**	**B Stands**	**C Stands**
		2015/2016			**2014/2015**		
		Per Day	**Per Day**	**Per Day**	**Per Day**	**Per Day**	**Per Day**
High Season	1 December – 31 January & Easter Weekend	R363.00	R279.00	R255.00	R330.00	R253.00	R231.00
Low Season	1 February – 30 November (Excluding Easter Weekend)	R200.00	R170.00	R158.00	R182.00	R154.00	R143.00

- Plus: All stands with the availability of electricity = R36.00 per stand per day.
- The above tariffs include for up to four (4) persons and one vehicle with one trailer or caravan or small boat per day.
- Additional persons up to a maximum of two (2)* = R52.00 per person per day.
- Additional vehicle or small trailer or small boat to maximum of 2 units = R28.00 per unit per day.
- Day visitors for campers up to a maximum of four (4)* = R52.00 per person per day and R39.00 for a vehicle.
  (*) Special arrangements must be made with the Camp Manager to allow day visitors
- Children under two (2) years are free and children under twelve (12) years at half price.
- Low Season: Pensioners, Caravan Clubs more than 10 caravans, Mobile Camper Vehicles & RV groups (not caravans) more than 20 campers (Pensioners to be defined as persons sixty (60) years and older)
  - may get a discount of 50% on the stands;
  - Qualify for a reduced tariff of R2,433.00 for a period of 30 days.
- Gate Card / Key Deposit R132.00 per set (refundable).
- Long Term rental R770.00 per month plus R176.00 per month for Electricity.

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

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

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

ONRUS CARAVAN PARK (Vote number 1 01 0263 255)

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

- Plus: All stands with the availability of electricity = R36.00 per stand per day.
- The above tariffs include for up to four (4) persons and 1 vehicle with one trailer or caravan or small boat per day.
- Additional persons up to a maximum of two (2)* = R57.00 per person per day.
- Additional vehicle or small trailer or small boat to maximum of two (2) units = R30.00 per unit per day.
- Children under two (2) years are free and children under twelve (12) years at half price.
- Daily Functions (pre-arrangement) = R146.00 per day
- Long Term Rental = R 13,482.00 pa **plus the following**:
  - Pergola with covering = R 113.00 pm (R1,356.00 pa)
  - Water tap = R 24.00 pm (R288.00 pa)
  - Structure for storing purposes = R 24.00 pm (R288.00 pa)
  - Permanent fireplace structure = R 24.00 pm (R288.00 pa)
  - Electricity per stand = R 75.00 pm (R900.00 pa)
- Low Season: Pensioners, Caravan Clubs more than 10 caravans, Mobile Camper Vehicles & RV groups (not caravans) more than 20 campers (Pensioners to be defined as persons sixty (60) years and older)
  - may get a discount of 50% on the stands;
  - qualify for a reduced tariff of R2,654.00 for a period of 30 days
- Full 30 day Rental = R3,888.00
- Gate Card / Key Deposit R132.00 per set (refundable).

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

GANSBAAI CARAVAN PARK (Vote number 1 01 0266 255)

SEASON	PERIOD	A Stands	B Stands	C Stands	A Stands	B Stands	C Stands
		2015/2016			2014/2015		
		Per Day	Per Day	Per Day	Per Day	Per Day	Per Day
High Season	1 December – 31 January & Easter Weekend	R242.00	R200.00	R170.00	R220.00	R182.00	R154.00
Low Season	1 February – 30 November (Excluding Easter Weekend)	R182.00	R170.00	R158.00	R165.00	R154.00	R143.00

- The above tariffs include for up to four (4) persons and one vehicle with one trailer or caravan or small boat.
- Additional persons up to a maximum of two (2)* = R52.00 per person per day.
- Additional vehicle or small trailer or small boat = R37.00 per unit per day.
- Day visitors for campers up to a maximum of four (4) = R39.00 per person per day.
- Children under two (2) years are free and children under twelve (12) years at half price.
- Long Term Rental = R 7,140.00 pa. *(Vote number 1 01 0266 257)*
- Low Season: Pensioners, Caravan Clubs more than 10 caravans, Mobile Camper Vehicles & RV groups (not caravans) more than 20 campers may get a discount of 50% on the stands. (Pensioners to be defined as persons sixty (60) years and older.

HAWSTON DAY CAMPING SITE (Vote Number 1 01 0262 255)

ITEM	Low Season 01 February – 30 November (Excluding Easter Weekend)	High Season 01 December – 31 January & Easter Weekend	Low Season 01 February – 30 November (Excluding Easter Weekend)	High Season 01 December – 31 January & Easter Weekend
	2015/2016		2014/2015	
	Per Day	Per Day	Per Day	Per Day
Camping Sites	R92.00	R170.00	R 83.00	R 154.00
Picnic Fees : Per Vehicle (excluding buses > 20 seats) + persons	R12.00	R12.00	R 11.00	R 11.00
: Per Bus > 20 seats + persons	R146.00	R146.00	R 132.00	R 132.00
Adults (per person)	R12.00	R12.00	R 11.00	R 11.00
Children (per child < 12)	R3.50	R4.50	R 3.00	R 4.00

- The above tariffs include for up to six 6 persons and 1 vehicle with one trailer or caravan or small boat.
- Additional vehicle or small trailer or small boat = R37.00 per unit per day.
- Events – partial or whole day camp site, per day or portion of the day = R485.00 per day.
- Events – community based – partial or whole day camp site, per day or portion of the day = R121.00.
- Low Season: Pensioners, Caravan Clubs more than 10 caravans Mobile Camper Vehicles & RV groups (not caravans) more than 20 campers may get a discount of 50% on the stands. (Pensioners to be defined as persons sixty (60) years and older).

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

The calculation methodology as listed below will generally be used as a guideline to determine the development contributions.
The Council may deviate from this guideline in accordance with the relevant legislation particularly where large developments with significant impact on services are being processed.
The developer may be required by the council to provide bulk services in lieu or in part of the payment of development contributions.
The Council may revise the Development Contribution Policy at any stage.

2. Gap Housing:

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

- Gap Housing 50% of Standard

3. Government Subsidised Housing:

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

- Government Subsidised Housing 0% Development Contribution

4. High Density Units:

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

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

5. Second Dwellings

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

6. DEVELOPMENT CONTRIBUTION TARIFF LIST

Tariff Code	Detail	2015/2016		2014/15		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
	-	R	R	R	R	
DC1	**WATER**					
DC1A	Standard Fee per Equivalent Unit	21,799.12	24,851.00	20,564.91	23,444.00	1,4
DC2	**ELECTRICITY**					
DC2A	**Sub Division of Existing Erf**					
DC2A1	Single Phase 60 AMP (5 kVA) Domestic X Tariff E15A4 = P/ERF **PLUS** STANDARD CONNECTION FEES	26,489.30	30,197.80	24,966.67	28,462.00	1,7
DC2B	**New Developments**					
DC2B1	Standard fee per Single Phase Domestic erf - infrastructure provide by developer (13.8 kVA xE15A2 x.36)	15,836.05	18,053.10	14,285.18	16,285.11	9
DC2B2	Standard fee per Three Phase Domestic erf - infrastructure provide by developer (42kVA x E15A2x.36)	48,196.66	54,944.19	43,476.65	49,563.38	2,9
DC2C	MV/LV Bulk Supply with metering point cost / kVA= Tariff E15A2	3,187.61	3,633.88	2,797.37	3,189.00	1
DC2C1	LV Bulk Supply if capacity is available on existing TF cost / kVA = Tariff E15A3	4,060.19	4,628.62	3,975.44	4,532.00	2
DC3	**SEWERAGE**					
DC3A	Standard Fee per Equivalent Unit	17,495.61	19,945.00	16,505.26	18,816.00	1,1
DC4	**ROADS & STORMWATER**					
DC4A	Standard Fee per Equivalent Unit	5,701.75	6,500.00	5,378.95	6,132.00	3
DC5	**OFF-GRID DEVELOPMENT/UNITS**					
DC5A	As per signed agreement as recommended by the Director: Infrastructure and Planning and approval by the Municipal Manager	as per agreement	applicable VAT	as per agreement	applicable VAT	

DC6	**EVALUATION/INVESTIGATION LEVIES are payable OVER and ABOVE the Bulk Service Levies**					
DC6A	**Water**					
	No. of Equivalent units					
DC6A1	1 - 4	No Charge	No Charge	No Charge	No Charge	
DC6A2	5 - 10	5,923.68	6,753.00	5,587.72	6,370.00	3
DC6A3	11 – 25	9,921.93	11,311.00	9,359.65	10,670.00	5
DC6A4	26 - 50	13,920.18	15,869.00	13,131.58	14,970.00	7
DC6A5	51 - 100	15,844.74	18,063.00	14,947.37	17,040.00	8
DC6A6	101 – 250	17,757.90	20,244.00	16,752.63	19,098.00	1,0
DC6A7	251 – 500	20,800.00	23,712.00	19,621.93	22,369.00	1,1
DC6A8	501 – 2000	23,362.28	26,633.00	22,039.47	25,125.00	1,3
DC6A9	2000 – 5000	27,997.37	31,917.00	26,412.28	30,110.00	1,5
DC6A10	> 5001	31,995.61	36,475.00	30,184.21	34,410.00	1,8
DC6E	**Sanitation**					
	No. of Equivalent units					
DC6E1	1 - 4	No Charge	No Charge	No Charge	No Charge	
DC6E2	5 - 10	6,278.95	7,158.00	5,922.81	6,752.00	3
DC6E3	11 – 25	10,517.54	11,990.00	9,921.93	11,311.00	5
DC6E4	26 - 50	14,756.14	16,822.00	13,920.18	15,869.00	8
DC6E5	51 - 100	16,795.61	19,147.00	15,844.74	18,063.00	9
DC6E6	101 – 250	18,823.68	21,459.00	17,757.90	20,244.00	1,0
DC6E7	251 – 500	22,048.25	25,135.00	20,800.00	23,712.00	1,2
DC6E8	501 – 2000	24,764.04	28,231.00	23,362.28	26,633.00	1,4
DC6E9	2000 – 5000	29,678.07	33,833.00	27,997.37	31,917.00	1,6
DC6E10	> 5001	33,915.79	38,664.00	31,995.61	36,475.00	1,9

ANNEXURE D

TARIFF BASKETS

OVERSTRAND MUNICIPALITY

MONTHLY BASKET OF TARIFFS - SINGLE RESIDENTIAL 2015/16

			Year	Year	Increase/Decrease	
High Consumption with credit elect meter			2014/2015	2015/2016	Amount	%
	Valuation	R3 500 000				
Rates			952.20	1 017.43	65.23	6.85
Sewer	**SE7A1+SE8A**		450.24	477.41	27.17	6.03
Infrastructure Basic Charge Water, Electricity & Sewer			41.70	41.70	0.00	0.00
Refuse	**1X Per Week**		130.18	137.99	7.81	6.00
Water		50 kl	854.08	906.31	52.23	6.12
VAT			206.67	218.88	12.21	5.91
SUB TOTAL			**2 635.07**	**2 799.71**	**164.65**	**6.25**
Electricity Credit Meter		1500 kWh	2 275.75	2 540.70	264.95	11.64
VAT			318.60	355.70	37.09	11.64
TOTAL			**5 229.42**	**5 340.41**	**429.60**	**8.22**
HPP if applicable			*95.22*	*101.74*	*6.52*	*6.85*

			2014/2015	2015/2016	Amount	%
High Consumption with prepaid elect meter						
	Valuation	R3 500 000				
Rates			952.20	1 017.43	65.23	6.85
Sewer	**SE7A1+SE8A**		450.24	477.41	27.17	6.03
Infrastructure Basic Charge Water, Electricity & Sewer			41.70	41.70	0.00	0.00
Refuse	**1X Per Week**		130.18	137.99	7.81	6.00
Water		50 kl	854.08	906.31	52.23	6.12
VAT			206.67	218.88	12.21	5.91
SUB TOTAL			**2 635.07**	**2 799.71**	**164.65**	**6.25**
Electricity Prepaid Meter		1500 kWh	2 176.66	2 429.52	252.87	11.62
VAT			304.73	340.13	35.40	11.62
TOTAL			**5 116.45**	**5 569.37**	**452.91**	**8.85**
HPP if applicable			*95.22*	*101.74*	*6.52*	*6.85*

			2014/2015	2015/2016	Amount	%
Medium Consumption with credit elect meter						
	Valuation	R2 500 000				
Rates			676.20	722.52	46.32	6.85
Sewer	**SE7A1+SE8A**		270.69	287.01	16.32	6.03
Infrastructure Basic Charge Water, Electricity & Sewer			41.70	41.70	0.00	0.00
Refuse	**1X Per Week**		130.18	137.99	7.81	6.00
Water		25 kl	322.63	343.11	20.48	6.35
VAT			107.13	113.37	6.25	5.83
SUB TOTAL			**1 548.53**	**1 645.70**	**97.18**	**6.28**
Electricity Credit Meter		800 kWh	1 178.85	1 309.98	131.13	11.12
VAT			165.04	183.40	18.36	11.12
TOTAL			**2 892.41**	**3 139.08**	**246.67**	**8.53**
HPP if applicable			*67.62*	*72.25*	*4.63*	*6.85*

			2014/2015	2015/2016	Amount	%
Medium Consumption with prepaid elect meter						
	Valuation	R2 500 000				
Rates			676.20	722.52	46.32	6.85
Sewer	**SE7A1+SE8A**		270.69	287.01	16.32	6.03
Infrastructure Basic Charge Water, Electricity & Sewer			41.70	41.70	0.00	0.00
Refuse	**1X Per Week**		130.18	137.99	7.81	6.00
Water		25 kl	322.63	343.11	20.48	6.35
VAT			107.13	113.37	6.25	5.83
SUB TOTAL			**1 548.53**	**1 645.70**	**97.18**	**6.28**
Electricity Prepaid Meter		800 kWh	1 122.32	1 246.55	124.24	11.07
VAT			157.12	174.52	17.39	11.07
TOTAL			**2 827.97**	**3 066.77**	**238.81**	**8.44**
HPP if applicable			*67.62*	*72.25*	*4.63*	*6.85*

Low Consumption with credit meter			2014/2015	2015/2016	Amount	%
	Valuation	R1 000 000				
Rates			262.20	280.16	17.96	6.85
Sewer	**SE7A1+SE8A**		198.87	210.85	11.98	6.02
Infrastructure Basic Charge Water, Electricity & Sewer			41.70	41.70	0.00	0.00
Refuse	**1X Per Week**		130.18	137.99	7.81	6.00
Water		15 kl	199.18	212.22	13.04	6.55
VAT			79.79	84.39	4.60	5.76
SUB TOTAL			**911.92**	**967.31**	**55.39**	**6.07**
Electricity Credit Meter		600 kWh	865.45	958.34	92.90	10.73
VAT			121.16	134.17	13.01	10.73
TOTAL			**1 898.53**	**2 059.82**	**161.29**	**8.50**
HPP if applicable			*26.22*	*28.02*	*1.80*	*6.85*

Low Consumption with prepaid elect meter			2014/2015	2015/2016	Amount	%
	Valuation	R1 000 000				
Rates			262.20	280.16	17.96	6.85
Sewer	**SE7A1+SE8A**		198.87	210.85	11.98	6.02
Infrastructure Basic Charge Water, Electricity & Sewer			41.70	41.70	0.00	0.00
Refuse	**1X Per Week**		130.18	137.99	7.81	6.00
Water		15 kl	199.18	212.22	13.04	6.55
VAT			79.79	84.39	4.60	5.76
TOTAL			**911.92**	**967.31**	**55.39**	**6.07**
Electricity Prepaid Meter		600 kWh	821.08	908.56	87.48	10.65
VAT			114.95	127.20	12.25	10.65
			1 847.94	**2 003.07**	**155.12**	**8.39**
HPP if applicable			*26.22*	*28.02*	*1.80*	*6.85*

Low Consumption with credit meter			2014/2015	2015/2016	Amount	%
	Valuation	R1 000 000				
Rates			262.20	280.16	17.96	6.85
Sewer	**SE7A1+SE8A**		198.87	210.85	11.98	6.02
Infrastructure Basic Charge Water, Electricity & Sewer			41.70	41.70	0.00	0.00
Refuse	**1X Per Week**		130.18	137.99	7.81	6.00
Water		15 kl	199.18	212.22	13.04	6.55
VAT			79.79	84.39	4.60	5.76
SUB TOTAL			**911.92**	**967.31**	**55.39**	**6.07**
Electricity Credit Meter		350 kWh	540.42	593.66	53.24	9.85
VAT			75.66	83.11	7.45	9.85
TOTAL			**1 528.00**	**1 644.09**	**116.09**	**7.60**
HPP if applicable			*26.22*	*28.02*	*1.80*	*6.85*

Low Consumption with prepaid elect meter			2014/2015	2015/2016	Amount	%
	Valuation	R1 000 000				
Rates			262.20	280.16	17.96	6.85
Sewer	**SE7A1+SE8A**		198.87	210.85	11.98	6.02
Infrastructure Basic Charge Water, Electricity & Sewer			41.70	41.70	0.00	0.00
Refuse	**1X Per Week**		130.18	137.99	7.81	6.00
Water		15 kl	199.18	212.22	13.04	6.55
VAT			79.79	84.39	4.60	5.76
SUB TOTAL			**911.92**	**967.31**	**55.39**	**6.07**
Electricity Prepaid Meter		350 kWh	514.80	564.92	50.12	9.74
VAT			72.07	79.09	7.02	9.74
TOTAL			**1 498.79**	**1 611.32**	**112.52**	**7.51**
HPP if applicable			*26.22*	*28.02*	*1.80*	*6.85*

Sub-Economic Consumption (Indigent)			2014/2015	2015/2016	Amount	%
	Valuation	R100 000				
Rates			13.80	14.75	0.95	6.85
Sewer	**SE7A1**		28.73	30.46	1.74	6.04
Infrastructure Basic Charge Water, Electricity & Sewer			41.70	41.70	0.00	0.00
Refuse	**1X Per Week**		0.00	0.00	0.00	0.00
Water		10 kl	34.40	36.48	2.08	6.05
VAT			14.68	15.21	0.53	3.64
SUB TOTAL			**133.30**	**138.60**	**5.30**	**3.97**
Electricity Prepaid Meter		350 kWh	310.24	348.09	37.85	12.20
VAT			43.43	48.73	5.30	12.20
TOTAL			**486.98**	**535.42**	**48.44**	**9.95**

Life-Line Consumption (ONE PART) (Indigent)			2014/2015	2015/2016	Amount	%
	Valuation	R50 000				
Rates			0.00	0.00	0.00	0.00
Sewer	**SE7A1**		14.36	15.23	0.87	6.04
Infrastructure Basic Charge Water, Electricity & Sewer			41.70	41.70	0.00	0.00
Refuse	**1X Per Week**		0.00	0.00	0.00	0.00
Water		8 kl	17.20	18.24	1.04	6.05
VAT			10.26	10.52	0.27	2.60
SUB TOTAL			**83.52**	**85.70**	**2.18**	**2.60**
Electricity Pre-paid		300 kWh	263.70	295.87	32.17	12.20
VAT			36.92	41.42	4.50	12.20
TOTAL			**384.14**	**422.99**	**38.85**	**10.11**

Conservancy Tanks

If tariff SE7 is not applicable		2014/2015	2015/2016	Amount	%
Smaller than 6kl		419.30	444.46	25.16	6.00
Greater than 6kl		419.30	444.46	25.16	6.00
Outside urban area Plus	per km	12.28	13.02	0.74	6.03
Plus	Per hour	251.75	266.86	15.11	6.00
After hours					
Smaller than 6kl		838.60	888.92	50.32	6.00
Greater than 6kl		838.60	888.92	50.32	6.00

Sub-Economic Consumption (Indigent)			2014/2015	2015/2016	Amount	%
	Valuation	R50 000				
Rates			0.00	0.00	0.00	0.00
Sewer	**SE7A1**		0.00	0.00	0.00	0.00
Infrastructure Basic Charge Water, Electricity & Sewer			41.70	41.70	0.00	0.00
Refuse	**1X Per Week**		0.00	0.00	0.00	0.00
Water		6 kl	0.00	0.00	0.00	0.00
VAT			5.84	5.84	0.00	0.00
SUB TOTAL			**47.54**	**47.54**	**0.00**	**0.00**
Electricity Prepaid Meter		150 kWh	132.96	149.18	16.22	12.20
VAT			18.61	20.89	2.27	12.20
TOTAL			**199.11**	**217.60**	**18.49**	**9.29**

MONTHLY BASKET OF TARIFFS - BUSINESS 2015/2016

FROM SEPTEMBER TO MAY (PREVIOUSLY OFF PEAK)

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

FROM JUNE TO AUGUST(PREVIOUSLY HIGH DEMAND)

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

INMPORTANT TO NOTE:

Off peak **26% x 9 maande**

High Demand **-35% x 3 maande**

Bussiness - Medium (Three Phase)

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

Bussiness - Small (Three Phase)

				2014/2015	2015/2016	Amount	%
	Valuation	R3 200 000					
Rates				1 672.00	1 786.53	114.53	6.85
Sewer	**SE7D1+SE8A**		1	460.50	488.29	27.79	6.03
Infrastructure Basic Charge Water, Electricity & Sewer				41.70	41.70	0.00	0.00
Refuse	1X Per Week		2	260.36	275.98	15.62	6.00
Water		40 kl		639.28	686.12	46.84	7.33
VAT				196.26	208.89	12.64	6.44
SUB TOTAL				**3 270.09**	**3 487.51**	**217.42**	**6.65**
Electricity Credit Meter		4000 kWh		5 737.12	6 411.69	674.57	11.76
VAT				803.20	897.64	94.44	11.76
TOTAL				**9 810.41**	**10 796.84**	**986.43**	**10.05**
HPP if applicable				*167.20*	*178.65*	*11.45*	*6.85*

Bussiness - Small (Three Phase)

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

MONTHLY BASKET OF TARIFFS - VACANT ERVEN 2015/2016

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

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

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

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

ANNEXURE E

CAPITAL BUDGET AND WARD PROJECTS

DRAFT CAPITAL BUDGET 2015/16 - 2017/18 MTREF

						2015/16 BUDGET			2016/17 BUDGET			2017/18 BUDGET		
Area	Local Area	Ward	Project Description	Project Manager	Funding Source	COUNCIL FUNDED	EXTERNAL (GRANTS)	TOTAL	COUNCIL FUNDED	EXTERNAL (GRANTS)	TOTAL	COUNCIL FUNDED	EXTERNAL (GRANTS)	TOTAL
			FINANCE AND ADMINISTRATION			**1 377 000**	**1 271 030**	**2 648 030**	**3 730 000**		**3 730 000**			
Overstrand	Overstrand	Overstrand	UPGRADE RF NETWORK (HAWSTON,STANFORD,SECTORS)	C Johnson	Surplus	900 000		900 000						
Overstrand	Overstrand	Overstrand	TERMINAL SERVER UPGRADE	C Johnson	Surplus	100 000		100 000						
Overstrand	Overstrand	Overstrand	INTEGRATED ASSET MANAGEMENT & MAINTEN	J V/Asperen	MSIG		930 000	930 000						
Hermanus	Hermanus	Ward 03	PMU BUILDING	D Hendriks	MIG		341 030	341 030						
Overstrand	Overstrand	Overstrand	MINOR ASSETS:INFORMATION TECHNOLOGY	C Johnson	Surplus	157 000		157 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS:INFORMATION TECHNOLOGY	C Johnson	Surplus	15 000		15 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS:LEGAL SERVICES	L Wallace	Surplus	20 000		20 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS:HUMAN RESOURCES	L Buchianerri	Surplus	10 000		10 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS:FINANCE	S Reyneke	Surplus	30 000		30 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS:PROPERTY SERVICES	D Kearney	Surplus	5 000		5 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS:FLEET MANAGEMENT	F Frans	Surplus	20 000		20 000						
Overstrand	Overstrand	Overstrand	VEHICLES -REFURBISHMENT/REBUILD ENGINES	R Williams	Surplus	120 000		120 000						
Overstrand	Overstrand	Overstrand	VEHICLES	R Williams	Surplus				3 000 000		3 000 000			
Overstrand	Overstrand	Overstrand	MINOR ASSETS	TMT	Surplus				730 000		730 000			
			COMMUNITY AND SOCIAL SERVICES			**545 000**	**3 180 000**	**3 725 000**		**4 000 000**	**4 000 000**		**4 000 000**	**4 000 000**
Gansbaai	Masakhane	Ward 01	EXTENSION OF COMMUNITY HALL	F Myburgh	Surplus-WSP	150 000		150 000						
Hermanus	Mount Pleasant	Ward 04	UPGRADING OF MOFFAT HALL KITCHEN	D Kearney	Surplus-WSP	200 000		200 000						
Pringle Bay	Pringle Bay	Ward 10	COMPLETION OF FIRE STATION & PARKING ARE	D Lakey	Surplus-WSP	195 000		195 000						
Kleinmond	Kleinmond	Ward 09	KLEINMOND LIBRARY UPGRADE	R Williams	Prov-Library Gr		3 000 000	3 000 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS -LIBRARIES AND ARCHIVES	R Williams	Prov-Library Gr		80 000	80 000						
Hermanus	Hawston	Ward 08	EXTENSION OF THUSONG CENTRE	D Hendriks	MIG		100 000	100 000		4 000 000	4 000 000		4 000 000	4 000 000
			EXECUTIVE AND COUNCIL			**176 000**		**176 000**						
Hermanus	Hermanus	Ward 03	SUNDIALS	D Kearney	Surplus-WSP	20 000		20 000						
Hermanus	Hermanus	Ward 03	PURCHASE OF SCULPTURE	D Kearney	Surplus-WSP	60 000		60 000						
Gansbaai	Pearly Beach	Ward 11	COIN-OPERATED TELESCOPE (CHARLIE VAN BF	F Myburgh	Surplus-WSP	80 000		80 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS:AREA MANAGER	D Kearney	Surplus	16 000		16 000						
			PLANNING AND DEVELOPMENT			**25 000**		**25 000**						
Overstrand	Overstrand	Overstrand	MINOR ASSETS:BUILDING REGULATIONS AND ENFORCEM	J Simson	Surplus	5 000		5 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS:ECONOMIC DEVELOPMENT/PLANNING	S Madikane	Surplus	10 500		10 500						
Overstrand	Overstrand	Overstrand	MINOR ASSETS:ECONOMIC DEVELOPMENT/PLANNING	S Madikane	Surplus	9 500		9 500						
			PUBLIC SAFETY			**100 000**		**100 000**						
Overstrand	Overstrand	Overstrand	MINOR ASSETS:FIRE FIGHTING AND PROTECTION	N Micheals	Surplus	100 000		100 000						
			SPORT & RECREATION			**168 000**	**4 357 615**	**4 525 615**		**6 800 000**	**6 800 000**		**6 800 000**	**6 800 000**
Kleinmond	Kleinmond	Ward 09	OVERHILLS:KLEINMOND SOCCERFIELD	D Hendriks	MIG		4 157 615	4 157 615						
Hermanus	Zwelihle	Ward 12	TURF SOCCERFIELD	D Hendriks	MIG		200 000	200 000		2 800 000	2 800 000		2 800 000	2 800 000
Overstrand	Overstrand	Overstrand	SPORT FACILITIES	D Hendriks	MIG					4 000 000	4 000 000		4 000 000	4 000 000
Overstrand	Overstrand	Overstrand	MINOR ASSETS :SPORT AND RECREATION	D Van Rhodie	Surplus	20 000		20 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :RECREATIONAL FACILITIES	D Kearney	Surplus	10 000		10 000						
Hermanus	Westcliff	Ward 04	PLAY PARK -WESTDENE	D Kearney	Surplus-WSP	100 000		100 000						
Kleinmond	Overhills	Ward 10	PLAY PARK	D Kearney	Surplus-WSP	10 000		10 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :RECREATIONAL FACILITIES	R Williams	Surplus	28 000		28 000						
			HOUSING				**16 888 254**	**16 888 254**		**34 749 877**	**34 749 877**		**44 374 240**	**44 374 240**
Hermanus	Zwelihle	Ward 06	ZWELIHLE MANDELA SQUARE -83 SITES	B Louw	PROV-H		3 620 958	3 620 958						
Hermanus	Zwelihle	Ward 05	ZWELIHLE ADMIN SITE - 164 SITES	B Louw	PROV-H		7 154 664	7 154 664						
Hermanus	Zwelihle	Ward 05	ZWELIHLE SITE C2 - 132 SITES	B Louw	PROV-H		5 758 632	5 758 632						
Hermanus	Mount Pleasant	Ward 04	MOUNT PLEASANT IRDP	B Louw	PROV-H		354 000	354 000						
Gansbaai	Masakhane	Ward 01	MASAKHANE	B Louw	PROV-H					15 269 100	15 269 100		15 537 259	15 537 259
Gansbaai	Beverly Hills	Ward 02	BEVERLY HILLS PROJECT	B Louw	PROV-H					4 953 319	4 953 319			
Hermanus	Zwelihle	Ward 06	ZWELIHLE PROJECT -TRANSIT CAMP	B Louw	PROV-H					7 983 558	7 983 558			
Gansbaai	Buffeljagsbaai	Ward 11	BUFFELJAGSBAAI	B Louw	PROV-H					2 181 300	2 181 300			
Hermanus	Hawston	Ward 08	HAWSTON PROJECT - IRDP	B Louw	PROV-H					4 362 600	4 362 600		10 121 232	10 121 232
Hermanus	Zwelihle	Ward 05	ZWELIHLE -TAMBO SQUARE PROJECT	B Louw	PROV-H								4 973 364	4 973 364
Stanford	Stanford	Ward 11	STANFORD IRDP	B Louw	PROV-H								6 543 900	6 543 900
Gansbaai	Blompark	Ward 02	BLOMPARK PROJECT	B Louw	PROV-H								2 835 885	2 835 885
Kleinmond	Overhills	Ward 10	KLEINMOND OVERHILLS	B Louw	PROV-H								4 362 600	4 362 600

DRAFT CAPITAL BUDGET 2015/16 - 2017/18 MTREF

						2015/16 BUDGET			2016/17 BUDGET			2017/18 BUDGET		
Area	Local Area	Ward	Project Description	Project Manager	Funding Source	COUNCIL FUNDED	EXTERNAL (GRANTS)	TOTAL	COUNCIL FUNDED	EXTERNAL (GRANTS)	TOTAL	COUNCIL FUNDED	EXTERNAL (GRANTS)	TOTAL
			ROADS			**1 497 000**	**10 575 527**	**12 072 527**		**4 000 000**	**4 000 000**		**4 000 000**	**4 000 000**
Hermanus	Zwelihle	Ward 06	REHABILITATION OF EXISTING PAVE ROAD (LIC	D Hendriks	MIG		4 200 000	4 200 000		2 000 000	2 000 000		2 000 000	2 000 000
Hermanus	Mount Pleasant	Ward 04	REHABILITATE ROADS AND UPGRADE STORMW	D Hendriks	MIG		6 375 527	6 375 527		1 500 000	1 500 000		1 500 000	1 500 000
Hermanus	Mount Pleasant	Ward 04	REHABILITATE ROADS - ANGELIER STREET	D Hendriks	MIG					500 000	500 000		500 000	500 000
Gansbaai	Masakhane	Ward 01	SIDEWALKS	F Myburgh	Surplus-WSP	100 000		100 000						
Hermanus	Sandbaai	Ward 07	TARRING OF ROADS	D Kearney	Surplus-WSP	400 000		400 000						
Hermanus	Fisherhaven	Ward 08	TARRING OF ROADS	D Kearney	Surplus-WSP	100 000		100 000						
Hermanus	Hawston	Ward 08	PAVING OF CIRCLES (INCL. STORMWATER)	D Kearney	Surplus-WSP	200 000		200 000						
Kleinmond	Kleinmond	Ward 09	EXTENSION OF HEUNINGKLOOF FOOTPATH	D Lakey	Surplus-WSP	200 000		200 000						
Pringle Bay	Pringle Bay	Ward 10	ADDITIONAL PARKING & GRAVEL STRIP - PRING	D Lakey	Surplus-WSP	60 000		60 000						
Stanford	Stanford	Ward 11	PAVEMENT IN MORTON-/BEZUIDENHOUT STREE	F Myburgh	Surplus-WSP	130 000		130 000						
Stanford	Stanford	Ward 11	PAVING OF SIDEWALK - SHORTMARKET STREET	F Myburgh	Surplus-WSP	100 000		100 000						
Hermanus	Onrus/Vermont	Ward 13	ATLANTIC DRIVE WALKWAY	D Kearney	Surplus-WSP	200 000		200 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :ROADS	P Burger	Surplus	7 000		7 000						
			ELECTRICITY			**9 775 000**	**8 000 000**	**17 775 000**	**10 000 000**	**4 000 000**	**14 000 000**	**10 000 000**	**6 000 000**	**16 000 000**
Gansbaai	Franskraal	Ward 01	FRANSKRAAL,KLEINBAAI & BIRKENHEAD: MV/LV	D Maree	EL6	2 600 000		2 600 000						
Gansbaai	Gansbaai	Ward 02	GANSBAAI: MINISUB AND MV/LV UPGRADE	D Maree	EL6/7/8	2 700 000		2 700 000	3 000 000		3 000 000	3 000 000		3 000 000
Gansbaai	Blompark	Ward 02	BLOMPARK: LOW VOLTAGE UPGRADE	D Maree	EL6	1 000 000		1 000 000						
Stanford	Stanford	Ward 11	STANFORD: MV UPGRADE	D Maree	EL6	1 200 000		1 200 000						
Kleinmond	Overhills	Ward 10	ELECTRIFICATION OF LOW COST HOUSING ARE	K d Plessis	EL8-INEP		8 000 000	8 000 000		4 000 000	4 000 000	4 000 000	6 000 000	10 000 000
Hermanus	Hermanus	Ward 03	HERMANUS: LV UPGRADE/REPLACEMENT	K d Plessis	EL7				4 000 000		4 000 000			
Kleinmond	Kleinmond	Ward 09	KLEINMOND: MV & LV NETWORK UPGRADE	K d Plessis	EL7/8				1 500 000		1 500 000	1 500 000		1 500 000
Hermanus	Hawston	Ward 08	HAWSTON: LV UPGRADE/REPLACEMENT	K d Plessis	EL7/8				1 500 000		1 500 000	1 500 000		1 500 000
Overstrand	Overstrand	Overstrand	ELECTRICITY TRANSFORMERS(CAPITAL REPLA	S Muller	EL6	1 500 000		1 500 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :ELECTRICITY	S Muller	Surplus	6 000		6 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :ELECTRICITY	S Muller	Surplus	16 000		16 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :ELECTRICITY	S Muller	Surplus	24 000		24 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :ELECTRICITY	S Muller	Surplus	5 000		5 000						
Hermanus	Zwelihle	Ward 05	FLOOD LIGHTS FOR ZWELIHLE SPORTS GROUN	D Kearney	Surplus-WSP	100 000		100 000						
Hermanus	Zwelihle	Ward 06	ELECTRIFICATION OF ZIPHUNZANA & THAMBO S	D Kearney	Surplus-WSP	400 000		400 000						
Kleinmond	Kleinmond	Ward 09	STREET LIGHTS	D Lakey	Surplus-WSP	40 000		40 000						
Hermanus	Zwelihle	Ward 12	FLOOD LIGHTS FOR ZWELIHLE SPORTS GROUN	D Kearney	Surplus-WSP	150 000		150 000						
Hermanus	Onrus/Vermont	Ward 13	STREET LIGHTS (6)	D Kearney	Surplus-WSP	30 000		30 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :ELECTRICITY	S Muller	Surplus	4 000		4 000						
			WATER			**12 759 800**	**3 566 328**	**16 326 128**	**10 000 000**	**4 726 000**	**14 726 000**	**10 000 000**	**5 787 000**	**15 787 000**
Overstrand	Overstrand	Overstrand	REPLACEMENT OF OVERSTRAND WATER PIPES	H Blignaut	EL6/8	9 652 800		9 652 800				4 000 000		4 000 000
Stanford	Stanford	Ward 11	UPGRADING OF "DIE OOG" PUMP STATION	J De Villiers	EL7				500 000		500 000			
Hermanus	Sandbaai	Ward 07	NEW BULK WATER RESERVOIR -SANDBAAI	H Blignaut	EL8							6 000 000		6 000 000
Gansbaai	Kleinbaai	Ward 01	UPGRADING OF FRANSKRAAL-KLEINBAAI -GANS	H Blignaut	EL7				9 500 000		9 500 000			
Gansbaai	Pearly Beach	Ward 11	PEARLY BEACH WTW PRE-TREATMENT	H Blignaut	EL6	900 000		900 000						
Kleinmond	Kleinmond	Ward 09	REFURBISH BUFFELS RIVER DAM BRIDGE AND	H Blignaut	EL6	2 000 000		2 000 000						
Overstrand	Overstrand	Overstrand	WATER PUMPS (CONTINGENCY)	M Bartman	EL6	200 000		200 000						
Hermanus	Mount Pleasant	Ward 04	NEW 1 ML/S RESERVOIR OHW.B31	D Hendriks	MIG		3 566 328	3 566 328						
Hermanus	Zwelihle	Ward 12	160 MM Ø LINK WATERMAIN OHW9.10	D Hendriks	MIG					200 000	200 000		200 000	200 000
Hermanus	Hawston	Ward 08	HAWSTON: BULK WATER	D Hendriks	MIG					2 000 000	2 000 000		2 000 000	2 000 000
Hermanus	Hawston	Ward 08	HAWSTON: BULK WATER UPGRADE FOR HOUSI	D Hendriks	MIG					1 000 000	1 000 000		1 000 000	1 000 000
Hermanus	Hawston	Ward 08	NEW 500 MM -WATER PIPE LINE	D Hendriks	MIG					1 526 000	1 526 000		2 587 000	2 587 000
Overstrand	Overstrand	Overstrand	MINOR ASSETS :WATER DISTRIBUTION	J De Villiers	Surplus	4 000		4 000						
Overstrand	Overstrand	Overstrand	MINOR ASSETS :WATER DISTRIBUTION	J De Villiers	Surplus	3 000		3 000						
			SEWERAGE			**8 267 200**	**0**	**8 267 200**	**10 000 000**	**1 600 000**	**11 600 000**	**10 000 000**	**1 600 000**	**11 600 000**
Overstrand	Overstrand	Overstrand	UPGRADING OF PUMPSTATIONS	H Blignaut	EL6/7	3 547 200		3 547 200	4 500 000		4 500 000			
Stanford	Stanford	Ward 11	STANFORD - SEWER NETWORK EXTENSION	H Blignaut	EL6/7	3 000 000		3 000 000	5 500 000		5 500 000			
Overstrand	Overstrand	Overstrand	SEWERAGE PUMPS (CONTINGENCY)	M Bartman	EL6	300 000		300 000						
Kleinmond	Kleinmond	Ward 09	KLEINMOND - SEWER NETWORK EXTENSION	H Blignaut	EL8							4 000 000		4 000 000
Kleinmond	Kleinmond	Ward 09	GANSBAAI - CBD SEWER NETWORK EXTENSION	H Blignaut	EL8							6 000 000		6 000 000
Hermanus	Onrus	Ward 13	UPGRADING OF KIDBROOKE PIPELINE	H Blignaut	EL6	1 400 000		1 400 000						
Stanford	Stanford	Ward 11	WWTW UPGRADE - STANFORD	H Blignaut	MIG					1 000 000	1 000 000		1 000 000	1 000 000
Hermanus	Zwelihle	Ward 12	BULK SEWERAGE OUTFALL LINE 525 MM Ø OHS	D Hendriks	MIG					600 000	600 000		600 000	600 000
Overstrand	Overstrand	Overstrand	MINOR ASSETS : SEWERAGE	P Burger	Surplus	20 000		20 000						

DRAFT CAPITAL BUDGET 2015/16 - 2017/18 MTREF

						2015/16 BUDGET			2016/17 BUDGET			2017/18 BUDGET		
Area	Local Area	Ward	Project Description	Project Manager	Funding Source	COUNCIL FUNDED	EXTERNAL (GRANTS)	TOTAL	COUNCIL FUNDED	EXTERNAL (GRANTS)	TOTAL	COUNCIL FUNDED	EXTERNAL (GRANTS)	TOTAL
			STORMWATER			**500 000**	**2 476 500**	**2 976 500**		**1 000 000**	**1 000 000**		**1 000 000**	**1 000 000**
Gansbaai	Fkrl/Kb/Mskane	Ward 01	STORMWATER -AD HOC	J De Villiers	Surplus-WSP	50 000		50 000						
Gansbaai	Masakhane	Ward 01	STORMWATER DRAINAGE CHANNELS - PHASE 2	J De Villiers	Surplus-WSP	100 000		100 000						
Gansbaai	Gansbaai All	Ward 02	STORMWATER	J De Villiers	Surplus-WSP	200 000		200 000						
Hermanus	Fisherhaven	Ward 08	STORMWATER SYSTEMS	D Kearney	Surplus-WSP	100 000		100 000						
B-bos	Bskeerderbos	Ward 11	STORMWATER	J De Villiers	Surplus-WSP	50 000		50 000						
Hermanus	Zwelihle	Ward 05	UPGRADE STORMWATER - INTERNAL & EXTERN	D Hendriks	MIG		2 476 500	2 476 500		1 000 000	1 000 000		1 000 000	1 000 000
			WASTE MANAGEMENT			**10 000**		**10 000**						
Overstrand	Overstrand	Overstrand	MINOR ASSETS:SOLID WASTE DISPOSAL	P Burger	Surplus	10 000		10 000						
			GRAND TOTAL			**35 200 000**	**50 315 254**	**85 515 254**	**33 730 000**	**60 875 877**	**94 605 877**	**30 000 000**	**73 561 240**	**103 561 240**

FUNDING:									
EXTERNAL LOAN 6/7/8 (GENERAL CAPITAL)	30 000 000		30 000 000	30 000 000		30 000 000	30 000 000		30 000 000
SURPLUS CASH	1 675 000		1 675 000	3 730 000		3 730 000			
OPERATING -CASH	3 525 000		3 525 000						
MIG		21 417 000	21 417 000		22 126 000	22 126 000		23 187 000	23 187 000
INEP		8 000 000	8 000 000		4 000 000	4 000 000		6 000 000	6 000 000
MSIG		930 000	930 000						
PROV-LIBRARY		3 080 000	3 080 000						
PROV-HOUSING		16 888 254	16 888 254		34 749 877	34 749 877		44 374 240	44 374 240
GRAND TOTAL	**35 200 000**	**50 315 254**	**85 515 254**	**33 730 000**	**60 875 877**	**94 605 877**	**30 000 000**	**73 561 240**	**103 561 240**

DRAFT BUDGET 2015/2016 - R400 000 WARD SPECIFIC PROJECTS

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

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

ANNEXURE F

SERVICE LEVEL STANDARDS

Province: Municipality(WC032) - Schedule of Service Delivery Standards	
Description	
Standard	**Service Level**
Solid Waste Removal	
Premise based removal (Residential Frequency)	WEEKLY
Premise based removal (Business Frequency)	UP TO 5 TIMES PER WEEK (AS PER REQUEST)
Bulk Removal (Frequency)	NO
Removal Bags provided(Yes/No)	NO
Garden refuse removal Included (Yes/No)	NO
Street Cleaning Frequency in CBD	DAILY
Street Cleaning Frequency in areas excluding CBD	AS AND WHEN NEEDED
How soon are public areas cleaned after events (24hours/48hours/longer)	WITHIN 24 HRS
Clearing of illegal dumping (24hours/48hours/longer)	48 HOURS
Recycling or environmentally friendly practices(Yes/No)	Yes
Licenced landfill site(Yes/No)	Yes
Water Service	
Water Quality rating (Blue/Green/Brown/N0 drop)	5 Blue Drops 96.82% ; 4 Green Drops 89.14% (2012)
Is free water available to all? (All/only to the indigent consumers)	Indigent consumers
Frequency of meter reading? (per month, per year)	Monthly
Are estimated consumption calculated on actual consumption over (two month's/three month's/longer period)	N/A
On average for how long does the municipality use estimates before reverting back to actual readings? (months)	N/A
Duration (hours) before availability of water is restored in cases of service interruption (complete the sub questions)	
One service connection affected (number of hours)	1.00
Up to 5 service connection affected (number of hours)	2.00
Up to 20 service connection affected (number of hours)	3.00
Feeder pipe larger than 800mm (number of hours)	N/A
What is the average minimum water flow in your municipality?	Min 2.4Bar pressure
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	Yes
How long does it take to replace faulty water meters? (days)	2 days
Do you have a cathodic protection system in place that is operational at this stage? (Yes/No)	No
Electricity Service	
What is your electricity availability percentage on average per month?	94% (Eskom Loadshedding included) 98.6% (Eskom Loadshedding excluded)
Do your municipality have a ripple control in place that is operational? (Yes/No)	YES
How much do you estimate is the cost saving in utilizing the ripple control system?	R 4 621 375.00 p/a
What is the frequency of meters being read? (per month, per year)	PER MONTH
Are estimated consumption calculated at consumption over (two month's/three month's/longer period)	N/A
On average for how long does the municipality use estimates before reverting back to actual readings? (months)	N/A
Duration before availability of electricity is restored in cases of breakages (immediately/one day/two days/longer)	IMMEDIATE
Are accounts normally calculated on actual readings? (Yes/no)	YES
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	NO
How long does it take to replace faulty meters? (days)	1
Do you have a plan to prevent illegal connections and prevention of electricity theft? (Yes/No)	YES
How effective is the action plan in curbing line losses? (Good/Bad)	GOOD

Description	
Standard	**Service Level**
How soon does the municipality provide a quotation to a customer upon a written request? (days)	7
How long does the municipality takes to provide electricity service where existing infrastructure can be used? (working days)	5
How long does the municipality takes to provide electricity service for low voltage users where network extension is not required? (working days)	5
How long does the municipality takes to provide electricity service for high voltage users where network extension is not required? (working days)	5
Sewerage Service	
Are your purification system effective enough to put water back in to the system after purification?	YES
To what extend do you subsidize your indigent consumers?	Basic charge plus one after hour tanker service
How long does it take to restore sewerage breakages on average	
Severe overflow? (hours)	2.00
Sewer blocked pipes: Large pipes? (Hours)	2.00
Sewer blocked pipes: Small pipes? (Hours)	2.00
Spillage clean-up? (hours)	4.00
Replacement of manhole covers? (Hours)	2.00
Road Infrastructure Services	
Time taken to repair a single pothole on a major road? (Hours)	2.00
Time taken to repair a single pothole on a minor road? (Hours)	2.00
Time taken to repair a road following an open trench service crossing? (Hours)	5.00
Time taken to repair walkways? (Hours)	6.00
Property valuations	
How long does it take on average from completion to the first account being issued? (one month/three months or longer)	3 months
Do you have any special rating properties? (Yes/No)	yes
Financial Management	
Is there any change in the situation of unauthorised and wasteful expenditure over time? (Decrease/Increase)	Decrease
Are the financial statement outsources? (Yes/No)	No
Are there Council adopted business process tsructuing the flow and managemet of documentation feeding to Trial Balalnce?	Standard Operating Procedures
How long does it take for an Tax/Invoice to be paid from the date it has been received?	24.83 days
Is there advance planning from SCM unit linking all departmental plans quaterly and annualy including for the next two to three years procurement plans?	Partially (currently being developed)
Administration	
Reaction time on enquiries and requests?	1 to 10
Time to respond to a verbal customer enquiry or request? (working days)	1 to 10
Time to respond to a written customer enquiry or request? (working days)	10
Time to resolve a customer enquiry or request? (working days)	10
What percentage of calls are not answered? (5%,10% or more)	1
How long does it take to respond to voice mails? (hours)	N/A
Does the municipality have control over locked enquiries? (Yes/No)	yes

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

ANNEXURE G

WATER & WASTE WATER QUALITY

Water Services Authority	**Overstrand Local Municipality**
Water Services Provider(s)	**Overstrand Local Municipality**
Municipal Blue Drop Score	**96.82 %**

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

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

Regulatory Impression

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

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

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

Site Inspection Report

Buffelsrivier WTW **62.6 %***

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

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

The neat environment at the Franskraal WTW

Proud display of previous award

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

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

2013 GREEN DROP REPORT

VOLUME 1:

MUNICIPAL AND PRIVATE WASTEWATER SYSTEMS

FINAL DRAFT

water affairs

Department:
Water Affairs
REPUBLIC OF SOUTH AFRICA

green drop
CERTIFICATION
waste water service
REGULATION

Together committed to excellent Water Quality for the future

ACRONYMS

ACRONYMS	DESCRIPTION
ADWF	Average Dry Weather Flow
CFO	Chief Financial Officer
COD	Chemical Oxygen Demand
CRR	Cumulative Risk Rating
DPW	Department of Public Works
DWA	Department of Water Affairs
GA	General Authorisation
GDC	Green Drop Certification
GDS	Green Drop System (www.dwa.gov.za/greendrop)
GWSA	Green Water Services Audit
IMP	Incident Management Protocol
KPA / KPI	Key Performance Area / Indicator
LM	Local Municipality
NA	[Not assessed]
NI	[No information]
O&M	Operation and Maintenance
RPMS	Service Level Agreement
SLA	Regulatory Performance Measurement System
SS	Suspended Solids
W_2RAP	Wastewater Risk Abatement Plan
WIN-SA	Water Information Network of South Arica
WRC	Water Research Commission
WSA	Water Services Authority
WSP	Water Services Provider
WSI	Water Services Institutions
WWTP/W	Wastewater Treatment Plant / Works
PROVINCES	
EC	Eastern Cape Province
FS	Free State Province
GP	Gauteng Province
LP	Limpopo Province
MP	Mpumalanga Province
NW	North West Province
NC	Northern Cape Province
KZN	Kwa-Zulu Natal Province
WC	Western Cape Province

How to Read the Report Card

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

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

2013 Municipal Green Drop Score	**81.63%**
2011 Municipal Green Drop Score	**63.80%**
2009 Municipal Green Drop Score	**75.00%**

The Municipal Green Drop score is a **Performance Indicator** of the overall municipal wastewater business (function of the available design capacity and the individual Green Drop scores).
Arrows: Depict the current Green Drop status of the plant. A ↑ arrow shows improvement upon the 2009situation, ↓ shows digress, → shows unchanged situation

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

Note: volumetric capacity refers to Average Dry Weather Flow

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

≥90% = Green Drop Certification
<30% = Purple Drop Status

Plant is receiving 12% more wastewater compared to its original design capacity (ADWF)

Effluent quality compliance to legislative standards carries a high (30%) weight in the GDC score

The CRR% Deviation (CRR/ CRRmax) score is specific to the wastewater "treatment" function of the service. This score indicates the actual risk as a % of the maximum risk that the plant potentially can reach. An **orange** and **red**block indicate that the plant is in high- or critical risk that warrants urgent attention. A higher value reflects a high risk state (undesirable). A lower value reflects a lower risk state.

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

1. GREEN DROPSCORECARD 2012/13

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

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

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

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

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

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

(4)Wastewater Effluent Quality Compliance	**(4.1) WATER USE AUTHORISATION**	**a)** Copy of authorisation, detailing Effluent Quality Standards. **NOTE**: List Standards to comply with.
[30%]	**(4.2)** **EFFLUENT QUALITY COMPLIANCE**	**a)** 90% **Microbiological Compliance** (e.g. E Coli; Faecal Coliforms) **b)** 90% **Chemical Compliance** (e.g. COD, Ammonia, Nitrogen, Nitrate, Nitrite, Residual Chlorine, Ortho-Phosphates, Fluoride, Arsenic, Cadmium, Copper, Manganese, Iron, Selenium, Zinc, Boron, etc.) **c)** 90% **Physical Compliance** (e.g. pH, Suspended Solids, Electrical Conductivity, Soap, Oil or Grease, etc)
	BONUS **(GDIP)**	**a)** A practical Green Drop Improvement Plan (GDIP) in place – with baseline (current) score, tasks, responsible person, completion date, budget, target GDC score; **b)** Implementation evidence and proof of management of process
	PENALTY: **(Sludge Management)**	a) Sludge treatment not managed / monitored. (Monitoring records must be produced); b) In case of ponds systems, provide schedule for desludging of system.
(5) **Wastewater Quality Risk Management**	**(5.1)** **WASTEWATER RISK ABATEMENT PLAN (W_2RAP)**	**a)** A practical and site specific Wastewater Risk Abatement Plan (W_2RAP) is in place which identify and prioritise risks, with measures to mitigate inefficiencies/inadequacies that result in non-compliance **b)** Implementation evidence and proof of management commitment
[15%]	**(5.2)** **INCIDENT REGISTER**	**a)** Provide evidence of implementation of Protocol **b)** Wastewater Quality Failure Incident and Sewer Spillage Incident register.
	(5.3) **WASTEWATER INCIDENT MANAGEMENT PROTOCOL**	**a)** Evidence of a documented Wastewater Incident Management Protocol **b)** Protocol to specify alert levels, response times, required actions, roles & responsibilities and communication measures/vehicles. **c)** NB. Include Pumpstation failure (sewer collector system spillages)
	BONUS **(Energy)**	WSI is able to provide DWA with: a) Electricity consumption over last financial year (in KWh/day) and Rand value (R/year) of treatment plant; b) Energy demand projections over next >3 years (in KWh/day) and in Rand value (R/year); and c) Calculate cost of energy (KWh/kl wastewater treated)
(6) **Local Regulation**	**(6.1)** **BYLAWS**	Proof of the Bylaws providing for the regulation of: *1. industrial (trade) influent (volumes & quality) discharged into municipal system,* *2. package plants,* *3. decentralized systems,* *4. vacuum tank discharges and* *5. Spillages into the environment.* *6. Storm-water connections to sewer system.*
[5%]	**(6.2)** **ENFORCEMENT**	1. Proof of application of Bylaw clause in practice, supported by written notice/s to offender **OR** 2. Proof of adequate enforcement (informing relevant sectors and means of monitoring industrial or other sewer influent.) 3. Records of Package Plants in area of jurisdiction (where development was approved by the Authority (Local Government).

	PENALTY: **(Industrial Monitoring)**	No evidence of any Industrial influent monitoring. 1. There must be proof in form of results to indicate WSA is performing its local regulation function as per Wastewater Services.
	BONUS **(Publication)**	1. Annual Publication of wastewater management performance against the requirements of the site-specific License conditions or General Authorisations 2. Name and date of publication, copy of information pertaining to audit question. 3. Note: Communication must include compliance summary
(7) **Wastewater Treatment Capacity** **[5%]**	**(7.1)** **DESIGN CAPACITY**	**a)** Documented design capacity (hydraulic and organic) of the wastewater treatment facility 1. Design capacity as Average Dry Weather Flow (ADWF) and COD load to the plant and **b)** Documented daily receiving flows over the 12 months of assessed period (ideally ≤ than design capacity) 1. Evidence of daily flows and subsequent calculated averages. Measurement method to be explained 2. Evidence of peak wet weather flow to plant during rain events (record rain event and flow to plant) 3. Evidence of minimum night flow (minimum monitoring: monthly) 4. Water services institution is required to provide motivation/proof of accuracy of meter readings. **c)** Monitoring of outflow volumes (available records) - provide proof of verification system and/or calibration of meters)
	(7.2) **WWTW CAPACITY PLANNING**	Medium to long term planning to ensure sufficient capacity for treatment system and to ensure effluent quality compliance; 1. Detailed Work-plan which stipulates: i*) type of work,* *ii) associated budget,* *iii) projected timeframe* *iv) planned output of this work.*
	(7.3) **COLLECTOR CAPACITY PLANNING**	Medium to long term planning to ensure sufficient capacity for collecting system1. Detailed Work-plan which stipulates: *i) type of work,* *ii) associated budget* *iii) projected timeframe* *iv) iv) the planned output of this work* Note for 7.2 and 7.3: When the WSI is motivating that 'no work' is needed, then provide basis for such standpoint (i.e. quantified design versus operational capacity, usage of system, expected housing developments, condition of treatment system)
	PENALTY	**CapacityUtilisation <40%, >90%, >100%**
(8) **Wastewater Asset Management** **[15%]**	**(8.1)** **PROCESS AUDIT**	**a)** Process Audit reporting (evidence required of audit findings and recommendations) on treatment facility efficacy. The audit to include the (design) capability of the plant to meet compliance standards, as well as actual performance of plant. Should've been done between July 2010 and June 2012. **b)** Evidence/plan of implementation of findings during year following Audit Report required.
	(8.2) **SEWER MAIN INSPECTION**	**c)** Site inspection of sewer reticulation network and pump-station/s. Provide evidence in form of capacity and condition assessment and recommendations of system. Report to include flow balance that provides evidence which % of total sewage is received at treatment plant. Note: both the process audit and sewer network report could serve as baseline to the W_2RAP (may run concurrently with "system description and risk identification/rating)

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

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

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

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

Colin Powell

1. Overstrand Local Municipality

Water Services Authority	Overstrand Local Municipality
Water Services Provider(s)	Overstrand Local Municipality

2013 Municipal Green Drop Score	**89.14%↑**
2011 Municipal Green Drop Score	**88.80%**
2009 Municipal Green Drop Score	**63.00%**

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

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

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

Regulatory Impression

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

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

Overall, Overstrand has managed to produce a polished Green Drop Performance. Overstrand is also one of very few municipalities that were using the opportunity to score against all the bonus criteria. ***Well done***. The absolute consistency displayed in keeping all systems in **low risk zones** using the W_2RAP process, is commendable. Overstrand is an accomplished service provider in wastewater management, and deserves to be mentioned amongst the top performers in the Province.

Green Drop findings:

1. Regulation 17 compliance need to receive attention
2. Sea outfall monitoring frequency need to be revised for Hermanus
3. Sludge monitoring and handling could improve going forward
4. Some shortcomings are evident on process assessment which might possibly resolve some of the lower compliance to ammonia, EC, O-PO_4, SS/COD at some plants, given that ample capacity exist at all plants.

Site Inspection Report

Kleinmond **75%**

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

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

ANNEXURE H

SCOA REGULATIONS, NT BUDGET CIRCULARS & FINANCIAL RATIOS AND NORMS

Government Gazette
Staatskoerant

REPUBLIC OF SOUTH AFRICA
REPUBLIEK VAN SUID-AFRIKA

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GOVERNMENT NOTICE

NATIONAL TREASURY

No. R. 312 **22 April 2014**

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

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

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ANNEXURE

Preamble

Section 216 of the Constitution of the Republic of South Africa, 1996, provides that national legislation must prescribe measures to ensure transparency and expenditure control in each sphere of government by introducing generally recognised accounting practice, uniform expenditure classifications and uniform treasury norms and standards. The Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), determines those measures for the local sphere of government and enables the Minister of Finance to further prescribe by regulation such measures in terms of section 168 thereof. The National Treasury is responsible for enforcing compliance with such measures, in addition to those functions assigned to it in terms of the Public Finance Management Act, 1999 (Act No. 1 of 1999). The National Treasury must compile national accounts incorporating all three spheres of government.

Uniform expenditure classifications have already been established and implemented for national and provincial government departments. These Regulations propose segments and a classification framework for the standard chart of accounts to be applied in local government in similar form to that implemented for national and provincial government departments. In order to enable the National Treasury to provide consolidated local government information for incorporation in national accounts, national policy and other purposes, it must obtain financial information from individual municipalities. Currently, each municipality manages and reports on its financial affairs in accordance with its own organisational structure and unique chart of accounts. The result is a disjuncture amongst municipalities and municipal entities and between municipalities and the other spheres of government as to how they classify revenue and expenditure and consequently report thereon. This compromises transparency, reliability and accuracy throughout the planning and reporting process and impedes the ability of national government to integrate information and to formulate coherent policies in response to the objectives of local government.

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

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

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

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

(a) improved data quality and credibility;

(b) the achievement of a greater level of standardisation;

(c) the development of uniform data sets critical for 'whole-of-government' reporting;

(d) the standardisation and alignment of the 'local government accountability cycle' by the regulation of not only the budget and in-year reporting formats but also the annual report and annual financial statement formats;

(e) the creation of the opportunity to standardise key business processes with the consequential introduction of further consistency in the management of municipal finances;

(f) improved transparency, accountability and governance through uniform recording of transactions at posting account level detail;

(g) enabling deeper data analysis and sector comparisons to improve financial performance; and

(h) the standardisation of the account classification to facilitate mobility in financial skills within local government and between local government and other spheres as well as the private sector and to enhance the ability of local government to attract and retain skilled personnel.

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

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SEGMENTS OF STANDARD CHART OF ACCOUNTS FOR MUNICIPALITIES AND MUNICIPAL ENTITIES

CHAPTER 1

INTERPRETATION, OBJECT AND APPLICATION

Definitions

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

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

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

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

"classification framework" means the classification framework provided for in the standard chart of accounts;

"Director-General" means the Director-General of the National Treasury;

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

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

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

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

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

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

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

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

Object of these Regulations

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

(a) are aligned to the budget formats and accounting standards prescribed for municipalities and municipal entities and with the standard charts of accounts for national and provincial government; and

(b) enable uniform information sets recorded in terms of national norms and standards across the whole of government for the purposes of national policy coordination and reporting, benchmarking and performance measurement in the local government sphere.

Application of these Regulations

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

CHAPTER 2

STANDARD CHART OF ACCOUNTS FOR MUNICIPALITIES AND MUNICIPAL ENTITIES

Segments and classification framework for the standard chart of accounts

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

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

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Implementation requirements

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

(a) must contain the segments in the Schedule as required by regulation 4(1);

(b) must accurately record all financial transactions and data in the applicable segment; and

(c) may not contain data which is mapped or extrapolated or which otherwise does not reflect transactions recorded or measured by the municipality or municipal entity.

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

(a) provide for the hosting of the general ledger structured in accordance with the classification framework determined in terms of regulation 4(2);

(b) be capable of accommodating and operating the standard chart of accounts;

(c) provide a portal allowing for free access, for information purposes, to the general ledger of the municipality or municipal entity, by any person authorised by the Director-General or the Accounting officer of the municipality.

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

CHAPTER 3

MINIMUM BUSINESS PROCESS AND SYSTEM REQUIREMENTS

Minimum business process requirements

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

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

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Minimum system requirements

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

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

CHAPTER 4

TECHNICAL COMMITTEE FOR STANDARD CHART OF ACCOUNTS

Establishment of Technical Committee for Standard Chart of Accounts

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

Composition of SCOA Committee

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

(a) a chairperson;

(b) a deputy chairperson;

(c) five other members, each representing the functional areas of public finance, intergovernmental relations, accounting, budget office and supply chain management; and

(d) such further members as the Director-General considers necessary;

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

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

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

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

Functions of SCOA Committee

10. The SCOA Committee—

(a) must review the classification framework and, where required, make recommendations to the Minister on amendments to that framework;

(b) must develop guidelines and training material that are aligned to the classification framework determined from time to time in terms of regulation 4(2);

(c) must review the implementation of the standard chart of accounts in government as a whole to ensure the alignment of the standard chart of accounts provided for in these Regulations and the standard chart of accounts applicable in national and provincial government;

(d) when required to align these Regulations with changes to other legislation applicable to local government, must make recommendations to the Minister on amendments to these Regulations;

(e) must undertake such other functions relating to the implementation of these Regulations as the Minister may direct;

(f) may make recommendations to the Director-General and the Minister on any matter referred to in paragraphs (b), (c) and (e); and

(g) must undertake any functions necessarily ancillary to any matter referred to in paragraphs (a) to (f).

Meetings of SCOA Committee

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

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CHAPTER 5

RESPONSIBILITIES OF MUNICIPAL FUNCTIONARIES

Responsibilities of municipal councils and boards of directors

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

Responsibilities of accounting officers

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

(a) delegating the necessary powers and duties to the appropriate officials;

(b) ensuring that the responsible officials have the necessary capacity by providing for training and ensuring that they attend training or workshops provided by the National Treasury;

(c) ensuring that the financial and business applications of the municipality or municipal entity have the capacity to accommodate the implementation of these Regulations and that the required modifications or upgrades are implemented; and

(d) submitting reports and recommendations to the municipal council or the board of directors, as the case may be, that provide for the adoption of any resolutions, policies and budgetary provisions necessary for the implementation of these Regulations.

CHAPTER 6

GENERAL

Access by National Treasury

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

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

(b) such access is provided.

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

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

(a) preparing national accounts for the whole of government;

(b) development of consolidated accounts for the local government sphere;

(c) verifying the correctness of municipal financial and business information;

(d) assessment of municipal financial performance and benchmarking; and

(e) fulfilling any obligations in terms of legislation.

Postponement of implementation and exemption

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

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

(a) apply to–

(i) municipalities generally; or

(ii) municipal entities generally, or

(b) be limited in its application to a particular–

(i) municipality;

(ii) category of municipalities, which may be defined either in relation to a type or budgetary size of municipality or in any other manner;

(iii) municipal entity; or

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

Short title and commencement

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

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SCHEDULE

SEGMENTS OF STANDARD CHART OF ACCOUNTS FOR MUNICIPALITIES AND MUNICIPAL ENTITIES

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

Funding Segment

1. This segment identifies the various sources of funding available to municipalities and municipal entities for financing expenditure relating to the operation of the municipality and provides for both capital and operational spending. The appropriate classification code of a transaction in this segment will be determined according to the source of funding against which a payment is allocated and the source of revenue against which income is received.

Function Segment

2. This segment provides for the classification of the transaction according to the function or service delivery objective and provides for the standardisation of functions and sub-functions across local government with due regard to specific service delivery activities and responsibilities of each individual municipality or municipal entity.

Municipal Standard Classification Segment

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

Project Segment

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

Regional Indicator Segment

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

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

Item Segment

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

Costing Segment

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

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NATIONAL TREASURY

MFMA Circular No. 74

Municipal Finance Management Act No. 56 of 2003

Municipal Budget Circular for the 2015/16 MTREF

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

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Key focus areas for the 2015/16 budget process

The Medium Term Budget Policy Statement 2014

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

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

- ***Building the capacity of local government through the "back to basics" approach*** which will focus on improving service delivery, accountability and financial management. Local government should be effective and efficient; and this will be measured by its ability to perform the basic mandate of service delivery.

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

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

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

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

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

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

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

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

Local government conditional grants and additional allocations

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

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

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

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

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

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

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

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

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

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

Changes in the 2014 Division of Revenue Amendment Bill

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

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

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

Strengthening procurement to obtain value for money and combating corruption

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

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

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

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

Local government budget and financial management reforms

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

The Minister of Finance promulgated the Municipal Regulations on the Standard Chart of Accounts (SCOA) on 22 April 2014. The Municipal Regulations on the Standard Chart of Accounts, Project Summary Document and Detailed Classification Framework of the 7 Segments (SCOA Version 5) can be accessed at:
http://mfma.treasury.gov.za/RegulationsandGazettes/MunicipalRegulationsOnAStandardChartOfAccountsFinal/Pages/default.aspx

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

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

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

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

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

- ✓ Identification of a project manager / coordinator within the municipality which should preferably be within the finance department at a senior manager level;
- ✓ Matching the SCOA classification framework to the current chart of accounts (general ledger) currently operational in the municipality and the identification of any anomalies;
- ✓ Matching the Function Segment of the SCOA classification framework to the current vote and cost centre structures and identification of any anomalies;
- ✓ Incorporating all senior managers across the municipality into the project through internal awareness and information sharing;
- ✓ Incorporating the project plan and associated milestones as part of a standing agenda item at the monthly senior manager team meetings; and
- ✓ Tabling a progress report, including a risk matrix at the municipal council on a quarterly basis.

- Attendance of, among others, the provincial CFO Forums which will be used to provide feedback with the piloting process. In addition, there will be sessions scheduled, such as the recent provincial one day SCOA introductory sessions, which will provide further clarity as it relates to the SCOA classification framework. Attendance of these sessions by relevant officials, including the municipal SCOA project manager / coordinator, will be essential if the municipality is to proactively manage any hurdles to ensuring SCOA compliance.

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

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

Financial applications (systems) and the impact of SCOA

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

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

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

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

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

Headline inflation forecasts

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

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

Source: Medium Term Budget Policy Statement 2014

Revising rates, tariffs and other charges

Operating Revenue

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

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

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

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

National Treasury also continues to encourage municipalities to keep increases in rates, tariffs and other charges at levels that reflect an appropriate balance between the interests of poor households, other customers and ensuring the financial sustainability of the municipality. For this reason municipalities ***must justify in their budget documentation all increases in excess of the 6.0 per cent*** upper boundary of the South African Reserve Bank's inflation target in the budget narratives.

Management accounting and tariff setting

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

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

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

Interpretation of section 43 of the MFMA

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

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

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

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

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

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

NERSA's process to approve electricity tariffs

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

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

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

Eskom bulk tariff increases

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

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

MG = (B x BPI) + (S x SI) + (R x RI) + (C x CCI) + (OC x OCI)

Where:

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

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

The formula for calculating the guideline:
MG = (B x BPI) + (S x SI) + (R x RI) + (C x CCI) + (OC x OCI)
= (73 x 14.24) + (10 x 7.3) + (6 x 6.3) + (4 x 6.3) + (7 x 6.3)
= 10.40 + 0.73 + 0.38 + 0.25 + 0.54
= 12.20%

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

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

Water and sanitation tariffs must be cost-reflective

If a municipality's water and sanitation tariffs are not fully cost reflective, the municipality should develop a pricing strategy to phase-in the necessary tariff increases in a manner that spreads the impact on consumers over a period of time. ***As per the guidance in various previous Budget Circulars, municipalities were expected to apply cost reflective tariffs in the 2014/15 MTREF for both water and sanitation***. Should this not be the case, municipalities will be required to clearly articulate the reasons and remedial actions to rectify this position in their budget document.

To mitigate the need for water tariff increases, municipalities must put in place an appropriate strategy to limit water losses to acceptable levels. In this regard municipalities must ensure that water used by its own operations is charged to the relevant service, and not simply attributed to water losses.

Funding choices and management issues

Employee related costs

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

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

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

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

The use of consultants

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

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

Budgeting for unfunded/ underfunded mandates

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

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

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

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

Budget management issues dealt with in previous MFMA Circulars

Municipalities are reminded to refer to MFMA Circulars 48, 51, 54, 55, 66, 67 and 70 with regards to the following issues:

1. *Mayor's discretionary funds and similar discretionary budget allocation* – National Treasury regards allocations that are not designated for a specific purpose to be bad practice and discourage them (refer to MFMA Circular 51).
2. *Unallocated ward allocations* – National Treasury does not regard this to be a good practice, because it means that the tabled budget does not reflect which ward projects

are planned for purposes of public consultation and council approval (refer to MFMA Circular 51).

3. *New office buildings* – Municipalities are required to send detailed information to National Treasury if they are contemplating building new main office buildings (refer to MFMA Circular 51).
4. *Virement policies of municipalities* – Municipalities are reminded of the principles that must be incorporated into municipal virements policies (refer to MFMA Circular 51).
5. *Providing clean water and managing waste water* – Municipalities were reminded to include a section on 'Drinking water quality and waste water management' in their budget document (refer to MFMA Circular 54).
6. *Renewal and repairs and maintenance of existing assets* – Allocations to repairs and maintenance, and the renewal of existing infrastructure must be prioritised. Municipalities must provide detailed motivations in their budget documentation if allocations do not meet the required benchmarks set out in MFMA Circular 55 and 66.
7. *Credit cards and debit cards linked to municipal bank accounts are not permitted* – On 02 August 2011 National Treasury issued a directive to all banks informing them that as from 01 September 2011 they are not allowed to issue credit cards or debit cards linked to municipal bank accounts (refer to MFMA Circular 55).
8. *Water and sanitation tariffs must be cost reflective* - refer to MFMA Circular 66.
9. *Solid waste tariffs* – refer to MFMA Circular 70.
10. *Variances between 4th Quarter section 71 results and annual financial statements* – refer to Circular 67.
11. *Additional In-Year reporting requirements* – refer to MFMA Circular 67.
12. *Appropriation statement (reconciliation: budget and in-year performance)- reference is made to circular 67.* It came to the attention of National Treasury that a number of municipalities did not include the appropriation statement as part of their 2012/13 or 2013/14 annual financial statement. In terms of the Standards of GRAP 24 on the Presentation of Budget Information in Financial Statements, municipalities are required to present their original and adjusted budgets against actual outcome in the annual financial statements. This is considered an appropriation statement and the comparison between the budget and actual performance should be a mirror image of each other as it relates to the classification and grouping of revenue and expenditure as has been the case in a national and provincial context. This statement is subject to auditing and accordingly supporting documentation would be required to substantiate the compilation of this statement.
13. *Eliminating non-priority spending* – The 2013 MTBPS emphasised the need for government to step-up its efforts to combat waste, inefficiency and corruption (refer to MFMA circular 70).
14. *Council oversight over the budget process* – refer to MFMA Circular 70.

Conditional Grant transfers to municipalities

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

Conditional grant issues dealt with in previous MFMA Circulars

Municipalities are reminded to refer to MFMA Circulars 48, 51, 54, 55 and 67 with regards to the following issues:

1. *Accounting treatment of conditional grants*: Municipalities are reminded that in accordance with accrual accounting principles, conditional grants should only be treated as 'transfers recognized' revenue when the grant revenue has been 'earned' by incurring expenditure in accordance with the conditions of the grant.

2. *VAT on conditional grants:* SARS has issued a specific guide to assist municipalities meeting their VAT obligations – ***VAT 419 Guide for Municipalities***. To assist municipalities accessing this guide it has been placed on the National Treasury website at: http://mfma.treasury.gov.za/Guidelines/Pages/default.aspx
3. *Interest received and reclaimed VAT in respect of conditional grants:* Municipalities are reminded that in MFMA Circular 48, National Treasury determined that:
   - Interest received on conditional grant funds must be treated as 'own revenue' and its use by the municipality is not subject to any special conditions; and
   - 'Reclaimed VAT' in respect of conditional grant expenditures must be treated as 'own revenue' and its use by the municipality is not subject to any special conditions.
4. *Appropriation of conditional grants that are rolled over* – As soon as a municipality receives written approval from National Treasury that its unspent conditional grants have been rolled-over it may proceed to spend such funds (refer to MFMA Circular 51 for other arrangements in this regard).
5. *Pledging of conditional grant transfers* – the 2015 Division of Revenue Bill contained a provision that allows municipalities to pledge their conditional grants. The end date for the pledges is extended to 2017/18. The process of application as set out in MFMA Circular 51 remains unchanged.
6. *Separate reporting for conditional grant roll-overs* – National Treasury has put in place a separate template for municipalities to report on the spending of conditional grant roll-overs. Municipalities are reminded that conditional grant funds can only be rolled-over once, so if they remain unspent in the year in which they were rolled-over they MUST revert to the National Revenue Fund.
7. *Payment schedule* – National Treasury has instituted an automated payment system of transfers to municipalities in order to ensure appropriate safety checks are put in place. Only the primary banking details verified by National Treasury will be used for effecting transfers.
8. *Conditional grant transfers/payments, the responsibilities of transferring and receiving authorities and the criteria for the rollover of conditional grants –* It is important that the transfers made to municipalities' are transparent, and properly captured in the municipalities' budgets. MFMA Circular no: 67 in this regard refers. The criterion for the rollover of conditional grants is stipulated in MFMA Circular no: 51.

The Municipal Budget and Reporting Regulations

National Treasury has released Version 2.7 of Schedule A1 (the Excel Formats). This version incorporates minor changes (see Annexure A). Therefore ALL municipalities MUST use this version for the preparation of their 2015/16 Budget and MTREF.

Download Version 2.7 of Schedule A1 by clicking HERE

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

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

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

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

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

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

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

Assistance with the compilation of budgets

If you require advice with the compilation of your budgets, the budget documents or Schedule A1 please direct your enquiries as follows:

	Responsible NT officials	Tel. No.	Email
Eastern Cape	Templeton Phogole Matjatji Mashoeshoe	012-315 5044 012-315 6567	Templeton.Phogole@treasury.gov.za Matjatji.Mashoeshoe@treasury.gov.za
Free State	Vincent Malepa Katlego Mabiletsa	012-315 5539 012-395 6742	Vincent.Malepa@treasury.gov.za Katlego.Mabiletsa@treasury.gov.za
Gauteng	Kgomotso Baloyi Nomxolisi Mawulana	012-315 5866 012-315 5460	Kgomotso.Baloyi@treasury.gov.za Nomxolisi.Mawulana@treasury.gov.za
KwaZulu-Natal	Bernard Mokgabodi Johan Botha Walter Munyai	012-315 5936 012-315 5171 012-395 6793	Bernard.Mokgabodi@treasury.gov.za Johan.Botha@treasury.gov.za Walter.Munyai@treasury.gov.za
Limpopo	Una Rautenbach Sifiso Mabaso	012-315 5700 012-315 5952	Una.Rautenbach@treasury.gov.za Sifiso.Mabaso@treasury.gov.za
Mpumalanga	Jordan Maja Anthony Moseki	012-315 5663 012-315 5174	Jordan.Maja@treasury.gov.za Anthony.Moseki@treasury.gov.za
Northern Cape	Willem Voigt Mandla Gilimani	012-315 5830 012-315 5807	Willem.Voigt@treasury.gov.za Mandla.Gilimani@treasury.gov.za
North West	Sadesh Ramjathan Makgabo Mabotja	012-315 5101 012-315 5156	Sadesh.Ramjathan@treasury.gov.za Makgabo.Mabotja@treasury.gov.za
Western Cape	Vuyo Mbunge Kevin Bell Mlungisi Mthembu	012-315 5661 012-315 5725 012-395 6554	Vuyo.Mbunge@treasury.gov.za Kevin.Bell@treasury.gov.za Mlungisi.Mthembu@treasury.gov.za
Technical issues with Excel formats	Elsabe Rossouw	012-315 5534	lgdataqueries@treasury.gov.za

Addressing gaps identified in municipalities budgets

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

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

Budgeting for revenue on Table A2

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

Budgeting for Asset Register value on Table A9

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

Completion of service delivery information on Table A10

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

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

Budgeting for revenue foregone and free basic services to indigents

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

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

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

Tabling funded budgets

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

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

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

It is critical that municipalities adopt and implement funded budgets as per Section 18 of the MFMA. Tables A7 and A8 which if completed correctly by the municipality, it will provide most of the information required to evaluate whether a municipality's operating and capital budgets are **funded** or not:

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

MBRR issues dealt with in previous MFMA Circulars

Municipalities are reminded to refer to MFMA Circulars 48, 51, 54, 55 with regards to the following issues:

1. *Budgeting for revenue and 'revenue foregone'* – The 'realistically anticipated revenues to be collected' that must be reflected on the Budgeted Statement of Financial Performance (Tables A2, A3 and A4) must exclude 'revenue foregone'. The definition of 'revenue foregone' and how it is distinguished from 'transfers and grants' is explained in MFMA Circular 51.
2. *Preparing and amending budget related policies* – Information on all budget related policies and any amendments to such policies must be included in the municipality's annual budget document (refer to MFMA Circular 54).
3. *2013/14 MTREF Funding Compliance Assessment* – All municipalities were required to perform the funding compliance assessment outlined in *MFMA Funding Compliance Guideline* and to include the relevant information outlined in MFMA Circular 55 in their 2015/16 budgets (refer to MFMA Circular 55).

Budget process and submissions for the 2015/16 MTREF

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

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

Submitting budget documentation and schedules for 2015/16 MTREF

To facilitate oversight of compliance with the Municipal Budget and Reporting Regulations, accounting officers are reminded that:

- Section 22(b)(i) of the MFMA requires that ***immediately*** after an annual budget is tabled in a municipal council it must be submitted to the National Treasury and the relevant provincial treasury in both printed and electronic formats. The deadline for such submissions is Friday, **10 April 2015**.
- Section 24(3) of the MFMA, read together with regulation 20(1), requires that the approved annual budget must be submitted ***within ten working days*** after the council has approved the annual budget. So if the council only approves the annual budget on 30 June 2015, the date for such a submission is Tuesday, **14 July 2015**, otherwise an earlier date applies.

The municipal manager must submit:

- the budget documentation as set out in Schedule A of the Municipal Budget and Reporting Regulations, including the main Tables (A1 - A10) and all the supporting tables (SA1 – SA37) in both printed and electronic format;
- the draft service delivery and budget implementation plan in both printed and electronic format;
- in the case of approved budgets, the council resolution;
- Signed Quality Certificate as prescribed in the Municipal Budget and Reporting Regulations; and

Municipalities are required to send electronic versions of documents and the A1 schedule to lgdocuments@treasury.gov.za.

If the budget documents are too large to be sent via email (exceeds 4MB) please submit to lgbigfiles@gmail.com and inform the National Treasury official responsible for your province that the budget was submitted to this address to ensure that National Treasury is aware of your submission. Any problems experienced in this regard can be addressed with Elsabe Rossouw (email: Elsabe.Rossouw@treasury.gov.za).

Municipalities are required to send printed submissions of their budget documents and council resolution to:

For couriered documents

Ms Linda Kruger
National Treasury
40 Church Square
Pretoria, 0002

For posted documents

Ms Linda Kruger
National Treasury
Private Bag X115
Pretoria, 0001

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

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

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

Budget reform returns to the Local Government Database for publication

For publication purposes, municipalities are still required to use the Budget Reform Returns to upload budget and monthly expenditure to the National Treasury Local Government Database. All returns are to be sent to lgdatabase@treasury.gov.za.

The aligned electronic returns may be downloaded from National Treasury's website at the following link: http://mfma.treasury.gov.za/Return_Forms/Pages/default.aspx.

Reporting in terms of section 71

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

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

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

Publication of budgets on municipal websites

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

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

Contact

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
12 December 2014

Annexure A – Changes to Schedule A1 – the 'Excel formats'

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

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

NATIONAL TREASURY

MFMA Circular No. 75

Municipal Finance Management Act No. 56 of 2003

Municipal Budget Circular for the 2015/16 MTREF

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

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

1.1 The Medium Term Budget Review 2015

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

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

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

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

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

2. Division of Revenue Bill 2015

2.1 Transfers to local government 2015

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

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

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

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

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

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

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

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

2.2 Changes in the 2015 Division of Revenue Bill

Review of local government infrastructure grants

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

- The rules in the *municipal infrastructure grant* will be amended to allow funds to be used to refurbish and replace infrastructure, but only if municipalities demonstrate that assets have been maintained on a regular basis. Maintenance must be budgeted for as part of the normal business of municipalities.

- The number of conditional grants will be reduced to ease the burden of grant reporting. The two public transport grants will merge in 2015/16 into a single *public transport network grant*. The number of water and sanitation grants is also likely to be reduced from 2016/17.

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

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

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

2.3 Shaping urban development to support growth in cities

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

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

- Modifying the infrastructure grant system to support greater alignment of public resources and to ensure that public investments, services, regulations and incentives are focussed in defined spatial areas (integration zones) to optimise overall access, connectivity and efficiency enabling spatial transformation and inclusive urban economic growth;

- Development of mixed-use and mixed-income precincts and catalytic projects to attract private financial and implementation partnerships. Grants will be consolidated, conditions streamlined, and allocations made more predictable and responsive to the needs of specific investment projects. Furthermore, performance-based allocations to reward cities that demonstrate progressive changes in their urban form, improve access to basic services, reduce barriers to social and economic opportunity, and improve mobility of urban residents will be strengthened;

- Focusing the Neighbourhood Development Partnership Grant to support the identification, development and management of strategic nodes in dense urban townships and township clusters in order to serve as transit orientated precincts;

- Reforming the system of development charges to improve fairness and transparency, and reduce delays in infrastructure provision for private land developments;

- Expanding opportunities for private investment in municipal infrastructure through the Development Bank of Southern Africa (DBSA) increasing its origination of longer-term loans, packaging pooled finance instruments, where appropriate, and supporting the introduction of new lending instruments such as revenue bonds; and

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

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

3. Headline inflation forecasts

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

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

Source: Budget Review 2015

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

4. Revising rates, tariffs and other charges

4.1 Eskom bulk tariff increases

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

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

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

4.2 Electricity levy increase

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

5. Funding choices and management issues

5.1 Employee related costs

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

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

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

5.2 Remuneration of councillors

Municipalities are advised to budget for the actual costs approved in line with the gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published by the Department of Cooperative Governance and Traditional Affairs. The gazette for 2015 will be released in due course. Municipalities are advised to refer to the circular issued on 23 January 2015 by the Department of Cooperative Governance and Traditional Affairs.

5.3 Budgeting for contingency plans for prolonged power outages

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

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

5.4 Service level standards

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

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

5.5 Non-payment of Eskom and water boards as creditors

Section 65(2)(e) of the Municipal Finance Management Act, 2003 (MFMA, Act No. 56 of 2003) clearly states that "The accounting officer of a municipality is responsible for the management

of the expenditure of the municipality" and "that all money owing by the municipality be paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure".

It has become a common trend between certain municipalities that outstanding debt to Eskom and the water boards is not prioritised for payment. ***Municipalities are cautioned that if they do not immediately settle the current accounts of Eskom and the water boards, the March 2015 tranche of the Equitable Share will be withheld.*** In addition, the payment arrangements to address arrear amounts must be concluded by relevant municipalities, implemented and effected in the budget.

Furthermore, going forward municipalities will be closely monitored and those found to be averting payment to Eskom and the water boards will be deemed as contravening the MFMA and consequently section 216(2) of the Constitution will be imposed.

Municipalities are also reminded of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, which the Minister of Finance promulgated on 31 May 2014. Failure by the Accounting Officer to comply with the requirements of section 65(2)(e) of the MFMA is an act of financial misconduct as defined in section 171 of the MFMA and municipalities is obliged to deal with such breach in terms of the regulations mentioned above.

5.6 VAT on Conditional Grants

Guideline was provided in MFMA Circular No. 58 that ALL conditional grant allocations in the Division of Revenue Act (DoRA) are VAT inclusive, i.e. national government has budgeted to pay the VAT inclusive price of the goods and services purchased by municipalities using conditional grant funding. Further guidelines were issued in MFMA Circular No. 59 on assessing VAT consequences of transactions involving the equitable share grant and conditional grants.

It is critical that municipalities distinguish between the following:

- *Transaction one – the transfer of funds from national or provincial government to a municipality*. The VAT on these transactions is zero-rated, and therefore the issue of paying and reclaiming VAT related to these transactions does not arise.

- *Transaction two – the expenditure of the grant funds by the municipality*. These transactions are subject to the normal VAT provisions. Depending on the nature of goods and services purchased the municipality may or may not be required to pay input VAT.

Municipalities are still advised to follow the guideline provided in the above-mentioned circulars as the position has not changed. Further reference should also be made to the **VAT 419 Guideline for Municipalities**.

6. mSCOA Training

6.1 Non-accredited training

The National Treasury will embark on non-accredited training for pilot municipalities during April and May 2015 as per the dates in the table below. Please note that this training is only for pilot municipalities, applicable vendors and provincial treasuries. The training will be on a nomination and invitational basis.

Province	Dates

KwaZulu-Natal	14-15 April 2015
Limpopo	
Mpumalanga	
Free State	
Northern Cape	
Eastern Cape	21-22 April 2015
Western Cape	
Gauteng	5 – 6 May 2015
North West	

Non- accredited training will be provided to the metropolitan municipalities in 2 sessions on 05 and 06 May 2015. This training is intended to provide piloting stakeholders with a broader understanding of the mSCOA classification framework, typical transactional environment and linkage to reporting as part of the piloting output.

6.2 Accredited training

The National Treasury is in the process of developing the necessary unit standards for municipal SCOA (mSCOA). These unit standards will be accredited by LGSETA during the 2015 calendar year. National Treasury will develop unit standards aligned training material that will be accredited by LGSETA to be rolled out to all municipalities from the beginning of the 2016 calendar year.

National Treasury will also embark on a process of accreditation of service providers and more particularly facilitators and assessors to be able to roll out the unit standard aligned training from the beginning of the 2016 calendar year and guidelines in this regard will be issued towards the end of 2015.

6.3 mSCOA training provided by service providers

National Treasury is aware of the need to train all municipalities on mSCOA within a tight timeline to ensure that municipalities are in the position to be mSCOA compliant by 01 July 2017. On the same token National Treasury is aware of service providers engaging with municipalities that are offering mSCOA training. **Municipalities need to take note that currently there is no formal unit standard and no service provider can offer accredited training as it relates to the mSCOA. Consequently, municipalities are advised to refrain from entering into agreements with training service providers as it would constitute fruitless and wasteful expenditure.**

It is however acknowledged that there exists a need for broader mSCOA awareness and municipalities are advised to directly contact the National Treasury and respective Provincial Treasury to facilitate and consider these requests. Service providers that are approached to facilitate such awareness sessions should also directly liaise with the National Treasury. Municipalities are reminded to adhere to the supply chain management requirements at all times. In this regard municipalities are informed that there are limited specialists in this field at this point in time.

Please note that the current material available on the National Treasury's website (One day training – Demystify mSCOA) is available for use by all parties and no service provider is allowed to charge any fee for this material.

7. Conditional Grant Transfers to Municipalities

Section 214 of the Constitution provides for national government to transfer resources to municipalities in terms of the annual DoRA to assist them in exercising their powers and

performing their functions. These allocations are announced annually in the national budget. Transfers to municipalities from national government are supplemented with transfers from provincial government. Furthermore, transfers are also made between district municipalities and local municipalities.

The DoRA provides for funds to be allocated in different 'schedules'. Each of the schedules provide for grants of a particular type as follows:

Schedule 1		Equitable division of revenue raised nationally among the three spheres of government
Schedule 2		Determination of each province's equitable share of the provincial sphere's share of revenue raised nationally (as a direct charge against the National Revenue Fund)
Schedule 3		Determination of each municipality's equitable share of the local government sphere's share of revenue raised nationally
Schedule 4	Part A	Allocations to provinces to supplement the funding of programmes or functions funded from provincial budgets
	Part B	Allocations to municipalities to supplement the funding of programmes or functions funded from municipal budgets
Schedule 5	Part A	Specific purpose allocations to provinces
	Part B	Specific purpose allocations to municipalities
Schedule 6	Part A	Allocations-in-kind to provinces for designated special programmes
	Part B	Allocations-in-kind to municipalities for designated special programmes
Schedule 7	Part A	Allocations to provinces for immediate disaster response
	Part B	Allocations to municipalities for immediate disaster response

It is important that the transfers applicable to municipalities are made transparently, and properly captured in municipalities' budgets. In this regard, regulation 10 of the *Municipal Budget and Reporting Regulations* provides guidance on when municipalities should reflect a transfer or donation in their budgets. Note that promises of funds that do not meet the requirements set out in regulation 10 must not be included in the municipality's budget.

Municipalities are advised not to provide for transfers from national or provincial departments that are not gazetted in terms of the 2015 Division of Revenue Act (once enacted) or the relevant provincial budget, or for which a properly approved agency agreement is not in place. Such ad hoc transfers are very often unauthorised expenditure at the national and provincial level, and are invariably related to fiscal dumping.

Also note that grants-in-kind (e.g. capital assets transferred by a district to a local municipality) need to be budgeted for as a 'transfer or grant' on Table A4 by the district municipality (and not on their Table A5 (Budgeted Capital Budget – since the expenditure does not get capitalised), and as a 'contributed asset' on Table A4 (Budgeted Financial Performance) by the local municipality, and from there directly on Table A6 (Budgeted Financial Position).

In support of regulation 10 of the *Municipal Budget and Reporting Regulations*, the 2015 Division of Revenue Bill provides that –

1. In terms of section 16, National Treasury is required to publish in the *Government Gazette* the allocations and indicative allocations for all national grants to municipalities;
2. In terms of section 30, each provincial treasury is required to publish in the *Government Gazette* the allocations and indicative allocations per municipality for every allocation to be made by the province to municipalities from the province's own funds; and
3. In terms of section 29, each category C municipality must indicate in its budget all allocations from its equitable share and conditional allocations to be transferred to each category B municipality within the category C municipality's area of jurisdiction.

The Government Gazette reflecting the allocations and indicative allocations for all national grants to municipalities will be available within 14 days of the 2015 Division of Revenue Act being signed into law at the following address:

http://www.treasury.gov.za/legislation/bills/2015/Default.aspx

In addition, National Treasury publishes a payment schedule that sets out exactly when the equitable share and national conditional grant funds are to be transferred to municipalities.

This will be available at:
http://mfma.treasury.gov.za/Media_Releases/Municipal%20Payment%20Schedule/Pages/default.aspx

7.1 Timing of municipal conditional grant transfers

In order to facilitate synchronisation of the national / provincial financial year (01 April to 31 March) with the municipal financial year (01 July to 30 June), the 2015 Division of Revenue Bill requires that all equitable share and Schedule 4 and 5 conditional allocations to municipalities must be transferred to municipalities within the period 01 July 2015 to 31 March 2016. Municipalities must not accept any equitable share or Schedule 4 and Schedule 5 transfers from national or provincial departments outside of these timeframes.

National and provincial departments are also advised to only transfer grant funds and to only make agency payments to municipalities within the period 01 July 2015 to 31 March 2016. This is to ensure the municipality is able to include such funds on its budget for 2015/16 and to ensure that reporting on the use of the funds is properly aligned across the national, provincial and municipal financial years.

7.2 Payment schedule for transfers

National Treasury has instituted an automated payment system for transfers to municipalities in order to ensure that appropriate safety checks are put in place.

Section 23 of the 2015 Division of Revenue Bill requires transfers to municipalities to be made as per the approved payment schedule published by National Treasury. Through this system, any transfers not in line with the payment schedule will be rejected. In addition, if the payment *details of the municipality are not up-to-date the transfers will also be rejected.*

7.3 Provincial allocations and payment schedules

Provincial Treasuries must publish in a gazette all provincial allocations envisaged to be transferred to municipalities and submit the gazette to National Treasury on a date not later than 14 days after the Division of Revenue Act has been enacted.

Provinces must also submit to the National Treasury the payment schedule against all provincial allocations to municipalities 14 days after the Act takes effect. The payment schedule must include the date of transfer, the amount and the name of the grant. The

Provincial Treasuries must notify the receiving officers of any deviations from the payment schedule. The payment schedules that provincial treasuries are required to submit to National Treasury in terms of section 30(5) of the 2015 Division of Revenue Bill will be published on National Treasury's website, along with the national payment schedule.

7.4 Relationship between Category C and Category B municipalities

The Division of Revenue Bill (DoRB) provides that the revenues raised nationally in respect of the 2015/16 financial year must be divided among the national, provincial and local spheres of government. Furthermore, section 29 of the DoRB states that category C municipality must, within 10 days after the Act takes effect, submit to the National Treasury and all category B municipalities within that municipality's area of jurisdiction, the budget, as tabled in accordance with section 16 of the MFMA, for the 2015/16 financial year.

Transfers are always made to the municipality (district or local) authorised to perform a function. In cases where basic services functions are assigned to district municipalities National Treasury publishes, for information purposes, the amounts that would have been allocated to each local municipality through the formulas for the local government equitable share and municipal infrastructure grant if local municipalities were assigned these basic services functions. These amounts are published in Appendix W1 and Appendix W2 to the 2015 Division of Revenue Bill (see pages 271-284 of the Bill).

The budget of a category C municipality must indicate all allocations from its equitable share and conditional allocations to be transferred to each category B municipality within the category C municipality's area of jurisdiction and disclose the criteria for allocating funds between the category B municipalities. The following practical arrangement will apply:

Step 1: District Municipality (category C municipality) must when tabling their budgets indicate which municipalities within their area of jurisdiction will receive allocations from the municipality;

Step 2: After the DoRA takes effect the District Municipality must within 10 days submit the tabled budget that contains allocations to be made to category B municipalities;

Step 3: The District Municipality must share with the municipalities within its jurisdiction how much is allocated to them, what criteria was used to make allocations and agree with the affected municipalities on how the monies are going to be disbursed. The disbursement schedule (payment schedule) must be sent to National Treasury and respective Provincial Treasury before the beginning of the municipal financial year;

Step 4: The District Municipality, having the authority to provide municipal services, must before implementing any capital project consult with the category B municipality affected and agree in writing through a Service Level Agreement (SLA) who will be responsible for operational costs and collection of rates; and

Step 5: District Municipality must make transfers to their local municipalities according to the agreed upon payment schedule.

National Treasury may withhold or stop any funding allocated to a category C municipality and reallocate it to a category B municipality if the category C municipality fails to:

i) make allocations to their respective municipalities within their jurisdiction;
ii) reach an agreement with the category B municipality; and
iii) submit the payment schedule to National Treasury and respective Provincial Treasury.

7.5 Responsibilities of transferring and receiving authorities

The legal obligations placed on transferring and receiving officers in terms of the 2015 DoRB are very similar to previous requirements. National Treasury intends ensuring strict compliance in order to improve spending levels, and the quality of information relating to the management of conditional grants.

Municipalities are again reminded that compliance with the annual DoRA is the responsibility of the municipal manager as the "receiving officer". The municipal manager is responsible for, among other things, the tabling of monthly reports in council on whether or not the municipality is complying with the DoRA. He/she is also responsible for reporting on any delays in the transfer or the withholding of funds. Failure on the part of a municipal manager to comply with the Act in this regard will have financial implications for the municipality as it will lead to the municipality losing revenue when funds are stopped and/or reallocated.

Where the municipality is unable to comply, or requires an extension, the municipal manager must apply to the National Treasury and provide comprehensive motivation for the non-compliance.

7.6 Criteria for the rollover of conditional grant funds

Section 22 of the 2014 Division of Revenue Act requires that any conditional grants which are not spent at the end of the municipal financial year must revert to the National Revenue Fund, unless the receiving officer proves to the satisfaction of National Treasury that the unspent allocation is committed to identifiable projects, in which case the funds may be rolled over.

When applying to retain unspent conditional allocations committed to identifiable projects or requesting a rollover in terms of section 22(2) of the Division of Revenue Act, municipalities must supply National Treasury with the following information –

1. A formal letter addressed to the National Treasury requesting the rollover of unspent conditional grants in terms of section 22(2) of the 2014 of DoRA. The letter must be signed by the accounting officer;
2. List of all the projects that are linked to the unspent conditional grants and indicate how much was allocated and spent per project;
3. Evidence that work on each of the projects has commenced, namely either of the following:
    a. Proof that the project tender was published and the period for tender submissions closed before 31 March; or
    b. Proof that a contractor or service provider was appointed for delivery of the project before 30 June.
4. A progress report (also in percentages) on the state of implementation of each of the projects;
5. The amount of funds committed to each project, and the conditional allocation from which the funds come;
6. Reasons why the grants were not fully spent in the year that it was originally allocated as per the DoRA;
7. Municipalities must not include previous year's unspent conditional grants as a rollover request. Rollover of rollovers will not be considered;
8. An indication of the time-period within which the funds are to be spent; and
9. Proof that the Chief Financial Officer and Municipal Manager are permanently appointed. ***No rollover requests will be considered for municipalities with vacant or acting chief financial officers and Municipal Managers for a period exceeding 4 months***.

If any of the above information is not provided or the application is received by National Treasury after 31 August 2015, the application will be declined.

In addition, National Treasury will also take into account the following information when assessing rollover applications, and reserves the right to decline an application if there is non-performance by the municipality in any of these areas:

1. Compliance with the in-year reporting requirements in sections 71 and 72 of the MFMA and section 12 of the 2014 DoRA, including the municipal manager and chief financial officer signing-off on the information sent to National Treasury;
2. Submission of the pre-audit Annual Financial Statements information to National Treasury by 31 August 2015;
3. Accurate disclosure of grant performance in the 2014/15 pre-audit Annual Financial Statements;
4. Under no circumstance would the National Treasury approve the entire allocation of the municipality i.e. The municipality must spend a minimum of 50 per cent of the allocation per programme;
5. Cash available in the bank as at 30 June 2015 and in line with the cash flow statements to finance the roll-over request;
6. No approval will be granted for municipalities requesting roll over of the same grant for the 3rd consecutive time; and
7. Incorporation of the Appropriation Statement (discussed in point 6.7 below) as part of the pre-audit Annual Financial Statements.

When approving any rollover requests, National Treasury will use the latest conditional grant expenditure information available at the time, which in this instance is likely to be the disclosure of grant performance in the 2014/15 pre-audit Annual Financial Statements which must be concluded by 31 August 2015.

Similar to the above mentioned rollover process and in accordance with section 22(3)(b) of Division of Revenue Act, provincial treasuries are encouraged to institute measures and criteria for the rollover of conditional grant funds that municipalities receive from provincial departments. Refer to MFMA Budget Circular No.51 for more information.

7.7 Unspent conditional grant funds for 2014/15

The process to ensure the return of unspent conditional grants for the 2014/15 financial year will be managed in accordance with section 22 of the DoRA. In addition to the previous MFMA circulars, the following practical arrangements will apply –

Step 1: Municipalities must submit their June 2015 conditional grant expenditure reports according to section 71 of the MFMA reflecting all accrued expenditure on conditional grants and further ensure that expenditures reported to both National Treasury and national transferring officers are the same.

Step 2: When preparing their annual financial statements a municipality must determine what portion of each national conditional allocation it received remained unspent as at 30 June 2015. These amounts MUST exclude all interest earned on conditional grants, retention and all VAT related to conditional grant spending that has been *reclaimed from SARS*, which must be disclosed separately.

Step 3: If the receiving officer wants to motivate in terms of section 22(2) of the DoRA 2014 that the funds are committed to identifiable projects or wants to propose an alternative payment method or schedule, the required information must be submitted to National Treasury by 31 August 2015. ***National Treasury will not consider any rollover requests that are incomplete (see item 7.6 below) or that are received after this deadline.***

Step 4: National Treasury will confirm in writing whether or not the municipality may retain any of the unspent funds as a rollover based on the evidence that the funds are committed to identifiable projects by **02 October 2015** or whether it has agreed to any alternative payment arrangement or schedules.

Step 5: A municipality must return the remaining unspent conditional grant funds that are not subject to a specific repayment agreement with National Treasury to the National Revenue Fund by **23 October 2015**. Failure to return these unspent funds by this date will constitute financial misconduct in terms of section 34 of the DoRA.

Step 6: Any unspent conditional grant funds that should have, but has not been repaid to the National Revenue Fund by 23 October 2015 will be offset against the municipality's November 2015 equitable share allocation unless the municipality has agreed to an alternative payment arrangement or schedule.

All the calculations of the amounts to be surrendered to the National Revenue Fund will be audited by the Auditor-General.

7.8 Appropriation statement (Reconciliation: Budget and in-year performance)

In terms of GRAP 24 (Presentation of budget information in AFS) municipalities are required to present their original and adjusted budgets against the actual outcome in the annual financial statements; this is considered an appropriation statement. This statement is subject to auditing and accordingly supporting documentation would be required to substantiate the compilation of this statement. All municipalities were required to compile an appropriation statement with the 2012/13 AFS.

Many municipalities neglected to compile the appropriation as part of their 2012/13 AFS. National Treasury considers this non-compliance in a serious light and going forward the incorporation of an appropriation statement in the AFS will form part of the ***evaluation criteria in considering and approving conditional grant rollovers. In the absence of an appropriation statement National Treasury will not consider conditional grant roll over applications.***

7.9 Reporting and accounting for municipal approved conditional grant roll-overs

All reporting on rollover approvals must be reported to respective treasuries, national transferring officers and provincial departments responsible for monitoring the conditional grants.

A municipality must report separately on the spending of approved conditional grant roll overs. National Treasury will provide a separate reporting template to facilitate this. This template must be submitted together with the normal in-year template for reporting conditional grant spending for the year. The template is customised per municipality and must be requested by e-mail: lgdataqueries@treasury.gov.za.

8. The Municipal Budget and Reporting Regulations

National Treasury has released Version 2.7 of Schedule A1 (the Excel Formats). This version incorporates minor changes (see Annexure A). Therefore ALL municipalities MUST use this version for the preparation of their 2015/16 Budget and MTREF.

Download Version 2.7 of Schedule A1 by clicking HERE

The Municipal Budget and Reporting Regulations are designed to achieve a range of objectives, including improving the local government sphere's ability to deliver services by

facilitating improved financial sustainability and better medium term planning. The regulations, formats and associated guides etc. are available on National Treasury's website at:

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

Municipalities are required to submit their budget related electronic returns to lgdatabase@treasury.gov.za for both the draft budget and the final adopted budget. This will assist the National and Provincial Treasuries with the benchmark process.

8.1 Assistance with the compilation of budgets

If you require advice with the compilation of your budgets, the budget documents or Schedule A1 please direct your enquiries as follows:

	Responsible NT officials	Tel. No.	Email
Eastern Cape	Templeton Phogole Matjatji Mashoeshoe	012-315 5044 012-315 6567	Templeton.Phogole@treasury.gov.za Matjatji.Mashoeshoe@treasury.gov.za
Free State	Vincent Malepa Katlego Mabiletsa	012-315 5539 012-395 6742	Vincent.Malepa@treasury.gov.za Katlego.Mabiletsa@treasury.gov.za
Gauteng	Kgomotso Baloyi Nomxolisi Mawulana	012-315 5866 012-315 5460	Kgomotso.Baloyi@treasury.gov.za Nomxolisi.Mawulana@treasury.gov.za
KwaZulu-Natal	Bernard Mokgabodi Johan Botha Walter Munyai	012-315 5936 012-315 5171 012-395 6793	Bernard.Mokgabodi@treasury.gov.za Johan.Botha@treasury.gov.za Walter.Munyai@treasury.gov.za
Limpopo	Una Rautenbach Sifiso Mabaso	012-315 5700 012-315 5952	Una.Rautenbach@treasury.gov.za Sifiso.Mabaso@treasury.gov.za
Mpumalanga	Jordan Maja Anthony Moseki	012-315 5663 012-315 5174	Jordan.Maja@treasury.gov.za Anthony.Moseki@treasury.gov.za
Northern Cape	Willem Voigt Mandla Gilimani	012-315 5830 012-315 5807	Willem.Voigt@treasury.gov.za Mandla.Gilimani@treasury.gov.za
North West	Sadesh Ramjathan Makgabo Mabotja	012-315 5101 012-315 5156	Sadesh.Ramjathan@treasury.gov.za Makgabo.Mabotja@treasury.gov.za
Western Cape	Vuyo Mbunge Kevin Bell Mlungisi Mthembu	012-315 5661 012-315 5725 012-395 6554	Vuyo.Mbunge@treasury.gov.za Kevin.Bell@treasury.gov.za Mlungisi.Mthembu@treasury.gov.za
Technical issues with Excel formats	Elsabe Rossouw	012-315 5534	lgdataqueries@treasury.gov.za

National Treasury, working with the provincial treasuries, will carry out a compliance check and where municipalities have not provided complete information, the budgets will be referred back to the Mayor and municipal manager. Municipal managers are reminded that the annual budget must be accompanied by a 'quality certificate' in accordance with the format set out in item 31 of Schedule A in the Municipal Budget and Reporting Regulations. The National Treasury would like to emphasise that where municipalities have not adhered to the Municipal Budget and Reporting Regulations, ***those municipalities will be required to go back to the municipal council and table a complete budget document aligned to the requirement of the Municipal Budget and Reporting Regulations.***

Municipalities with municipal entities are once again reminded that they need to produce consolidated budgets and in-year reports for both the parent entity and entity in that they need to produce:

- An annual budget, adjustment budget and monthly financial statements for the parent municipality in the relevant formats; and
- A consolidated annual budget, adjustments budget and monthly financial statements for the parent municipality and all its municipal entities in the relevant formats.

In addition, the A Schedule that the municipality submits to National Treasury must be the consolidated budget for the municipality (plus entities) and not the budget of the parent municipality.

8.2 Benchmarking process

National Treasury and provincial treasuries will be conducting benchmark budget hearings on the municipalities' tabled budgets during April and early May 2015 to assess whether the budgets are realistic, sustainable and relevant, and the extent to which they are funded in accordance with the requirements of the MFMA. In this regard, National Treasury will communicate further with the non-delegated municipalities, while the provincial treasuries will communicate with their respective delegated municipalities.

Municipalities are required to table the reports and recommendations provided by the respective treasury in Council and submit a copy of the council resolution in this regard to National Treasury and the respective Provincial Treasury.

8.3 The difference between the collection rate on table SA8 and SA10

The collection rate (cash receipts % of ratepayer & other revenue) on table SA10 - Funding measurement, is a cash collection rate calculated on operating revenue at the rate at which funds are 'collected'. This measure is intended to analyse an underlying conservative assumed collection rate; i.e. how much cash is expected to be collected from property rates, service charges and other revenue (excluding grants and interest earned).

The collection rate (cash receipts % of ratepayer & service charges) on table SA8 – Performance indicators and benchmarks row 18 refers to a "Current Consumer Debtors Collection Rate" – this measure is intended to analyse the actual consumer collection rate from property rates and service charges only, excluding other revenue.

9. Budget process and submissions for the 2015/16 MTREF

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

Once more, municipalities are reminded that the IDP review process and the budget process should be combined into a single process. Municipalities are reminded to prepare for the budget verification process that will be undertaken on the adopted budgets.

9.1 Tabling of the MFMA budget circular in municipal council

Municipalities are advised to table the annual municipal budget Circulars in council together with the budget documents.

9.2 Submitting budget documentation and schedules for 2015/16 MTREF

To facilitate oversight of compliance with the Municipal Budget and Reporting Regulations, accounting officers are reminded that:

- Section 22(b)(i) of the MFMA requires that ***immediately*** after an annual budget is tabled in a municipal council it must be submitted to the National Treasury and the relevant provincial treasury in both printed and electronic formats. If the annual budget is tabled to council on 31 March 2015, the final date of submission of the electronic budget documents and corresponding electronic returns is **Wednesday, 01 April 2015**. The deadline for submission of hard copies including council resolution is **Friday, 10 April 2015**.
- Section 24(3) of the MFMA, read together with regulation 20(1), requires that the approved annual budget must be submitted ***within ten working days*** after the council has approved the annual budget. If the council only approves the annual budget on 30 June 2015, the final date for such a submission is Tuesday, **14 July 2015**, otherwise an earlier date applies.

The municipal manager must submit:

- the budget documentation as set out in Schedule A of the Municipal Budget and Reporting Regulations, including the main Tables (A1 - A10) and all the supporting tables (SA1 – SA37) in both printed and electronic format;
- the draft service delivery and budget implementation plan in both printed and electronic format;
- the draft integrated development plan;
- in the case of approved budgets, the council resolution;
- Signed Quality Certificate as prescribed in the Municipal Budget and Reporting Regulations; and
- Signed budget locking certificate as found on the website.

Municipalities are required to send electronic versions of documents and the A1 schedule to lgdocuments@treasury.gov.za.

If the budget documents are too large to be sent via email (exceeds 4MB) please submit to lgbigfiles@gmail.com ; any problems experienced in this regard can be addressed with Elsabe Rossouw (email: Elsabe.Rossouw@treasury.gov.za).

Municipalities are required to send printed submissions of their budget documents and council resolution to:

For couriered documents
Ms Linda Kruger
National Treasury
40 Church Square
Pretoria, 0002

For posted documents
Ms Linda Kruger
National Treasury
Private Bag X115
Pretoria, 0001

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

9.3 Budget reform returns to the Local Government Database for publication

For publication purposes, municipalities are still required to use the Budget Reform Returns to upload budget and monthly expenditure to the National Treasury Local Government Database. All returns are to be sent to lgdatabase@treasury.gov.za.

Returns for the 2015/16 budget must be submitted to the Local Government Database by the latest **24 July 2015**.

The aligned electronic returns may be downloaded from National Treasury's website at the following link: http://mfma.treasury.gov.za/Return_Forms/Pages/default.aspx.

9.4 Publication of budgets on municipal websites

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

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

Contact

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Post	Private Bag X115, Pretoria 0001
Phone	012 315 5009
Fax	012 395 6553
Website	http://www.treasury.gov.za/default.aspx

JH Hattingh
Chief Director: Local Government Budget Analysis
09 March 2015

Annexure A – Changes to Schedule A1 – the 'Excel formats'

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

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

Annexure B – Previous MFMA Circulars

Budget management issues dealt with in previous MFMA Circulars

Municipalities are reminded to refer to MFMA Circulars 48, 51, 54, 55, 66, 67 and 70 with regards to the following issues:

1. *Mayor's discretionary funds and similar discretionary budget allocation* – National Treasury regards allocations that are not designated for a specific purpose to be bad practice and discourage them (refer to MFMA Circular 51).
2. *Unallocated ward allocations* – National Treasury does not regard this to be a good practice, because it means that the tabled budget does not reflect which ward projects are planned for purposes of public consultation and council approval (refer to MFMA Circular 51).
3. *New office buildings* – Municipalities are required to send detailed information to National Treasury if they are contemplating building new main office buildings (refer to MFMA Circular 51).
4. *Virement policies of municipalities* – Municipalities are reminded of the principles that must be incorporated into municipal virements policies (refer to MFMA Circular 51).
5. *Providing clean water and managing waste water* – Municipalities were reminded to include a section on 'Drinking water quality and waste water management' in their budget document (refer to MFMA Circular 54).
6. *Renewal and repairs and maintenance of existing assets* – Allocations to repairs and maintenance, and the renewal of existing infrastructure must be prioritised. Municipalities must provide detailed motivations in their budget documentation if allocations do not meet the required benchmarks set out in MFMA Circular 55 and 66.
7. *Credit cards and debit cards linked to municipal bank accounts are not permitted* – On 02 August 2011 National Treasury issued a directive to all banks informing them that as from 01 September 2011 they are not allowed to issue credit cards or debit cards linked to municipal bank accounts (refer to MFMA Circular 55).
8. *Water and sanitation tariffs must be cost reflective* - refer to MFMA Circular 66.
9. *Solid waste tariffs* – refer to MFMA Circular 70.
10. *Variances between 4th Quarter section 71 results and annual financial statements* – refer to Circular 67.
11. *Additional In-Year reporting requirements* – refer to MFMA Circular 67.
12. *Appropriation statement (reconciliation: budget and in-year performance)- reference is made to circular 67.* It came to the attention of National Treasury that a number of municipalities did not include the appropriation statement as part of their 2012/13 or 2013/14 annual financial statement. In terms of the Standards of GRAP 24 on the Presentation of Budget Information in Financial Statements, municipalities are required to present their original and adjusted budgets against actual outcome in the annual financial statements. This is considered an appropriation statement and the comparison between the budget and actual performance should be a mirror image of each other as it relates to the classification and grouping of revenue and expenditure as has been the case in a national and provincial context. This statement is subject to auditing and accordingly supporting documentation would be required to substantiate the compilation of this statement.
13. *Eliminating non-priority spending* – The 2013 MTBPS emphasised the need for government to step-up its efforts to combat waste, inefficiency and corruption (refer to MFMA circular 70).
14. *Council oversight over the budget process* – refer to MFMA Circular 70.

Conditional grant issues dealt with in previous MFMA Circulars

Municipalities are reminded to refer to MFMA Circulars 48, 51, 54, 55 and 67 with regards to the following issues:

1. *Accounting treatment of conditional grants*: Municipalities are reminded that in accordance with accrual accounting principles, conditional grants should only be treated as 'transfers recognized' revenue when the grant revenue has been 'earned' by incurring expenditure in accordance with the conditions of the grant.
2. *VAT on conditional grants:* SARS has issued a specific guide to assist municipalities meeting their VAT obligations – ***VAT 419 Guide for Municipalities***. To assist municipalities accessing this guide it has been placed on the National Treasury website at: http://mfma.treasury.gov.za/Guidelines/Pages/default.aspx
3. *Interest received and reclaimed VAT in respect of conditional grants:* Municipalities are reminded that in MFMA Circular 48, National Treasury determined that:
   - Interest received on conditional grant funds must be treated as 'own revenue' and its use by the municipality is not subject to any special conditions; and
   - 'Reclaimed VAT' in respect of conditional grant expenditures must be treated as 'own revenue' and its use by the municipality is not subject to any special conditions.
4. *Appropriation of conditional grants that are rolled over* – As soon as a municipality receives written approval from National Treasury that its unspent conditional grants have been rolled-over it may proceed to spend such funds (refer to MFMA Circular 51 for other arrangements in this regard).
5. *Pledging of conditional grant transfers* – the 2015 Division of Revenue Bill contained a provision that allows municipalities to pledge their conditional grants. The end date for the pledges is extended to 2017/18. The process of application as set out in MFMA Circular 51 remains unchanged.
6. *Separate reporting for conditional grant roll-overs* – National Treasury has put in place a separate template for municipalities to report on the spending of conditional grant roll-overs. Municipalities are reminded that conditional grant funds can only be rolled-over once, so if they remain unspent in the year in which they were rolled-over they MUST revert to the National Revenue Fund.
7. *Payment schedule* – National Treasury has instituted an automated payment system of transfers to municipalities in order to ensure appropriate safety checks are put in place. Only the primary banking details verified by National Treasury will be used for effecting transfers.
8. *Conditional grant transfers/payments, the responsibilities of transferring and receiving authorities and the criteria for the rollover of conditional grants –* It is important that the transfers made to municipalities' are transparent, and properly captured in the municipalities' budgets. MFMA Circular no: 67 in this regard refers. The criterion for the rollover of conditional grants is stipulated in MFMA Circular no: 51.

MBRR issues dealt with in previous MFMA Circulars

Municipalities are reminded to refer to MFMA Circulars 48, 51, 54, 55 with regards to the following issues:

1. *Budgeting for revenue and 'revenue foregone'* – The 'realistically anticipated revenues to be collected' that must be reflected on the Budgeted Statement of Financial Performance (Tables A2, A3 and A4) must exclude 'revenue foregone'. The definition

of 'revenue foregone' and how it is distinguished from 'transfers and grants' is explained in MFMA Circular 51.

2. *Preparing and amending budget related policies* – Information on all budget related policies and any amendments to such policies must be included in the municipality's annual budget document (refer to MFMA Circular 54).
3. *2013/14 MTREF Funding Compliance Assessment* – All municipalities were required to perform the funding compliance assessment outlined in *MFMA Funding Compliance Guideline* and to include the relevant information outlined in MFMA Circular 55 in their 2015/16 budgets (refer to MFMA Circular 55).

Uniform Financial Ratios and Norms

The purpose of this Circular is to provide a set of uniform key financial ratios and norms suitable and applicable to municipalities and municipal entities. Section 216 (1)(c) of the Constitution and section 2 of the Municipal Finance Management Act (MFMA) enable National Treasury to introduce uniform treasury norms and standards to ensure sound and sustainable management of fiscal and financial affairs of municipalities and municipal entities.

A number of institutions currently use a variety of financial ratios and norms to assess and compare the financial health and performance of municipalities. Municipalities also use different financial ratios and norms to assess their own performance and set benchmarks for improvement to be measured over time. Results of our research show that there are in excess of two hundred different sets of financial ratios, with different derivatives used to assess municipality's financial status. This results in conflicting interpretation, inconsistent application and misunderstanding of the financial status of a municipality, often with incorrect diagnosis of the challenges and therefore inappropriate responses.

This Circular aims to bring consistency in interpretation and application of certain financial information using standardised financial ratios. It is important that any one of these ratios should not be read in isolation of one another, as this could lead to distortions in interpretation. Ideally, a number of interrelated ratios should be analysed together in order to get a broader picture of a municipality's or municipal entity's financial performance. When used in a combined manner analysis of different ratios will provide policy makers and the public with a very good sense of the financial status of the municipality and its entity. This Circular will also assist in municipalities being able to identify areas of financial management that need constant monitoring and improvement.

The Circular addresses different categories of ratios norms, interpretation and covers various aspects of a municipality's finances, such as financial position, financial performance and budget implementation, so that these can be used as part of in-year and end of year analysis. This will also aid in long-term financial planning and can be used to track progress over a number of years. Each ratio is explained to remove ambiguity and misinterpretation. The source of such information is also explained in the annexures to this Circular. Norms or standards have been assigned to each financial ratio, which are explained later in this Circular.

Categorisation Financial Ratios, Formulas, Norms and Interpretation

Categorisation

In order to perform a holistic financial analysis of a municipality or municipal entity all financial aspects of the institution should be considered. Ratios are divided into various

categories to address the different financial aspects and operations of a municipality or municipal entity.

1) **Financial Position**

2) **Financial Performance**

3) **Budget Implementation**

Financial Ratios, Formulas, Norms and Interpretation

The ratios presented in this Circular are categorised in accordance with the previous section, and are presented in further detail to include the following:

- Purpose/ description of the Financial Ratio;
- Formula to be Used;
- Norms per Ratio; and
- Interpretation of Ratio Analysis Results.

Tables that provide a summary of the financial ratios, formulas, data source and norms are presented in Annexure 1.

1. FINANCIAL POSITION

A. Asset Management

1. Capital Expenditure to Total Expenditure

Purpose/Description of the Ratio

This Ratio is used to assess the level of Capital Expenditure to Total Expenditure, which indicates the prioritisation of expenditure towards current operations *versus* future capacity in terms of Municipal Services.

Formula

Total Capital Expenditure / Total Expenditure (Total Operating Expenditure + Capital Expenditure) × 100

Norm

The norm range between **10% and 20%**

Interpretation of Results

When assessing the level of Investment in Assets, a ratio less than 10% reflects lower spending by the municipality in infrastructure and holds potential risks to service delivery. A ratio of more than 20% reflects higher spending on infrastructure and acceleration in service delivery, but could also hold financial sustainability risks if the infrastructure do not include both economic (revenue generating) and social type infrastructure.

The environment of the municipality should be considered when assessing the level of Investment in Assets. A municipality that has already invested in assets to address service delivery backlogs, would be required to maintain and improve such service levels, and therefore the percentage of spending allocated to new assets may not be significant higher.

On the other hand a municipality where the infrastructure and level of services provided is low and the associated expenditure is also low, the percentage of investment in new assets to total expenditure would be significantly higher.

The results from this ratio should be read together with the results from the analysis of the funding mix for capital expenditure.

It is critical that capital expenditure is largely directed toward service delivery infrastructure and not administrative assets.

2. Impairment of Property, Plant and Equipment and Investment Property and Intangible Assets (Carrying Value)

Purpose/ Description of the Ratio

Asset impairment refers to the loss in future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation.

This implies that the utilisation of assets did not deliver the value or service levels envisaged when approval was originally obtained for procuring the assets. When the approval is obtained to invest in Property, Plant and Equipment or Intangible Assets by the Municipality or Municipal Entity, the value should be realised through utilisation and reflected as Depreciation and not through unexpected losses due the Impairment of Property, Plant and Equipment or Intangible Assets. Impairment is therefore unexpected and only detected when the assessment for Impairment is performed as per the requirements of the applicable GRAP standards. It is therefore not planned for or expected and will not be budgeted.

Formula

Property, Plant and Equipment + Investment Property + Intangible Assets Impairment/ (Total Property, Plant and Equipment + Investment Property + Intangible Assets) x 100

Norm

The norm is **0%**

Interpretation of Results

The purpose of the Ratio is to indicate the percentage of Impairments compared to the Carrying Value of the Assets; a ratio above 0% reflects a risk in service delivery and therefore corrective measures should be implemented.

3. ***Repairs and Maintenance as a % of Property, Plants and Equipment and Investment Property (Carrying Value)***

Purpose/ Use of the Ratio

The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to prevent breakdowns and interruptions to service delivery. Repairs and maintenance of municipal assets is required to ensure the continued provision of services.

Formula

Total Repairs and Maintenance Expenditure / Property, Plant and Equipment and Investment Property (Carrying Value) x 100

Norm

The norm is **8%**

Interpretation of Results

A ratio below the norm is a reflection that insufficient monies are being spent on repairs and maintenance to the extent that it could increase impairment of useful assets.

An increasing expenditure trend may be indicative of high asset-usage levels, which can prematurely require advanced levels of Repairs and Maintenance or a need for Asset Renewal / Replacements. Also, should an increasing expenditure trend suddenly drop to lower levels without an increase in the fixed asset value, this may be indicative of challenges in spending patterns. This may also indicates that the Municipality is experiencing cash flow problems and therefore unable to spend at

appropriate levels on its repairs to existing assets or purchase of new assets thus impacting negatively on service delivery.

B. Debtors Management

1. Collection Rate

Purpose/ Use of the Ratio

The Ratio indicates the collection rate; *i.e.* level of payments. It measures increases or decreases in Debtors relative to annual billed revenue. In addition, in order to determine the real collection rate bad debts written-off is taken into consideration.

Formula

Gross Debtors Opening Balance + Billed Revenue – Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100

Norm

The norm is **95%**

Interpretation of Results

Assessing the Collection Ratio will provide an indication of the performance against a number of areas, for example:

- Quality of Credit Control - ensuring that what is billed is collected; and
- Quality of Revenue Management - the ability to set affordable tariffs and bill correctly.

If the ratio is below the norm this is an indication that revenue collection of the municipality requires urgent attention and corrective measures should be implemented. A municipality with outstanding debtors should aim at achieving a collection rate of more than 100%. The results from this ratio should be viewed along with results from the age analysis and net debtor's day's ratio.

2. Bad Debts Written-off as % of the Bad Debt Provision

Purpose/ Use of the Ratio

The Ratio compares the value of Bad Debts Written-off on Consumer Debtors to Bad Debts Provided for Consumer Debtors to ensure that the Provision for Bad Debts is sufficient.

Formula

Bad Debts Written-off (Period under review)/ Provision for Bad Debt (Period under review x 100

Norm

The norm is **100%**

Interpretation of Results

Municipality should only write-off Bad Debts already provided for and, if the results are less than 100%, it should be ideally due to the recoverability of debtors. When 100% is exceeded, it indicates that the Municipality had not previously identified the Debtor/s as having the potential for defaults, which could indicate weakness in calculation of the Provision for Bad Debt, the methodology used and/or poor credit control processes.

3. Net Debtors Days

Purpose/ Use of the Ratio

This ratio reflects the collection period. Net Debtor Days refers to the average number of days required for a Municipality or Municipal Entity to receive payment from its Consumers for bills/invoices issued to them for services.

The Ratio exclude balances for Debtors, which the Municipality or Municipal Entity has assessed as potentially irrecoverable, and is also a good indication of the effectiveness of credit control procedures within the Municipality or Municipal Entity as well as the extent to which the Municipality or Municipal Entity has provided for Doubtful Debts.

Formula

((Gross Debtors - Bad Debt Provision) / Billed Revenue)) × 365

Norm

The norm is **30 Days**

Interpretation of Results

This Ratio adjusts for Municipality's who have had significant write-offs of Irrecoverable Debtor balances in the Gross Debtors Days analysis as it only assesses the performance of collectable Debtors. In addition, it provides an indication of the quality of credit control policy, effectiveness of the implementation thereof and quality of revenue management. If the ratio is above the norm, this indicates that the Municipality is exposed to significant Cash Flow risk. This is also an indication that the municipality is experiencing challenges in the collection of outstanding amounts due to it. In addition,

this indicates that a significant amount of potential cash is tied up in consumer debtors and the municipality must improve its revenue and cash flow management.

C. Liquidity Management

1. Cash/ Cost Coverage Ratio (Excluding Unspent Conditional Grants)

Purpose/ Use of the Ratio

The Ratio indicates the Municipality's or Municipal Entity's ability to meet at least its monthly fixed operating commitments from cash and short-term investment without collecting any additional revenue, during that month.

The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal Municipal day-to-day operational expenditure but rather reserved for Grant related expenditure.

Formula

((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)).

Norm

The norm range between **1 month to 3 months.**

Interpretation of Results

If a municipality has a ratio below the norm it would be vulnerable and at a higher risk in the event of financial "shocks/set-backs" and its ability to meet its obligations to provide basic services or its financial commitment is compromised. The results from this ratio should be viewed along with results from analysis on Debtor Management to fully assess Cash Flow Risk. The more cash reserves a municipality or municipal entity has available the lower the risk of it being unable to fund monthly fixed operational expenditure and to continue rendering services.

2. Current Ratio

Purpose/ Use of the Ratio

The Ratio is used to assess the Municipality's or Municipal Entity's ability to pay back its Short-term Liabilities (Debt and Payables) with its Short-term Assets (Cash, Inventory, Receivables).

Formula

Current Assets / Current Liabilities

Norm

The norm range between **1.5 to 2 :1**

Interpretation of Results

The higher the current Ratio, the more capable the Municipality or Municipal Entity will be to pay its current or short-term obligations and provide for a risk cover to enable it to continue operations at desired levels. A financial ratio under 1 suggests that the Municipality or Municipal Entity would be unable to pay all its current or short-term obligations if they fall due at any specific point.

If current liabilities exceed current assets, it highlights serious financial challenges and likely liquidity problems *i.e.* insufficient cash to meet short-term financial obligations. Current assets must therefore be increased to appropriately cover current liabilities otherwise there is a risk that non-current assets will need to be liquidated to settle current liabilities.

D. Liability Management

1. Capital Cost (Interest Paid and Redemption) as a % of Total Operating Expenditure

Purpose/ Use of the Ratio

The Ratio indicates the cost required to service the borrowing. It assesses the Borrowing or Payment obligation expressed as a percentage of Total Operating Expenditure.

Formula

Capital Cost (Interest Paid and Redemption) / Total Operating Expenditure x 100

Norm

The norm is between **6% to 8%**

Interpretation of Results

Operating below the Norm could indicate that the Municipality has the capacity to take on additional financing from borrowing to invest in infrastructure projects or it could relate to cash flow problems where it is unable to access borrowed funds or the funding decisions of the municipality impacts of these levels. On the other hand, exceeding the Norm could pose a risk to the Municipality should changes or fluctuations in financing costs arise.

When assessing this ratio, the cash flow requirements of the Municipality or Municipal Entity should also be considered.

2. *Debt (Total Borrowings)/ Total Operating Revenue*

Purpose/ Use of the Ratio

The Ratio indicates the extent of Total Borrowings in relation to Total Operating Revenue. It indicates short and long term debt financing relative to operating revenue of the municipality.

The purpose of the Ratio is to provide assurance that sufficient Revenue will be generated to repay Liabilities. Alternatively stated, the Ratio indicates the affordability of the Total Borrowings.

Formula

Debt (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant

Norm

The norm is **45%**

Interpretation of Results

If the result of the Ratio analysis indicates less than 45% then the Municipality still has capacity to take increase funding from borrowings, however, this should be considered within the cash flow requirements of the Municipality or Municipal Entity.

E. *Sustainability*

1. *Level of Cash Backed Reserves (Net Assets - Accumulated Surplus)*

Purpose/ Use of the Ratio

The Ratio measures the extent to which the Other Reserves, which are required to be cash backed are actually backed by Cash Reserves.

Formula

(Cash and Cash Equivalents - Bank Overdraft + Short Term Investment + Long Term Investment - Unspent Conditional Grants) / (Net Assets - Accumulated Surplus – Non Controlling Interest – Share Premium – Share Capital – Fair Value Adjustment – Revaluation Reserve)

Norm

The norm is **100%**

Interpretation of Results

If a Municipality or Municipal Entity has less than 100% Cash Reserves it could negatively impact the Municipality's or Municipal Entity ability to comply with the conditions for creating the Reserves and on its ability to fund current and future operations.

2. FINANCIAL PERFORMANCE

A. Efficiency

1. Net Operating Surplus Margin

Purpose/ Use of the Ratio

The Ratio assesses the extent to which the Municipality generates Operating Surpluses.

Formula

(Total Operating Revenue – Total Operating Expenditure)/ Total Operating Revenue x 100%

Norm

The norm is equal to or greater than **0%**

Interpretation of Results

Municipalities should at least recover operational costs for the services being delivered. In addition, a ratio which is greater than 0% will enable the municipality to generate a surplus which will assist to contribute towards its capital funding requirements. If the result is less than 0% it implies that the municipality is operating at a deficit and measures must be implemented to address this situation to ensure sustainable service delivery. In a case of an operating deficit it is critical to ascertain the extent to which the accounting policy, i.e. revaluation method has impacted on the calculations to avoid any distortions in interpretation of the outcome. Refer to Circular 58 section 4.3 regarding revaluation in terms of GRAP 17 and treatment of depreciation and GRAP 24.

2. Net Surplus /Deficit Electricity

Purpose/ Use of the Ratio

This ratio measures the extent to which the municipality generates surplus or deficit in rendering electricity service. The purpose of the Ratio is to determine the contribution

made by the provision of Electricity Services, being one of the major functions of a municipality.

Formula

Total Electricity Revenue less Total Electricity Expenditure /Total Electricity Revenue x 100%

Norm

The Norm range between **0% and 15%**

It should be noted that this norm will be superseded by sector determinations from time to time, as other regulatory bodies address the appropriate level of tariffs and surpluses.

Interpretation of Results

A ratio below 0% depicts that electricity service is rendered at a deficit/loss and will be unsustainable if other revenue is not allocated to fund such services. The results must be between the range to ensure services are sustainable and that all costs associated with the delivery of Electricity Services are at least recovered with a margin for future growth and/ or capital funding for electricity assets.

3. Net Surplus / Deficit Water

Purpose/ Use of the Ratio

This ratio measures the extent to which the municipality generates surplus or deficit in rendering water service. The purpose of the Ratio is to determine the contribution made by the provision of water service being one of the major functions of a municipality.

Formula

Total Water Revenue less Total Water Expenditure / Total Water Revenue x 100%

Norm

The norm is equal to or greater than **0%** and will be superseded by the sector determination from time to time, as other regulatory bodies address the appropriate level of tariffs, surpluses and subsidisation.

Interpretation of Results

A ratio below 0% depicts that water service is rendered at a loss and unsustainable. The results must not be below the norm so as to ensure that the Services are sustainable and that all costs associated with the delivery of Water Services are at least recovered with a margin for future growth and/ or capital funding for water assets.

4. Net Surplus /Deficit Refuse

Purpose/ Use of the Ratio

This ratio measures the extent to which the municipality generates surplus or deficit in rendering refuse service. The purpose of the Ratio is to determine the contribution made by the provision of refuse service being one of the major functions of a municipality.

Formula

Total Refuse Revenue less Total Refuse Expenditure /Total Refuse Revenue x 100%

Norm

The Norm is equal to or greater than **0%** and will be superseded by the Sector determination from time to time, as other regulatory bodies address the appropriate level of tariffs, surpluses and subsidisation.

Interpretation of Results

A ratio below 0% depicts that refuse service is rendered at a loss and unsustainable. The results must not be below the norm so as to ensure that the Services are sustainable and that all costs associated with the delivery of Refuse Services are at least recovered with a margin for future growth and/ or capital funding for Refuse assets.

5. Net Surplus / Deficit Sanitation and Waste Water

Purpose/ Use of the Ratio

This ratio measures the extent to which the municipality generates surplus or deficit in rendering sanitation and waste water service. The purpose of the Ratio is to determine the contribution made by the provision of sanitation and waste water services being one of the major functions of a municipality.

Formula

Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water Expenditure / Total Sanitation and Waste Water Revenue x 100%

Norm

The norm is equal to or greater than **0%** and will be superseded by the sector determination from time to time, as other regulatory bodies address the appropriate level of tariffs, surpluses and subsidisation.

Interpretation of Results

A ratio below 0% depicts that sanitation and waste water is rendered at a loss and unsustainable. The results must not be below the norm so as to ensure that the Services are sustainable and that all costs associated with the delivery of sanitation and waste water are at least recovered with a margin for future growth and / or capital funding for assets.

B. Distribution Losses

1. Electricity Distribution Losses (Percentage)

Purpose/ Use of the Ratio

The purpose is to measure the percentage loss of potential revenue from Electricity Services through electricity units purchased and generated but not sold as a result of losses incurred through theft (illegal connections), non or inaccurate metering or wastage. It is expected that implementation of the free basic service policy is included in the calculation for sale of electricity.

Formula

(Number of Electricity Units Purchased and / or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and / or Generated) × 100

Norm

The Norm is between **7% and 10%** and will be superseded by the sector determination.

Interpretation of Results

A ratio below the norm depicts that electricity losses are well managed. If the Ratio exceeds the norm it could indicate various challenges, for example, deteriorating electricity infrastructure or poor management of the networks, affecting the Municipality or Municipal Entity, which would require further analysis to determine the reasons for such losses. In addition, the root causes should be addressed.

2. Water Distribution Losses (Percentage)

Purpose/ Use of the Ratio

The purpose of this ratio is to determine the percentage loss of potential revenue from water service through kilolitres of water purchased but not sold as a result of losses incurred through theft (illegal connections), non- or incorrect metering or wastage as a result of deteriorating water infrastructure. It is expected that implementation of the free basic service policy is included in the calculation for sale of water.

Formula

(Number of Kiloliters Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kiloliters Water Purchased or Purified × 100

Norm

The Norm is between **15% and 30%**

Interpretation of Results

A ratio within the norm depicts that water losses and water infrastructure are well managed. If the Ratio exceeds the norm it could indicate various challenges, for example, ageing water infrastructure or poor management, affecting the Municipality or Municipal Entity, which would require further analysis and explanation to determine the reasons for such losses. In addition, the root causes should be addressed.

C. Revenue Management

1. Growth in Number of Active Consumer Accounts

Purpose/ Use of the Ratio

The ratio measures the actual growth in the Revenue base of the Municipality brought about by an increase in the Consumer base rather than tariff increases.

Formula

(Period under Review's Number of Active Debtor Accounts - Previous Period's Number of Active Debtor Accounts) / Previous Period Number of Active Debtor Accounts x 100

Norm

No Norm is currently being proposed for this Ratio but will be monitored and a determined in the future. Municipalities are requested to report on this aspect to its Council.

Interpretation of Results

The results from this analysis will have to be taken into consideration when assessing the Growth in Revenue to determine the Real Growth in the Customer base vs growth due to tariff and inflationary adjustments. Growth in number of active consumers indicates an increase in revenue base.

Further, the impact of growth on the Indigent Base vs Growth in Paying Consumers should be assessed regularly as this must be used to inform Councils policy.

2. *Revenue Growth (%)*

Purpose/ Use of the Ratio

This Ratio measures the overall revenue growth. In addition, this ratio will assist in determining if the increase in Expenditure will be funded by an increase in Revenue base or by some other means.

Formula

(Period Under Review's Total Revenue - Previous Period's Total Revenue) / Previous Period's Total Revenue) x 100

Norm

The norm is at the rate of **CPI**

Interpretation of Results

The Revenue Growth has to be assessed in conjunction with the growth in the Revenue base and number of consumer accounts to determine the real Growth in Revenue.

3. *Revenue Growth (%) - Excluding Capital Grants*

Purpose/Use of the Ratio

This Ratio measures the overall Revenue Growth adjusted for Capital Grants. In addition, this ratio will assist in determining if the increase in Expenditure will be funded by the increased Revenue Base or by some other means.

Formula

((Period Under Review's Total Revenue Excluding Capital Grants - Previous Period's Total Revenue Excluding Capital Grants)/ Previous Period's Total Revenue Excluding Capital Grants) x 100

Norm

The norm is at the rate of **CPI**

Interpretation of Results

The Revenue Growth has to be assessed in conjunction with the growth in the Revenue base, number of consumer accounts to determine the real Growth.

D. Expenditure Management

1. Creditors Payment Period (Trade Creditors)

Purpose/ Use of the Ratio

This ratio indicates the average number of days taken for Trade Creditors to be paid.

Formula

Trade Creditors Outstanding / Credit Purchases (Operating and Capital) × 365

Norm

The norm is **30 days**

Interpretation of Results

A period of longer than 30 days to settle creditors is normally an indication that the Municipality may be experiencing cash flow problems, however in certain instances this may be as a result of disputes, processing of payments, etc. In addition, a ratio that exceeds the norm indicates that the Municipality may not be adequately managing its Working Capital or that effective controls are not in place to ensure prompt payments. The municipality will be required to provide further explanations in this regard.

2. Irregular, Fruitless and Wasteful and Unauthorised Expenditure/ Total Operating Expenditure

Purpose/ Use of the Ratio

The ratio measures the extent to which the Municipality has incurred Irregular, Fruitless and Wasteful and Unauthorised Expenditure.

Formula

(Irregular, Fruitless and Wasteful and Unauthorised Expenditure) / Total Operating Expenditure x 100

The net amount after condonement should be used in this calculation.

Norm

The norm is **0%**

Interpretation of Results

A ratio that exceeds 0% must be investigated and acted upon.

3. Remuneration (Employee Related Costs and Councillors Remuneration) as % of Total Operating Expenditure)

Purpose/ Use of the Ratio

The ratio measures the extent of Remuneration to Total Operating Expenditure.

Formula

Remuneration (Employee Related Costs and Councillors' Remuneration) / Total Operating Expenditure x 100

Norm

The norm range between **25% and 40%**

Interpretation of Results

If the ratio exceed the norm it could indicate inefficiencies, overstaffing or even the incorrect focus due to misdirected expenditure to non-essentials or non-service delivery related expenditure. Various factors need to be considered when commenting on this ratio, such as the powers and functions performed by the municipality or entity, as this can create distortions in the outcomes, if the analysis ignores such factors.

4. Contracted Services % of Total Operating Expenditure

Purpose/ Use of the Ratio

This ratio measures the extent to which the municipalities resources are committed towards contracted services to perform Municipal related functions.

Formula

Contracted Services / Total Operating Expenditure x 100

Norm

The norm range between **2% and 5%**

Interpretation of Results

A ratio in excess of the Norm could indicate that many functions are being outsourced to Consultants, or that Contracted Services are not effectively utilised. This also depends on the model of service delivery selected by the municipality. In addition, outsourcing decisions will have to be weighed against the ability to attract skills; however, increases in this ratio can further expose the municipality to other risks, such as its inability to build capacity and ongoing reliance on Contractors.

E. Grant Dependency

1. Own Funded Capital Expenditure (Internally Generated Funds + Borrowings) to Total Capital Expenditure

Purpose/ Use of the Ratio

The Ratio measures the extent to which the municipality's Total Capital Expenditure is funded through Internally Generated Funds and Borrowings.

Formula

Own Funded Capital Expenditure (Internally Generated Funds + Borrowings) / Total Capital Expenditure x 100

Norm

No norm is proposed at this time. It is critical that the funding mix of capital expenditure is undertaken in such a manner that affordable borrowing is directed towards addressing service delivery needs and that there is also opportunity for increased capacity on internally generated funding to attain an improved balance of the funding sources.

2. Own Funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure

Purpose/ Use of the Ratio

The Ratio measures the extent to which Total Capital Expenditure of the Municipality is funded through Internally Generated Funds.

Formula

Own funded Capital Expenditure (Internally Generated Funds) / Total Capital Expenditure x 100

Norm

No norm is proposed at this time. The funding mix for capital expenditure is dependent on the municipal policy and ability to raise revenue from different sources. Increased capacity for internally generated funding is required in some circumstances, which could also improve the balance in funding sources.

3. Own Source Revenue to Total Operating Revenue (Including Agency Revenue)

Purpose/ Use of the Ratio

The Ratio assesses the extent of Own Source Revenue to Total Operating Revenue, including Agency Revenue hence self-sufficiency.

Formula

Own Source Revenue (Total Revenue - Government Grants and Subsidies – Public Contribution and Donations)/ Total Operating Revenue (Including Agency Services) x 100

Norm

No norm is proposed at this time. The municipal specific circumstances, including the powers and functions assigned to it, must be considered when assessing the level of own source revenue or its self-sufficiency. An analysis of the trends and levels of own source of revenue will also inform the municipality and users of measures taken to optimise own revenues. The ratio measuring own source revenue should be increasing over time as it reflects municipal efforts towards self-sufficiency.

3. BUDGET IMPLEMENTATION

1. Capital Expenditure Budget Implementation Indicator

Purpose/ Use of the Ratio

This ratio measures the extent to which Budgeted Capital Expenditure has been spent during the financial year, under review. Further, this ratio measures the municipality's ability to implement capital projects and monitor the risks associated with non-implementation. The ratio also assess whether the municipality has effective controls in place to ensure that expenditure is incurred in accordance with an approved budget.

Formula

Actual Capital Expenditure / Budget Capital Expenditure x 100

Norm

The norm range between **95% and 100%**

Interpretation of Results

This can be used in-year to monitor progress. Any variance below 95% indicates discrepancies in planning and budgeting, capacity challenges to implement projects and/or Supply Chain Management process failures, which should be investigated and corrective measures implemented.

Under-spending is also an indicator that the Municipality might be experiencing possible cash flow difficulties to implement projects. Ideally, under-spending should be the result of improved efficiencies and not as a result of non-implementation of programmes and/or projects.

Overspending may also indicate inaccurate budgeting or poor financial management control.

2. ***Operating Expenditure Budget Implementation Indicator***

Purpose/ Use of the Ratio

This ratio measures the extent to which Budgeted Operating Expenditure has been spent during the financial year, under review. The ratio also assess whether the municipality has effective controls in place to ensure that expenditure is incurred in accordance with an approved budget.

Formula

Actual Operating Expenditure / Budgeted Operating Expenditure x 100

Norm

The norm range between **95% and 100%**

Interpretation of Results

Any variance from 100% indicates either challenge in capacity to implement, issues of financial controls and management and/or poor budgeting.

Under-spending normally is an indicator that the Municipality experiences possible Cash Flow difficulties or capacity challenges to undertake Budgeted/ planned service delivery, and/ or does not prepare accurate and credible Budgets. Ideally, under-spending should be the result of improved efficiencies and not as a result of non-implementation of programmes and/or projects.

Overspending may also indicate inaccurate budgeting or poor financial management control in respect of budget control.

3. ***Operating Revenue Budget Implementation Indicator***

Purpose/ Use of the Ratio

This ratio measures the extent of Actual Operating Revenue (Excl. Capital Grant Revenue) received in relation to Budgeted Operating Revenue during the financial year, under review.

Formula

Actual Operating Revenue / Budgeted Operating Revenue x 100

Norm

The norm range between **95% and 100%**

Interpretation of Results

A ratio below 95% indicates either a challenge in capacity to implement, ineffective billing and credit control, weakness in compilation of budgets or issues of financial controls and management of the Municipality.

4. Service Charges and Property Rates Revenue Budget Implementation Indicator

Purpose/ Use of the Ratio

The ratio measures the extent of Actual Service Charges and Property Rates Revenue received in relation to Budgeted Service Charges and Property Rates Revenue during the financial year, under review.

Formula

Actual Service Charges and Property Rates Revenue / Budgeted Service Charges and Property Rates Revenue x 100

Norm

The norm range between **95% and 100%**

Interpretation of Results

A ratio below 95% indicates either a challenge in capacity to implement, ineffective billing and credit control, weakness in compilation of budgets or issues of financial controls and management of the Municipality.

Monitoring

It is important that these indicators are not seen or used in isolation of one another but used in a combined manner so as to provide a holistic picture of the financial status of the municipality or municipal entity. Poor outcomes with relation to these indicators can also point to weaknesses in Institutional and Governance aspects in a municipality that need attention. Therefore, Councillors, Municipal Managers, Chief Financial Officers, Accounting Offices of Municipal Entities, and all financial officials should derive benefits from a deeper understanding of these Ratios and Norms and their implications. The primary responsibility to avoid, identify and resolve financial problems in a municipality rests with the municipality and proper monitoring and use of these indicators, will support decision-makers overcome such challenges.

The use of these Ratios and Norms should assist Municipalities and Municipal Entities to predict, identify, prevent, avoid, and resolve financial problems/crisis timeously and serve as an early warning mechanism. Moreover, this will ensure that Municipalities and Municipal Entities make strategic decisions based on empirical and factual information and analysis for a sustainable outcome. Monitoring and trend analysis of these ratios is critical to ensure that measures are introduced to address areas needing attention and that there is progressive improvements of municipalities own position against the norms. These indicators and their norms, when viewed holistically, provide an overview of the financial position and performance of the Municipalities and Municipal Entities, while recognising institutional differences. Sound and effective financial management practices form the basis for an effective long term sustainable municipality.

The oversight role played by the Municipal Executive, Audit Committee, and Municipal Public Account Committee will also be enhanced with the use of these financial Ratios and Norms through implementation and reporting of financial information. The financial ratios and norms will strengthen financial management and accountability and be used throughout the cycle - integrated development plans (including long term financial plan), budgets, in-year reports for example section 52, 71 and 72 reports, annual financial statements, annual report and oversight reports. Comparison with other municipalities is now possible.

An Excel template has been developed (Annexure 2 of this Circular) to assist municipalities and Municipal Entities to populate relevant financial information, automate calculations, and assist in interpretation thereof.

These Ratios and Norms will be used to assess financial position and performance, quality of budgeting, management, and other characteristics of Municipalities and Municipal Entities, and should holistically provide an overview of the financial health of the Municipality or Municipal Entity, taking the respective and unique circumstances into account. Benchmarking and comparisons between Municipalities and Municipal Entities can also be undertaken, made simpler in future, and will further assist in targeting assistance and support, where needed.

Different institutions including, financial institutions, research organisations, rating agencies, national and provincial government, legislatures, amongst others, can use these uniform set of financial indicators, ratios and norms to monitor the financial position and performance of municipalities.

Implementation

The ratios and norms provided in this Circular and elaborated in the annexures are to be understood in an aspirational context and utilised as soon as possible to enable municipal councils to commence with the process of introducing measures to address areas needing attention. Municipalities and Municipal Entities should take advantage of the transition period, covering the medium term, to allow for progressive improvements of their own status against the ratios and norms.

Conclusion

The variety of financial ratios and norms, over 200, used by various institutions to assess and compare the financial health and performance of Municipalities and Municipal Entities has resulted in confusion across the sector, as users formulate assumptions based on different interpretation of the same financial information.

The Circular creates a uniform categorisation of ratios, standardising formulas and inputs, providing guidance on norms and interpretation of the financial ratio analysis, as applicable to Municipalities and Municipal Entities. There may be other ratios and norms used by analysts that are more appropriate to the financial status of private sector institutions, therefore, the use, differentiation and range described in this Circular should be understood within the context of a public sector institution.

This Circular therefore attempts to address the above challenges and also provide a more structured approach for holistic analysis, taking into cognisance the different type of Municipalities and Municipal Entities. The consistent use of these ratios and norms will assist in reporting accurately the status of municipal finances.

Institutions performing financial ratio analysis for Municipalities and Municipal Entities should therefore refer to this Circular and interpretation therein to ensure uniformity and consistency of application.

It is important that the Municipal Manager ensure that this Circular is brought to the attention of the Municipal Council, Board of Directors of Municipal Entities, relevant oversight structures (Municipal Executive, Audit Committee, and Municipal Public Account) and all other relevant stakeholders. Training providers are also requested to bring this Circular to the attention of trainees.

The introduction and application of these uniform norms, coupled with other financial reforms, will allow for comparisons with different type of municipalities and municipal entities and it is expected that they will replace earlier regulations issued that cover financial ratios and norms as these are based on the latest reforms in financial management.

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Chief Director: MFMA Implementation
17 January 2014

Annexure 1: Summary of the financial ratios, norms, formulae and data sources
Annexure 2: Excel template for calculation of the ratios and interpretation of results

Annexure 1

SUMMARY OF UNIFORM FINANCIAL RATIO, FORMULAE, DATA SOURCE AND NORMS

1. FINANCIAL POSITION

A. Asset Management

	RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) × 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR	10% - 20%
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible Assets (Carrying Value)	Property, Plant and Equipment Impairment + Investment Property Impairment + Intangible Assets Impairment/(Total Property, Plant and Equipment + Investment Property + Intangible Assets) × 100	Statement of Financial Position, Notes to the AFS and AR	0%
3	Repairs and Maintenance as a % of Property, Plant and Equipment, Investment Property (Carrying Value)	Total Repairs and Maintenance Expenditure/ Property, Plant and Equipment and Investment Property(Carrying value) x 100	Statement of Financial Position, Statement of Financial Performance, IDP, Budgets and In-Year Reports	8%

Annexure 1

B. Debtors Management

	RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Collection Rate	(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance + Bad Debts Written Off)/Billed Revenue x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget , In-Year Reports, IDP and AR	95%
2	Bad Debts Written-off as % of Provision for Bad Debt	Bad Debts Written-off /Provision for Bad Debt x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	100%
3	Net Debtors Days	((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue)) × 365	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	30 days

Annexure 1

C. Liquidity Management

	RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Cash/Cost Coverage Ratio (Excluding Unspent Conditional Grants)	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In year Reports and AR	1 - 3 Months
2	Current Ratio	Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1

D. Liability Management

	RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Capital Cost(Interest Paid and Redemption) as a % of Total Operating Expenditure	Capital Cost(Interest Paid and Redemption) / Total Operating Expenditure x100	Statement of Financial Position, Statement of Cash Flows, Statement of Financial Performance, Budget, IDP, In-Year Reports and AR	6% - 8%
2	Debt (Total Borrowings) / Revenue	(Overdraft + Current Finance Lease Obligation + Non Finance Lease Obligation + Short Term Borrowings + Long Term Borrowings) / Total Operating Revenue	Statement of Financial Position, Statement of Financial Performance, Budget, IDP and AR	45%

Annexure 1

E. Sustainability

	RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Level of Cash Backed Reserves (Net Assets - Accumulated Surplus)	(Cash and Cash Equivalents - Bank overdraft + Short Term Investment + Long Term Investment - Unspent grants) / (Net Assets - Accumulated Surplus - Non Controlling Interest - Share Premium - Share Capital - Fair Value Adjustment - Revaluation Reserve)	Statement Financial Position, Budget and AR	100%

Annexure 1

2. FINANCIAL PERFORMANCE

A. Efficiency

	RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Net Operating Surplus Margin	(Total Operating Revenue - Total Operating Expenditure)/Total Operating Revenue	Statement of Financial Performance, Budget, In-Year reports, AR, Statement of Comparison of Budget and Actual Amounts and Statement of Changes in Net Assets	= or > 0%
2	Net Surplus /Deficit Electricity	Total Electricity Revenue less Total Electricity Expenditure/Total Electricity Revenue × 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	0% - 15%
3	Net Surplus /Deficit Water	Total Water Revenue less Total Water Expenditure/Total Water Revenue × 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%
4	Net Surplus /Deficit Refuse	Total Refuse Revenue less Total Refuse Expenditure/Total Refuse Revenue × 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%
5	Net Surplus /Deficit Sanitation and Waste Water	Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water Expenditure/Total Sanitation and Waste Water Revenue × 100	Statement of Financial Performance, Notes to AFS Budget, IDP, In-Year reports and AR	= or > 0%

Annexure 1

B. Distribution Losses

	RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Electricity Distribution Losses (Percentage)	(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated) × 100	Annual Report, Audit Report and Notes to Annual Financial Statements	7% - 10%
2	Water Distribution Losses (Percentage)	(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified × 100	Annual Report, Audit Report and Notes to Annual Financial Statements	15% - 30%

Annexure 1

C. Revenue Management

	RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Growth in Number of Active Consumer Accounts	(Period under review's number of Active Debtor Accounts - previous period number of Active Debtor Accounts)/ previous period number of Active Debtor Accounts x 100	Debtors System	None
2	Revenue Growth (%)	(Period under review's Total Revenue - previous period's Total Revenue)/ previous period's Total Revenue) x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= CPI
3	Revenue Growth (%) - Excluding capital grants	(Period under review's Total Revenue Excluding capital grants- previous period's Total Revenue excluding capital grants)/ previous period's Total Revenue excluding capital grants) x 100	Statement of Financial Performance, Notes to AFS , Budget, IDP, In-Year reports and AR	= CPI

Annexure 1

D. Expenditure Management

	RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) × 365	Statement of Financial Performance, Notes to AFS, Budget, In-Year reports and AR	30 days
2	Irregular, Fruitless and Wasteful and Unauthorised Expenditure / Total Operating Expenditure	(Irregular, Fruitless and Wasteful and Unauthorised Expenditure) / Total Operating Expenditure x100	Statement Financial Performance, Notes to Annual Financial Statements and AR	0%
3	Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) /Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	25% - 40%
4	Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	2% - 5%

Annexure 1

E. Grant Dependency

	RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	Own funded Capital Expenditure (Internally generated funds + Borrowings) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information), Budget, IDP, In-Year reports and AR	None
2	Own funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure	Own funded Capital Expenditure (Internally Generated Funds) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information) Budget, IDP, In-Year reports and AR	None
3	Own Source Revenue to Total Operating Revenue(Including Agency Revenue)	Own Source Revenue (Total revenue - Government grants and Subsidies - Public Contributions and Donations)/ Total Operating Revenue (including agency services) x 100	Statement Financial Performance, Budget, IDP, In-Year reports and AR	None

Annexure 1

3. BUDGET IMPLEMENTATION

	RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Capital Expenditure Budget Implementation Indicator	Actual capital Expenditure / Budget Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, In-Year reports and AR	95% - 100%
2	Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%
3	Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%
4	Service Charges and Property Rates Revenue Budget Implementation Indicator	Actual Service Charges and Property Rates Revenue / Budget Service Charges and Property Rates Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%

NATIONAL TREASURY
MFMA Circular No 71
Municipal Finance Management Act No. 56 of 2003

Annexure 2

Interpretation of results

	The green colour indicates that the result is within the norm and is acceptable
	The red colour indicates that the result is not acceptable and corrective actions/plans should be put in place to improve the results.
	Data should be captured in the blue colour cell to calculate a ratio.
#	In situations where the results are not within the acceptable norm, corrective actions/plans should be taken and referenced

Template for Calculation of Uniform Financial Ratios and Norms

RATIO		FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION	MUNICIPAL COMMENTS (#)
1. FINANCIAL POSITION								
A. Asset Management/Utilisation								
1	Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) × 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR	10% - 20%		8.04%	*Please refer to page 2 of MFMA Circular No.71*	Maximum capital accomodated according to resources
					Total Operating Expenditure	977 507 635		
					Taxation Expense	-		
					Total Capital Expenditure	85 515 254		
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)	Property, Plant and Equipment + Investment Property + Intangible Assets Impairment/(Total Property, Plant and Equipment + Investment Property + Intangible Assets) × 100	Statement of Financial Position, Notes to the AFS and AR	0%		0%	*Please refer to page 3 of MFMA Circular No. 71*	
					PPE, Investment Property and Intangible Impairment	-		
					PPE at carrying value	3 103 971 675		
					Investment at carrying value	164 500 500		
					Intangible Assets at carrying value	5 368 442		
3	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)	Total Repairs and Maintenance Expenditure/ Property, Plant and Equipment and Investment Property (Carrying value) x 100	Statement of Financial Position, Statement of Financial Performance, IDP, Budgets and In-Year Reports	8%		4%	*Please refer to page 4 of MFMA Circular No. 71*	Repais & maintenance compises 12.4% of total expenditure. Asset value was enhanced with the introduction of GRAP i.r.o. Depreciated Replacement Cost.
					Total Repairs and Maintenance Expenditure	121 077 256		
					PPE at carrying value	3 103 971 675		
					Investment Property at Carrying value	164 500 500		
B. Debtors Management								
1	Collection Rate	(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance - Bad Debts Written Off)/Billed Revenue x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget , In-Year Reports, IDP and AR	95%		100%	*Please refer to page 5 of MFMA Circular No. 71*	
					Gross Debtors closing balance	67 774 367		
					Gross Debtors opeining balance	69 091 265		
					Bad debts written Off	500 000		
					Billed Revenue	729 514 703		
2	Bad Debts Written-off as % of Provision for Bad Debt	Bad Debts Written-off/Provision for Bad debts x 100	Statement of Financial Position, Statement of Financial Performance,	100%		100%	*Please refer to page 5 of MFMA Circular No. 71*	
					Consumer Debtors Bad debts written off	500 000		

	RATIO	FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION	MUNICIPAL COMMENTS (#)
	Provision for Bad Debt	100	Notes to the AFS, Budget and AR		Consumer Debtors Current bad debt Provision	500 000	MFMA Circular No. 71	
3	Net Debtors Days	((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue)) × 365	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	30 days		26 days	*Please refer to page 6 of MFMA Circular No. 71*	
					Gross debtors	67 774 367		
					Bad debts Provision	16 000 000		
					Billed Revenue	729 514 703		
C. Liquidity Management								
1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In year Reports and AR	1 - 3 Months		1 Month	*Please refer to page 7 of MFMA Circular No. 71*	
					Cash and cash equivalents	99 078 759		
					Unspent Conditional Grants			
					Overdraft			
					Short Term Investments			
					Total Annual Operational Expenditure	866 146 127		
2	Current Ratio	Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1		1.20	*Please refer to page 7 of MFMA Circular No. 71*	The current ratio has floated in the range between 1 and 1,5 for approx. 5 years. Additional cash generation vs affordability by the consumers is being considered
					Current Assets	209 461 571		
					Current Liabilities	174 459 111		
D. Liability Management								
1	Capital Cost(Interest Paid and Redemption) as a % of Total Operating Expenditure	Capital Cost(Interest Paid and Redemption) / Total Operating Expenditure x 00	Statement of Financial Position, Statement of Cash Flows, Statement of Financial Performance, Budget, IDP, In-Year Reports and AR	6% - 8%		7%	*Please refer to page 8 of MFMA Circular No. 71*	
					Interest Paid	46 894 846		
					Redemption	23 935 655		
					Total Operating Expenditure	977 507 635		
					Taxation Expense			
2	Debt (Total Borrowings) / Revenue	(Overdraft + Current Finance Lease Obligation + Non current Finance Lease Obligation + Short Term Borrowings + Long term borrowing) / (Total Operating Revenue - Operational Conditional Grants) x 100	Statement of Financial Position, Statement of Financial Performance, Budget, IDP and AR	45%		51%	*Please refer to page 9 of MFMA Circular No. 71*	Ever aware of the high gearing. Due to much needed infrastructure investment over the past decade. Policy in place to lower the gearing by 10% over a period of ten years
					Total Debt	444 111 706		
					Total Operating Revenue	908 211 148		
					Operational Conditional Grants	38 764 746		
E. Sustainability								
1	Level of Cash Backed Reserves (Net Assets - Accumulated Surplus)	(Cash and Cash Equivalents - Bank overdraft + Short Term Investment + Long Term Investment - Unspent grants) / (Net Assets - Accumulated Surplus - Non Controlling Interest Share Premium - Share Capital - Fair Value Adjustment - Revaluation Reserve) x 100	Statement Financial Position, Budget and AR	100%		4836%	*Please refer to page 9 of MFMA Circular No. 71*	
					Cash and cash Equivalents	99 078 759		
					Bank Overdraft			
					Short Term Investment			
					Long Term Investment	28 454 570		
					Unspent Grants			
					Net Assets	2 719 670 649		
					Share Premium			
					Share Capital			
					Revaluation Reserve			
					Fair Value Adjustment Reserve			
					Accumulated Surplus	2 717 033 484		
2. FINANCIAL PERFORMANCE								
A. Efficiency								
						#DIV/0!		N/A - With the introduction of

	RATIO	FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION	MUNICIPAL COMMENTS (#)
1	Net Operating Surplus Margin	(Total Operating Revenue - Total Operating Expenditure)/Total Operating Revenue	Statement of Financial Performance, Budget, In-Year reports, AR, Statement of Comparison of Budget and Actual Amounts and Statement of Changes in Net Asset	= or > 0%	Total Operating Revenue	-	*Please refer to page 10 of MFMA Circular No. 71*	GRAP assets were assessed at DRC, which included assets already depreciated but adjusted because of useful remaining life.Due to enhanced depreciation this indicator is not a true reflection. Based on the criteria, this indicator would be -8%.
					Depreciation - Revalued Portion *(Only populate if depreciation line item in the Statement of Financial Performance is based on the revalued asset value)*	-		
					Total Operating Expenditure	-		
					Taxation Expense	-		
2	Net Surplus /Deficit Electricity	Total Electricity Revenue less Total Electricity Expenditure/Total Electricity Revenue × 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	0% - 15%		11%	*Please refer to page 10 of MFMA Circular No. 71*	Includes secondary costs (Overheads)
					Total Electricity Revenue	338 360 730		
					Total Electricity Expenditure	301 229 532		
3	Net Surplus /Deficit Water	Total Water Revenue less Total Water Expenditure/Total Water Revenue × 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%		8%	*Please refer to page 11 of MFMA Circular No. 71*	Includes secondary costs (Overheads)
					Total Water Revenue	102 644 773		
					Total Water Expenditure	94 938 892		
4	Net Surplus /Deficit Refuse	Total Refuse Revenue less Total Refuse Expenditure/Total Refuse Revenue × 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%		4%	*Please refer to page 12 of MFMA Circular No. 71*	Includes secondary costs (Overheads)
					Total Refuse Revenue	66 925 990		
					Total Refuse Expenditure	64 103 571		
5	Net Surplus /Deficit Sanitation and Waste Water	Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water Expenditure/Total Sanitation and Waste Water Revenue × 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	= or > 0%		-5%	*Please refer to page 12 of MFMA Circular No. 71*	Includes secondary costs (Overheads)
					Total Sanitation and Water Waste Revenue	59 544 160		
					Total Sanitation and Water Waste Expenditure	62 809 547		
B. Distribution Losses								
1	Electricity Distribution Losses (Percentage)	(Number of Electricity Units Purchased and/or Generated - Number of units sold) / Number of Electricity Units Purchased and/or generated) × 100	Annual Report, Audit Report and Notes to Annual Financial Statements	7% - 10%		6%	*Please refer to page 13 of MFMA Circular No. 71*	SA8
					Number of units purchased and/or generated	229 700 000		
					Number of units sold	216 033 000		
2	Water Distribution Losses (Percentage)	(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified × 100	Annual Report, Audit Report and Notes to Annual Financial Statements	15% - 30%		20%	*Please refer to page 13 of MFMA Circular No. 71*	
					Number of kilolitres purchased and/or purified	7 196 903		
					Number of kilolitres sold	5 743 727		
C. Revenue Management								
1	Growth in Number of Active Consumer Accounts	(Period under review's number of Active Debtor Accounts - previous period's number of Active Debtor Accounts)/ previous number of Active Debtor Accounts x 100	Debtors System	None		2%	*Please refer to page 14 of MFMA Circular No. 71*	
					Number of Active Debtors Accounts (Previous)	44 116		
					Number of Active Debtors Accounts (Current)	45 128		
2	Revenue Growth (%)	(Period under review's Total Revenue - previous period's Total Revenue)/ previous period's Total Revenue) x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= CPI		11%	*Please refer to page 15 of MFMA Circular No. 71*	
					CPI	5%		
					Total Revenue (Previous)	862 899 658		
					Total Revenue (Current)	958 526 402		
	Revenue Growth (%) - Excluding	(Period under review's Total Revenue Excluding capital grants- previous period's Total Revenue	Statement of Financial Performance,			12%	*Please refer to page 15 of*	
					CPI	5%		

	RATIO	FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION	MUNICIPAL COMMENTS (#)
3	Revenue Growth (%) - Excluding capital grants	capital grants - previous period's Total Revenue excluding capital grants)/ previous period's Total Revenue excluding capital grants) x 100	Notes to AFS , Budget, IDP, In-Year reports and AR	= CPI			Please refer to page 16 of MFMA Circular No. 71	
					Total Revenue Exl.Capital (Previous)	810 547 845		
					Total Revenue Exl.Capital (Current)	908 211 148		

D. Expenditure Management

1	Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) × 365	Statement of Financial Performance, Notes to AFS, Budget, In-Year reports and AR	30 days		25 days	Please refer to page 16 of MFMA Circular No.71	
					Trade Creditors	32 184 383		
					Contracted Services	91 791 733		
					Repairs and Maintenance	75 902 358		
					General expenses	30 083 699		
					Bulk Purchases	193 573 082		
					Capital Credit Purchases *(Capital Credit Purchases refers to additions of Investment Property and Property,Plant and Equipment)*	85 515 254		

2	Irregular, Fruitless and Wasteful and Unauthorised Expenditure / Total Operating Expenditure	(Irregular, Fruitless and Wasteful and Unauthorised Expenditure) / Total Operating Expenditure x100	Statement Financial Performance, Notes to Annual Financial Statements and AR	0%		#DIV/0!	Please refer to page 16 of MFMA Circular No. 71	N/A
					Irregular, Fruitless and Wasteful and Unauthorised Expenditure			
					Total Operating Expenditure			
					Taxation Expense			

3	Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) /Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	25% - 40%		31%	Please refer to page 17 of MFMA Circular No. 71	
					Employee/personnel related cost	291 593 222		
					Councillors Remuneration	8 674 498		
					Total Operating Expenditure	977 507 635		
					Taxation Expense			

4	Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	2% - 5%		13%	Please refer to page 17 of MFMA Circular No. 71	Cost analysis conducted to deliver cost effective service
					Contracted Services	126 985 596		
					Total Operating Expenditure	977 507 635		
					Taxation Expense			

E. Grant Dependency

1	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	Own funded Capital Expenditure (Internally generated funds + Borrowings) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information), Budget, IDP, In-	None		41%	Please refer to page 18 of MFMA Circular No. 71	
					Internally generated funds	5 200 000		
					Borrowings	30 000 000		
					Total Capital Expenditure	85 515 254		

2	Own funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure	Own funded Capital Expenditure (Internally Generated Funds) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and	None		6%	Please refer to page 18 of MFMA Circular No. 71	
					Internally generated funds	5 200 000		
					Total Capital Expenditure	85 515 254		

3	Own Source Revenue to Total Operating Revenue(Including Agency Revenue)	Own Source Revenue (Total revenue - Government grants and Subsidies - Public Contributions and Donations)/ Total Operating Revenue (including agency services) x 100	Statement Financial Performance, Budget, IDP, In-Year reports and AR	None		94%	Please refer to page 18 of MFMA Circular No. 71	
					Total Revenue	958 526 402		
					Government grant and subsidies	103 362 746		
					Public contributions and Donations	-		
					Capital Grants	50 315 254		

ANNEXURE I

BUDGET RELATED POLICIES

OVERSTRAND MUNICIPALITY

PROPERTY RATES POLICY

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SECTION A: INTRODUCTION, DEFINITIONS AND PRINCIPLES

1. INTRODUCTION

Section 3 of the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004) and Section 62(l) (f) (ii) of the Local Government: Municipal Finance Management Act, 2003 (No. 56 of 2003), requires municipalities to develop and adopt rates policies on the levying of rates on rateable property in the Municipality.

The Municipality needs a reliable source of revenue to provide basic services and perform its functions. Property Rates is the most important source of general revenue for the Municipality. Revenue from property rates is used to fund services that benefit the community as a whole.

Municipal property rates are set, collected and used locally. Revenue from property rates is spent within a Municipality, where the citizens and voters have a voice in decisions on how the revenue is spent as part of the Integrated Development Plans (IDPs) and budget processes in respect of which the Municipality invites communities for their inputs before adopting the budget.

This policy document guides the annual setting of property rates. It does not make specific property rates proposals. In imposing a rate in the Rand the Municipality may grant exemptions, rebates and reductions to the categories of properties and categories of owners as allowed for in this policy document.

2. DEFINITIONS

"Act"	means the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004);
"Bona fide farming"	means farming with the intention of making a living from the development, cultivation and utilisation of agricultural land and includes subsistence farming;
"Business"	means the activity of buying, selling or trade in goods or services and includes any office or other accommodation on the same erf, the use of which is incidental to such business, with the exclusion of the business of mining, agriculture, farming, or *inter alia*, any other business consisting of cultivation of soils, the gathering of crops or the rearing of livestock;
"Exemption"	in relation to the determination of rates, an exemption granted in terms of section 15(1) (a) of the Act;
"Income"	Income is the gross sum of all monthly income from all sources, including wages, salaries, profits, dividends, pensions, rentals, board & lodging, interest received, grants or investment income and other forms of earnings received by every person residing on the property.
"Industrial"	means a branch of trade or manufacturing, production, assembling or processing of finished or partially finished products from raw materials or fabricated parts, on so large a scale that capital and labour are significantly involved;
"Lodge"	means accommodation in a non-urban area provided for paying visiting guests with a focus on aspects of nature and/or places of interest, and may include a restaurant and conference facilities;
"Mining"	means any operation or activity for the purpose of extracting any mineral on, in or under the earth, water or any residue deposit, whether by underground or open working or otherwise and includes any operation or activity incidental thereto;
"Multiple use properties"	means properties that cannot be assigned to a single category due to different uses;
"Municipal properties"	means those properties of which the Municipality is the registered owner;
"Newly rateable property"	means any rateable property on which property rates were not levied by 30 June 2005, excluding a property that was incorrectly omitted from a valuation roll and for

	that reason was not rated before that date;
"Protected area"	means an area that is or has to be listed in the register referred to in section 10 of the National Environment Management: Protected Areas Act, 2003;
"Public Benefit Organisation"	means an organisation conducting specified public benefit activities as defined and registered in terms of the Income Tax Act for tax reductions because of those activities;
"Public place"	means any square, park, recreation ground, sports ground, sanitary lane or open space which has - (a) in connection with any subdivision or layout of land into erven, lots or plots, been provided, reserved or set apart for use by the public or the owners or occupiers of such erven, lots or plots, whether or not it is shown on a general plan, plan of subdivision or diagram; (b) at any time been dedicated to the public; (c) been used without interruption by the public for a period of at least thirty years expiring after the thirty-first day of December, 1959, or (d) at any time been declared or rendered such by the Council or other competent authority.
"Public Service Infrastructure"	means government or government agency controlled infrastructure of the following kinds- (a) national, provincial or other public roads on which goods, services or labour move across a municipal boundary; (b) water or sewer pipes, ducts or other conduits, dams and water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme serving the public; (c) power stations, power substations or power lines forming part of an electricity scheme serving the public; (d) gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels; (e) communication towers, masts, exchanges or lines forming part of a communications system serving the public; (f) breakwater, sea walls, channels, basin, quay walls, jetties, roads, railway or infrastructure used for the provision of water, lights, power, sewerage or similar services of ports, or navigational aids comprising light houses, radio navigational aids, buoys, beacons or any other device or system used to assist the safe and efficient navigation of vessels; (g) rights of way, easement or servitudes in connection with infrastructure mentioned; (h) any other government or government agency controlled infrastructure as may be described from time to time.
"Public street"	means:- (a) any street which has at any time been- i. dedicated to the public; ii. used without interruption by the public for a period of at least thirty years; iii. declared or rendered such by a council or other competent authority, or iv. constructed by local authority, and (b) any land, with or without buildings or structures thereon, which is shown as a street on- i. any plan of subdivision or diagram approved by a council or other competent authority and acted upon, or ii. any general plan as defined in section 49 of the Land Survey Act, 1927 (Act 9 of 1927), registered or filed in a deeds registry or the Surveyor-Generals' office, unless such land is on such plan or diagram described as a private street.

"Rateable property"	means property on which a rate or rates may be levied under section 7 of the Act.
"Rebate"	in relation to a rate payable on a property, a discount on the amount of the rate payable on the property;
"Reduction"	in relation to a rate payable on a property, the lowering of the amount for which the property was valued in terms of section 15(1)(b) of the Act and the rating of the property at that lower amount;
"Residential"	means improved property that is: (a) used predominantly (60% or more) for residential purposes, with not more than two dwelling units per property. (b) a unit registered in terms of the Sectional Title Act 95 of 1986, used predominantly (60% or more) for residential purposes, and includes any unit in the same Sectional Title Scheme registered in the name of the same owner which is used together with the residential unit as if it were one property, for example a garage or store room. (Any such grouping shall be regarded as one residential property for rate rebate or valuation purposes.) or (c) owned by a share-block company and used predominantly (60% or more) for residential purposes, or (d) a residence used for residential purposes situated on property used for or related to educational purposes.
"State-owned properties"	means properties owned by the State, which are not included in the definition of public service infrastructure in the Act. These state-owned properties are classified as follows: (a) State properties that provide local services. (b) State properties that provide regional/municipal district-wide/metro-wide service. (c) State properties that provide provincial/national service. (d) Vacant land.
"Vacant erven"	means all undeveloped land irrespective of its current or future intended zoning. Agricultural properties will not be considered as being vacant erven.

All other terms are given the same meaning as that assigned to it in the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004), unless the context indicates otherwise.

3. POLICY PRINCIPLES

Rates are levied in accordance with the Act as an amount in the Rand based on the market value of rateable property contained in the Municipality's valuation roll and supplementary valuation rolls.

As allowed for in the Act, the Municipality may choose to differentiate between various categories of property and categories of owners of property. Some categories of property and categories of owners are granted relief from rates. The Municipality does not, however, grant relief in respect of payments for rates to any category of owners or properties, or to owners of properties, on an individual basis, other than by way of an exemption, rebate or reduction provided for in this policy.

There will be no phasing in of rates based on the new valuation roll that became effective on 1 July 2012, except as prescribed by legislation.

The rates policy for the Municipality is based on the following principles:-

a. Equity

The Municipality will treat all similar ratepayers with similar properties the same.

b. Affordability

The ability of a person to pay rates will be taken into account by the Municipality. In dealing with the poor/indigent ratepayers the Municipality will provide relief measures through exemptions and/or reductions and/or rebates.

c. Sustainability

Rating of property will be implemented in a way that-

i. it supports sustainable local government by providing a stable an buoyant revenue source within the discretionary control of the Municipality; and

ii. supports local social and economic development.

d. Cost efficiency

Rates will be based on the value of all rateable property and the amount required by the Municipality to balance the operating budget after taking into account the amounts required to finance exemptions, rebates and reductions as approved by the Municipality from time to time. The implementation of the policy must be as cost-effective as possible.

4. SCOPE OF POLICY

The policy document guides the annual setting (or revision) of property rates. It does not make specific property rates proposals. Details pertaining to the various property rates are determined when the budget is considered and approved every year.

5. APPLICATION OF THE POLICY

In imposing the rate in the Rand for each annual operating budget component, the Municipality may grant exemptions, rebates and reductions allowed for in this policy document.

6. CLASSIFICATION OF SERVICES AND EXPENDITURE

The Chief Financial Officer shall, subject to the guidelines provided by the legislation and the Executive Mayor, provide for the classification of services as outlined in the Municipality's annual budget into trading and economic services.

7. APPLICATIONS

a. All applications referred to in this policy must be received by the Municipality before the start of the financial year to which it refers. The Municipality may allow late receipts of such applications but not after 30 September of the financial year;

b. It is the duty of all such applicants to bring to the attention of the Municipality any amendments to such applications within 7 days after such occurrence.

SECTION B: CATEGORIES OF PROPERTY

8. CRITERIA FOR CATEGORIES OF PROPERTY FOR THE PURPOSE OF LEVYING DIFFERENT RATES

The following are the determined categories of properties in terms of section 8(2) of the Act: -

a. Residential properties.
b. Business and commercial properties.
c. Industrial properties.
d. Mining properties.

e. Public service infrastructure.
f. Public benefit organisations.
g. Agricultural properties used for bona fide farming;
h. State-owned properties that are used for public service purposes;
i. Municipal properties.
j. Protected areas.
k. Properties used for multiple purposes.
l. Vacant land.

Rates on properties, including properties used for multiple purposes, will be levied in accordance with the permitted or actual use of the property and not necessarily according to its zoning.

SECTION C: DIFFERENTIAL RATING

9. DIFFERENTIAL RATING

The following will be taken into consideration for the purposes of differential rating:

a. the nature of the property including its sensitivity to rating e.g. agricultural properties used for bona fide farming;
b. promotion of social and economic development by the Municipality;
c. zoning and/or actual use of property;
d. geographic rating areas i.e. when an improvement district has been established for that area or special rating areas; and
e. whether the owner was obliged to erect a building within a set time period and the period has lapsed.

Differential rating among the various property categories will be done by way of setting different Cents in the Rand for each property category.

10. ADDITIONAL RATES

The Municipality may in terms of the bylaw for the establishment of improvement districts and the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004), as amended-

a. determine an area within its boundaries as a special rating area;
b. levy an additional rate on property in that area for the purpose of raising funds for improving or upgrading that area; and
c. differentiate between categories of properties when levying an additional rate.

SECTION D: RELIEF MEASURES RELATED TO CATEGORIES OF PROPERTIES AND CATEGORIES OF OWNERS OF PROPERTIES

11. CRITERIA FOR EXEMPTIONS, REBATES AND REDUCTIONS

The following will be taken into consideration for the purpose of granting exemptions, rebates and reductions:

a. indigent status of the owner of a property;
b. income of the owner and/or household on a property;
c. market value of residential property below a determined threshold;

d. owners of property situated within an area affected by –
   i) a disaster within the meaning of the Disaster Management Act, 2002 (Act No. 57 of 2002); or
   ii) any other serious adverse social or economic conditions;
e. zoning and/or actual use of the property; and
f. availability of services funded by rates for a property.

12. GRANTING OF EXEMPTIONS

In terms of section 15(1) (a) of the Act the owners of the following categories of properties are exempted from paying rates:-

a. Residential properties – including residential properties in the urban edge as determined by the Municipality

The Municipality will not levy a rate on the market value of properties as follows: -

i) on the first R15 000 on the basis set out in section 17 (1) (h) of the Act; and
ii) on a further amount in respect of developed residential properties; as an important part of the Municipality's indigent relief measures aimed primarily at alleviating poverty amongst those persons owning low-valued properties, in a cost-effective manner. To qualify for this reduction a property must be exclusively used for residential purposes.
iii) The Municipality may grant a further residential rebate on rates levied on the balance of the market value of developed residential properties, if any, as determined by Council during the budget process.

b. Multiple use properties

Properties used for multiple purposes which do not fall within the definition of residential properties and, accordingly, do not qualify for the residential rates rebate, may be included in the category of multiple use properties, for which an appointment value for each distinct use of the property will be calculated and used for billing at the appropriate and applicable rate.

Examples of properties used for multiple purposes are the following:

i) A block of flats with businesses on the ground floor.
ii) A double storey-building with a shop on the ground floor and the residential quarters on the top floor.
iii) A farm that consists of the residential portion, a farm portion and unused land, etc.

If the market value of the property cannot be apportioned to its various use purposes, then the entire property will be categorised in terms of the dominant (main or primary) use.

c. Public Benefit Organisations

Public Benefit Organisations may apply for the exemption of property rates subject to producing a tax exemption certificate issued by the South African Revenue Services (SARS) as contemplated in Part 1 of the Ninth Schedule of the Income Tax Act, 1962 (No 58 of 1962):

i) Health care institutions

Government properties used exclusively as a hospital, clinic and mental hospital, including workshops used by the patients, laundry or cafeteria facilities, provided that any profits from the use of the property are used entirely for the benefit of the institution and/or for charitable purposes within the Municipality.

ii) Welfare institutions

Properties used exclusively as an orphanage, non-profit retirement villages; old age home or benevolent institution, including workshops used by the inhabitants,

laundry or cafeteria facilities, provided that any profits from the use of the property are used entirely for the benefit of the institution and/or for charitable purposes within the Municipality.

iii) Child headed households

Any child headed household where such oldest child is younger than 18 years. The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, also proof that he/she receives a social pension or, if he/she does not receive a social pension, proof of certification by a district medical officer. The rateable property in question must be categorised as residential, or as farm properties solely used for residential purposes.

iv) Charitable institutions

Property belonging to not-for-gain institutions or organisations that perform charitable work.

v) Sporting bodies

Property used by an organisation whose sole purpose is to use the property for amateur sport or any activity connected with such sport.

vi) Cultural institutions

Properties declared in terms of the Cultural Institutions Act, Act 29 of 1969 or the Cultural Institutions Act, Act 66 of 1989.

vii) Museums, libraries and art galleries

Registered in the name of private persons or organisations, open to the public and not operated for gain.

viii) Youth development organisations

Property owned and/or used by organisations for the provision of youth leadership or development programmes.

ix) Educational institutions

Property owned by not-for-gain institutions (declared or registered by law) and used for educational purposes including a residence registered in the name of the educational institution and used by full-time employees of the educational institution.

x) Animal welfare

Property owned or used by institutions/organisations whose exclusive aim is to protect birds, reptiles and animals on a not-for-gain basis.

d. In terms of section 17(1)(i) of the act, the municipality may not levy a rate on property registered in the name of and used primarily as a place of worship by a religious community, including an official residence registered in the name of that community which is occupied by an office bearer of that community who officiates at services at that place of worship.

e. Municipal properties that are not leased or rented out by the Municipality.

f. Public places and streets

All defined roads and/or streets and public places.

g. Exemptions are subject to the following conditions:

i) all applications must be addressed in writing to the Municipality;

ii) a SARS tax exemption certificate must be attached to all applications where applicable;

iii) the municipal manager or his/her nominee must have considered and approved all applications;

iv) the Municipality retains the right to refuse exemptions if the details supplied in the application form were incomplete, incorrect or false.

v) false declarations will lead to the forfeit of any exemption and may lead to criminal prosecution.

vi) a person who provides false information will be held liable for the immediate re-payment of any rebates already granted and legal, civil and criminal action may be instituted against the guilty party/ies.

13. GRANTING OF REBATES

13.1 Categories of properties:

a. State owned property

State owned property no longer qualifies for any rates rebate by virtue of ownership. However, the exemptions, rebates and reductions relating to the usage of the properties as specified in this Rates Policy would apply.

b. Public Service Infrastructure

Public service infrastructure (as defined in the Act) may not be rated on the first 30 percent of its market value in terms of section 17 (1) (a) of the Act.

c. Agricultural

in terms of section 8 of the Act.

d. Conservation Land

Section 17 (1) (e) of the Act precludes Council from levying rates on those parts of a special nature reserve, national park or nature reserve within the meaning of the Protected Areas Act, or of a national botanical garden within the meaning of the National Environmental: Management: Biodiversity Act, 2004, which are not developed or used for commercial, farming or residential purposes. The apportioned value of any portion of such properties utilized for any purpose other than that used for such conservation purposes will be rated accordingly.

e. Properties in rural areas

The Municipality may grant a rates rebate to properties in rural areas as a result of, and taking into account, the limited rate-funded services supplied to such properties.

f. Properties with a market value below a prescribed valuation level

Instead of a rate determined on the market value, properties with a valuation below an amount as determined by the Municipality may be rated at a fixed amount per property.

13.2. Categories of owners

a. Retired and Disabled Persons Rate Rebate

i) Retired and Disabled Persons qualify for special rebates according to monthly household income. To qualify for the rebate a property owner must:

- be a South African citizen;
- occupy the property as his/her primary residence, provided that where the owner is unable to occupy the property due to circumstances beyond his/her control, the spouse or minor children may satisfy the occupancy requirement. Absence

of up to three months per year from the property will be disregarded for the purposes of this requirement;

- be at least 60 years of age or in receipt of a disability pension from the State;
- be in receipt of a total monthly income not exceeding the amount as decided by the Municipality; and
- not be the owner of more than one property.

ii) Property owners must apply on a prescribed application form for a rebate as determined by the Municipality.

iii) Applications must be accompanied by -

- a certified copy of the identity document or any other proof of the owners age which is acceptable to the Municipality;
- sufficient proof of total monthly income by submission of the applicant's most recent income tax return and a minimum of the latest three months bank statements from all financial institutions or, if the person does not have a bank account, such proof as the Municipality may require to substantiate the person's level of gross monthly income.
- an affidavit from the owner;
- if the owner is a disabled person proof of a disability pension payable by the state must be supplied; and
- if the owner has retired at an earlier stage for medical reasons proof thereof must be submitted.

iv) The Municipality retains the right to refuse rebates if the details supplied in the application form were incomplete, incorrect or false.

13.3. Other cases

a. Municipal property and usage:-

i) A *pro rata* rebate may be granted where the seller sells land after the financial year has started.

ii) Where the Municipality register a road reserve or servitude on a privately owned property, a *pro rata* rebate equal to the value of the reserve or servitude will be given to the owner of the property.

SECTION E: RATES ADJUSTMENTS

14. RATE INCREASES/DECREASES

14.1 The Municipality will consider increasing/decreasing rates annually during the budget process.

14.2 Rate increases will be used to finance the increase in operating costs of rates funded services.

14.3 Rates adjustments may be made taking into account all or any of the following factors:

a. all salary and wage increases as agreed at the South African Local Government Bargaining Council;

b. inflation;

c. the cost of capital;

d. statutory increases affecting the Municipality; and

e. increases or decreases on operating subsidies received.

15. RESOLUTIONS LEVYING RATES

The process as set out in the Act will be followed in notifying the public of any decisions by the Municipality regarding rates resolutions.

SECTION F: LIABILITY FOR RATES

16. LIABILITY FOR RATES BY PROPERTY OWNERS

Ratepayers may choose between paying rates annually in one instalment on or before 30 September or monthly on or before the date on which it becomes payable. If the owner of property does not notify the Municipality before the start of the financial year that he/she prefers to pay rates in one payment on or before 30 September of the financial year, such owner must pay the amount due monthly. A notice from an owner regarding the manner of payment of rates will remain applicable for future financial years until withdrawn by the owner. Interest on arrear rates shall be payable.

If a property owner, who is responsible for the payment of property rates in terms of this policy, fails to pay such rates in the prescribed manner and on the date/s due, it will be recovered from him/her.

Arrear rates shall be recovered from tenants, occupiers and agents of the owner, in terms of the Act.

Where the rates levied on a particular property have been incorrectly determined, whether because of an error or omission on the part of the Municipality or false information provided by the property owner concerned or a contravention of the permitted use to which the property concerned may be put, the rates payable shall be appropriately adjusted for the period extending from the date on which the error or omission is detected back to the date on which rates were first levied in terms of the valuation roll.

In addition, where the error occurred because of false information provided by the property owner or as a result of a contravention of the permitted use of the property concerned, interest on the unpaid portion of the adjusted rates payable shall be levied at the maximum rate permitted by prevailing legislation.

17. CLEARANCE CERTIFICATE

17.1 On the sale of any property in the municipal jurisdiction, Council will withhold the transfer until all rates, service and sundry charges and any estimated amounts for the duration of the certificate in connection with the property are paid, by withholding a clearance certificate. The municipality will issue such clearance certificate on receipt of an application on the prescribed form from the conveyor.

17.2 All payments will be allocated to the registered seller's municipal accounts and all refunds will be made to such seller.

17.3 No interest shall be paid in respect of these payments.

17.4 The Municipality will only issue a clearance certificate once a completed prescribed application form from the conveyor has been received.

17.5 Where any residential or non-residential debtor has entered into an arrangement with the Municipality in respect of the arrears on a property, the prescribed certificate as referred to in Section 118 of the Systems Act, will not be issued until such time as the full outstanding amount have been paid.

17.6 The rates clearance certificate validation period is 90 days and the amount due for payment will include 4 (four) months advance collections plus all current outstanding debt on the property.

17.7 After receiving the rates clearance application form, the Municipality has 10 (ten) working days to forward the amount due for payment and another 10 (ten) working days to produce the rates clearance certificate, once proof of payment has been established.

18. REGULAR REVIEW PROCESSES

The rates policy will be reviewed on an annual basis.

19. IDENTIFICATION AND QUANTIFICATION OF COSTS AND BENEFITS

The cost to the Municipality and benefit to the local community of exemptions, rebates, reductions and exclusions referred to in sections 17 (1) (a), (e), (g) (h) and (i) of the Act are reflected in the Municipality's budget.

20. ADJUSTMENT OF RATES PRIOR TO SUPPLEMENTARY VALUATION

20.1 In circumstances where a valuation has been carried out by the municipal valuer, in pursuance of a Supplementary Valuation (SV) in terms of section 78(1)(d) or 78(1)(f) of the MPRA as a result for example, of a demolition having taken place on a property or a fire having destroyed buildings on a property, but the Municipality has not yet included such valuation of the relevant property in the SV, such valuation shall be submitted to the CFO for approval to levy rates on the property in accordance with such valuation, with effect from the date of the occurrence of the event caused a SV to be required.

20.2 If the owner of a property which has been subdivided or consolidated after the last general valuation wishes to sell the consolidated erf, or one or more of the erven which have been subdivided off the parent erf, as the case may be, applies to the Municipality for a clearance certificate in terms of section 118 of the Systems Act and if the Municipality has not yet included such valuation of the relevant property/s in the SV, then:-

a. The municipal valuer shall conduct a valuation of the relevant property/s for purposes of a SV; and

b. The valuation shall be submitted to the CFO for approval of the levying of rates on such property/s in accordance with such valuation, with effect from the date on which the relevant subdivision or consolidation (as may be the case), was registered in the Deeds Office.

20.3 Any valuations performed in terms of paragraph 20 shall be included in the next SV prepared by the Municipality without any amendments to the valuation and any objections to such valuation may only be lodged once such SV is made public in terms of section 49 of the Act.

21. IMPLEMENTATION PROCESS AND REVIEW PROCESS

This policy will come into effect on 1 July 2015 and will be reviewed at least annually by way of a Council resolution.

22. SHORT TITLE

This policy will be referred to as the **Rates Policy of the Overstrand Municipality**.

POLICY SECTION:	**SENIOR MANAGER: REVENUE**
CURRENT UPDATE:	
PREVIOUS REVIEW	28 MAY 2014
PREVIOUS REVIEW	29 MAY 2013
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PREVIOUS REVIEW:	04 MAY 2011
PREVIOUS REVIEW:	26 MAY 2010
PREVIOUS REVIEW:	27 MAY 2009
APPROVAL BY COUNCIL:	31 MARCH 2008

OVERSTRAND MUNICIPALITY

TARIFF POLICY

PREAMBLE

Whereas section 74 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) requires a municipal council to adopt a tariff policy on the levying of fees for municipal services;

And whereas the tariff policy should at least include the principles contained in section 74(2) of the Act, thus giving effect to the By-Law required in terms of section 75 of the Act;

And whereas the tariff policy may differentiate between different categories of users, debtors, service providers, service standards and geographical areas as long as such differentiation does not amount to unfair discrimination;

Now therefore the Municipal Council of the Overstrand Municipality adopts the following Tariff Policy:

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1. DEFINITIONS

In this tariff policy, unless the context otherwise indicates –

"Availability Charge"	Availability charge means a charge levied on all properties with or without improvements, where a basic fee is not levied.
"basic municipal service"	means the amount or level of any municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, could endanger public health or safety of the environment and for the purposes of this policy are restricted to electricity, refuse, sewage and water services;
"break even"	means the financial situation where the income derived by the Municipality from the supply of a service is equal to the aggregate of the fixed and the variable costs associated with the provision of the service concerned;
"capital contributions"	means the tariffs payable in respect of the water, electricity, sewage, storm water, roads and refuse removal infrastructure of the Municipality and which amounts exclude amounts payable towards the operational and maintenance costs of such infrastructure;
"Commercial Unit/Erf"	means a self-contained or lettable section within a building or a group of buildings on the same plot excluding short term residential accommodation establishments for e.g. hotels, bed & breakfast, guest houses etc. An owner of a commercial property may annually choose between being levied either per erf or per commercial unit for water and sewage basic charges. This choice must be applied on or before 30 September of each financial year.
"community services"	means the services referred to in paragraph 5(1)(c) and in respect of which the tariffs are set at a level that the costs of the services are not recovered fully from public service charges and are of a regulatory nature;
"consumer, customer, owner, occupier, account holder"	means individuals and other legal entities against whom a tariff, fee, charge or other levy specific to identifiable services are levied.
"Council" or "municipal council"	means a municipal council referred to in section 18 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) and for purposes of this policy, the municipal council of the Overstrand Municipality;
"economic services"	means services that the Council has classified as such and the tariffs have been compiled with the intention that the total costs of the services are recovered from customers;
"Electricity Service charge"	Means the monthly charge payable per point of supply to recover administration-related and service-related costs such as meter reading, billing and meter capital. It is based on the monthly utilized capacity of each point of supply linked to an account.
"lifeline"	Available to pre-paid consumers whose connection is ≤30Amp with a maximum average consumption of 350 kWh measured over a period of 12 months. This tariff is only available to Informal dwellings in informal settlements;
"fixed costs"	means costs which do not vary with consumption or volume produced;
"multi-purpose"	In relation to a property, means the use of a property for more than one purpose;
"Municipality"	the institution that is responsible for the collection of funds and the provision of services to the customers of Overstrand;
"Municipal Manager"	means the accounting officer appointed in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) and being the head of administration and accounting officer in terms of section 55 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) and includes any person:- (a) acting in such position; and (b) to whom the Municipal Manager has delegated a power, function or duty in respective of such a delegated power, function or duty;

"resident "	means a person who normally resides in the municipal area;

"residential unit"	Means a single residential erf, flat, townhouse or group development unit, retirement village unit, guest house, bed and breakfast and any household related consumer that do not fall in one of the above household consumer categories;
"RUE"	means Residential Unit Equivalent;
"the Act"	means the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000);
"total cost"	means the sum of all fixed and variable costs associated with a service;
"trading services"	means services that the Council has classified as such and the tariffs have been compiled with the intention that the Council makes a profit from the delivery of the services;
"utilized capacity"	Means the higher of the notified maximum demand (NMD) or maximum demand, per point of supply measured in kVA, and registered each month.
"vacant land"	means all undeveloped land irrespective of its current or future intended zoning. Agricultural properties will not be considered as being vacant erven.
"variable costs"	means costs that vary with consumption or volume produced;
"wet Industry"	Defined as an industry using water as essential and fundamental input in the production process.

2. PURPOSE OF POLICY

The Overstrand Municipality wishes to achieve the following objectives by adopting this tariff policy:-

2.1. To comply with the provisions of section 74 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000).

2.2. To prescribe procedures for calculating tariffs where the Municipality wishes to appoint service providers in terms of section 76(b) of the Act.

2.3. To give guidance to the Portfolio Committee for Finance regarding tariff proposals that must be submitted to Council annually during the budgetary process.

3. TARIFF PRINCIPLES

The Overstrand Municipality wishes to record that the following tariff principles will apply:-

3.1. Service tariffs imposed by the Municipality shall be viewed as user charges and shall not be viewed as taxes, and therefore the financial ability of the relevant user of the services to which such tariffs relate, shall not be considered as a criterion.

3.2. Tariffs for the basic municipal services rendered by the Municipality, namely:

(a) electricity;
(b) water;
(c) sewage (waste water); and
(d) refuse removal (solid waste),

shall be calculated at a level which will recover all expenses associated with the rendering of these services.

3.3. To prevent existing consumers from subsidising the capital costs associated with new developments and subdivisions the Municipality will plan and

manage the extension of services in such a manner that it will not impact negatively on the fixed costs and availability charges of existing tariffs.

3.4. Capital contributions to finance new developments and subdivisions will be required from all developers.

3.5. All users of municipal services, within a category of users, will be treated equitably.

3.6. The amount payable by consumers and/or owners will generally be in proportion to usage of the service.

3.7. The Municipality shall develop, approve and at least annually review an indigent support policy for the municipal area. This policy shall set out clearly the Municipality's cost recovery policy in respect of the tariffs which it levies on registered indigents, and the implications of such policy for the tariffs which it imposes on other users and consumers in the municipal region.

3.8. Subject to annual budgetary provisions and the availability of funds from National Treasury through the equitable share contribution, the Municipality may consider supplying free basic services to categories of consumers.

3.9. In the case of directly measurable services, namely electricity and water, the consumption of such services shall be properly metered by the Municipality, and meters shall be read, wherever circumstances reasonably permit, on a monthly basis. If a service is metered but it cannot be read due to financial and/or human resource constraints or circumstances beyond the control of the Municipality or its authorised agent, and the customer is charged for an estimated consumption, the account following the reading of the metered consumption must articulate the difference between the actual consumption and the average consumption, and the resulting credit or debit adjustments.

Tariffs must be set at a level that facilitates the sustainability of services. Sustainability will be achieved by ensuring that:-

(a) Cash inflows cover cash outflows. This means that sufficient provision for working capital and bad debts will be made.

(b) Access to the capital market is maintained. This will be achieved by providing for the repayment of capital, maintaining sufficient liquidity levels and if possible, generating a surplus on trading services.

(c) Service providers retain a fair rate of return on their investments.

3.10. Provision may be made in appropriate circumstances for surcharges on tariffs.

3.11. Efficient and effective use of resources may be encouraged by providing for penalties to prohibit or restrict exorbitant use.

3.12. The extent of subsidisation of tariffs will be disclosed and such disclosure will include the extent of subsidisation of the indigent or incentives for local development.

3.13. Provisions may be made for the subsidisation of the indigent and the promotion of local economic development by creating expenditure votes in the service budgets and including the costs in tariff calculations.

3.14. VAT is included in all tariffs where applicable.

3.15. This policy shall be binding on all tariffs other than those governed by legislation which supersedes the Act.

3.16. A property used for multiple purposes must, for purposes related to the services and categories of users concerned, be calculated at the appropriate and applicable rate for each distinct use of the property.

3.17. In order to provide the Municipality with appropriate security for payment of amounts owing to it from time to time for services rendered, the Council shall impose a system of deposits payable by consumers. The deposits shall be set with due regard to the potential financial risk associated with the amounts owing from time to time as well as sufficient provision for working capital. The level of the deposits shall be revised annually and the Municipality may introduce transitional arrangements in respect of existing consumers.

4. CATEGORIES OF CONSUMERS

4.1. Separate tariff structures may be imposed for the following categories of consumers (which the council may change) :

(a) domestic consumers;
(b) commercial consumers;
(c) industrial consumers;
(d) agricultural consumers;
(e) organs of state;
(f) municipalities;
(g) consumers with whom special agreements were made;
(h) consumers in certain geographical areas;
(i) sport and recreation facilities
(j) private schools & educational institutions;
(k) public benefit organisations and suchlike institutions, and
(l) vacant land

4.2. Section 74(3) of the Municipal Systems Act allows for the differentiation between different categories of users, debtors, service providers, services, service standards, geographical areas and other matters for tariff purposes as long as the differentiation does not amount to unfair discrimination.

4.3. Where there are substantial differences between the infrastructures used to provide services to specific groups of users within a category and/or standard of services provided, the Council can, after considering a report by the Municipal Manager or the relevant Director, determine differentiated tariffs for the different consumers within the specific category.

4.4. Differentiated tariffs must be based on one or more of the following elements; infrastructure costs, volume usage, availability and service standards.

4.5. If, for purposes of determining the tariff applicable to a particular user or category of users, the user or category of users has not specifically by definition been included under a defined category of users in this policy, the Municipal Manager shall, by applying the closest match principle, determine the category under which the user or category of users fits in best, taking into account the nature of the service concerned and the user or category of users involved.

5. INCENTIVE POLICY

5.1. Tariffs will not reflect incentives for investment or to promote economic development.

6. INDIGENT RELIEF

6.1. Tariffs will not reflect relief granted to indigent households. Such relief will be developed as a separate policy and be subject to the discretion of Council as to its sustainability.

6.2. All such relief will be reflected, accounted for and disclosed separately in invoices, account statements, budgets, financial statements or reports.

6.3. During implementation of such policy, cognisance will be taken of the fact that the existing tariffs and procedures may require amendment to accommodate the above clauses and that such amendments will be phased in over time.

6.4. Indigent households are expected to manage their consumption of services within the levels of relief granted.

6.5. Assistance and management of indigent households is contained in the Customer Care and Debt Collection Policy/By-Law. The Municipality, however, retains the right to limit consumption through prepaid meters or restriction if the accounts of assisted households fall into arrears.

7. SERVICE, EXPENDITURE CLASSIFICATION AND COST ELEMENTS

7.1. Service classification

7.1.1. To isolate the costs associated with a service, the Municipal Manager shall, subject to the guidelines provided by the National Treasury, Generally Recognised Accounting Practice (GRAP) and Executive Mayoral Committee of the Council, provide for the classification of services into the following categories:-

(i) trading services;
(ii) economic services;
(iii) community services; and
(iv) subsidised services.

7.1.2. Trading and economic services must be financially ring-fenced and financed from service charges while community and subsidised services will be financed from rates and related income.

7.2. Expenditure classification

Expenditure will be classified in accordance with GRAP.

7.3. Cost elements

The following cost elements may be used to calculate the tariffs of the different services:-

(a) *"Fixed costs"* which consist of the capital costs (interest and redemption) on external loans as well as internal advances and/or depreciation, whichever are applicable to the service, and any other costs of a permanent nature as determined by the Council from time to time.

(b) *"Variable costs"* which include all other variable costs that have reference to the service.

(c) *"Total cost"* which is equal to the fixed costs and variable costs.

8. TARIFF TYPES

In determining the type of tariff applicable to the type of service, the Municipality shall make use of any of the following six options or a combination thereof:-

8.1. **"Single tariff":-**

This tariff shall consist of a cost per unit consumed. All costs will be recovered through unit charges at the level where income and expenditure breaks even. Subject to a recommendation by the Municipal Manager, the Council may decide to approve profits on trading services during the budget meeting. Such profits will be added to the fixed and variable cost of the service for the purpose of calculating the tariffs.

8.2. **"Cost related two to four part tariff":-**

This tariff shall consist of two to four parts. Management, capital, maintenance and operating costs may be recovered by grouping certain components together, e.g. management, capital and maintenance costs may be grouped together and may be recovered by a fixed charge, independent of consumption for all classes of consumers, or the total costs may be recovered by a unit charge per unit consumed. Three and four part tariffs may be used to calculate the tariff for electricity and to provide for maximum demand and usage during limited demand.

8.3. **"Inclining block tariff":-**

This tariff is based on consumption levels being categorised into blocks, the tariff being determined and increased as consumption levels increase.

8.4. **"Declining block tariff":-**

This tariff is the opposite of the inclining block tariff and decreases as consumption levels increase.

8.5. **"Regulating tariff":-**

This tariff is only of a regulatory nature and the Municipality may recover the full or a portion of the cost associated with rendering the service.

8.6. **"Cost plus mark-up tariff":-**

This tariff is for other services rendered.

9. CALCULATION OF TARIFFS FOR MAJOR SERVICES

9.1. **General**

In order to determine the tariffs which must be charged for the supply of the basic municipal services, (electricity, refuse, sewage and water), the Municipality shall use service and expenditure classifications and cost elements contained in clause 7 and identify all the costs associated with the service concerned, including the following:-

9.1.1. Cost of bulk purchases in the case of electricity and water.

9.1.2. Distribution costs, including distribution losses in the case of electricity and water.

9.1.3. Depreciation and finance charges.

9.1.4. Maintenance of infrastructure and other assets.

9.1.5. Administration and service costs, including:-

(a) service charges levied by other support services, such as finance, human resources and legal services;

(b) reasonable general overheads, such as the costs associated with the office of the Municipal Manager;

(c) adequate contributions to the provisions for bad debts, working capital and obsolescence of stock;

(d) all ordinary operating expenses associated with the service concerned, including the cost of providing street lighting in the municipal area in the case of the electricity service.

9.1.6. The intended surplus to be generated for the financial year shall be applied generally in relief of rates and general services.

9.1.7. Where a consumer has an option to choose between different tariffs on a service such option must be executed before 30 September to be implemented for the specific financial year.

9.2. **Electricity**

9.2.1. The guidelines and policy issued by the National Energy Regulator from time to time will form the basis of calculating tariffs.

9.2.2. The Municipality has standardized on the installation of Pre Payment Meters for all Domestic Consumers. As such it is compulsory for all new domestic connections to be equipped with Pre Payment Meters. The Municipality has embarked on a program to effect the migration of all Credit Meters to Pre-Payment Meters. The change from Pre Payment Meters to Credit Meter will therefore be disallowed unless special health circumstances exist, in which extreme case a credit meter will be installed by special concession from the Director of Infrastructure and Planning and by payment of the required change of meter fees as well as the required deposit.

9.2.3. To make electricity affordable to certain categories of consumers, cross subsidisation between and within categories of consumers will be allowed, based on the load factors of the categories and consumers within the category.

9.2.4. The fixed costs, or portions thereof, will be recovered through an energy or time-of-use charge.

9.2.5. A basic charge per electricity meter or unit in the municipal area, as determined by the Council from time to time, may be charged against all electricity consumers.

9.2.6. To apply the abovementioned principles, the consumer types and cost allocations reflected in the following table will be used:-

Categories of Consumers	Tariff Components			
	Fixed Charge (Rand/ consumer/ month)	Active Energy Charge (cent/kWh/ month)	Time-of-use Energy Charge Peak / Standard / Off-peak (sent/kWh/month)	Charge (Rand/KVA/ month)
Single Phase: (Domestic Credit meters)	X	X		***Note: IBT BLOCK** 1) 0 - 350 kWh 2) 351 – 600 kWh 3) > 600kWh
Single Phase: (Domestic Pre-paid meters)	X	X		***Note: IBT BLOCK** 1) 0 - 350 kWh 2) 351 – 600 kWh 3) > 600kWh
Life Line One Part		X		0 – 350 kWh
One Part – (pre-paid meters only) Local Economic Development Projects		X		0 – 350 kWh
Single Phase: (Commercial Credit meters)	X	X		Flat rate
Single Phase: (Commercial Pre-paid meters)	X	X		Flat rate
Three Phase: (Domestic Credit meter) ≤ 100A	X	X		***Note: IBT BLOCK** 1) 0 - 350 kWh 2) 351 – 600 kWh 3) > 600kWh
Three Phase: (Domestic Pre-paid meter) ≤ 100A	X	X		***Note: IBT BLOCK** 1) 0 - 350 kWh 2) 351 – 600 kWh 3) > 600kWh
Three Phase: (Commercial Credit meter) ≤ 100A	X	X		**Flat Rate**
Three Phase: (Commercial Pre-Paid meter) ≤100A	X	X		**Flat Rate**
Economic Pre-paid:- ≤ 100A		X		**Flat Rate**
Time of Use Tariff (.70kVA)	X	X	X	X
Service Charge (per month) for MV and LV consumers	X	X	X	X
Medium Voltage Metering Points (11000V) >500kVA	X	X	X	X
Low Voltage Metering Points (400V) >70kVA ≤ 500kVA	X	X	X	X

A basic level of service will be provided free to qualifying households with a total gross income level which is below a determined amount, and according to further specified criteria, as determined by Council from time to time.

9.2.7. An infrastructure basic charge for electricity will be levied on a monthly basis on all properties or units.

9.2.8. An availability charge will be levied on all erven or units not connected to the electricity network, but can reasonably be connected to the service.

9.2.9. The use of tariffs E5A10 "Exceed NOTIFIED MAXIMUM DEMAND (NMD) per kVA Per month".

Each Time-of-Use User must nominate the Maximum Demand that the User intends to draw from the Overstrand Municipal Electricity Network. This nominated figure is known as the Nominated Maximum Demand (NMD) and is measured in kVA.

Upon exceeding this NMD, the User will be warned that he/she has exceeded the NMD and upon exceeding such NMD again within the next 12 months, the User will be required to pay the charge per kVA as indicated under tariffs E5A10 as the case may be. Each subsequent exceeding of the NMD will be charged similarly. When the NMD has not been exceeded in any 12 consecutive months, the User will then only receive a warning upon the next time the NMD is exceeded, after which the required tariff will again be instituted as shown above.

The User may increase his/her NMD and would be required to pay the associated tariffs as indicated under E15, where appropriate. A User may increase his NMD as many times as is needed within one financial year, but may only decrease the NMD once within any Financial Year.

9.3. **Water**

9.3.1. The categories of water consumers as set out in clause 9.3.4 shall be charged at the applicable tariffs as approved by the Council in each annual budget.

9.3.2. The first 6kℓ of water consumption per month shall only be supplied pro rata free of charge to domestic water consumers who qualify for the indigent grant.

9.3.3. Because water is a scarce national resource, and this Municipality is committed to the prudent conservation of such resources, the tariff levied for consumption of water shall escalate according to the volume of water consumed.

9.3.4. The tariffs for consumption of purified water shall be based on the levels reflected in the following table:-

Category of Consumer	Basic Fixed Charge (Rand/meter/month)	Unit Charge per kℓ	Level of Consumption (Rand/kℓ/month)
NORMAL TARIFF			
Single Residential Flats Group Housing (including Townhouse Developments) Retirement Villages Guest Houses	X	X	**HOUSEHOLD** 0 - 6 kℓ 7 - 18 kℓ 19 - 30 kℓ 31 - 45 kℓ 46 - 60 kℓ >60 kℓ
Churches Caravan Parks Boutique Hotels and Hotels Other Consumers	X	X	**NON-HOUSEHOLD** 0 - 18 kℓ 19 - 30 kℓ 31 - 45 kℓ 46 - 60 kℓ >60 kℓ

RESTRICTION TARIFF (LEVEL 1 RESTRICTION) PLUS 30% on Normal Tariff)			
Single Residential Flats Group Housing (including Townhouse Developments) Retirement Villages Guest Houses	X	X	**HOUSEHOLD** 0 - 6 kℓ 7 - 18 kℓ 19 - 30 kℓ 31 - 45 kℓ 46 - 60 kℓ >60 kℓ
Churches Caravan Parks Boutique Hotels and Hotels Other Consumers	X	X	**NON-HOUSEHOLD** 0 - 18 kℓ 19 - 30 kℓ 31 - 45 kℓ 46 - 60 kℓ >60 kℓ

RESTRICTION TARIFF (LEVEL 2 RESTRICTION) PLUS 60% on Normal Tariff)			
Single Residential Flats Group Housing (including Townhouse Developments) Retirement Villages Guest Houses	X	X	**HOUSEHOLD** 0 - 6 kℓ 7 - 18 kℓ 19 - 30 kℓ 31 - 45 kℓ 46 - 60 kℓ >60 kℓ
Churches Caravan Parks Boutique Hotels and Hotels Other Consumers	X	X	**NON-HOUSEHOLD** 0 - 18 kℓ 19 - 30 kℓ 31 - 45 kℓ 46 - 60 kℓ >60 kℓ

RESTRICTION TARIFF (LEVEL 3 RESTRICTION) PLUS 100% on Normal Tariff)			
Single Residential Flats Group Housing (including Townhouse Developments) Retirement Villages Guest Houses	X	X	**HOUSEHOLD** 0 - 6 kℓ 7 - 18 kℓ 19 - 30 kℓ 31 - 45 kℓ 46 - 60 kℓ >60 kℓ
Churches Caravan Parks Boutique Hotels and Hotels Other Consumers	X	X	**NON-HOUSEHOLD** 0 - 18 kℓ 19 - 30 kℓ 31 - 45 kℓ 46 - 60 kℓ >60 kℓ

9.3.5. A basic charge per water meter or unit in the municipal area, as determined by the Council from time to time, may be charged against all water consumers.

9.3.6. An infrastructure basic charge for water will be levied on a monthly basis on all erven or units.

9.3.7. An availability charge will be levied on all erven or units not connected to the water network but can reasonably be connected to the service.

9.3.8. Allocation of RUE's to categories of Household consumers:

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

9.3.9. The number of water basic and infrastructure charges for non-household consumers shall be coupled to the number of commercial sewage basic and infrastructure charges.

9.3.10. The tariffs for consumption of irrigation and raw water shall be based on the levels reflected in the following table:-

Category of Consumer	Basic Charge (Rand/meter/month)	Level of Consumption (Rand/kiloliter/month)
Use and pump water	**X**	80 – 90 minutes
Small Holdings	**X**	(i) 0 – 70 kℓ (ii) > 70 kℓ

9.3.11. **Wet Industries –**

9.3.11.1. Commercial and Sport (Customers must apply for this tariff)

Detail	Basic Charge (Rand/meter/month)	Unit Charge / kℓ	Level of Consumption (Rand/kiloliter/month)
Normal Tariff	**X**	**X**	(i) 0 – 500 kℓ (ii) 501 – 1 000 kℓ (iii) > 1 000 kℓ
Restriction Tariff (level 1 restrictions) **<u>PLUS</u> 30% of Normal Tariff**	**X**	**X**	(i) 0 – 300 kℓ (ii) 301 – 700 kℓ (iii) > 700 kℓ
Restriction Tariff (level 2 restrictions) **<u>PLUS</u> 60% of Normal Tariff**	**X**	**X**	(i) 0 – 250 kℓ (ii) 251 – 500 kℓ (iii) > 500 kℓ
Restriction Tariff (level 3 restrictions) **<u>PLUS</u> 100% of Normal Tariff**	**X**	**X**	(i) 0 – 100 kℓ (ii) > 100 kℓ

9.3.11.2. Industry - Marine (Customers must apply for this tariff)

Detail	Basic Charge (Rand/meter/month)	Unit Charge / kℓ	Level of Consumption (Rand/kiloliter/month)
Normal Tariff	X	X	(i) 0 – 5 800 kℓ (ii) >5 800 kℓ
Restriction Tariff (level 1 restrictions) **PLUS 30% of Normal Tariff**	X	X	(i) 0 – 5 800 kℓ (ii) >5 800 kℓ
Restriction Tariff (level 2 restrictions) **PLUS 60% of Normal Tariff**	X	X	(i) 0 – 5 800 kℓ (ii) >5 800 kℓ
Restriction Tariff (level 3 restrictions) **PLUS 100% of Normal Tariff**	X	X	(i) 0 – 5 800 kℓ (ii) >5 800 kℓ

9.3.12. The tariffs for consumption of Treated Effluent water shall be based on the levels reflected in the following table:-

Detail	Basic Charge (Rand/meter/month)	Unit Charge / kℓ	Level of Consumption (Rand/kiloliter/month)
Hermanus Golf Club	X	X	As per agreement
Schools, municipal sport grounds& project sport grounds as per agreement		X	As per Agreement
Curro Holdings		X	250kℓ free per day
Other		X	

9.3.13. Restriction Tariff

9.3.13.1. When the capacity level of the source reaches 40% Restriction level 1 will be applied;

9.3.13.2. When the capacity level of the source reaches 20% Restriction level 2 will be applied;

9.3.13.3. When the capacity level of the source reaches 13% Restriction level 3 will be applied.

9.4. Refuse Removal

9.4.1. A separate fixed monthly refuse removal charge shall apply to each category of users based on the costs of the service concerned and the applicable level of service, which can vary from once a week up to 7 times a week.

9.4.2. The fixed basic charge will be based on the number of removals per week.

9.4.3. An availability charge will be levied on all erven/units where no building plan has been approved. -

9.4.4. The tariff for refuse removal for residential units will be one removal per household.

9.5. **Sewage**

9.5.1. The categories of users as set out below, shall be charged monthly at the applicable tariff as approved by Council in each annual budget:-

(i) Domestic (including Semi Permanent Caravan Sites);

(ii) Hotels, Hostels, Hospitals, Old Age Homes and Group Housing;

(iii) Guest Houses and Bed & Breakfast Establishments;

(iv) Shops and Offices;

(v) Low Cost Housing Schemes;

(vi) Schools;

(vii) Caravan Parks with communal ablution facilities;

(viii) Departmental Municipality;

(ix) Consumers with a conservancy tank.

9.5.2. A monthly basic charge shall be levied on all properties or units within urban areas, irrespective of the type of service available.

9.5.3. A sewage usage charge will be levied on all properties or units that produce sewage or have a water meter. This charge will be levied as follows:

(i) SEWAGE – SINGLE AND INTERMEDIATE RESIDENTIAL (Dwelling houses and Duplex apartments)

The sewage volume will be deemed to be 70% of water consumption, up to a maximum of 35kℓ of sewage per month (70% of 50kl water per month).

(ii) SEWAGE – GENERAL RESIDENTIAL (Blocks of apartments and Residential Buildings)

Sewage volume will be deemed to be 90% of water consumption per individual unit up to a maximum of 45kℓ of sewage per month (90% of 50kℓ water per month).

(iii) SEWAGE – GUEST HOUSES AND BED & BREAKFAST ESTABLISHMENTS

Sewage volume will be deemed to be 70% of water consumption per individual unit.

(iv) ALL OTHER USERS (Including Commercial, Industrial, School, Sport, etc.)

The sewage volume will be deemed to be 90% of water consumption.

The 90% may be adjusted by the Municipal Manager as appropriate to the consumer. The Municipal Manager may also institute a cap on the volume of sewage if appropriate to the consumer.

9.5.4. An effluent fee shall further be payable by factories and other industrial users where the wastewater emanating from such users requires special purification measures by the Municipality. Such fees shall be based on the toxic content of the wastewater concerned and the costs of purification.

9.5.5. A monthly infrastructure charge will be levied on all properties or units.

9.5.6. Consumers with conservancy or septic tanks that cannot connect to the network may only apply to have their tariff changed at the beginning of a financial year before 30 September, or with a change in occupancy status.

9.5.7. The sewage basic and infrastructure charge shall be levied on the owner's account, whilst the consumption portion of the charge shall be levied on the same account as where the water consumption is charged.

9.5.8. The number of commercial sewage basic and infrastructure charges shall be coupled to the number of non-household water basic and infrastructure charges.

9.5.9. A sewage availability charge shall apply to serviced vacant or -developed land.

9.6. **Minor tariffs**

9.6.1. All minor tariffs shall be standardised within the municipal region.

9.6.2. All minor tariffs shall be approved by the Council in each annual budget and shall, when deemed appropriate by the Council, be subsidised by property rates and general revenues, particularly when the tariffs will prove uneconomical when charged to cover the cost of the service concerned, or when the cost cannot be determined accurately, or when the tariff is designed purely to regulate rather than finance the use of the particular service or amenity.

9.6.3. Minor tariffs may include fees for the following:-

A	Administration	▪ Access to information ▪ Administration Costs ▪ Advertisements / Advertising ▪ Bank cost on foreign accounts ▪ Deposit Consultation ▪ Duplicate Accounts ▪ Facsimiles ▪ Interest on Accounts in Arrear ▪ Management consultation	▪ Photocopies ▪ Placard / Poster Costs ▪ Section 62 Appeals ▪ Tender Objections ▪ Tender Participation Costs ▪ Top Management Consultation ▪ Top Management Deposit ▪ Trace of Direct Deposits
B	Building Control	▪ Administration / Storage fee ▪ Alterations & Additions ▪ Building Plans ▪ Contravention Levy ▪ Demolition Fees ▪ Deposits ▪ Encroachments ▪ Heritage Investigations	▪ Inspection Fees ▪ Land Use Planning ▪ Photocopies of Building Plans ▪ Plan Printing Fees ▪ Plan Scrutiny Fees` ▪ Re-inspection fees ▪ Searching Fees
C	Cemeteries	▪ Garden of Remembrance ▪ Grave-sites	▪ Indication of grave
D	Commercial Filming/Photographing	▪ Cancellation Fee ▪ Permits	
E	Credit Control & Debt Collecting	▪ Administration fee ▪ Notices	▪ Sheriff fee ▪ Tracing fee
F	Dog Tax	▪ Licenses	

G	Electricity	▪ Administration Fee Recalculation ▪ Builders connection ▪ Bulk Service Development Fees ▪ Call-out fee ▪ Cancellation Fee ▪ Capital Contributions ▪ Certificates ▪ Change from Bulk to Time of use ▪ Change of Circuit Breaker ▪ Commission of Bulk Meter ▪ Connection and Disconnection of Service ▪ Consumer Deposits ▪ Contractor Inspection ▪ Conversion of meters ▪ Credit Control and Debt Collection ▪ Damaged cables ▪ Damaged meter ▪ Disconnection ▪ Erection of Banners ▪ Extension Fee ▪ Fee recalculation – no access	▪ Illuminated Signs ▪ Meter Testing ▪ Meter Verification ▪ MV Switching ▪ New Service Connections ▪ Reconnection ▪ Remedial Action Fee ▪ Removal of meter ▪ Rental of Equipment ▪ Repair of Cables or Additional Joints ▪ Repositioning of Meter ▪ Service Connections ▪ Special Meter Readings ▪ Still-off" inspections ▪ Street Lighting ▪ Sundry Services ▪ Tariff change ▪ Unsafe/illegal leads per visit ▪ Upgrading extension Fee ▪ Verification of meter reading ▪ Way leave ▪ Wheeling
H	Fire Services & Disaster Management	▪ Plot Clearing	▪ Re-inspection Fee under the Bylaw
I	Housing	▪ Administration	▪ Rental
J	Law Enforcement	▪ Business Licenses ▪ Bylaw on outdoor advertising ▪ Impoundment of Hawkers goods ▪ Impoundment of illegal Advertising/Agent boards ▪ Inspection Fees	▪ Pound fee Dogs and Cats ▪ Pound fee other animals ▪ Re-inspection Fee ▪ Removal of illegal structure ▪ Storage Fee
K	Libraries	▪ Deposits ▪ Facsimiles ▪ Internet Usage ▪ Lost Cards ▪ Penalty for Late Return ▪ Photocopies	▪ Rental of Library Amenities ▪ Reservations ▪ Scanning ▪ Special Requests ▪ Subscription ▪ Visitors Fee (Handling)
L	Municipal Buildings	▪ Deposits ▪ Rental of Amenities	▪ Rental of Equipment
M	Operational Cost	▪ Street Signage	
N	Parking Fee Beaches Grotto & Kleinmond	▪ Beach Rental ▪ Bus Drop off ▪ Parking Busses	▪ Parking vehicles ▪ Permit ▪ Season Ticket
O	Property Administration	▪ Application lease/purchase ▪ Encroachment Fee	▪ Memorial Benches ▪ Radio Mask
P	Public Works	▪ Felling and Pruning of Trees ▪ Private Work ▪ Sale of Miscellaneous Items ▪ Storm Water Drainage	▪ Street Signage ▪ Tar and Patch Work ▪ Vehicle Entrances

Q	Recreational Amenities	▪ Boat Launching ▪ Boat License/Permits ▪ Caravan Parks ▪ Community Halls ▪ Deposit ▪ Frank Robb Hut ▪ Hawker Stalls Lagoons ▪ Lagoons	▪ Office Rental ▪ Open Spaces ▪ Public Open Space ▪ Schuss Houses ▪ Spaces for Sport ▪ Sport Events ▪ Swimming pool
R	Roads	▪ Capital Contributions	▪ Bulk Service Development Fee
S	Refuse Removal	▪ Asbestos Sheet ▪ Baboon Resistant Bins ▪ Capital Contributions ▪ Deposits ▪ Mass Containers	▪ Refuse Bins ▪ Rental of Bulk Containers ▪ Replacement of Bulk Containers ▪ Self Dumping
T	Sewage	▪ Bulk Service Development Fee ▪ Capital Contributions ▪ Connection of tanks ▪ Disposal	▪ Service Connections ▪ Tank Services ▪ Testing of tanks
U	Stony Point	▪ Annual Permit	▪ Visitors
V	Swimming Pool	▪ Entrance Fee ▪ Galas	▪ Training session
W	Town Planning	▪ Advertising Cost ▪ Application Fee ▪ Contravention Application ▪ Departure ▪ Extension of Time ▪ Land use planning Fee ▪ Registered Letter	▪ Removal of Title Deed Restrictions ▪ Rezoning application ▪ Spatial Development Framework ▪ Sub-division ▪ Zoning Certificate
X	Traffic	▪ Disabled Parking Tokens ▪ Driver's Licenses ▪ Escorting and Other Services ▪ Hiring Traffic cones ▪ Leaner's Licenses ▪ Parking Meters ▪ Professional Driver's Permits	▪ Removal of Vehicles ▪ Roadworthy Certificates ▪ Storage Fees ▪ Taxi Rank Tokens ▪ Towing Charge ▪ Vehicle Registration ▪ Wheel clamping fee
Y	Valuation	▪ Access to Information ▪ Clearance Certificates ▪ Deeds Office Registrations ▪ Impact studies	▪ Revaluation ▪ Valuation Certificates ▪ Valuation Roll ▪ Voters' Roll
Z	Water	▪ Administration Fee Recalculation ▪ Bulk Service Development ▪ Call-out Fee ▪ Capital Contributions ▪ Connection & Disconnection ▪ Consumer Deposits ▪ Convert to flow restrictor meter ▪ Credit Control and Debt Collection ▪ Damaged Water Meter; Watermain & Service Connection ▪ Fee recalculation – no access ▪ Final meter reading ▪ Irrigation Water ▪ Meter Testing	▪ Meter verification ▪ New Service Connections ▪ Reconnection ▪ Registration of borehole ▪ Remedial Action Fee ▪ Rental of Equipment ▪ Repair of meter ▪ Repositioning of meter ▪ Service Connections ▪ Special Meter Readings ▪ Still-off" inspections ▪ Sundry Services ▪ Temporary connections ▪ Verification of meter reading

9.6.4. The Municipal Manager shall maintain a list of all minor services indicating their unit of service for the purposes of determining tariffs, fees, charges and levies. Such list shall be reviewed annually together with the proposed tariffs, fees charges and levies.

10. NOTIFICATION OF TARIFFS, FEES AND SERVICE CHARGES

10.1. After a draft budget as required by the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) has been tabled, the Municipal Manager must invite the local community to submit representations for consideration by the Council. Such invitation includes the draft resolutions on taxes and tariffs proposed.

10.2. After approval of the budget, the Council will give notice of all tariffs approved at the annual budget meeting at least 30 days prior to the date that the tariffs become effective.

10.3. A notice stating the purport of the council resolution, date on which the new tariffs shall become operational and invitation for objections will be advertised by the Municipality.

10.4. All tariffs approved must have been considered at the annual budget meeting.

11. IMPLEMENTING AND PHASING-IN OF THE POLICY

11.1. The principle contained in this Policy will be reflected in the various budget proposals submitted to the Council on an annual basis, service by-laws as promulgated and adjusted by the Council from time to time and the Tariff By-laws referred to in section 75 of the Act.

11.2. The Council may determine conditions applicable to community service of a regulatory nature. These conditions will be reflected in the standing orders of the Council.

12. PROCEDURES AND ACCOUNTABILITY

12.1. The Municipal Manager shall ensure that procedures to manage all aspects of this Policy are prepared in the form of a manual, reviewed regularly and that these are formally adopted by him/her for implementation. These procedures will include aspects in this Policy and subscribe to sound principles of internal control.

12.2. The Directors and Managers shall ensure compliance with the procedures as approved from time to time by the Municipal Manager to give effect to the provisions of this Policy.

13. IMPLEMENTATION AND REVIEW PROCESS

This policy will come into effect on 1 July 2015 **and** will be reviewed at least annually or when required by way of a Council resolution.

14. SHORT TITLE

This policy shall be called the **Tariff Policy of the Overstrand Municipality.**

POLICY SECTION:	**MANAGER: INCOME**
CURRENT UPDATE:	28 MAY 2014
PREVIOUS REVIEW	29 MAY 2013
PREVIOUS REVIEW	30 MAY 2012
PREVIOUS REVIEW:	31 AUGUST 2011
PREVIOUS REVIEW:	04 MAY 2011
PREVIOUS REVIEW:	26 MAY 2010
PREVIOUS REVIEW:	27 MAY 2009
APPROVAL BY COUNCIL:	31 MAY 2006

OVERSTRAND MUNICIPALITY

CUSTOMER CARE, CREDIT CONTROL AND DEBT COLLECTION POLICY

P R E A M B L E

Whereas section 96 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) requires a municipality to adopt, maintain and implement a credit control, debt collection and customer care policy;

And whereas section 97 of the Systems Act prescribes what such policy must provide for;

Now therefore the Municipal Council of the Municipality of Overstrand adopts the Customer Care, Credit Control and Debt Collection Policy as set out in this document:-

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1. DEFINITIONS

For the purpose of this policy, unless the context indicates otherwise, any word or expression to which a meaning has been attached in the Act shall bear the same meaning and means:-

"Act"	The Local Government Act: Systems Act 2000 (Act No 32 of 2000) as amended from time to time.
"authorised representative"	the person or instance legally appointed by the Council to act or to fulfil a duty on its behalf.
"basic service"	the amount or level of any municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety of the environment and for the purposes of this Policy are restricted to the delivery of electricity, refuse, sewerage and water services.
"Chief Financial Officer"	an officer of the Municipality appointed as the Head of the Finance Department and includes any person:- (a) acting in such position; and (b) to whom the Chief Financial Officer has delegated a power, function or duty in respective of such a delegated power, function or duty.
"child-headed household"	a household where all the occupants of a residential property are younger than 18 years old, i.e. a child-headed household is a household consisting only of children.
"Council"* or *"municipal council"	a municipal council referred to in section 18 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) and for purposes of this policy, the municipal council of the Municipality of Overstrand.
"Credit control" and debt collection"	the functions relating to the collection of any monies due and payable to the Municipality.
"Closely connected person"	any immediate relative of the person namely spouse, child, parent, parent-in-law, life partner.
"customer"	any occupier of any property to which the Municipality has agreed to supply services or already supplies services to, or if there is no occupier, then the owner of the property (including registered indigent household).
"defaulter"	a person who owes money to the Municipality in respect of a municipal account after the due date for payment has expired.
"Director"	the person in charge of the civil and/or electrical component(s) of the Municipality and includes any person:- (a) acting in such position; and (b) to whom the Director has delegated a power, function or duty in respective of such a delegated power, function or duty.
"equipment"	a building, structure, pipe, pump, wiring, cable, meter, machine or any fittings.
"household"	all persons who are jointly living on a stand or site on a permanent basis and who receive electricity and/or water from one meter, regardless whether the person rents or owns the property.
"Income"	Income is the gross sum of all monthly income from all sources, including wages, salaries, profits, dividends, pensions, rentals, board & lodging, interest received, grants or investment income and other forms of earnings received by every person residing on the property.
"indigent"	a household which is not financially capable of paying for the delivery of basic services and meeting criteria determined by Council from time to time – this also includes poor households.
"interest"	a levy with the same legal priority as service fees and calculated on all amounts in arrears in respect of assessment rates and service levies at a standard rate as approved by Council.

"Municipality"	the institution that is responsible for the collection of funds and the provision of services to the customers of Overstrand.
"municipal account"* or *"billing"	the proper and formal notification by means of a statement of account, to persons liable for monies levied and indicating the net accumulated balance of the account, specifying charges levied by the Municipality, or any authorised and contracted service provider, in the format of, but not limited to:- (a) show the levies for assessment rates and/or building clause; and (b) *"monthly account"* rendered monthly and shows the levies for assessment rates and/or building clause, availability charge, sewerage, refuse removal, electricity, water, sundries, housing rentals and instalments, as well as the monthly instalment for annual services paid monthly.
"Municipal Manager"	the accounting officer appointed in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) and being the head of administration and accounting officer in terms of section 55 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) and includes any person:- (a) acting in such position; and (b) to whom the Municipal Manager has delegated a power, function or duty in respective of such a delegated power, function or duty.
"municipal services"	those services provided by the Municipality such as, amongst others the supply of water and electricity, refuse removal, sewerage treatment, and for which payment is required by the Municipality or not.
"occupier"	any person who occupies any property or part thereof, without any regard to the title under which he/she so occupies the property – to be phased out from 01/07/2010.
"owner"	(a) the person in whom the legal title to the property is vested; (b) a person mentioned below may for the purposes of this Policy be regarded by a municipality as the owner of a property in the following cases: (i) A trustee, in the case of a property in a trust excluding state trust land; (ii) an executor or administrator, in the case of a property in a deceased estate; (iii) a trustee or liquidator, in the case of a property in an insolvent estate or in liquidation; (iv) a judicial manager, in the case of a property in the estate of a person under judicial management; (v) a curator, in the case of a property in the estate of a person under curator ship; (vi) a person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude; (vii) a lessee, in the case of a property that is registered in the name of a municipality and is leased by it; or (viii) a buyer, in the case of a property that was sold by a municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer; (c) in the case where the Council is unable to determine the identity of such person, the person who is entitled to the benefit of such property or any building thereon; (d) in the case of a property for which a lease agreement of 30 years or more has been entered into, the lessee thereof; (e) regarding:- (i) a portion of land delineated on a sectional title plan registered in terms of the Sectional Titles Act, 1986 (Act No 95 of 1986), and without restricting the above mentioned stipulations, the developer or body corporate of the communal property; or (ii) a portion as defined in the Sectional Titles Act, the person in whose name

	that portion is registered under a sectional title deed, including the legally appointed representative of such person; (i) any legal entity, including but not limited to:- (i) a company registered in terms of the Companies Act, 1973 (Act No 61 of 1973), a trust *inter vivos*, trust *mortis causa*, a closed corporation registered in terms of the Closed Corporations Act, 1984 (Act No 69 of 1984), and any voluntary organisation; (ii) any local, provincial or national government; (iii) any council, board or entity established in terms of any legislation applicable to the Republic of South Africa; and (iv) any embassy or other foreign entity. (ii) in the case of property owned by the Council and which has been alienated, but which has not been transferred to the person to whom it has been alienated, such person from the date of the alienation concerned; and (iii) in the case of property owned by or under the control or management of the Council while held under a lease or any express or tacit extension thereof or under any other contract or under a servitude or right analogous thereto, the person so holding the right to the immovable property.
"premises"* or *"property"	any portion of land, the external surface boundaries of which are delineated on:- (a) a general plan or diagram registered in terms of the Land Survey Act, 1927 (Act No 9 of 1927) or in terms of the Deeds Registry Act,1937 (Act No 47 of 1937); or (b) a sectional plan registered in terms of the Sectional Titles Act, 1986 (Act No 95 of 1986); which is situated within the area of jurisdiction of the Municipality.
"Residential"	means improved property that is: (a) used predominantly (60% or more) for residential purposes, with not more than two dwelling units per property. (b) a unit registered in terms of the Sectional Title Act 95 of 1986,, used predominantly (60% or more) for residential purposes, and includes any unit in the same Sectional Title Scheme registered in the name of the same owner which is used together with the residential unit as if it were one property, for example a garage or store room. (Any such grouping shall be regarded as one residential property for rate rebate or valuation purposes.) or (c) owned by a share-block company and used predominantly (60% or more) for residential purposes, or (d) a residence used for residential purposes situated on property used for or related to educational purposes.

2. GENERAL OBJECTIVES:

The objectives of this Policy are to:-

2.1 provide a framework within which the Municipality can exercise its executive and legislative authority with regard to credit control and debt collection;

2.2 ensure that all monies due and payable to the Municipality are levied and collected in a financially sustainable manner;

2.3 provide a framework for customer care and indigent support;

2.4 describe credit control measures and sequence of events;

2.5 outline debt collection and credit control procedures and mechanisms; and

2.6 set realistic targets for credit control and debt collection.

3. PRINCIPLES

3.1 The administrative integrity of the Municipality must be maintained at all costs. The democratically elected councillors are responsible for the approval of the policy, while it is the responsibility of the Municipal Manager to ensure the execution of these policies.

3.2 All customers must complete an official application form, formally requesting the Municipality to connect them to service supply lines. Existing customers may be required to complete new application forms from time to time, as determined by the Municipal Manager.

3.3 Application forms, agreements and documents relating to this Policy must be available in Afrikaans and English. Officials designated to control and manage these documents must be able to explain the contents thereof in the three languages of the Western Cape.

3.4 A copy of the application form, conditions of services and extracts of the Council's Customer Care, Credit Control and Debt Collection Policy and By-Laws must be handed to every customer on request at such fees as may be prescribed by Council.

3.5 Billing is to be accurate, timeous and understandable as far as possible.

3.6 The customer is entitled to reasonable access to pay points and to a variety of reliable payment methods which will include cash, cheque, debit or credit card, electronic fund transfer, debit order and bank order payments.

3.7 The customer is entitled to an efficient, effective and reasonable response to appeals, and should suffer no disadvantage during the processing of a reasonable appeal.

3.8 Enforcement of payment must be prompt, consistent and effective.

3.9 Unauthorised consumption, connection and reconnection, the tampering with or theft of meters, service supply equipment and the reticulation network and any fraudulent activity in connection with the provision of municipal services will lead to disconnections, charges, penalties, loss of rights and/or criminal prosecutions. A certificate reflecting the nature and extent of the unauthorized activity must be issued by a duly qualified person to substantiate the claim.

3.10 Incentives and disincentives may be used in collection procedures.

3.11 The collection process must be cost-effective.

3.12 Results will be regularly and efficiently reported and monitored.

3.13 Application forms may be used to, *amongst others*, categorise customers according to credit risk and to determine relevant levels of services and deposits required.

3.14 Targets for performance in both customer service and debt collection will be set and pursued and remedies implemented for non-performance.

3.15 Where practically possible the Customer Care and Debt Collection Policies would be handled independently of each other and the organisational structure will reflect the separate functions.

3.16 The principle of providing services instead of payment for arrear accounts is supported.

3.17 Customers that meet council's indigent criteria must be identified and supported.

4. PERFORMANCE EVALUATION

This is addressed in the SDBIP and the Municipal Performance Management System.

5. REPORTING

5.1 The Chief Financial Officer (Director: Finance) shall report monthly to the Municipal Manager in a suitable format to enable the Municipal Manager to report to the Executive Mayor, as supervisory authority in terms of section 99 of the Act, read with section 100(c). This report shall contain particulars on:-

(a) Cash collection statistics, showing high-level debt recovery information (number of customers; enquires; arrangements; default arrangements; growth or reduction of arrear debt). Where possible, the statistics should ideally be divided into wards, business (commerce and industry), domestic, state, institutional and other such divisions.

(b) Performance on all areas against targets agreed to in paragraph 5 of this policy document.

5.2 If in the opinion of the Chief Financial Officer, the Municipality will not achieve cash receipt income equivalent of the income projected in the annual budget as approved by Council, the Chief Financial Officer will report this with motivation to the Municipal Manager who will, if he/she agrees with the Chief Financial Officer, immediately move for a revision of the budget according to realistically realisable income levels.

5.3 The Executive Mayor, as supervisory authority, shall report at intervals of 3 months to Council as contemplated in section 99(c) of the Act.

6. CUSTOMER CARE

6.1 Objective

To focus on the customer's need in a responsible and pro-active way to enhance the payment for services and to create a positive and cooperative relationship between the persons responsible for the payment for services received and the Municipality and where applicable, the service provider.

6.2 Communication and feedback

6.2.1 The Municipality will, within its financial and administrative capacity, conduct an annual process of compiling and communicating its budget, which will include targets for credit control and debt collection. This process will include the effort to ensure that the residents and customers understand the costs involved in the service provision, the reasons for payment of service tariffs and the manner in which monies raised from the customers are utilised.

6.2.2 Council will endeavour to distribute a regular newsletter (also available on the website), which will give prominence to customer care and debt collection issues.

6.2.3 Ward councillors will give feedback at ward meetings, at which customer care and debt collection issues will be given prominence.

6.2.4 The press will be encouraged to give prominence to Council's customer care, credit control and debt collection issues, and may be invited to council or committee meetings where these are discussed.

6.2.5 The residents and users of services will be encouraged to give feedback through the established mechanisms to the Municipality regarding the quality of services and the performance of service providers.

6.3 Metering

6.3.1 The Municipality will endeavour, within practical and financial limits, to provide meters to every paying customer for all measurable services.

6.3.2 All meters will be read monthly, as far as possible. If the meter is not read monthly, the consumption will be estimated in terms of Council's operational procedures.

6.3.3 If any meter is not accessible for meter reading, the customer must move the meters out to the borderline and convert the electricity meter to a pre-paid meter.

6.3.4 Customers must:-

(a) safeguard and maintain service meters in a readable condition;

(b) notify the Municipality when services are no longer required at a particular service delivery point;

(c) maintain credit and pre-payment meters; and

(d) supply the Municipality with accurate information with regard to the supply of services or applications for indigent cases.

6.3.5 Customers are entitled to request verification of meter readings at the prescribed tariff.

6.3.6 Customers are entitled to request testing of meters for accuracy within reason, at the prescribed tariff. If the test reveals the meter to register outside the norm as prescribed for the service in question (Electricity or Water), the charges paid will be refunded, the meter will be replaced and the customer's account will be adjusted accordingly, subject to a maximum period of 3 months from month of written request for testing of meter.

6.3.7 Customers will be informed of meter replacement.

6.3.8 Customers must give notice of at least 48 hours to the Municipality should a final reading or discontinuation of service be required. When a customer vacates a property and a final reading of the meter is not possible due to no access, an estimated consumption will be used by the Municipality and the final account rendered accordingly.

6.3.9 If a service is metered but it cannot be read due to financial and/or human resource constraints or circumstances beyond the control of the Municipality or its authorised agent, and the customer is charged for an estimated consumption, the account following the reading of the metered consumption must articulate the difference between the actual consumption and the average consumption, and the resulting credit or debit adjustments.

6.3.10 The Municipality may apply debt collection factors available on the pre-payment electricity system, to ensure collection of all arrear debt on the account of the customer.

6.4 Accounts and billing

6.4.1 The Municipality will as far as possible render to its customers on the billing system an understandable and accurate statement, which will consolidate all service costs and subsidies granted in terms of this Policy for that property.

6.4.2 Accounts will be produced in accordance with the meter reading cycle and due dates will be linked to the statement date.

6.4.3 Accounts will be rendered monthly in cycles of approximately 30 days at the address last recorded with the Municipality or its authorised agent.

6.4.4 It is the customer's responsibility to ensure that his/her postal address and all other required details are correct.

6.4.5 (a) Accounts are delivered monthly. It is the customer's responsibility to enquire from the Municipality should an account not be received in order to ensure timely payment and to obtain a

duplicate account when the account is not delivered during the normal billing cycle.

(b) Customers residing outside the borders of the Republic of South Africa will receive only electronic accounts, unless a local address is supplied.

6.4.6 Settlement or due dates will be as indicated on the statement and are normally as follows:-

(a) Monthly accounts are payable before or on the due date in accordance with the specific account billing (invoicing) cycle as indicated on the account, or the first working day thereafter should it fall on a weekend or public holiday, of the month following the month of the statement of the account.

(b) Large Power and Time of Use electricity customer accounts are payable on or before the 15th of each month, or the first working day thereafter should the 15th be on a week-end..

(c) Annual accounts are payable on or before the 30th of September of each year.

(d) Accounts of councillors and employees may be deducted from their salaries/allowances on a monthly basis; alternatively, they may sign a debit order for deduction of the monthly account off their bank account.

(e) Staff arrears will be dealt with in accordance with Schedule 2(10) of Local Government: Municipal Systems Act 32 of 2000 and in terms of any procedures, method or actions referred to in this Policy. Notwithstanding any other procedure, method or action that may be taken in terms of this Policy, the Municipality shall deduct any outstanding amount from such staff members' salary after this 3 (three) month period. Outstanding arrears will be settled out of any annual bonus due to the staff member.

(f) All staff joining the Municipality must, within 30 days, sign an agreement to pay arrears.

(g) Where the Municipality provides temporary employment to members of the community who are in arrears with payments for municipal rates and services, they will be required to enter into a written agreement to pay up to a maximum of 30% of their gross remuneration towards the arrear debt.

(h) In accordance with Schedule 1(12A) of the Local Government: Municipal Systems Act 32 of 2000, a Councillor of the Municipality may not be in arrears to the Municipality for rates and service charges for a period longer than 3 months. Notwithstanding any other procedure, method or action that may be taken in terms of this Policy, the Municipality shall deduct any outstanding amount from such Councillors' remuneration after this 3 (three) month period.

6.4.7 Where an account is not settled in full, any lesser amount tendered and accepted shall not be deemed to be in full and final settlement of such an account.

6.4.8 Where any payment made to the Municipality, or its authorised representative, by negotiable instrument is subsequently dishonoured by a bank, the Municipality or its authorised agent:-

(a) may recover the average bank charges incurred relating to dishonoured negotiable instruments, together with an administration fee, against the account of the customer;

(b) shall regard such an event as a default on payment and services may be discontinued should a valid payment by cash, a bank-guaranteed cheque or electronic fund transfer not be made by the date provided by the authorized official;

(c) may insist on cash, debit order or electronic fund transfer payments for all future accounts;

(d) may only consider application for re-instatement of debit order/cheque after twelve months, except in instances where the Chief Financial Officer, or delegated official, authorises otherwise.

6.4.9 The Municipality must issue a duplicate account or any acceptable alternative to a customer on request, at a cost determined by Council from time to time.

6.4.10 The registered owner of a property being leased is at his/her own cost entitled to obtain a copy of the account of a lessor and to be informed if a lessee is in arrears with his/her service charges within 60 days.

6.4.11 All contracts for service delivery with tenants will be phased out over a period of time and all new service contracts will only be with the owners of the property.

6.4.12 Opening of tenant accounts will only be allowed when :

(a) the lessee is an indigent household and the property is registered in the name of another person;

(b) the lessee is a contractor for municipal projects

6.4.13 When tenants are in default, the service contract with the tenant will be cancelled and services transferred to the owner.

6.4.14 The amount which the Municipality may recover from the tenant or occupier of a property where there exists only an owners account, is limited to the amount of rent or other money due and payable, but not yet paid, by the tenant or occupier to the owner of the property

6.4.15 The tenant or occupier of a property must, on request from the Municipality, furnish the Municipality with a written statement specifying all payments to be made by the tenant or occupier to the owner of the property for rent or other money payable on the property during a period determined by the Municipality.

6.5 Payment facilities and methods

6.5.1 The Municipality will operate and maintain suitable payment facilities, which facilities will be accessible to all customers.

6.5.2 The Municipality will, at its discretion, allocate a payment between service debts. A debtor does not have the right to indicate that the payment is for a specific portion of the account.

6.5.3 The Municipality may, in terms of section 103 of the Act and with the consent of a customer, approach an employer of the customer to secure a debit or stop order arrangement.

6.5.4 The Municipality will endeavour to appoint a variety of agents (super markets, SA Postal Service, etc) for the receipt and transfer of payments to the Municipality. The customer will acknowledge in the customer agreement that the use of customer agents in the transmission of payments to the Municipality is at the risk of the customer – also the time lapse for transfer of the payment.

6.5.5 The Municipality will, in the event of services having been disconnected or restricted, only accept cash or electronic fund transfer / direct deposit into the Municipality's bank account (with documented proof), or at any one of the nominated cash receipting points or agents of the Municipality.

6.6 Incentives for prompt payment (Annexure "A")

6.6.1 The Council may, to encourage prompt payment and/or to reward regular payers, from time to time consider incentives for the prompt payment of accounts or payment by debit or stop order.

6.6.2 If introduced, the cost associated with the incentive scheme will be reflected in the operational budget as additional expenditure.

6.7 Feedback, enquiries, appeals and service complaints

6.7.1 Within its administration and financial ability the Municipality will establish:-

(a) Decentralised complaints/feedback offices;

(b) A centralised complaints database to enhance co-ordination of complaints, their speedy resolution and effective communication with customers;

(c) Appropriate training for officials dealing with the public to enhance communications and service delivery; and

(d) The introduction of a standing article in the newsletter to inform customers on the safe and economic use of services.

6.7.2 If a customer is convinced that his/her account is inaccurate, he/she can lodge a query, together with supporting documentation and proof, with the Municipality before due date for investigation of this account, and where necessary the relevant alterations.

6.7.3 In the interim the debtor must pay an average based on previous consumption where such history of the account is available. Where no such history is available, the debtor is to pay an estimate provided by the Municipality before payment due date until the matter is resolved.

6.7.4 The relevant department will investigate and endeavour to inform the debtor within 14 days of the outcome of the investigation and the measures that have been or will be taken to correct the situation.

6.7.5 Failure to make such agreed interim payment or payments will result in the customer forming part of the normal credit control procedures.

6.7.6 A customer may appeal against the finding of the Municipality in terms of sub clause (6.7.4).

6.7.7 An appeal and request in terms of sub clause (6.7.6) must be made and lodged with the Municipality within 21 (twenty-one) days after the customer became aware of the finding referred to in sub clause (4) and must:-

(a) set out the reasons for the appeal;

(b) be accompanied by any security determined for the testing of a measuring device, if applicable.

6.8 Customer assistance programmes

6.8.1 Water leakages:

(a) If the leakage is on the customer's side of the meter, the customer will be responsible for payment of the full account.

(b) A customer will qualify for a Water Leakage Discount upon application on the prescribed form within 45 days after the leak has been repaired and:-

(i) the leak was under the surface and/or not easily detectable, or the loss of water resulted from malicious damage to external pipes & fittings (excluding irrigation systems), and where this act was reported to the South

African Police Service (SAPS) and a case number was allocated;

(ii) the leak was repaired within 5 working days since its detection;

(iii) the customer applied only once in a cycle of 24 months for a discount; and

(iv) proof of repair and costs as well as the date of repair, or a sworn affidavit from any person who has repaired the leak, has been submitted

(v) Discount for usage, will be calculated over the period the leak was present and will be equal to the consumption above the normal consumption of the customer at the rebate tariff applicable, subject to a maximum period of 3 months.

(c) A discount will be applicable on the excess sewer consumption charge as calculated.

(d) It is the responsibility of the customer to control and monitor his/her consumption.

6.8.2 Rate rebates:

(a) The municipal council may grant rate rebates annually to certain categories of ratepayers in accordance to the Municipality's Property Rates Policy and By-Laws.

(b) Rate rebates will be subject to certain criteria as determined by Council from time to time.

6.8.3 Arrangements for settlements **(Annexure "B"):**

(a) Customers whose municipal accounts become in arrears may enter into an arrangement for settlement of the arrears with the Municipality. Such customers will be requested to complete a new application and agreement for Municipal Services.

(b) If required, customers with arrears must agree to the conversion to a pre-payment electricity meter and a flow limiter water meter. If and when implemented, the cost of which, and the arrears total, will be paid off either by:-

(i) adding the debt to the arrears bill and repaying it over the agreed period; or

(ii) adding the debt as a surcharge to the pre-paid electricity cost, and repaying it with each purchase of electricity at a percentage rate, until the debt is liquidated.

(c) In the case of the customer who is not a natural person, an organ of state, a local authority, a public company or a public corporation, the major shareholder or member will be obligated to guarantee the debt of the customer.

(d) Council reserves the right to raise the deposit/security requirement of debtors who seek arrangements and/or other stipulations it may deem necessary.

6.9 Subsidy for indigent households

- please refer Overstrand Municipality, Indigent Policy

6.10 Additional subsidy categories

6.10.1 Subject to an equitable share contribution received from National Treasury, Council may provide, free of charge to a customer, basic services as determined from time to time.

6.10.2 Rebates on property rates may be granted to categories of properties or owners in accordance to Council's Property Rates Policy.

6.11 Customer categories

6.11.1 Customers will be categorised according to specific classifications based on amongst others the type of entity, applicable tariffs and risk levels of the provision of services. Processes for credit control, debt collection and customer care may differ from category to category, as deemed appropriate from time to time by the Municipal Manager.

7. CREDIT CONTROL POLICY

7.1 Objective

7.1.1 To implement procedures which ensure the collection of debt, meeting of service targets and the prevention of escalation in arrear debt.

7.1.2 To facilitate financial assistance and basic services for the community's poor.

7.1.3 To provide incentives for prompt payment.

7.1.4 To limit risk levels by means of effective management tools.

7.2 Service applications and agreements

7.2.1 All customers of services will be required to sign an agreement governing the supply and cost of municipal services. On default by a tenant, the owner will be the debtor of last resort except where the Municipality is the owner of the property.

7.2.2 The right to raise a deposit on customers in the event of non-payment, is reserved, to be considered for implementation by the Director: Finance.

7.2.3 Prior to signing these agreements, customers will be entitled to access the policy documents. Also available on the official website at: www.overstrand.gov.za.

7.2.4 On the signing of the agreement when requested thereto, customers will receive a copy of the agreement for their records.

7.2.5 Customers will accept responsibility in the agreement for administration costs of collection, interest and penalties in the event of delayed and/or non-payment.

7.2.6 The Municipality may refuse to supply services to an applicant should such applicant owe monies to the Municipality regarding a previous period when he/she was rendered services by the Municipality, until such debt has been settled in full. Should the applicant prove to the Chief Financial Officer that he/she is unable to pay, the application will be dealt with in terms of Council's Indigent Subsidy Scheme.

7.2.7 The Municipality may reject the application for services of a person who is closely connected to a customer who has defaulted with account payments and who resides or is to reside on the same premises, until such debt is settled in full. The Municipality may also reject the application for services of any concern that is not a natural person should such concern be in arrears with any other municipal account for which it, or any member or director is responsible or partially responsible.

7.2.8 The Municipality will read the meters within the period stipulated in the agreement after notification of change in ownership or application for the supply of services and render an account within the normal cycle applicable to the property.

7.2.9 Existing customers of services may be required to sign new agreements in the following instances:

(a) Any change of service profile;

(b) With any instruction given or actual disconnection or restriction of services or any legal action taken;

(c) Any form of tampering with service networks or meters etc (as mentioned in Section 7.5.1 below;

(d) As determined by the Municipal Manager from time to time.

7.2.10 Should a customer fail to enter into such agreement with Council or to provide the security described in clause 7.6, Council may:-

(a) hold the customer liable for all outstanding debt on services for the property; and/or

(b) restrict or discontinue the supply of Municipal services.

7.2.11 The Municipality shall open only one account per property for the rates, fixed levies and service charges.

7.2.12 All arrangements may be subject to periodic review.

7.2.13 All debtors entering into arrangements may provide their banking details and those who have the facility to sign a debit order with their financial institutions, shall be required do so.

7.2.14 Debtors who default on three occasions in respect of arrangements, will be denied the privilege of making further arrangements, and the full amount will be payable. Interest will be calculated from the original due date of the debt, taking any payments into consideration.

7.3 Right of access to premises

7.3.1 The owner and/or occupier of a property is to allow an authorised representative of the Municipality access at all reasonable hours to the property in order to read, inspect, install or repair any meter or service connection for reticulation, or to disconnect, stop or restrict, or reconnect the provision of any service.

7.3.2 The owner is responsible to ensure that all meters installed on his/her property are easily accessible.

7.3.3 The owner is responsible for the cost of relocating a meter if satisfactory access is not possible.

7.3.4 If a person fails to comply to any requirements, the Municipality or its authorised representative may:-

(a) by written notice require such person to restore access at his/her own expense within a specified period.

(b) without prior notice restore access and recover the cost from such person if it is the opinion that the situation is a matter of urgency.

7.4 Enforcement mechanisms

7.4.1 Interest may be raised as a charge on all accounts not paid by the due date in accordance with applicable legislation.

7.4.2 The Municipality shall restrict or discontinue the supply of services or implement any other debt collection actions necessary due to late or non-payment of accounts, relating to any customer, owner or property.

7.4.3 Council reserves the right to deny or restrict the sale of electricity or water to customers who are in arrears with their rates or other municipal charges.

7.4.4 Upon the liquidation of arrears, or the conclusion of acceptable arrangements for term payments, the service will be reconnected as soon as conveniently possible.

7.4.5 The administration cost of the restriction or disconnection, and the reconnection, will be determined by tariffs approved by Council, and will be payable by the customer.

7.4.6 If a person is indigent a pre-paid electricity meter and a flow limiter water meter must be installed free of charge.

7.4.7 The deposit of any defaulter will be adjusted in terms of paragraph 7.2.2 and brought into line with relevant policies of Council.

7.4.8 Defaulters' deposits will be reviewed annually in July, based on the debtor's Municipal payment record, indicating no default, over the

preceding 12 (twelve) months, excluding customers with current arrangements. The deposit will be adjusted to the minimum deposit required in terms of the approved Tariff Schedule.

7.4.9 Defaulters deposits will be reviewed immediately, where the account was settled in full and a debit order is signed to prevent late payments.

7.5 Theft and fraud

7.5.1 Any person (natural or juristic) found to be illegally connected or reconnected to municipal services, tampering with meters, the reticulation network or any other supply equipment or committing any unauthorised act associated with the supply of municipal services, as well as theft of and damage to Council property, will be prosecuted and/or liable for costs at the prescribed tariffs as determined from time to time.

7.5.2 The Municipality has the right to obtain authorisation from the Magistrate for the imposition of fines for the offences as mentioned in paragraph 7.5.1 above .

7.5.3 The Municipality may terminate and/or remove the supply of services to a customer should such conduct as outlined above, be detected and certified.

7.5.4 The total bill owing, including administration cost, assessment of unauthorised consumption and discontinuation and reconnection fees, and increased deposits as determined by Council if applicable, will be due and payable before any reconnection can be sanctioned.

7.5.5 Council will maintain monitoring systems and teams in order to identify and monitor customers who are undertaking such illegal actions.

7.5.6 Council reserves the right to lay criminal charges and/or to take any other legal action against both vandals and thieves.

7.5.7 Any person failing to provide information or providing false information on his application for or other document pertaining to the supply of services to the Municipality may face immediate disconnection of services.

7.6 Customer screening and securities

7.6.1 All applicants for municipal services will be checked for credit-worthiness, which may include checking information from banks, credit bureaus, other local authorities, trade creditors and employers.

7.6.2 Security deposits, either in cash or any other security acceptable to the Municipality, may be required for non-residential consumers. The minimum deposit being the equivalent of amounts fixed from time to time by the Municipality.

7.6.3 Security deposit will be adjusted annually, which will be equal to twice the average consumption during the preceding 12 months.

7.6.4 Applicants who are not natural persons, organs of state, local authorities, public companies or public corporations must supply details of their directors, members, partners or trustees and at least the main share holder must in his/her personal capacity guarantee the payment of the applicant's municipal account and in the case of a trust, all the trustees in their personal capacity.

7.6.5

7.6.6 On the termination of the agreement the amount of the deposit, less any outstanding amount due to the Municipality, will be refunded to the customer.

7.7 Contractors who tender to the Municipality

7.7.1 The Supply Chain and Procurement Management Policy and Tender Conditions of the Municipality will include the following:-

(a) When inviting tenders for the provision of services or delivery of goods, potential contractors may submit tenders subject to a condition that consideration and evaluation thereof will necessitate that the tenderer obtain from the Municipality a certificate stating that all relevant municipal accounts owing by the tenderer and/or its directors, owners or partners have been paid or that suitable arrangements (which include the right to set off in the event of non-compliance) have been made for payment of any arrears.

(b) No tender will be allocated to a person/contractor until a suitable arrangement for the repayment of arrears has been made. No further debt may accrue during contract period.

(c) Tender Conditions will include a condition allowing the Municipality to deduct any moneys owing to the Municipality from contract payments.

(d) A tenderer will be required to declare all the municipal account numbers for which it is responsible and/or partially responsible.

7.8 Pre-payment metering system

7.8.1 The Municipality will use its pre-payment metering system to:-

(a) link the provision of electricity by the Municipality to a “pre-payment” system comprising, pre-payment of electricity units; and

(b) a payment in respect of arrears comprising all accrued municipal taxes and other levies, tariffs and charges in respect of services such as water, refuse removal, sanitation and sewage.

(c) To load an auxiliary on the “pre-payment” system in order to allocate a portion of the rendered amount to the customers arrear account for other services.

(d) To enforce satisfactory arrangements with customers in arrears by blocking access to pre-payment electricity purchases.

(e) Amounts tendered for the purchase of pre-payment electricity will not be refunded after the pre-payment meter voucher has been issued or in case of purchasing against an incorrect meter number.

8. DEBT COLLECTION

8.1 Objective

8.1.1 To provide procedures and mechanisms to collect all the monies due and payable to the Municipality arising out of the supply of services and annual levies, in order to ensure financial sustainability and delivery of municipal services in the interest of the community.

8.2 Personal contact

8.2.1 Personal and Telephonic contact / Agents calling on customers:-

(a) Council, or its agent, may make personal contact with arrear debtors to encourage their payment via electronic, sms, telephonic or any other officially recognised communication method.

(b) Such contact is not a right for debtors to enjoy and disconnection of services and other collection proceedings will continue in the absence of such contact for whatever reason.

(c) Services as contemplated in 8.2.1(a) will be rendered at a charge as determined during the annual budget process.

8.3 Interruption of service

8.3.1 Customers who are in arrears with their municipal accounts and who have not made arrangements with the Municipality will have their supply of electricity, water and other municipal services, suspended, restricted or disconnected.

8.3.2 Customers who have submitted mobile phone numbers can be notified via sms at the applicable tariff, if their accounts are not settled on or before the due date.

8.3.3 The disconnection or restriction of services, as mentioned in section 7.4.2, may be enforced should the account remain in arrears after the expiring of the 14 (fourteen) day's notice of restriction of services .

8.3.4 Council reserves the right to deny or restrict the sale of electricity or water to customers who are in arrears with their rates or other municipal charges, or who do not honour their arrangements.

8.3.5 Upon the liquidation of arrears, including the additional levies in terms of clauses 8.3.5 and 8.3.6, or the conclusion of acceptable arrangements for term payments, the services will be reconnected as soon as conveniently possible.

8.3.6 The cost of notice of restriction or disconnection and the reconnection, will be determined by tariffs approved by Council, and will be payable by the customer.

8.3.7 The deposit of any defaulter will be adjusted, and brought into line with relevant policies of Council (refer to Annexure "B").

8.4 Legal process (Annexure "A") - (Use of attorneys/Use of credit bureaus)

8.4.1 The Municipality may, when a debtor is in arrears, commence legal process against that debtor, which process could involve final demands, summonses, court trials, judgements, garnishee orders and, as last resort, sales in execution of property.

8.4.2 The Municipality will exercise strict control over this process to ensure accuracy and legality within it and will require regular reports on progress from staff responsible for the process or outside parties, be they attorneys or any other collection agents appointed by Council.

8.4.3 The Municipality will establish procedures and codes of conduct with such outside parties.

8.4.4 In the case of employed debtors, garnishee orders, are preferred to sales in execution, but both are part of the Municipality's system of debt collection procedures.

8.4.5 All steps in the credit control procedure will be recorded for the Municipality's records and for the information of the debtor.

8.4.6 All administration costs of this process will be for the account of the debtor.

8.4.7 Individual debtor accounts are protected and are not the subject of public information. However, the Municipality may release debtor information to credit bureaus and the property owner in respect of his/her lessee(s). This release will be in writing or by electronic means and will be covered in the agreement with customers.

8.4.8 The Municipality may consider the cost effectiveness of the legal process, and will receive reports on relevant matters and report to the Executive Mayor.

8.4.9 Upon recommendation from the Municipal Manager, Council may consider the use of agents and innovative debt collection methods and products. Cost effectiveness, the willingness of agents to work under appropriate codes of conduct and the success of such agents and products will be part of the agreement Council might conclude with such agents or service providers.

8.4.10 Customers will be informed of the powers and duties of such agents and their responsibilities, including their responsibility to observe agreed codes of conduct.

8.4.11 Any agreement concluded with an agent or product vendor shall include a clause whereby breaches of the code of conduct by the agent or vendor will constitute termination of the contract.

8.4.12 If, after the due date an amount due for rates is unpaid by the owner of the property, the Municipality may recover the amount, in whole or in part, from the tenant or occupier of the property, after it has served written notice on the tenant or occupier. The Municipality may recover the outstanding amount despite any contractual obligation to the contrary on the tenant or occupier.

8.4.13 If, after the due date an amount due for rates is unpaid by the owner of the property, the Municipality may recover the amount, in whole or in part, from the agent of the owner, if this is more convenient for the Municipality, after it has served written notice on the agent. The agent must on request from the Municipality, provide a statement reflecting all payments made to the agent for the owner during a period determined by the Municipality.

8.4.14 Adjustments on the accounts will only be calculated for three years. (Prescription Act, 1969 (Act 68 of 1969).

8.5 Cost of collection

All costs of legal processes including interest, penalties, service discontinuation costs and legal costs associated with customer care or credit control, where ever applicable, are for the account of the debtor and should reflect at least the cost of the particular action.

8.6 Clearance Certificate

8.6.1 On the sale of any property in the municipal jurisdiction, Council will withhold the transfer until all rates, service and sundry charges and any estimated amounts for the duration of a certificate in connection with the property are paid, by withholding a clearance certificate. The municipality will issue such clearance certificate on receipt of an application on the prescribed form from the conveyor.

8.6.2 All payments will be allocated to the registered seller's municipal accounts and all refunds will be made to such seller.

8.6.3 No interest shall be paid in respect of these payments.

8.6.4 The Municipality will only issue a clearance certificate once a completed prescribed application form from the conveyor has been received.

8.6.5 Where any residential or non-residential debtor has entered into an arrangement with the Municipality in respect of the arrears on a property, the prescribed certificate as referred to in Section 118 of the Systems Act, will not be issued until such time as the full outstanding amount have been paid.

8.7 Irrecoverable debt

8.7.1 Debt will only be considered as irrecoverable if it complies with the following criteria:-

(a) all reasonable notifications and cost effective legal avenues have been exhausted to recover a specific outstanding amount; or

(b) any amount equal to or less than R1 500.00, or as determined by Council from time to time, will be considered too small, after having followed basic checks, to warrant further endeavours to collect it; or

(c) the cost to recover the debt does not warrant the further action; or

(d) the amount outstanding is the residue after payment of a dividend in the rand from an insolvent estate; or

(i) there is a danger of a contribution; or

(ii) no dividend will accrue to creditors; or

(e) a deceased estate has no liquid assets to cover the outstanding amount following the final distribution of the estate; or

(iv) where the estate has not been reported to the Master and there are no assets of value to attach; or

(f) it has been proven that the debt has prescribed; or

(g) the debtor is untraceable or cannot be identified so as to proceed with further action; or

(i) the debtor has emigrated leaving no assets of value to cost effectively recover Councils' claim; or

(h) it is not possible to prove the debt outstanding; or

(i) a court has ruled that the claim is not recoverable; or

(j) the outstanding amount is due to an irreconcilable administrative error by the Municipality.

8.7.2 All debtors who qualify and are registered as indigent, will have their arrears written off once during ownership of the property.

8.8 Abandonment of claims

8.8.1 The Municipal Manager must ensure that all avenues are utilised to collect the Municipality's debt.

8.8.2 There are some circumstances, as contemplated in section 109(2) of the Act, that allow for the valid termination of debt collection procedures, such as:-

(a) The insolvency of the debtor, whose estate has insufficient funds.

(b) A balance being too small to recover, for economic reasons considering the cost of recovery.

(c) Where Council deems that a debtor or group of debtors are unable to pay for services rendered.

8.8.3 The Municipality will maintain audit trails in such an instance, and document the reasons for the abandonment of the action or claim in respect of the debt.

9. SHORT TITLE

This Policy shall be called the **Customer Care, Credit Control and Debt Collection Policy of the Overstrand Municipality**.

CUSTOMER CARE AND DEBT COLLECTION – ANNEXURE "A"

10.1. INCENTIVE MEASURES

Incentive measures may be implemented as per Council resolution.

10.2. DEBT COLLECTION

10.2.1. Should annual accounts remain unsettled after 30 September of the applicable year , notice will be given to the owner/customer that the amount owed must be settled within fourteen (14) days, failure of which it will be handed over for collection, including legal proceedings.

10.2.2. Should monthly accounts remain unsettled after the due date, notice will be given to the owner/customer that the amount owed must be settled within fourteen (14) days, failure of which will lead to restriction/disconnection of services, including legal proceedings.

10.2.3 All debtors regarding houses in rental, selling and self-build schemes, without any capital debt, which are still registered in the name of the Municipality, should be notified in writing that if satisfactory arrangements for transfer of the property into his/her name are not made within one (1) month, the property concerned will be put up for sale by Council at a public auction.

10.2.4 Upon handing over of accounts for collection, details of employers and work addresses of the debtors should be made available to the attorneys as far as possible for the purposes of garnishee orders.

10.2.5 Attorneys should report to Council on a monthly basis on the progress made and the cost aspect regarding each debtor.

10.2.6 Attorneys should pay monies collected over to Council monthly.

11. ARRANGEMENTS FOR PAYMENT – ANNEXURE "B"

11.1. DEBT FOR WHICH ARRANGEMENTS CAN BE MADE

Arrangements for the payment of outstanding debt can be made according to the procedures described hereafter.

11.2. CONCLUSION OF AGREEMENT

11.2.1 If a customer cannot pay his/her account with the Municipality then the Municipality may enter into an extended term of payment not exceeding 12 months, stipulating that the debt will be paid together with the monthly and/or annual accounts, with the customer. Only the Chief Financial Officer may consider and approve any extension on this arrangement on receipt of a written recommendation by the Senior Manager: Revenue.

11.2.2 The customer must:-

(a) complete a new application form;
(b) sign an acknowledgement of debt;
(c) sign a consent to judgement;
(d) in the case of a company, trust or closed corporation, supply the guarantee as prescribed in clause 6.8.3(c) of the Policy.
(e) sign an emolument or stop order if he or she is in employment;
(f) submit proof of income on the prescribed form;
(g) pay the current portion of the account in cash;

(h) customer deposits may be adjusted to the higher of the sum of twice the average consumption during the preceding 12 months or the minimum deposit required in terms of the approved Tariff Schedule

(i) sign an acknowledgement that, if the arrangements being negotiated are later defaulted on, that no further arrangements will be possible and that disconnection of water and electricity will follow immediately, as will legal proceedings;

(j) acknowledge liability of all costs incurred; and

11.3. ARRANGEMENTS THAT CAN BE ENTERED INTO:

11.3.1. Residential Customers:

(a) 1st default within a 12-month period:

(i) 10% of the outstanding amount plus cost of the credit control actions together with the current account is payable immediately.

(ii) The balance is payable over a maximum period of twelve months.

(iii) First offence in 2 years – no deposit increase will be applicable.

(iv) Customer deposits may be adjusted to the higher of the sum of twice the average consumption during the preceding 12 months or the minimum deposit required in terms of the approved Tariff Schedule.

(b) 2nd default within a 12-month period:

(i) Full arrears amount plus the cost of credit control actions, together with the current account.

(ii) No arrangements will be allowed.

(iii) Customer deposits may be adjusted to the higher of the sum of three times average consumption during the preceding 12 months or the minimum deposit required in terms of the approved Tariff Schedule.

(c) 3rd default within a 12-month period:

(i) Metered services will be discontinued or restricted and the account will be handed over for legal proceedings.

11.3.2. Non-residential Customers:

(a) 1st default within a 12-month period:-

(i) 50% of the outstanding amount plus cost of the credit control actions.

(ii) The balance is payable over a maximum period of three months.

(iii) First offence in 2 years – no deposit increase will be applicable.

(iv) Customer deposits will be adjusted to the higher of the sum of three times average consumption during the preceding 12 months or the minimum deposit required in terms of the approved Tariff Schedule.

(b) 2nd default within a 12-month period:-

(i) Full outstanding amount plus cost of credit control actions.

(ii) No arrangements will be allowed.

(iii) Customer deposits will be adjusted to the higher of the sum of four times average consumption during the preceding 12 months or the minimum deposit required in terms of the approved Tariff Schedule.

(c) 3rd default within a 12-month period:-

(i) Metered services will be discontinued or restricted and the account will be handed over for legal proceedings.

11.3.3. Government Departments – Customer Accounts:

(a) 1st default within a 12-month period:-

(i) 3 weeks' notice – no arrangements

(ii) First offence in 2 years – no deposit increase will be applicable.

(iii) Customer deposits will be adjusted to the sum of three times average consumption during the preceding 12 months.

(b) 2nd default within a 12-month period:-

(i) 2 weeks' notice – no arrangements.

(ii) Customer deposits will be adjusted to the sum of four times average consumption during the preceding 12 months.

(c) 3rd default within a 12-month period:-

(i) Metered services will be discontinued or restricted and as a last resort legal proceedings will be instituted;

11.3.4. Government Departments – Rates & Taxes:

(a) 1st default within a 12-month period:-

(i) Final demand and legal action in terms of "The Institution of Legal Action against Certain Organs of State Act, 2002 (Act No 40 of 2002)".

11.3.5. Administration:

Where a person has been placed under administration the following procedures will be followed:-

(a) The debt as at the date of the administration court order will be placed on hold, and collected in terms of the court order by the administrator's dividend.

(b) The administrator is to open a new account on behalf of the debtor. No account is to be opened or operated in the debtor's name as the debtor is not entitled to accumulate debt.

(c) Until such time as this new account is opened, the debtor is to be placed on limited services levels. The customer will be compelled to install a pre-paid electricity meter and flow limiter water meter, should one not already be in place. The Municipality will be entitled to recover the cost of the basic services by means of purchases made on the pre-paid meter.

(d) Should there be any default on the current account, the supply of services is to be limited or terminated, and the administrator handed over for the collection of this debt.

11.3.6. Indigent:

All customers (including any other occupants), qualifying as indigent and who accumulated any arrear debt after any relief has been granted, will repay that debt as follows:-

By instalments over 24 months, in addition to monthly service charges, with immediate payment of the cost of the credit control action taken.

There are no limitations on debtors at any time to pay amounts in excess of arrangements towards outstanding debt, than prescribed above.

12. IMPLEMENTATION AND REVIEW PROCESS

This policy will come into effect on 1 July 2015 and will be reviewed at least annually or when required by way of a Council resolution.

POLICY SECTION:	**SENIOR MANAGER: REVENUE**
CURRENT UPDATE:	
PREVIOUS REVIEW	28 MAY 2014
PREVIOUS REVIEW	25 SEPTEMBER 2013
PREVIOUS REVIEW	29 MAY 2013
PREVIOUS REVIEW	30 MAY 2012
PREVIOUS REVIEW	04 MAY 2011
PREVIOUS REVIEW	26 MAY 2010
PREVIOUS REVIEW	27 MAY 2009
PREVIOUS REVIEW:	30 MAY 2007
APPROVAL BY COUNCIL:	30 JUNE 2006

OVERSTRAND MUNICIPALITY

INDIGENT POLICY

P R E A M B L E

Whereas section 96 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) requires a municipality to adopt, maintain and implement a credit control, debt collection and customer care policy;

And whereas section 97 of the Systems Act prescribes that such policy must provide for "provision for indigent debtors that is consistent with its rates and tariff policies and any national policy on indigents."

Now therefore the Municipal Council of the Municipality of Overstrand adopts the Indigent Policy as set out in this document:-

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1. DEFINITIONS

For the purpose of this policy, unless the context indicates otherwise, any word or expression to which a meaning has been attached in the Act shall bear the same meaning and means:-

"authorised representative"	The person or instance legally appointed by the Council to act or to fulfil a duty on its behalf.
"basic service"	the amount or level of any municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety of the environment and for the purposes of this Policy are restricted to the delivery of electricity, refuse, sewerage and water services.
"Chief Financial Officer"	An officer of the Municipality appointed as the Head of the Finance Department and includes any person:- a. acting in such position; and b. to whom the Chief Financial Officer has delegated a power, function or duty in respect of such a delegated power, function or duty.
"Council"* or *"municipal council"	A municipal council referred to in section 18 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) and for purposes of this policy, the municipal council of the Municipality of Overstrand.
"customer"	Any occupier of any property to which the Municipality has agreed to supply services or already supplies services to, or if there is no occupier, then the owner of the property (including registered indigent household).
"defaulter"	A person who owes money to in respect of a municipal account after the due date for payment has expired.
"Household"	Persons who are jointly living on a stand or site on a permanent basis and who receive water and/or electricity from one meter.
"Income"	Income is the gross sum of all monthly income from all sources, including wages, salaries, profits, dividends, pensions, rentals, board & lodging, interest received, grants or investment income and other forms of earnings received by every person residing on the property.
*"**Indigent"***	A household which qualifies in terms of clause 4 and 5.
*"**Poor households"***	A household which qualifies in terms of clause 4 and 5.
"interest"	A levy with the same legal priority as service fees and calculated on all amounts in arrears in respect of assessment rates and service levies at a standard rate as approved by Council.
"municipal account"* or *"billing"	the proper and formal notification by means of a statement of account, to persons liable for monies levied and indicating the net accumulated balance of the account, specifying charges levied by the Municipality, or any authorised and contracted service provider, in the format of, but not limited to:- (a) show the levies for assessment rates and/or building clause; and *"monthly account"* rendered monthly and shows the levies for

	assessment rates and/or building clause, availability charge, sewerage, refuse removal, electricity, water, sundries, housing rentals and instalments, as well as the monthly instalment for annual services paid monthly
"Municipality"	The institution that is responsible for the collection of funds and the provision of services to the customers of Overstrand.
"the Act"	The Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) as amended from time to time.

2. OBJECTIVES OF POLICY

The objectives of this Policy are to:-

1. provide a framework within which the Municipality can exercise its executive and legislative authority with regard to the implementation of financial aid to indigent and poor households in respect of their municipal account;
2. determine the criteria for qualification of indigent and poor households;
3. ensure that the criteria is applied correctly and fairly to all applicants;
4. allow the Municipality to conduct in loco visits to the premises of applicants to verify the actual status of the household;
5. allow the Municipality to maintain and publish the register of names and addresses of account holders receiving subsidies.

3. SUBSIDY FOR INDIGENT HOUSEHOLDS

a. A basic level of services will be provided to qualifying households with a total gross income which is below a determined amount, and according to further specified criteria, as determined by the Municipality from time to time.

b. Indigence subsidies will be funded from the equitable share contribution made by National Treasury and as provided for in the municipal budget. The subsidy can only be credited to the qualifying customers' accounts until the amount received by the Municipality from National Treasury and provided for in the municipal budget for this purpose, has been exhausted, whereupon no further credits will be made until further national funds for this purpose are received or additional funds has been provided for in the municipal budget.

c. Subsidised services are assessment rates, refuse removal, sewerage and consumption service charges.

d. Customers who qualify for an indigent subsidy must convert to pre-payment electricity meter, except for areas where electricity is not supplied by Overstrand Municipality, and a flow limiter water meter.

e. If a customer's consumption or use of the municipal service is less than the subsidised amount of the service, the subsidy will be limited to the lesser amount. The unused portion, if any, may not be accrued by the customer and will not entitle the customer to cash or a rebate in respect of the unused portion.

f. If a customer's consumption or use of a municipal service is in excess of the subsidised service, the customer will be obliged to pay for such excess consumption at the applicable rates.

g. All customers who qualify for an indigent subsidy will be placed on restricted service levels in order to limit further escalation of debt.

h. Where applicable, indigent customers may be exonerated from a portion of their arrear debt.

i. An indigent customer must immediately request de-registration by the Municipality or its authorised agent if his/her circumstances have changed to the extent that he/she no longer meet the criteria.
j. An indigent customer may, at any time, request de-registration.
k. A list of indigent customers will be maintained and may be made available to the general public, subject to the Promotion of Access to Information Act ("PAIA") and/Protection of Personal Information Act ("POPI Act").
l. The applicant may not be the registered owner of more than one property.

4. PRINCIPLES OF POLICY

a. The administrative integrity of the Municipality must be maintained at all costs. The democratically elected councillors are responsible for the approval of this policy, while it is the responsibility of the Municipal Manager to ensure the execution of this policy;
b. Applicants must complete an official application form, which is to be submitted together with the supporting documents as specified in this policy, when applicable;
c. Application forms, agreements and documents relating to this Policy must be available in Afrikaans and English.
d. The customer is entitled to an efficient, effective and reasonable response to appeals, and should suffer no disadvantage during the processing of a reasonable appeal.

5. CATEGORIES AND CRITERIA OF SUBSIDY

A category of needy households is recognised for purposes of receiving an indigent subsidy:-

A. Indigent household with a property value <u>greater</u> than R220 000.00: and electricity consumption less than 400kWh-

(i) The total household income may not be more than four times the social pension amount plus R1 per month;
(ii) Average monthly consumption of electricity over the previous 12 months may not exceed 400 kWh;
(iii) Average monthly consumption of water over the previous 12 months may not exceed 18 kℓ;
Or: A flow limiter meter will be installed immediately and flow will be limited to a maximum of 18kl per month;
(iv) Permanently resides in Overstrand;
(v) Must be a South African citizen; and
(vi) The applicant may not be the registered owner of more than one property.
(vii) A property may only be used for residential purposes.

If any of the above criteria is not complied with, the household will immediately be given notice and will, within 4 months, loose the status of "indigent" and the subsidy will be forfeited if the household did not adjust its consumption accordingly.

Subsidy

(i) 100% of the basic levy for electricity for one service point per month;
(ii) 100% of the basic levy for water for one service point per month;
(iii) 100% of the basic levy for sewage for one service point per month;
(iv) 100% of 1 X vacuum tanker service after hours, per annum;

(v) 100% of the basic levy for refuse removal for one service point per month;
(vi) 50 kWh of electricity;
(vii) 6 kℓ of water; and
(viii) 4,2 kℓ of water consumption for sewerage.

B. Indigent households with a property value less than R220 000.00 and electricity consumption less than 400kWh (no income restriction):-

(i) All properties with a municipal valuation of R220 000.00 or less, used for residential purposes, are classified as Indigent;
(ii) Average monthly consumption of electricity over the previous 12 months may not exceed 400 kWh;
(iii) Indigent households with a property value less than R220,000.00 may apply for 50 kWh of free electricity units where the household income does not exceed four times the social pension amount, plus R1.00 per month where the average monthly consumption of electricity does not exceed 400 kWh.
(iv) Average monthly consumption of water over the previous 12 months may not exceed 18 kℓ;
OR: A flow limiter meter will be installed immediately and flow will be limited to a maximum of 18kl per month;
(v) The applicant may not be the registered owner of more than one property.
(vi) A property may only be used for residential purposes.

Subsidy

(i) 100% of the basic levy for electricity for one service point per month;
(ii) 100% of the basic levy for water for one service point per month;
(iii) 100% of the basic levy for sewage for one service point per month;
(iv) 100% of 1 X vacuum tanker service after hours, per annum;
(v) 100% of the basic levy for refuse removal for one service point per month;
(vi) 6 kℓ of water;
(vii) Indigent households with a property value of R220 000.00 or less, may apply for 50kWh of free electricity units where the household income does not exceed four times the social pension amount plus R1 per month and where the average monthly consumption of electricity over the previous 12 months does not exceed 400 kWh; and
(viii) 4,2 kℓ of water consumption for sewerage.

C Indigent households with a property value less than R220 000.00 and electricity less than 500kWh (no income restriction) :

(i) The property value must be less than R220 000.00;
(ii) The average monthly consumption of electricity by the household over the previous 12 months may not exceed 500kWh;
(iii) The average monthly consumption of water by the household over the previous 12 months may not exceed 18kℓ;
OR: A flow limiter meter will be installed immediately and flow will be limited to a maximum of 18kl per month;
(iv) Must be a resident of Overstrand;
(v) Must be a South African resident; and
(vi) The applicant may not be the registered owner of more than one property.
(vii) A property may only be used for residential purposes.

Subsidy

(i) 100% of the basic levy for sewage per month for one service point;
(ii) 100% of the basic levy for refuse removal per month for one service point

D. Indigent households with a property value greater than R220 000.00 and electricity less than 500kWh (income not exceeding the sum of four times the amount of the state funded social pension) :

(i) The total household income may not exceed the sum of four times the amount of the state funded social pensions;

(ii) The average monthly consumption of electricity by the household over the previous 12 months may not exceed 500kWh;

(iii) The average monthly consumption of water by the household over the previous 12 months may not exceed 18kℓ;

OR: A flow limiter meter will be installed immediately and flow will be limited to a maximum of 18kl per month;

(iv) Must be a resident of Overstrand;

(v) Must be a South African resident;

(vi) the applicant may not be the registered owner of more than one property; and

(vii) A property may only be used for residential purposes.

Subsidy

(i) 100% of the basic levy for sewage per month for one service point;

(ii) 100% of the basic levy for refuse removal per month for one service point

6. APPLICATION FOR A SUBSIDY

a. Applications for indigent subsidy must be submitted on the prescribed application form and must be accompanied by the following documentation:-

(i) the latest municipal account of the household;

(ii) proof of the account holder's identity;

(iii) proof of the account holder's income, e.g. a letter from his/her employer, salary slip/envelope, pension card, unemployment insurance fund (UIF) card.; and

(iv) proof of medical condition when requiring additional water and electricity.

b. Incomplete forms or forms without the required documentation attached thereto will be rejected.

7. SWORN STATEMENT

The applicant must complete the sworn statement that forms part of the application form. Failure to do so will render the application invalid.

8. CONVERSION OF METERS

The applicant must agree to the conversion to pre-payment electricity meter and flow limiter water meter. Refer clause 3(d) of Policy.

9. PUBLICATION OF NAMES

The applicant must grant permission for the Municipality to publish his/her name and address on a list of account holders receiving subsidies in terms of this Policy. Refer clause 3(k) of Policy.

10. FALSE OR MISLEADING INFORMATION

A person who provides false information will be disqualified and be refused further participation in the subsidy scheme. In addition he/she may be held liable for the immediate repayment of any subsidies already granted and legal action may be instituted against the guilty party(ies).

11. CALCULATION OF SUBSIDY

(a) The subsidies below will be funded from the "equitable share" contribution received from National Treasury, plus an amount from the Municipality's own income as budgeted for in the financial year in question. The subsidies will only be granted to qualifying households to the extent that the above mentioned funds are available for allocation.

(b) The accounts of qualifying applicants are credited monthly by the subsidies calculated in 5A, B, C and D.

12. VERIFICATION

The Municipality reserves the right to send officials and/or representatives of the Municipality to the household or site of the applicant(s) at any reasonable time with the aim of carrying out an ongoing audit on the accuracy of the information provided by the applicant(s).

13. DURATION OF SUBSIDY

a. If an application is approved, the subsidy will be applicable up until the equitable share contribution made from the National Governments' fiscus and as provided for in the municipal budget is depleted.

b. If the Municipality obtains information that indicates that the circumstances of the applicant have changed to such an extent that he/she no longer qualifies for the subsidy, the Municipality reserves the right to shorten the subsidy period.

c. If any of the criteria, as set out in 5A, B, C, and/or D, is not complied with any more, the onus is on the recipient of the subsidy to notify the Municipality within 7 days after such criteria is no longer complied with. If a recipient cannot write, a designated official must be informed in person.

d. If any of the above criteria is not complied with, the household will immediately be given notice and will loose its Indigent status and the subsidy will be forfeited if the consumption is not adjusted accordingly within three (3) months.

14. ACCOUNTS IN ARREAR

Applicants, whose municipal accounts show arrear amounts at the time of the application for a subsidy, will have to make arrangements with the Municipality for paying off the amounts in arrears.

15. REGISTER

(a) The Municipality will compile a register of households that qualify as "indigent".

(b) The register will be updated continually and reconciled with the relevant subsidy account in the general ledger on a monthly basis.

16. ENCOURAGEMENT

Councillors should encourage tax payers/customers in their various wards to apply for participation in the indigent subsidy scheme.

17. REVIEW AND IMPLEMENTATION PROCESS

This policy will come into effect on 1 July 2015;

This policy will be reviewed at least annually or when required by way of a Council resolution.

POLICY SECTION:	**SENIOR MANAGER: REVENUE**
CURRENT UPDATE:	
PREVIOUS REVIEW	28 MAY 2014
PREVIOUS REVIEW	29 MAY 2013
PREVIOUS REVIEW:	30 MAY 2012
PREVIOUS REVIEW:	04 MAY 2011
PREVIOUS REVIEW:	26 MAY 2010
PREVIOUS REVIEW	27 MAY 2009
PREVIOUS REVIEW	31 MAY 2006
APPROVAL BY COUNCIL:	30 JUNE 2004

OVERSTRAND MUNICIPALITY

ASSET MANAGEMENT POLICY

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1. OBJECTIVE

1.1. To ensure the effective and efficient control of the municipality's assets through:

1.1.1 proper recording of assets from authorisation to acquisition and to subsequent disposal;

1.1.2 providing for safeguarding procedures;

1.1.3 setting proper guidelines as to authorised utilisation; and

1.1.4 prescribing for proper maintenance.

1.2. To assist officials in understanding their legal and managerial responsibilities with regard to assets.

2. BACKGROUND

2.1. The proper utilization and management of its assets is one of the prime mechanisms by which a municipality can fulfill the constitutional objects for:

2.1.1 Delivery of sustainable services;

2.1.2 Promotion of Social and economic development;

2.1.3 Promoting a safe and healthy environment and,

2.1.4 Providing for the basic needs to the community.

2.2. The municipality has a legal and moral obligation to ensure it implements policies to provide for the effective and efficient usage of its assets over the useful life thereof.

2.3. The asset management policy deals with the municipal rules required to ensure the enforcement of appropriate stewardship of assets.

2.4. Stewardship has three components being the:

2.4.1. Management, utilization and control by municipal officials;

2.4.2. Financial administration by the Director: Finance, and

2.4.3. Physical administration by the Manager: Expenditure & Asset Management.

2.5. Statutory provisions exist to protect public property against arbitrary and inappropriate management or disposal by a municipality.

2.6. Accounting standards are set to ensure the appropriate financial treatment for property, plant or equipment. The requirements of these accounting standards include:

2.6.1. The compilation of asset registers recording all assets controlled by the municipality;

2.6.2. Accounting treatment for the acquisition, disposal, recording and depreciation of property, plant or equipment, and

2.6.3. The standards to which these financial records must be maintained.

3. DEFINITIONS

"Accounting Standards Board"	*was established by the Public Finance Management Act to set standards of Generally Recognized Accounting Practice (GRAP) as required by the Constitution of the Republic of South Africa.*
"Amortization"	*is the systematic allocation of the depreciable amount of an intangible asset over its useful life.*
"Assets"	*are resources controlled by the municipality as the result of past events and from which future economic benefits or future service potential are expected to flow to the municipality and for the purpose of this policy refers to property, plant and equipment but excludes Investment Properties.*
"Asset categories"	*are the asset categories as per the Overstrand Asset Register.*
"Basic Municipal Services"	*means the amount or level of any municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety of the environment and for this Policy includes, but is not restricted to electricity, refuse collection, sanitation, local roads, storm water drainage, fire services and water services.*
"Capitalization"	*is the recognition of expenditure as an Asset in the Financial Asset Register.*
"Carrying amount"	*is the amount at which an asset is included in the Statement of Financial Position after deducting any accumulated depreciation and accumulated impairment thereon.*
"Control items"	*are items of assets that are not significant enough for financial recognition but are valuable enough to warrant special safe-guarding.*
"Cost"	*is the amount of cash or cash equivalents paid or the fair value of the other consideration given or received to acquire an asset at the time of its acquisition or construction.*
"Cost of acquisition"	*is all the costs incurred in bringing an asset item to the required condition and location for its intended use.*
"Depreciation"	*is the systematic allocation of the depreciable amount of an asset over its useful life.*
"Depreciable amount"	*is the cost of an asset, or other amount substituted for cost in the financial statements, less its residual value.*
"Director"	*is the "head of each Directorate" that has the functional accountability for and control of the physical management of a particular set of assets in order to achieve the municipality's strategic objectives relevant to that directorate. The execution of this responsibility will require the relevant asset manager to control the acquisition, utilization, management and disposal of this set of assets to optimize the achievement of these objectives.*

"Disposal"	*in relation to a capital asset, includes:* *(a) the demolition, dismantling or destruction of the capital asset; or* *(b) any other process applied to a capital asset which results in loss of ownership of the capital asset otherwise than by way of transfer of ownership.*
"Fair value"	*is the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction.*
"Financial asset register"	*is the control register recording the financial and other key details for all municipal assets recognized in accordance with this policy.*
"Fixed Asset"	*(also referred to as a "non-current asset") is an asset with an expected useful life greater than 12 months and includes moveable and immovable assets.*
"Heritage Assets"	*are assets defined as culturally, environmental, historical, natural, scientific, technological or artistic significant and are held indefinitely for te benefit of present and future generations... Examples are works of art, historical buildings and statues.*
"Immovable Assets"	*are fixed structures such as buildings and roads. A plant that is built-in to the fixed structures and is an essential part of the functional performance of the primary asset is considered an immovable asset (though it may be temporarily removed for repair).*
"Impairment loss" of a cash-generating asset	*is the amount by which the carrying amount of an asset exceeds its recoverable amount.*
"Impairment loss" of a non-cash-generating asset	*is the amount by which the carrying amount of an asset exceeds its recoverable service amount.*
"Infrastructure assets"	*are defined as any assets that are part of a network of similar assets. Examples are roads, water reticulation schemes, sewerage purification and trunk mains.*
"Investment properties"	*are defined as properties that are acquired for economic and capital gains.*
"Movable Assets"	*are the stock of equipment owned or leased by the municipality such as office equipment and furniture, motor vehicles and mobile plant.*
"Organ of State"	*in terms of this policy, means –* *(a) a national department or national public entity;* *(b) a provincial department or provincial public entity;* *(c) a municipality or municipal entity; or* *(d) any other organ of state within the meaning assigned to "organ of state" in section 239 of the Constitution.*

"Other assets"	*are defined as assets utilized in normal operations. Examples are plant and equipment, motor vehicles and furniture.*
"Prescribe"	*means as prescribed by the Minister of Finance by regulation.*
"Property, plant or equipment" (PPE)	*Means tangible assets that:* *(a) are held by a municipality for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and* *(b) are expected to have a useful life extending for more than one financial year.*
"Recoverable amount"	*is the amount that the municipality expects to recover from the future use of an asset, including its residual value on disposal.*
"Residual value"	*is the net amount that the municipality expects to obtain for an asset at the end of its useful life after deducting the expected costs of disposal.*
"Useful life"	*is either:* *(a) the estimated period of time over which the future economic benefits or future service potential embodied in an asset are expected to be consumed by the municipality,* ***or*** *(b) the estimated total service potential expressed in terms of production or similar units that is expected to be obtained from the asset by the municipality.*

4. STATUTORY AND REGULATORY FRAMEWORK

4.1. This policy must comply with all relevant legislative requirements including:

4.1.1 The Constitution of the Republic of South Africa, 1996

4.1.2 Municipal Structures Act, 1998

4.1.3 Municipal Systems Act, 2000

4.1.4 Division of Revenue Act (enacted annually)

4.1.5 Municipal Finance Management Act No 56 of 2003

4.1.6 Local Government: Municipal Asset Transfer Regulations, 2008

4.2. Also, this policy must comply with the standards specified by the Accounting Standards Board. The relevant currently recognized accounting standards include:

4.2.1 GRAP 17 Property, plant or equipment

4.2.2 GRAP 16 Investment property

4.2.3 GRAP 21 Impairment of Non Cash Generating Assets

4.2.4 GRAP 26 Impairment of Cash Generating Assets

4.2.5 GRAP 31 Intangible Assets (Previously GRAP 102)

4.2.6 GRAP 100 Non-current Assets held for Sale and Discontinued Operations

4.2.7 GRAP 103 Heritage Assets

4.3. This policy does not overrule the requirement to comply with other policies such as Supply Chain Management policy, Budget policies or the Administration of Immovable Assets policy.

5. RESPONSIBILITIES AND ACCOUNTABILITIES

5.1. **The Municipal Manager** is responsible for the management of the assets of the municipality, including the safeguarding and the maintenance of those assets.

5.2. **The Municipal Manager** must take all reasonable steps to ensure that:

5.2.1 the municipality has and maintains a management, accounting and information system that accounts for the assets of the municipality;

5.2.2 the municipality's assets are valued in accordance with standards of GRAP;

5.2.3 the municipality has and maintains a system of internal control of assets, including an asset register, and

5.2.4 the Directors comply with this policy.

5.3. **The Director: Finance** is responsible to the Municipal Manager to ensure that the financial investment in the municipality's assets is properly recorded.

5.3.1. The Director: Finance must take all reasonable steps to ensure that:

a) appropriate systems of financial management and internal controls are established and carried out diligently;

b) the financial and other resources of the municipality are utilized effectively, efficiently, economically and transparently;

c) any unauthorized, irregular or fruitless or wasteful expenditure, and losses resulting from criminal or negligent conduct, are prevented;

d) the systems, processes and registers required to substantiate the financial values of the municipality's assets are maintained to standards sufficient to satisfy the requirements of all statutes;

e) financial processes are established and maintained to ensure the municipality's financial resources are optimally utilized through appropriate asset plans, budgeting, purchasing, maintenance and disposal decisions;

f) the Municipal Manager is appropriately advised on the exercise of powers and duties pertaining to the financial administration of assets, and

g) the Directors are appropriately advised on the exercise of their powers and duties pertaining to the financial administration of assets.

5.3.2. The Director: Finance may delegate or otherwise assign responsibility for performing these functions but will remain accountable for ensuring these activities are performed.

5.4. **The Directors** must take all reasonable steps to ensure that:

5.4.1 appropriate systems of physical management and controls are established and carried out for assets in their areas of responsibility;

5.4.2 the municipal resources assigned to them are utilized effectively, efficiently, economically and transparently;

5.4.3 the assets under their control are appropriately safeguarded and maintained to the extent necessary and that risk management systems are in place and applied;

5.4.4 any unauthorized, irregular or fruitless or wasteful expenditure, and losses resulting from criminal or negligent conduct, are prevented;

5.4.5 their asset management systems and controls can provide an accurate, reliable and up to date account of assets under their control;

5.4.6 they are able to justify that their asset plans, budgets, purchasing, maintenance and disposal decisions optimally achieve the municipality's strategic objectives;

5.4.7 the purchase of assets complies with all municipal policies and procedures;

5.4.8 all moveable property, plant and equipment is duly processed and identified when it is received into his/her stewardship;

5.4.9 all moveable assets received into his/her stewardship are appropriately safeguarded for inappropriate use or loss. This will include control over the physical access to these assets and regular asset counts to ensure any losses have not occurred. Any known losses should be immediately reported to the Director: Finance, and

5.4.9 assets are appropriately utilized for the purpose for which the municipality acquired them.

5.4.10 The Manager may delegate or otherwise assign responsibility for performing these functions but will remain accountable for ensuring these activities are performed.

5.5 Safe-guarding of assets.

Directors shall be directly responsible for the physical safe-guarding of any fixed asset controlled or used by the department in question.

In exercising this responsibility, Directors shall adhere to the stipulations of this policy as well as any other written directives issued by the municipal manager to the department in question, or generally to all departments, in regard to the control of or safe-guarding of the municipality's fixed assets.

6. FINANCIAL MANAGEMENT

6.1 Approval to acquire Property, Plant or Equipment

Money can only be spent on a capital project if:

6.1.1 the money has been appropriated in the capital budget, and the future annual operations and maintenance needs have been calculated and have been budgeted for in the operations budget;

6.1.2 the project, including the total cost and funding sources, has been approved by Council;

6.1.3 the Director: Finance confirms that funding is available for that specific project, and

6.1.4 the Supply Chain Management prescripts/procedures have been adhered to.

6.2 Funding period of capital projects

The acquisition of assets will not be funded over a period longer than the useful life of that asset.

6.3 Disposal of assets

6.3.1 The municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of an asset needed to provide the minimum level of basic municipal services, unless such asset is obsolete or surplus to requirements or beyond a state of good repair or being replaced and provided that the delivery of the minimum level of basic municipal services must not be compromised as a result of the disposal of the asset.

6.3.2 The decision that a specific asset is not needed to provide the minimum level of basic municipal services, may not be reversed by the municipality after that asset had been sold, transferred or otherwise disposed of.

6.3.3 The disposal of an item of property, plant or equipment must be fair, equitable, transparent, competitive and cost effective and comply with a prescribed regulatory framework for municipal supply chain management and the Supply Chain Management Policy of the municipality.

6.3.4 The transfer of assets to another municipality, municipal entity, national department or provincial department is excluded from these provisions, provided such transfer is being done in accordance with a prescribed regulatory framework.

6.3.5 Directors shall report in writing to the Director: Finance on all fixed assets controlled or used by the department concerned, which such Director wishes to alienate by public auction or public tender. The Director: Finance shall thereafter consolidate the requests received from the various departments, and shall promptly report such consolidated information to the council or the municipal manager of the municipality, as the case may be, recommending the process of alienation to be adopted.

6.3.6 Once the fixed assets are alienated, the Director: Finance shall de-recognize the asset from the accounting records and the fixed asset register.

6.3.7 All gains and losses realized on the alienation of fixed assets shall be accounted for according to section 11.13 below (Accounting treatment on disposal).

6.3.8 Disposal of immovable property is dealt with in terms of the Administration of Immovable Property Policy.

6.4 Loss, Theft, Destruction or Impairment of fixed assets

Directors shall ensure that any incident of loss, theft, destruction, or material impairment of any fixed asset controlled or used by the department in question is promptly reported in writing to the Director: Finance, to the internal auditor, and – in cases of suspected theft or malicious damage – also to the South African Police Service.

7. INTERNAL CONTROLS

7.1 Financial Asset registers

7.1.1 Establishment and Management of the Financial Asset Register:

a) The Director: Finance will establish and maintain the Asset Register containing key financial data on each item of Assets that satisfies the criterion for recognition.

7.1.2 Contents of the Financial Asset Register:

a) The fixed asset register shall be maintained in the format determined by the Director: Finance, which format shall comply with the requirements of generally recognized accounting practice (GRAP) and any other accounting requirements which may be prescribed.

b) Directors under whose control any fixed asset falls shall promptly provide the Director: Finance in writing with any information required to compile the fixed asset register, and shall promptly advise the Director: Finance in writing of any material change which may occur in respect of such information.

7.1.3 Internal Controls over the Financial Asset Registers:

a) Controls around the asset registers should be sufficient to provide Directors with an accurate, reliable and up to date account of assets under their control to the standards specified by the Director: Finance and required by relevant legislation.

b) These controls will include the physical management and recording of all acquisitions, assignments, transfers, losses and disposals of assigned assets as well as regular asset counts and systems audits to confirm the adequacy of controls.

c) The Municipal Manager shall ensure that the municipality maintains a fixed asset identification system which shall be operated in conjunction with its computerized fixed asset register.

7.2 Responsibilities: Physical Receipting and Management

7.2.1 The Manager: Expenditure & Asset Management will undertake an annual count of assets as part of the annual reporting process.

7.2.2 The date of acquisition of assets is deemed to be the time when legal title and control passes to the municipality.

7.2.3 The date of acquisition of assets may vary for different categories of assets but will usually be the point of time when the Director approves final payment for that item of property, plant or equipment.

7.2.4 A Director must advise the Director: Finance, in writing, of capital work-in-progress at the end of the financial year.

7.2.5 A Director must advise the Director: Finance, promptly in writing whenever capital work-in-progress is completed, for inclusion in the Asset Register.

7.3 Transfers between Directors

7.3.1 Permanent transfers to another Manager

a) A Director retains managerial accountability and control for a particular asset unless:

i. another Director agrees in writing to accept responsibility for the assets, and

ii. the Director: Finance endorses the transfer.

b) The Finance Directorate must appropriately amend the Financial Asset register by accounting for all approved transfers.

c) The Director to whom the asset is transferred must assume accountability for the transferred asset.

7.3.2 Relocation or Re-assignment of Assets:

a) A Director must ensure that assets are appropriately safeguarded for loss, damage or misuse wherever it is located. Safeguarding includes ensuring reasonable physical restrictions.

b) A Director must advise the Director: Finance, in writing, whenever an asset is permanently relocated or reassigned from the location (or base) or cost centre recorded in the Financial Asset Register.

c) A Director must advise the Director: Finance, in writing, whenever an asset is temporarily relocated or reassigned from the location (or base) or cost centre recorded in the Financial Asset Register. In this case, the Director must also advise the Director: Finance when the asset is returned. In the case of assets being utilized in the normal course of operations away from its base, such as vehicles, reporting is not necessary.

7.4 Verification of fixed assets

7.4.1 Directors shall at least twice during each year undertake a comprehensive verification of all fixed assets controlled or used by the department concerned.

7.4.2 Directors shall promptly and fully report in writing to the Director: Finance in the format determined by the Director: Finance, all relevant results of such fixed asset verification. The resultant reports shall be submitted by Directors, to the Director: Finance, by not later than 30 days after the last day of the period in question.

7.5 Insurance of fixed assets

7.5.1 The Municipal Manager shall ensure that movable fixed assets are insured at least against fire and theft, and that all municipal buildings are insured at least against fire and allied perils.

7.5.2 If the municipality operates a self-insurance reserve (assuming such reserve to be allowed), the Director: Finance shall annually determine the premiums payable by the departments or votes after having received a list of the fixed assets and insurable values of all relevant fixed assets from the Directors concerned.

8. MANAGEMENT OF CONTROL ITEMS

8.1 Assets costing less than R2 000 but more than R500 are deemed to be control items unless that type of asset is specifically excluded by the Director: Finance. Items costing less than R500 are deemed to be consumables.

8.2 The requirements to manage control items includes:

- Receipting and bar-coding of these items.
- Maintaining and updating a register.
- Regular asset counts by the assigned person to ensure these control items are being appropriately safeguarded.
- Recording and reporting of any disposal, transfer or loss of control items by the assigned official to the CFO and adjustment of the control items register.

8.3 Control items will **not** be:

- capitalized as an asset,
- depreciated,
- revalued,
- recorded in the financial asset register, or
- otherwise treated as an asset.

9. MANAGEMENT AND OPERATION OF ASSETS

9.1 Accountability to manage assets -

- Each Director is accountable to ensure that municipal resources assigned to him are utilized effectively, efficiently, economically and transparently.
- Directors need to manage assets under their control to provide the required level of service or economic benefit at the lowest possible long-term cost.

9.2 Reporting on Impeding Issues

- Each Director should report to the Municipal Manager on issues that will significantly impede the assets capability to provide the required level of service or economic benefit.

10. CLASSIFICATION & COMPONENTS

10.1 Classification of assets

10.1.1 Any asset recognized as an asset under this policy will be classified according to categories as per the Overstrand Asset Register.

10.1.2 All fixed assets should be classified under the following headings in the Asset Register:

a) Property, plant and equipment:

- land
- buildings (not held as investment assets)
  - community assets (resources contributing to the general well-being of the community)
  - infrastructure assets (assets which are part of a network of similar assets)

- other assets (ordinary operational resources, consisting of Furniture, Equipment and Vehicles

b) Heritage Assets

- heritage assets (culturally, environmental, historical, natural, scientific, technological or artistic significant assets)

c) Investment property

- investment assets (resources held for capital or operational gain)

d) Intangible Assets

10.1.3 The Director: Finance may agree to subdivide these classifications further. This decision will be noted as an amendment to the Asset Register of the Overstrand Municipality.

10.2 Optional Treatment for Major Component

- A Director may, with agreement of the Director: Finance, treat specified major components of an item of property plant or equipment as a separate asset for the purposes of this policy.
- These major components may be defined by its physical parameters (e.g. a reservoir roof) or its financial parameters (e.g. a road surface).
- In agreeing to these treatments the Director: Finance must be satisfied that these components:
  - *have a significantly different useful life or usage pattern to the main asset,*
  - *align with the asset management plans,*
  - *justify the costs of separate identification,*
  - *have probable future economic benefits or potential service delivery associated with the asset which will flow to the municipality,*
  - *is such that the cost of the asset to the municipality can be measured reliably,*
  - *is such that the municipality has control over the asset,*
  - i*s such that the costs is above the recognition threshold, and*
  - *is such that the asset is expected to be used during more than one financial year.*
- Once a major component is recognized as a separate asset, it may be acquired, depreciated and disposed of as if it was a separate asset.

11. ACCOUNTING FOR ASSETS

11.1 Recognition of assets

- An item of property, plant or equipment will be recognized as an asset when:
  - *it is probable that future economic benefits or potential service delivery associated with the asset will flow to the municipality,*
  - *the cost of the asset to the municipality can be measured reliably,*
  - *the municipality has control over the asset,*

- *the costs are above the recognition threshold, and*
- *the asset is expected to be used during more than one financial year.*

11.2 Initial measurement

- An item of property, plant or equipment that qualifies for recognition as an asset should be initially measured at its "cost of acquisition".
- This "cost of acquisition" usually include the following:
  - *Purchase costs (less any discounts given)*
  - *Delivery costs*
  - *Installation costs*
  - *Professional fees for architects and engineers*
  - *Import duties*
  - *Non-refundable taxes*
  - *Site development costs*
  - *Contractor fees*

11.3 Donations or exchanges

Where an item of property plant or equipment is acquired at no cost, or for a nominal cost, it will be initially measured at its fair value as at the date of acquisition and included in the asset register if the fair value is greater than the recognition threshold.

11.4 Recognition threshold

- To ensure efficiency in the administration of this policy, the recognition of property plant or equipment as an asset will be limited to items costing R2 000 or more, after deduction of refundable taxes(unless specifically included by the Director: Finance).
- When a number of similar individual items, with a cost price of more than R500 but less than R2 000 per item, exclusive of non-claimable VAT, are purchased in bulk in a single order purchase, these items are regarded as individual assets and are captured on the Fixed Asset Register as such.
- The acquisition of property, plant or equipment costing more than R500, but less than R2 000, after deduction of refundable taxes, will be expensed but management will need to comply with the policy on managing control items.

11.5 Carrying amount of assets

Subsequent to initial recognition as an asset, an item of property, plant or equipment should be carried at its cost of acquisition less any accumulated depreciation and accumulated impairments.

11.6 Depreciation

- All fixed assets, except land and heritage assets, shall be depreciated.
- The depreciable amount of an item of property, plant or equipment should be allocated on a systematic basis over its useful life.
- The depreciation method used should reflect the pattern in which economic benefits or potential service provisions are consumed by the municipality.

- The depreciation charge for each period will be recognized as an expense against the budget of the relevant Director unless it is included in the carrying amount of another asset.
- The depreciation method used shall reflect the pattern in which the assets future economic benefits or service potential are expected to be consumed by the municipality.
- A variety of depreciation methods can be used to allocate the depreciable amount of an asset on a systematic basis over its useful life. These methods include the straight-line method, the diminishing balance method and the units of production method. Straight-line depreciation results in a constant charge over the useful life if the asset's residual value does not change. The diminishing balance method results in a decreasing charge over the useful life. The units of production method results in a charge based on the expected use or output. The entity selects the method that most closely reflects the expected pattern of consumption of the future economic benefits or service potential embodied in the asset. That method is applied consistently from period to period unless there is a change in the expected pattern of consumption of those future economic benefits or service potential.
- The depreciation method will be the straight-line method unless otherwise agreed to in writing by the Director: Finance.
- Depreciation shall be calculated from the day the fixed asset is available for use (GRAP 17).
- Directors, acting in consultation with the Director: Finance, shall ensure that reasonable budgetary provision is made annually for the depreciation of all applicable fixed assets controlled or used by the department in question or expected to be so controlled or used during the ensuing financial year.
- The procedures to be followed in accounting and budgeting for the amortization of intangible assets shall be identical to those applying to the depreciation of other fixed assets.

11.7 Initial determination of useful life

- Directors need to determine the useful life of a particular item or class of asset through the development of a strategic asset management plan. The determination of useful life should be developed as part of any pre-acquisition planning that would consider, inter alia, the following factors:
  - The program that will optimize the expected long term costs of owning that asset,
  - Economic obsolescence because it is too expensive to maintain,
  - Functional obsolescence because it no longer meets the municipality's needs,
  - Technological obsolescence,
  - Social obsolescence due to changing demographics, and
  - Legal obsolescence due to statutory constraints.
- The Table of Useful Lives is provided in the MFMA Local Government Capital Asset Management Guideline. These should be used as a guide to the

minimum useful lives only because actual asset lives experienced greatly exceed those recommend lives.

11.8 Review of useful life

- Only the Director: Finance may amend the useful operating life assigned to any fixed asset, and when any material amendment occurs, the Director: Finance shall inform the council of the municipality of such amendment.
- The Director: Finance shall amend the useful operating life assigned to any fixed asset if it becomes known that such asset has been materially impaired or improperly maintained to such an extent that its useful operating life will not be attained, or any other event has occurred which materially affects the pattern in which the asset's economic benefits or service potential will be consumed.
- The useful life of an item of property, plant or equipment should be reviewed annually and if these revised expectations are significantly different from previous estimates, then the depreciation charge for the current and future periods should be adjusted and the additional depreciation expenses shall be debited to the department or vote controlling or using the fixed asset in question.

11.9 Review of depreciation method

- The depreciation method applicable to property, plant or equipment should be reviewed annually, and if there has been a significant change in the expected pattern of economic benefits or potential service delivery from those assets, the method should be changed to reflect the changed pattern.
- When such a change in depreciation method is necessary the change should be accounted for as a change in accounting and the depreciation charge for the current and future periods should be adjusted.

11.10 Subsequent expenditure on property plant or equipment

- Subsequent expenditure relating to an item of property, plant or equipment that meets the definition of an asset should be added to the carrying amount of the asset when such expenditure will increase the useful life of the asset or increase the efficiency of the asset or reduce the cost of operating the asset, resulting in financial or service delivery benefits.
- All other expenditure should be recognized as an expense in the period in which it occurred.
- Before allowing the capitalization of subsequent expenditure, the Director: Finance must be satisfied that this expenditure will significantly:
  - increase the life of that asset beyond that stated in the asset register, or
  - increase the quality of service provided by that asset beyond the existing level of service, or
  - increase the quantity of services that asset can provide, or
  - reduce the future assessed costs of maintaining that asset.
- Expenditure that is proposed to be capitalized must also conform to recognition criteria for assets and should also be appropriately included in the approved capital budget.

11.11 Impairment of assets

The accounting treatment relating to impairment losses is outlined as follows in **GRAP 21 & 26:**

The carrying amount (Book value) of an item or a group of identical items of property, plant and equipment should be reviewed periodically in order to assess whether or not the recoverable amount has declined below the carrying amount**.**

Recoverable amount is the amount that the municipality expects to recover from the future use of an asset, including its residual value on disposal. When such a decline has occurred, the carrying amount should be reduced to the recoverable amount. The amount of the reduction should be recognized as an expense immediately.

The recoverable amount of individual assets, or groups of identical assets, is determined separately and the carrying amount reduced to recoverable amount on an individual asset, or group of identical assets, basis. However, there may be circumstances when it may not be possible to assess the recoverable amount of an asset on this basis, for example when all of the plant and equipment in a sewerage purification work is used for the same purpose. In such circumstances, the carrying amount of each of the related assets is reduced in proportion to the overall decline in recoverable amount of the smallest grouping of assets for which it is possible to make an assessment of recoverable amount.

The following may be indicators that an item of PPE has become impaired:

- The asset has been damaged.
- The asset has become technologically obsolete.
- The asset remains idle for a considerable period either prior to it being put into use or during its useful life.
- Land is purchased at market value and is to be utilized for subsidized housing developments, where the subsidy is less than the purchase price.

Example:

An example of where the municipality has suffered an impairment loss is the purchase of land for an amount of R 5 000 000. The land will be utilized for new subsidized housing developments. If at year end the expectation is that the Municipality will receive only R 1 000 000 by way of subsidies an impairment loss of R4 000 000 needs to be recognized. The recoverable amount (R 1 m) is calculated as being the larger of:

- **Net Selling price** of the land which is the amount obtainable from the sale of the market in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.
- **Value in use** of the land which is the present value of the estimated future net cash inflows expected from the continuing use of the asset and from its disposal at the end of its useful life.

The following steps will have to be performed regularly during the year to account for impairment losses:

- Directorates will identify and inform Finance Department - Asset Control of assets that:

- Are in a state of damage at year end.
- Are technologically obsolete at year end. This can be facilitated if Directorates require Finance Department - Asset Control, to supply them with a Fixed Asset Register pertaining to major assets showing the remaining useful lives of assets. The Directorates can then assess and indicate cases where the assessed remaining useful life is shorter than the remaining useful life on the printout.
- Have remained idle for a considerable period either prior to them being put into use at year end or during their useful life.
- Are subject to impairment losses because the subsidies to be received in exchange for assets are less than the carrying amounts. An example of this is Land that is purchased at market value and is to be utilized for subsidized housing developments.

- The recoverable amounts of these assets need to be calculated by calculating the Net selling Price per asset as defined above.
- The impairment loss per asset needs to be calculated as the difference between the Net selling price and the book value of the asset.
- The impairment loss needs to be accounted for by identifying the relevant funding source.
- The carrying amount of an asset should be reviewed annually to assess whether or not the recoverable amount has declined below the carrying amount.
- When such a decline has occurred, the carrying amount should be reduced to the recoverable amount.
- The amount of the reduction should be recognized as an impairment expense immediately, unless it reverses a previous revaluation in which case it should be charged to the Revaluation Reserve.
- For assets providing economic benefits, the recoverable amount is the net present value of future ownership.
- For assets providing future service delivery, the recoverable amount is the remaining proportional to its useful life, service capacity or quality of service that is not intended to be restored by normal maintenance programs.

11.12 Subsequent increase in recoverable amount

- A subsequent increase in the recoverable amount of an asset, previously written down due to a decline in the carrying amount, should be written back when the circumstances and events that led to the write–down or write-off cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future.
- The amount written back should be reduced by the amount that would have been recognized as depreciation had the write-down or write-off not occurred.

11.13 Accounting treatment on Disposal

- An item of property, plant or equipment should be eliminated from the Statement of Financial Position, on disposal <u>or</u> when the asset is permanently withdrawn from use and no future economic benefits <u>or</u> potential service delivery is expected from its disposal, in accordance with GRAP 100.

- Gains or losses arising from the retirement or disposal of an item of property, plant or equipment should be determined as the difference between the actual or estimated net disposal proceeds and the carrying amount of the asset, and should be recognized as revenue or expense in the Statement of Financial Performance.
- All gains realized on the alienation of fixed assets shall be appropriated annually to the municipality's Capital Replacement Reserve (except in the cases outlined below), and all losses on the alienation of fixed assets shall remain as expenses on the Statement of Financial Performance of the department or vote concerned. If, however, both gains and losses arise in any one financial year in respect of the alienation of the fixed assets of any department or vote, only the net gain (if any) on the alienation of such fixed assets shall be appropriated.

11.14 Reinstatement, maintenance and other expenses

Only expenses incurred in the enhancement of a fixed asset (in the form of improved or increased services or benefits flowing from the use of such asset) or in the material extension of the useful operating life of a fixed asset shall be capitalized.

Expenses incurred in the maintenance or reinstatement of a fixed asset shall be considered as operating expenses incurred in ensuring that the useful operating life of the asset concerned is attained, and shall not be capitalised, irrespective of the quantum of the expenses concerned.

Expenses which are reasonably ancillary to the bringing into operation of a fixed asset may be capitalized as part of such fixed asset. Such expenses may include but need not be limited to import duties, forward cover costs, transportation costs, installation, assembly and communication costs.

The following matrix will assist in distinguishing capital expenditure from maintenance expenditure: -

Capital Expenditure	Maintenance
▪ Acquiring a new asset ▪ Replacing an existing asset ▪ Enhancing an existing asset so that its use is expanded ▪ Further developing an existing asset so that its original useful life is extended	▪ Restoring an asset so that it can continue to be used for its intended purpose ▪ Maintaining an asset so that it can be used for the period for which it was initially intended.

11.15 Assets held under leases

Finance leases are leases, which in effect transfer all risks and rewards associated with the ownership of an asset from the lessor to the lessee. Assets held under finance leases are capitalized by the municipality and reflected as such in the FAR. It will be capitalized at its leased value at commencement of the lease, which will be the price stated in the lease agreement. The asset is then depreciated over its expected useful life.

Operating leases are those leases which do not fall within the scope of the above definition. Operating lease rentals are expensed as they become due. Assets held

under operating leases are not accounted for in the asset registers of the municipality.

11.16 Investment property

Investment assets shall be accounted for in terms of GRAP 16 and shall not be classified as property, plant and equipment for purposes of preparing the municipality's statement of position.

Investment assets shall comprise land or buildings (or parts of buildings) or both held by the municipality, as owner or as lessee under a finance lease, to earn rental revenues or for capital appreciation or both.

Investment assets shall be recorded in the fixed assets register in the same manner as other fixed assets, but a separate section of the fixed assets register shall be maintained for this purpose.

Decide on which accounting model, cost or fair value, the municipality will apply to investment property.

Fair value

Investment assets shall not be depreciated, but shall be annually valued on balance sheet date to determine their fair (market) value. Investment assets shall be recorded in the Statement of Financial Performance at such fair value. Adjustments to the previous year's recorded fair value shall be accounted for as either gains (revenues) or losses (expenses) in the accounting records of the department or service controlling the assets concerned.

If the council of the municipality resolves to construct or develop a property for future use as an investment property, such property shall in every respect be accounted for as an ordinary fixed asset until it is ready for its intended use – where-after it shall be re-classified as an investment asset.

11.17 Fixed assets treated as inventory

Any land or buildings owned or acquired by the municipality with the intention of selling such property in the ordinary course of business, or any land or buildings owned or acquired by the municipality with the intention of developing such property for the purpose of selling it in the ordinary course of business, shall be accounted for as inventory, and not included in either property, plant and equipment or investment property in the municipality's statement of position.

Such inventories shall, however, be recorded in the fixed assets register in the same manner as other fixed assets, but a separate section of the fixed assets register shall be maintained for this purpose.

11.18 Recognition of heritage assets in the fixed asset register

If no original costs or fair values are available in the case of one or more or all heritage assets, the Director: Finance may, if it is believed that the determination of a fair value for the assets in question will be a laborious or expensive undertaking, record such asset or assets in the fixed asset register without an indication of the costs or fair value concerned.

For Statement of Financial Performance purposes, the existence of such heritage assets shall be disclosed by means of an appropriate note.

11.19 Other write-offs of fixed assets

The only reasons for writing off fixed assets, other than the alienation of such fixed assets, shall be the loss, theft, and destruction or material impairment of the fixed asset in question.

In every instance where a not fully depreciated fixed asset is written off, the Director: Finance shall immediately debit to such department or vote, as additional depreciation expenses, the full carrying value of the asset concerned.

11.20 General maintenance of fixed assets

Every Director shall be directly responsible for ensuring that all assets are properly maintained and in a manner which will ensure that such assets attain their useful operating lives.

12. FINANCIAL DISCLOSURE

Assets must be disclosed, in respect of each class of property, plant and equipment, in accordance with Generally Recognized Accounting Practice.

13. IMPLEMENTATION AND REVIEW PROCESS

13.1 This policy will come into effect on 1 July 2015;

13.2 This policy will be reviewed at least annually or when required by way of a Council resolution.

14. SHORT TITLE

This policy will be known as the Asset Management Policy of the Overstrand Municipality.

POLICY SECTION:	**SENIOR MANAGER: EXPENDITURE AND ASSET MANAGEMENT**
CURRENT UPDATE:	
PREVIOUS REVIEW	28 MAY 2014
PREVIOUS REVIEW	29 MAY 2013
PREVIOUS REVIEW:	30 MAY 2012
PREVIOUS REVIEW:	04 MAY 2011
PREVIOUS REVIEW:	26 MAY 2010
APPROVAL BY COUNCIL:	24 JUNE 2009

OVERSTRAND MUNICIPALITY

TRAVEL & SUBSISTENCE POLICY

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1 DEFINITIONS

For the purpose of this policy, except where clearly indicated otherwise, the words and expressions set out below have the following meaning:-

"Accounting Officer"	The person appointed by the Council as Municipal Manager in terms of section 82 of the Municipal Structures Act, 1998 (Act 117 of 1998) and as defined in the Municipal Finance Management Act, 2003 (Act 56 of 2003), including any person acting in that position or to whom authority is delegated;
"Chief Financial Officer"	The person appointed in terms of section 80(2)(a) of the MFMA and includes any person acting in that position or to whom authority is delegated;
"Council"	The municipal council, as referred to in section 157 of the Constitution of the Republic of South Africa, 1996; and section 18 (3) of the Municipal Structures Act, 1998 (Act 117 of 1998)
"Councillor"	A member of the Overstrand Municipal Council.
"Executive Management Team"	Officials appointed in terms of Section 82 of the Local Government Structures Act, 1998 (Act 117 of 1998) (Structures Act) and section 56 of the Local Government Municipal Systems Act, 2000 (Act 32 of 2000).
"Executive Mayor"	The Executive Mayor of the Overstrand Municipality elected in terms of section 55 of Municipal Structures Act, 1998 (Act 117 of 1998).
"Director"	An official appointed by the Council in terms of section 56 of the Municipal Systems Act, 2000 (Act 32 of 2000) to head a Directorate of the municipality
"Municipality"	Overstrand Municipality, established in terms of sections 12 and 14 of the Structures Act.
"Traveller"	Any councillor or official travelling away from his or her normal place of domicile and employment on the official business of the Overstrand Municipality
"Subsistence allowance"	A subsistence allowance is an amount of money paid by the municipality to a traveller for expenditure incurred in respect of personal subsistence and incidental costs (for example refreshments, snacks, drinks and newspapers but excludes any personal recreation, such as visits to a cinema, theatre or nightclubs or sight-seeing.
"Travel Allowance"	A travel allowance is any amount paid to an employee in respect of travelling expenses for business purpose.
"Partial sponsored trip"	Where a portion of the total cost is sponsored by a donor or third party. (For the purposes of this policy such proportion of the total cost of the trip to be included in the application forms).

2 PURPOSE

The purpose of this policy is to set out general rules for the payment of subsistence and travelling allowances or costs for the attendance of approved events **outside the municipal area of Overstrand**.

3 OBJECTIVES

The objectives of this policy are as follows:

3.1 Ensure that municipal employees and Councillors adhere to procedures when arranging for travel, lodging, meals and other expenses;

3.2 Ensure that municipal employees and Councillors are reimbursed for reasonable expenses incurred for travel, conferences, meetings and meals as a result of conducting authorized municipal business;

3.3 Ensure that payments made by the municipality are for the actual and necessary expenses incurred for municipal business; and

3.4 Ensure that municipal employees and Councillors will receive reimbursements in a timely manner.

4 GENERAL

4.1 The contents of this policy will not be regarded as conditions of employment but as a re-imbursement for travelling and subsistence expenditure incurred or deemed to be incurred for the attendance of events for official purposes.

4.2 Any councilor must have the approval of the Executive Mayor or his/*her* delegate for the attendance of events for which compensation is claimed. Any staff member must have the approval of the Director or his/*her* delegate and any Director must have the approval of the Municipal Manager or his/*her* delegate for the attendance of events for which compensation is claimed. Claims are only payable if sufficient provision is made for it on the budget.

4.3 Any claim must be submitted on the official claim form with the necessary vouchers where specific expenses are claimed.

4.4 Any claim containing false information will lead to disciplinary steps being instituted and payments thus made may be recovered from any money payable by the municipality to the person who submitted the claim.

4.5 All efforts should be made to minimize the costs for the municipality i.e. by travelling together in one vehicle, minimizing overnight stay where possible, etc.

a) <u>Where several employees attend approved events, inclusive of meetings, they must make arrangements for up to four (4) people to travel together in one vehicle.</u>

b) Any deviation from paragraph (a) must be approved in writing by the **Director**, prior to the date of departure, based on valid reasons as motivated in a submission.

4.6 A claim for subsistence and travelling cannot be made at the municipality as well as another institution for attending the same event. Such action shall lead to disciplinary action.

4.7 Sufficient documentation must be attached to the application for the trip e.g., official invitation, agenda or programme, itinerary, details of sponsor and amount, etc.

5 REFERENCE

This Policy must be read in conjunction with any of the Municipality's approved related policies, practices and standard operating procedures addressing specific issues essential for a full understanding of this Policy and which are not dealt with adequately herein.

6 LEGAL FRAMEWORK

This policy is developed and guided by the following:

6.1 South African Revenue Services (SARS)

6.2 Municipal Finance Management Act, 2003 (Act No. 56 of 2003)

6.3 South African Local Government Association (SALGA)

6.4 Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998)

6.5 Income Tax Act, 1962 (Act No. 58 of 1962).

7 SCOPE OF APPLICATION

7.1 This Policy is applicable to –

7.1.1 all councillors of the Overstrand Municipality, and
7.1.2 all officials of the Overstrand Municipality,

travelling on official business and as such are formal travellers of the Overstrand Municipality.

<u>IMPORTANT - No payments will be made to applicants for employment interviews in terms of the scope of this policy.</u>

8 USE OF AIRLINES

8.1 For domestic trips both major and low-cost airlines may be utilised.

8.2 For international trips all major airlines may be utilised.

8.3 Preference will be given to airlines which operate direct flights between Cape Town and the destination.

8.4 For special trips requiring the use of helicopters or chartered aircrafts, special authorisation by the Mayor or Municipal Manager or their delegated nominees is required.

8.5 The Executive Mayor, Executive Deputy Mayor, Mayoral Committee Members, Speaker, Municipal Manager and the Executive Management Team (EMT) and officials shall travel by means of economy class on international flights and economy class on national flights at the best available fare to the airport closest to the authorised destination, plus the relevant first class rail, motor coach or boat fare, or any reasonable combination thereof necessary to complete the

journey to the said destination.

8.6 In all other cases, the most economical airfare shall be paid for all members of the Council and for officials of the municipality who travel by air abroad and within the boundaries of South Africa to the airport closest to the authorised destination, plus the relevant first class rail, motor coach or boat fare, or any reasonable combination thereof necessary to complete the journey to the said destination; provided that, in the case of all members of the Council and all Municipal officials, where there are:

8.6.1 Time constraints and/or when economy class flights are not available, business class may be authorised by the Executive Mayor or Municipal Manager or their nominees.

8.6.2 Physical and /or medical reasons (supported by the submission of a letter from a registered medical practitioner) why a member of council or an official may not travel in economy class, the Executive Mayor or Municipal Manager or their nominees may authorise travel by means of business class.

9 USE OF VEHICLES

9.1 Hired Vehicles

9.1.1 Shall be applied for, quantified and paid for by the Municipality.

9.1.2 May only be obtained when the employee and / or Councillor is on official municipal business where air travel was involved and other modes of transport are not available, too costly or impractical.

9.1.3 Requires prior approval from the Responsible Official for employees and the Executive Mayor / Speaker for Councillors.

9.1.4 May not be used for travel from the municipal offices.

9.1.5 Only travellers with a valid South African driver's licence may hire vehicles; where the traveller who hires a vehicle, is not in possession of such licence, he or she may be held personally liable for all damages and may be subject to disciplinary action by Council; the responsibility and related costs of obtaining an international driving permit, where required, rests with the traveller.

9.1.6 Only "A" or "B" category vehicles may be rented, unless it is more cost-effective to hire a more expensive vehicle, for example, when the number of representatives involved could justify the hire of a micro-bus, for groups of 5 (five) or more travellers. The latter to be approved in advance by the Executive Mayor or Municipal Manager, according to the provisions as provided for in 4.2.

9.1.7 For physically handicapped travellers who are only able to drive a particular type of vehicle and those in possession of a driver's license restricted to automatic vehicles: the most suitable vehicle.

9.1.8 Chauffeur driven vehicles may not be used. Employees and / or Councillors who are unable to drive must utilize either a shuttle service or another mode of public transport.

9.2 Private Vehicles

9.2.1 The boundaries of the Overstrand Municipality shall be used to determine payment for travel outside such boundaries by means of private transport for officials who are in receipt of a fixed transportation allowance, or where such an allowance has been factored into the total cost of employment package of the official concerned. In such cases,

only the applicable cost per kilometre will be paid as updated from time to time. Should the destination of the trip be outside the boundaries of the Municipality, the distance for the cost per kilometre will be measured from place of residence or place of work, whichever is relevant.

9.2.2 Employees in receipt of a fixed transportation allowance, travelling on official municipal business within the boundaries of the Overstrand Municipality but outside a radius of 15 km from their normal place of work, will be reimbursed for such travelling at the prevailing AA-Running Cost km tariff, calculated from their normal place of work.

9.2.3 Those employees who are not in receipt of a travel allowance shall be reimbursed according to the latest prescribed SARS km tariff (currently R3.18/km), calculated from their place of work or residence, which-ever is the nearest to the place of the approved event.

9.2.4 Those employees who are in receipt of an Essential User Transportation Allowance shall be reimbursed in accordance with the applicable Scheme. The travelling distance shall be calculated from their place of residence.

9.2.5 Councillors using private transport outside the boundaries of the Overstrand Municipality will be reimbursed according to the guidelines issued by the relevant National Department as updated from time to time.

9.2.6 **A traveller who uses private transport shall be paid the lower of the following two options:**

9.2.6.1 Cash equivalent of the avoided air ticket cost, which would have been paid in the event of air travel being the most economical and practical means of transport; or

9.2.6.2 Actual cost per kilometre as determined according to the rate applicable to the traveller,

on condition that such person may not claim subsistence costs for a longer period than would have been applicable in the case of air travel.

9.2.7 A claim submitted by a councillor or a municipal official, when travelling outside the municipal area of the Overstrand with private transport on official municipal affairs, will be considered for re-imbursement, subject to the following conditions:

9.2.7.1 that the trip is for an approved official event;

9.2.7.2 that no other municipal transport was available at the time of the travel, as confirmed with the Mayor, relevant Director or Municipal Manager;

9.2.7.3 that the use of private transport is pre-approved by the Mayor, relevant Director or Municipal Manager.

10 DOMESTIC TRAVEL, SUBSISTENCE AND ACCOMMODATION

When travelling to a destination outside the boundaries of the Overstrand Municipality in circumstances requiring absence from the office for longer than 24 hours, the following may be utilised and claimed: (the time of departure from residence or office up until the time of arrival back at residence or office shall be used for purposes of calculating the length of absence):

10.1 Accommodation

10.1.1 Travellers who travel on the business of the municipality, where the business unavoidably entails one or more nights to be spent away from home, may stay in a hotel, motel, guesthouse or bed and breakfast establishment.

a) Where employees attend approved events, inclusive of meetings, one or more nights to be spent away from home will only be allowed in instances where the distance to the venue exceeds 150 kilometers.

b) Any deviation from paragraph (a) must be motivated in writing by the employee and must be approved in writing by the **Municipal Manager,** prior to the date of departure, based on valid reasons.

10.1.2 The actual cost of accommodation will be borne by the municipality, subject to a maximum of 4-star rating for the accommodation itself in respect of domestic travel. Where such accommodation is available, the rate for a single room will be payable.

10.1.3 If no such accommodation is available, higher rating accommodation can be used subject to the prior approval of the **Municipal Manager or the Executive Mayor, as applicable.**

10.1.4 If a traveller stays with a relative or friend, no accommodation allowance may be claimed, but the traveller may claim a subsistence allowance per day as per this policy.

10.1.5 The location of the accommodation should not be more than 20 km from the venue of the event, unless approved by the Municipal Manager or Executive Mayor.

10.2 Subsistence Allowance and Meals

10.2.1 Subsistence Allowance

As per definition, Section 1 of this Policy.

10.2.2 Entitlement to a Subsistence Allowance

10.2.2.1 A traveller may claim a daily subsistence allowance as provided for in this policy with the understanding that all authorized personal expenses are covered by the subsistence allowance. No further expenses, with the exception of certain business expenses (see below), may be claimed.

10.2.2.2 A daily subsistence allowance will only be applicable where-

(i) official business unavoidably entails **one or more nights to be spent away from home,** a subsistence allowance as amended by SARS from time to time (currently R353 per day) will apply in respect of domestic travel; or

(ii) where the traveller will be on official business for a **period exceeding 8 hours, without being away from home for one or more nights,** an allowance as amended by SARS from time to time (currently R109 per day) will apply in respect of domestic travel;

(iii) No daily subsistence allowance will be payable to representatives that will be attending courses, training or meetings where lunch will be provided, but without being away from home for one or more nights.

10.2.2.3 A traveller of the municipality must obtain approval for his or her subsistence allowance, as provided for in this policy, before embarking on any official trip.

10.2.2.4 No subsistence allowance will be paid, and no traveller will be entitled to a subsistence allowance, if the trip or travel is not related to the official business of the municipality. All travel on business of the municipality must be approved as such before a traveller is entitled to a subsistence allowance.

10.2.3 Claims for meals for official entertainment of guests by full-time councillors and the executive management team are to be dealt with as claims against the relevant "entertainment allowance" provision of the relevant Cost Centre.

Where special circumstances exist which necessitate a deviation from the above restrictions, the prior approval of the **Executive Mayor or Municipal Manager**, as applicable, or their nominees are to be obtained.

11 MISCELLANEOUS EXPENSES

Items that may be considered for approval, where expenditure is incurred within the boundaries of the Republic of South Africa during a period of absence is as follows:-

11.1 Parking / Bus fares: Subject to proof of payment being provided;
11.2 Toll fees: Subject to proof of payment being provided;
11.3 Taxi fare: Subject to proof of payment being provided.

12 INTERNATIONAL TRAVEL, SUBSISTENCE AND ACCOMMODATION

12.1 When traveling in countries other than in South Africa on specially authorised Municipal business, the expenses actually incurred for accommodation and official transport will be payable.

12.2 The daily subsistence allowance is to cover all meals, transport for private use and other incidental costs, this subsistence allowance for international travel will be in accordance with SARS Foreign Travel 1.1 List of Daily Maximum amount per Country, as amended by SARS from time to time.

12.3 No additional claim in respect of such costs will therefore be paid, except for entertainment by full-time Councillors or the Executive Management Team, of official guests, clients, potential clients, investors or potential investors which is to be dealt with as "entertainment allowance" claims.

13 SPONSORED TRIPS

13.1 LOCAL SPONSORED TRIPS

13.1.1 A trip shall be regarded as sponsored when the full/ partial cost of the trip is borne by an institution other than the Overstrand Municipality. Such sponsored proportion of the total cost of the trip must be declared in the application for the trip.

13.1.2 Travelling and Subsistence payable by the Overstrand Municipality will be calculated as the difference between the amounts claimable per this policy less the monetary value of the sponsored amounts.

13.2 INTERNATIONAL SPONSORED TRIPS

13.2.1 A trip shall be regarded as sponsored when the full / partial cost of the trip is borne by an institution other than the Overstrand Municipality. Such sponsored proportion of the total cost of the trip must be declared in the application for the trip.

13.2.2 Travelling and Subsistence payable by the Overstrand Municipality will be calculated as the difference between the amounts claimable per this policy less the monetary value of the sponsored amounts.

14 INSURANCE

14.1 Travellers, where the necessary travel and special leave forms have been duly authorised by the delegated official, will be insured by the municipality in terms of its current approved policies, practices and standard operating procedures. The insurance shall cover, *inter alia*, the following:

14.1.1 medical expenses and assistance services;
14.1.2 personal accident, including death and disability, as well as repatriation and evacuation;
14.1.3 luggage;
14.1.4 travel documents;
14.1.5 personal liability; and
14.1.6 cancellation, curtailment, and default on travel and accommodation.

14.2 Insurance cover is only for the period that the traveller is away from home or place of work on a trip relating to municipal business.

14.3 Private vehicles and contents thereof will not be covered under this Policy.

14.4 Hired vehicles are automatically covered for both Super Waiver Damage and Theft by the vehicle rental company.

15 GIFTS AND PROMOTIONAL GOODS

15.1 Where appropriate, the traveller may give gifts.

15.2 The gifts in question shall be provided by the municipality, through the appropriate department.

15.3 Suitable promotional and marketing products shall be supplied, on request, by the appropriate department of the Municipality.

16 AUTHORISATION

16.1 For purposes of implementing this policy:

16.1.1 **Only the Municipal Manager** may authorize any travel to be undertaken by Directors, provided the expenses to be incurred are on the approved budget of the relevant department. Claims by other officials to be authorized by directors concerned.
16.1.2 **Only the Executive Mayor** may authorize any travel to be undertaken by Holders of Public Office and the Municipal Manager, provided the expenses to be incurred are on the approved budget of the municipality.

16.1.3 **Only Directors** may authorize any travel to be undertaken by employees in the respective Directorate, provided the expenses to be incurred are on the approved budget of the municipality.

16.1.4 Authorization as per paragraph 16.1.1, 16.1.2 and 16.1.3, must be obtained prior to an occasion by any traveller who travels on the business of the municipality.

16.2 An invitation to attend a workshop, meeting or related event is not an automatic authorization to attend such workshop or event. The required authorization must still be obtained from the Municipal Manager or Executive Mayor or Director as the case may be.

17 COUNCIL DELEGATES

Municipal delegates or travellers to any conference, workshop or meeting must ensure that they arrive on time and attend until the conclusion of such event. If any traveller fails to do so, the Executive Mayor, the Municipal Manager or Director, as the case may be, may recover all allowances and disbursements paid to enable such delegate or traveller to attend such event, provided that such delegate or traveller is afforded the opportunity to submit reasons for not being able to be present from the commencement to conclusion of such event.

18 OTHER

18.1 Accommodation, flights and vehicle rental arrangements will be based on the most cost effective option in relation to the proximity of the venue, traffic, availability and other cost factors. Due to impracticality, the stipulations of the Supply Chain Policy may be disregarded in this matter, based on compliance to before-mentioned most cost effective considerations.

18.2 In the event of payments made by officials for traveling and accommodation, refunds will only be made on condition that the expense was pre-approved in accordance with the stipulations of this policy and that all aspects of this policy have been complied with.

19 AUTHORITY

Any deviation from this policy for whatsoever reason must be authorized by the **Municipal Manager.**

20 TRAVEL AND SUBSISTENCE ALLOWANCE CLAIM FORM

The official Travel and Subsistence Allowance claim form, as prescribed by Chief Financial Officer must be used with regard to Travel and Subsistence Allowance applications.

21 IMPLEMENTATION AND REVIEW PROCESS

This policy will come into effect on 1 July 2015;

This policy will be reviewed at least annually or when required by way of a Council resolution.

22 SHORT TITLE

This policy shall be called the Travel and Subsistence Policy of the Overstrand Municipality.

POLICY SECTION:	SENIOR MANAGER: EXPENDITURE AND ASSET MANAGEMENT
CURRENT UPDATE	
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OVERSTRAND MUNICIPALITY

PETTY CASH POLICY

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1. INTRODUCTION

The accounting officer of a municipality is responsible for the management of the expenditure of the municipality in an effective and controlled manner. This includes Petty Cash, which is a small amount of funds that are minor in the form of cash, used for expenditure where it is impractical to obtain prior quotations due to the nature of the goods, monitory value and / or services required.

Therefore the Overstrand Municipality adopts the following petty cash policy.

2. REGULATORY FRAMEWORK

a) Municipal Finance Management Act 56 of 2003
b) Overstrand Supply Chain Management Policy

3. OBJECTIVES

Compliance with the regulatory framework in terms of the relevant legislation is required. The objectives of the policy are to ensure that:

a) Goods and / or services are procured by the municipality in accordance with authorised process only;
b) The municipality has and maintains an effective Petty Cash system of expenditure control;
c) Sufficient Petty Cash is available when required; and
d) The items to be procured are approved Petty Cash items.

4. DEFINITIONS

Accounting Officer: The person appointed by council in terms of section 82 of Act 117 of 1998, also known as the Municipal Manager, and defined in terms of section 60 of Act 56 of 2003 (MFMA).

Chief Financial Officer: The person designated in terms of section 80(2) (a) of Act 56 of 2003 (MFMA), and includes any person acting in that position or to whom authority is delegated.

Petty Cash: A relatively small amount of cash kept at hand for making immediate payments for miscellaneous small expenses.

Petty Cash Float: The total sum of Petty Cash which has been granted to a Petty Cash Officer.

Petty Cash Officer: An employee, made responsible for the day-to-day operating of the Petty Cash Float.

Reconciliation: Is the process of comparing information, for example cash spent, compared with the relevant documentation and receipts.

Sub-advances: A relatively small amount of cash, made available by the Petty Cash Officer on request, to buy miscellaneous small items.

5. RESPONSIBILITY AND ACCOUNTABILITY

The key responsibilities in terms of the MFMA (Section 65) are:

Accounting Officer (Municipal Manager)-

5.1 The accounting officer of a municipality is responsible for the management of the expenditure of the municipality.

5.2 The accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure:

(a) that the municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds;

(b) that the municipality has and maintains a management, accounting and information system which:
- (i) recognises expenditure when it is incurred;
- (ii) accounts for creditors of the municipality; and
- (iii) accounts for payments made by the municipality;

(c) that the municipality has and maintains a system of internal control in respect of creditors and payments;

(d) that payments by the municipality are made:
- (i) directly to the person to whom it is due unless agreed otherwise for reasons as may be prescribed; and
- (ii) either electronically or by way of non-transferable cheques, provided that cash payments and payments by way of cash cheques may be made for exceptional reasons only, and only up to a prescribed limit;

The Municipal Manager delegates authority to the Chief Financial Officer.

6. PETTY CASH POLICY

6.1 General Policy

(a) (i) The use of a petty cash float **(a float may not exceed R2000-00)** is strictly confined to **individual cash purchases of up to a maximum of R200-00.** The Chief Financial Officer may approve petty cash purchases up to R2000;

(ii) **Petty cash purchases from Creditors / Suppliers that are registered** on the financial system may not exceed R40-00 per incident;

(b) The expenditure with regard to petty cash purchases shall not be deliberately split into more than one transaction to avoid the said limit;

(c) A petty cash float is not to be used for any of the following:
   (i) the cashing of cheques;
   (ii) loans to any person whatsoever;
   (iii) payment of personal remuneration to any person whatsoever, whether for fees, salaries, wages, travel allowance as part of remuneration, honorarium or other reason, unless authorized by the Chief Financial Officer;
   (iv) for instalment invoices such as rental of equipment or open orders, even if the amount falls within the specified limit;
   (v) any purchase violating the true meaning of petty cash transactions, or petty cash purchases from a trading creditor that does exist on the Overstrand municipal financial system will be regarded as a deviation from the accepted accounting practices in the use of Petty Cash and shall constitute a serious offence under the Disciplinary Code, unless authorized by the Chief Financial Officer;

(d) Other cash floats may also be established for the purpose of providing change for a cash register, or any other purpose approved by the Chief Financial Officer. Use of such floats is restricted to the purpose for which they were established and does not form part of the scope of this policy;

(e) The Accounting Officer, or delegated official, may conduct internal audits to evaluate compliance with this policy.

6.2 Establishing and Operating a Petty Cash Float

(a) To establish a new petty cash float or increase an existing advance, a written application must be made to the Chief Financial Officer by the relevant Manager of a department.

(b) A request for the establishment of an advance will indicate the position of a senior administrative employee to be held responsible for the control over the petty cash float within the relevant department.

(c) The senior administrative employee mentioned under 6.2 (b) will be responsible for the security and leave arrangement in place to ensure safe custody of funds in the office.

(d) The minimal security arrangement that will be acceptable is that the float will be kept in a locked box which will be kept in a locked filing cabinet or safe.

(e) When an advance is approved, the Accountant: Creditors will advise the relevant Department accordingly and request that the senior administrative employee mentioned under 6.2 (b) collect the advance. This establishing/initial advance will be charged to a "Petty Cash Advances – Position/Dept" in the General Ledger and not against any

expenditure votes. A register of advances is thus maintained per Ledger Account for the purpose of accounting for all petty cash floats.

6.3 Security of Petty Cash Floats and Documentation

(a) The cash on hand and used petty cash vouchers are to be kept in a locked box for which there should be two keys. One key is to be retained by the petty cash officer (on their person) normally responsible for the petty cash and the other to be kept senior administrative employee mentioned under 6.2 (b) in a sealed envelope in the office safe or other secure place, to be used only in an emergency.

(b) The locked petty cash box must be kept in a secure place when not in use and should be removed and returned by the responsible staff member only. At no stage should staff other than the responsible administrative/clerical staff member have access to the storage place of the petty cash box.

(c) Under no circumstance are keys to be left in the lock to the petty cash box, cabinet or safe.

(d) If the responsible Petty Cash Officer is either going on leave or is leaving the Municipality's employment, the Petty Cash Officer must perform a reconciliation and a Summary Claim Cover Page compiled, before possession of Petty Cash, can be handed over.

The Summary Claim Cover Page must be signed by both the Petty Cash Officer and the recipient, in order to verify that the amount in cash, correspond with the balance on the Summary Claim Cover Page.

When the Petty Cash is returned to the Petty Cash official, the same processes must be taken.

6.4 Completing a Cash Purchase Claim Form

(a) Petty cash stationery is available from the Expenditure Section (Financial Services). The form consists of two parts:
   (i) Cash Purchase Claim page
   (ii) Cash Purchase Record page
   (iii) Receipt for cash advance (Only when appropriate, refer paragraph on Advances).

(b) All details entered on the Cash Purchase Claim must appear on the Cash Purchase record page.

(c) The Cash Purchase Claim must be completed as follows:
   (i) description and cost of the goods/services purchased
   (ii) purchaser's signature
   (iii) correct vote number with an adequate budget to be charged
   (iv) signature of the Officer in Charge of Petty Cash.

(d) Original receipts and other valid documentation as required must be attached as proof of payment, with the signature of an appropriate financial delegate on this documentation. The receipt and invoice must be in a formal business format. Receipts must set forth the complete description of the purchase. When a vendor's printed invoice is used as a receipt, the invoice must clearly indicate that it has been paid.

(e) A financial delegate cannot authorise a cash purchase claim where he or she is the purchaser.

6.5 Sub-Advances to Staff Members

(a) If it is necessary to make an initial sub-advance to a staff member, a receipt for cash advance must be completed. The receipt for cash advance form must be completed as follows:
   (i) description and *estimated* cost of the goods/services purchased;
   (ii) purchaser's signature;
   (iii) correct vote number with an adequate budget to be charged;
   (iv) signature of the Petty Cash Officer.

(b) In order to receive an initial sub-advance, the relevant staff member must submit an approval notice (authorized by a delegated official) to the Petty Cash Officer.

(c) On completion of the purchase, the recording-, documentation- and authorization requirements will be as stated in the above paragraph: Completing a Cash Purchase Claim Form (Section 6.4).

(d) All such sub-advances will be accounted for within 24 hours, by submitting original receipts and other applicable documentation required, attached as proof of payment (with the approval signature on the documentation). Where this cannot be achieved, the buyer will be liable to pay back the advance without any delay or if not possible, alternatively be for the immediate recovery from the individual's salary.

(e) No more than one advance will be made to any one individual at a time.

6.6 Out-of-Pocket Payments

(a) Where a staff member has made a purchase from own funds and seeks reimbursement from the petty cash, supporting documentation must be provided to substantiate the claim.

(b) The responsibility to ensure that the purchase will be in accordance with all the prescriptions of this policy will be the sole responsibility of the purchaser of such item(s).

(c) The recording-, documentation- and authorization requirements will be as stated in the above paragraphs (Section 6.4).

6.7 Reimbursement of Petty Cash Floats

(a) A petty cash float is operated on the basis that expenditure from the float is periodically reimbursed. Such reimbursement requires-
   (i) returning the cash level of the petty cash float to its original level, and;
   (ii) charging the expenditure which has been made to the correct expenditure vote.

(b) Accordingly, **at any point of time**, the sum of the cash on hand, i.e. remaining unspent, plus the cash advances for un-finalised purchases, plus the completed cash purchase claim forms, updated on the Summary Cash Purchase Claim form, shall equal the level of the petty cash advanced to a Department.

(c) Completed Cash Purchase Claim forms, with attached cash register slips, etc., must be submitted to the Expenditure Section for reimbursement, after the Summary Claim Cover Page and attached documentation have been authorised by a financial delegate.

(d) Reimbursement of claims where supporting documentation as prescribed in this policy is absent / missing, will be declined.

(e) The prescribed Summary Cash Purchase Claim form as well as other relevant forms attached to it must be completed in full.

(f) The most recently completed Cash Purchase Claim form must record the reconciliation of the petty cash float. The Accountant: Creditors will decline reimbursement of claims where this is not supplied.

(g) A petty cash float must never be reimbursed with funds derived from any other source whatsoever.

6.8 Shortages and losses

(a) The holder of the Petty Cash float will be held accountable for any shortages and / or losses unless there is physical evidence of breaking in and no act or omission on the part of the relevant official contributed to the loss.

(b) Any shortages in respect of a petty cash float must be reimbursed immediately by the responsible petty cash officer.

(c) Where a petty cash float is stolen the incident must be reported promptly to the Chief Financial Officer in the required format, after a case has been logged at the South African Police Services.

6.9 Internal Controls

(a) At least four (4) Surprise Petty Cash counts / audits must be conducted by the relevant Manager / Senior Manager throughout the financial year.

(b) Petty Cash Float reimbursement requests must be summarized into a monthly report to the Chief Financial Officer, including the total amount of Petty Cash purchases for that month.

(c) Petty Cash reconciliations to the General Ledger must be reconciled and replenished before 30 June of every year (financial year-end).

6.10 Procedure where a Petty Cash Float is Repaid / Cancelled

When an advance is no longer required, a departmental memorandum must be submitted, signed by the Manager of the relevant Department, to the Accountant: Creditors, with the balance of cash on hand and completed and authorized Cash Purchase Claim forms. The most recently completed Cash Purchase Claim form will record the reconciliation of the petty cash float.

The Cashier will issue a receipt to the person delivering the cash.

7. IMPLEMENTATION AND REVIEW PROCESS

This policy will come into effect on 1 July 2015;

This policy will be reviewed at least annually or when required by way of a Council resolution.

8. SHORT TITLE

This policy shall be called the Petty Cash Policy of the Overstrand Municipality.

POLICY SECTION:	**SENIOR MANAGER: EXPENDITURE AND ASSET MANAGEMENT**
CURRENT UPDATE:	
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PREVIOUS REVIEW	**30 May 2012**
PREVIOUS REVIEW	**04 May 2011**
APPROVAL BY COUNCIL:	**26 May 2010**

OVERSTRAND MUNICIPALITY

PAYDAY POLICY

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1. PURPOSE

The purpose of the policy is to regulate the date on which Councillors and Employees of the Overstrand Municipality will receive their remuneration and / or allowances.

2. OBJECTIVES OF THE POLICY

The objectives of this Policy are to:-

a) Establish a consistent payment routine for the payment of remuneration and / or allowances; and
b) Provide information as to when remuneration and / or allowances will be paid.

3. SCOPE OF THE POLICY

This Policy applies to all:-

a) Councillors;
b) Permanent employees;
c) Contractual employees;
d) Temporary employees; and
e) Seasonal workers.

4. LEGISLATIVE FRAMEWORK

This Policy must be read in conjunction with the:-

a) Remuneration of Public Office Bearers Act (Act 20 of 1998, as amended);
b) Basic Conditions of Employment Act (Act 75 of 1997, as amended); and
c) Organisational Rights Collective Agreement

5. POLICY PRINCIPLES

5.1 Councillors and Permanent employees

a) For newly elected Councillors and newly appointed permanent employees, payday for the first month will be on the last working day of the month;
b) Thereafter, payday will be on the 25th day of each month, or the last working day before the 25th should the 25th day of the month fall on a:-
   - Saturday;
   - Sunday
   - Monday;
   - Public Holiday; or
   - Day after a public holiday.
c) For the month of December in every year, payday will be 4 working days before the 25th, with the exception of circumstances as set out in paragraphs 5.1(a), 5.1(b) and 5.1(d).
d) For outgoing Councillors and resigning / dismissed / retiring permanent employees, payday for the last month will be on the last working day of the month.

5.2 Contractual employees

Payday for Contractual employees will be on the last working day of every month, unless otherwise specified within their employment contract, but no later than 7 working days after the last day on which work was performed.

5.3 Temporary employees and Seasonal workers

a) Temporary employees and Seasonal Workers will be paid on a fortnightly or monthly basis, as specified in their appointment letters, within 7 working days after the last day on which work was performed as per their timesheets.

6. IMPLEMENTATION AND REVIEW PROCESS

This policy will come into effect on 1 July 2015;

This policy will be reviewed at least annually or when required by way of a Council resolution.

7. SHORT TITLE

This policy shall be called the Payday Policy of the Overstrand Municipality.

POLICY SECTION:	**SENIOR MANAGER: EXPENDITURE AND ASSET MANAGEMENT**
CURRENT UPDATE:	
PREVIOUS REVIEW	**28 MAY 2014**
APPROVAL BY COUNCIL:	**28 November 2000 (Resolution)**

OVERSTRAND MUNICIPALITY

SUPPLY CHAIN MANAGEMENT POLICY

PART A

This Policy consists of two parts:

Part A is the Supply Chain Management Policy, adopted in terms of section 111 of the Local Government: Municipal Finance Management Act, No. 56 of 2003 and the Municipal Supply Chain Management Regulations, Notice 868 of 30 May 2005;

and

Part B is the Preferential Procurement Policy, adopted in terms of section 2 of the Preferential Procurement Policy Framework Act, No. 5 of 2000 and the Preferential Procurement Regulations, 2011.

MUNICIPAL SUPPLY CHAIN MANAGEMENT POLICY

LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003

The Council of the Overstrand Municipality resolved on 25 June 2008 in terms of Section 111 of the Local Government: Municipal Finance Management Act (no. 56 of 2003) to adopt the following as the Supply Chain Management Policy of the municipality.

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POLICY STATEMENT AND OBJECTIVES

1 Section 111 of the Local Government: Municipal Finance Management Act, 56 (MFMA) requires each municipality and municipal entity to adopt and implement a Supply chain Management Policy, which give effect to the requirements of the Act.

2 In addition, the Preferential Procurement Policy Framework Act requires an Organ of State to determine its Preferential Procurement Policy and to implement it within the framework prescribed.

3 The objectives of this Policy are:

1) to give effects to section 217 of the Constitution of the Republic of South Africa by implementing a system that is fair, equitable, transparent, competitive and cost effective;

2) to comply with applicable provisions of the Municipal Finance Management Act including Municipal Supply Chain Management Regulations published under GN868 in Government Gazette 27636, 30 May 2005 and any National Treasury Guidelines issued in terms of the MFMA and regulations pertaining thereto; and

3) to acknowledge the provisions of:

a) the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
b) The Competitions Act 1998 (Act No. 89 of 1998)
c) the Construction Industry Development Board Act, 2000 (Act No.38 of 2000);
d) the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);
e) the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003):
f) the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);
g) the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000);
h) the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);
i) the Prevention and Combating of Corrupt Activities Act, 2000 (Act No. 12 of 2004);
j) the Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000)

1 Definitions

In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) has the same meaning as in the Act, and –

"Accounting Officer"	means a person appointed by the Municipality in terms of Section 82 of the Local Government: Municipal Structures Act. 1998 (Act No. 117 of 1998) and who is the head of administration and also the Municipal Manager for the Municipality.
"Act" or "MFMA"	means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);
"business day"	means any day of the week except Saturday, Sunday and public holidays as determined in the Public Holidays Act, 1994 (Act No. 36 of1994)
"CFO"	means Chief Financial Officer of the Municipality or Director of Finance in this instance;
"CIDB"	means Construction Industry Development Board
"close family member"	means: a) spouse or partner b) parent c) children
"closing date"	means the time and day specified in the bid documents and/or advertisement of the receipt of bids.
"competitive bidding process"	means a competitive bidding process referred to in clause 12 (1) (d) of this Policy;
"competitive bid"	means a bid in terms of a competitive bidding process;
"Construction Works"	means any work in connection with: a) the erection, maintenance, alteration, renovation, repair, demolition or dismantling of or addition to a building or any similar structure; b) the installation, erection, dismantling or maintenance of a fixed plant; c) the construction, maintenance, demolition or dismantling of any bridge, dam, canal, road, railway, sewer or water reticulation system or any similar civil engineering structure; or d) the moving of earth, clearing of land, the making of an excavation, piling or any similar type of work.
"Consultant"	means a person or entity providing services requiring knowledge based expertise
"contract"	means the agreement that results from the acceptance of a bid by the Municipality;
"Contract Owner"	means the deputy director, senior manager or manager, as the case may be, that is ultimately accountable for all activities during the life cycle of the contract. The Contract Owner can also be seen as the Budget holder.
Budget Holder	Means the person accountable for expenditure from, and income to, a particular budget.
"day(s)"	Means calendar days unless the context indicates otherwise;
"delegation"	in relation to a duty, includes an instruction a request to perform, or to assist in performing the duty.
"director"	means a manager referred to in section 56 of the Municipal Systems Act.
"emergency"	an emergency is an unforeseeable and sudden event with harmful or potentially harmful consequences for the municipality which requires urgent action to address.
"emerging enterprise"	means an enterprise which is owned, managed and controlled by previously disadvantaged persons and which is overcoming business impediments arising from the legacy of apartheid.
"essential community services"	means (in Local Government context) as published in Government Gazette numbers 18043 of 6 June 1997; Government Gazette number 18276 of 12 September 1997; Government Gazette number 18439 of 21 November 1997; Government Gazette number 18761 of 27 March 1998; Government Gazette number 22670 of 21 September 2001; Government Gazette number 27104 of 24 December 2004; Government Gazette number 28076 of 28 July 2006; Government Gazette number 29987 of 22 June 2007; Government Gazette number 30805 of 29 February 2008: I. Municipal traffic services and policing. II. Municipal health. III. Municipal security. IV. Supply and distribution of water. VI. Generation, transmission and distribution of power. VII. Fire fighting. XXVI. The following parts of sanitation services: a) Maintenance and operation of water borne sewerage systems, including pumping stations and

	the control of discharge of industrial effluent into the system; b) Maintenance and operation of sewerage purification works; c) Collection of refuse of an organic nature; d) Collection of infectious refuse from medical and veterinary hospitals or practices; e) Collection and disposal of refuse at a disposal site; f) Collection of refuse left uncollected for fourteen (14) days or longer, including domestic refuse and refuse on public roads and open spaces.
"final award"	in relation to bids or quotations submitted for a contract, means the final decision on which a bid or quote is accepted;
"financial interest"	means where a municipal staff member is a close family member of a person who is the owner, partner, principal shareholder or member, manager or who serves on the board of directors, etc of a tendering enterprise;
"financial year"	means a twelve month period ending 30 June of every year.
"formal written price quotation"	means quotations referred to in clause 12 (1) (c) & (d) of this Policy;
"IDP"	means Integrated Development Plan;
"in the service of the state"	means to be – a member of – a) any municipal council; b) any provincial legislature; or c) the National Assembly or the National Council of Provinces; d) a member of the board of directors of any municipal entity; e) an official of any municipality or municipal entity; f) an official of any national or provincial department, national or provincial public entity or institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999); g) a member of the accounting authority of any national or provincial public entity; or h) an employee of Parliament or a provincial legislature;
"long term contract"	means a contract with a duration period exceeding one year;
"list of accredited prospective providers"	means the list of accredited prospective providers which the Overstrand Municipality must keep in terms of clause 14 of this policy;
"municipality"	means the Overstrand Municipality;
"notice boards"	means the official notice boards at the municipal offices and libraries;
"other applicable legislation"	means any other legislation applicable to municipal supply chain management, including – a) the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000); b) the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003); c) the Construction Industry Development Board Act, 2000 (Act No.38 of 2000); d) the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003); e) the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000); f) the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998); g) the Prevention and Combating of Corrupt Activities Act, 2000 (Act No. 12 of 2004); h) the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003): Municipal Supply Chain Management Regulations; i) the Preferential Procurement Regulations, 2011 j) The Competitions Act 1998 (Act No. 89 of 1998)
"Policy"	means the Supply Chain Management Policy of the Overstrand Municipality;
"quotation"	means a stated price that a supplier expects to receive for the provision of specified services, works or goods;
"Regulations"	means the Local Government: Municipal Finance Management Act, 2003, Municipal Supply Chain Management Regulations published by Government Notice 868 of 30 May 2005;
"SDBIP"	means Service Delivery and Budget Implementation Plan;
"single provider"	Sole supplier- One and Only (Alone of its kind) Supplier (Oxford Dictionary). If such goods or services are produced or available from a single provider only. There is no competition and only one provider exists in South Africa (for example, sole distribution rights);
"small business"	means a separate and distinct business entity, including cooperative enterprises and non-governmental organisations, managed by one owner or more which, including its branches or subsidiaries, if any, is predominantly carried on in any sector or sub-sector of the economy mentioned in column I of the Small Business Classification Schedule, and which can be classified as a micro-, a very

	small, a small or a medium enterprise by satisfying the criteria mentioned in columns 3,4 and 5 of the Schedule opposite the smallest relevant size or class as mentioned in column 2 of the Schedule.
"supply chain management practitioners"	includes the Chief Financial Officer and the Supply Chain Manager;
"survivalist enterprise"	means a business set up by people unable to find a paid job or get into an economic sector of their choice. Income generated from these activities usually falls far short of even a minimum income standard, with little capital invested, virtually no skills training in the particular field and only limited opportunities for growth into a viable business. This category is characterised by poverty and the attempt to survive.
"tender"	means a 'bid' or a 'quotation' in relation to a "Tender Box";
"tender box"	means the specified tender box at the offices of Overstrand Municipality, Magnolia Avenue, Hermanus.
"Treasury guidelines"	means any guidelines on supply chain management issued by the Minister in terms of section 168 of the Act
"validity period"	means the period for which a bid is to remain valid and binding as stipulated in the relevant tender document.
"written quotations"	means quotations referred to in clause 12(1)(b) of this Policy.
Reckoning of number of days: When any particular number of days is prescribed for the doing of any act, or for any other purpose, the same shall be reckoned exclusively of the first and inclusively of the last day, unless the last day happens to fall on a Sunday or on any public holiday, in which case the time shall be reckoned exclusively of the first day and exclusively of every such Sunday and public holiday.	
Words importing the singular shall include the plural and vice versa and words importing the masculine gender shall include females and words importing persons shall include companies, closed corporations and firms, unless the context clearly indicates otherwise.	
All amounts / limits stated in this document shall be deemed to be inclusive of Value Added Tax (VAT).	

CHAPTER 1: IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

2 Supply Chain Management Policy

1) All officials and other role players in the Supply Chain Management system of the Municipality must implement this Policy in a way that –
   a) gives effect to –
      (i) section 217 of the Constitution; and
      (ii) Part 1 of Chapter 11 and other applicable provisions of the Act;
      (iii) Regulations pertaining to Supply Chain Management.
   b) is fair, equitable, transparent, competitive, cost effective. and complies with –
      (i) the Regulations; and
      (ii) any minimum norms and standards that may be prescribed in terms of section 168 of the Act;
   c) is consistent with other applicable legislation;
   d) does not undermine the objective for uniformity in Supply Chain Management Systems between organs of state in all spheres; and
   e) is consistent with national economic policy concerning the promotion of investments and doing business with the public sector.
2) This Policy applies when the Municipality –
   a) procures goods or services;
   b) disposes of goods no longer needed;
   c) selects contractors to provide assistance in the provision of municipal services including circumstances where Chapter 8 of the Municipal Systems Act applies.
   d) Selects external mechanisms referred to in section 80(1)(b) of the Municipal Systems Act for the provision of municipal services in circumstances contemplated in section 83 of the Act.
3) This Policy, except where provided otherwise, does not apply in respect of:
   a) the procurement of goods and services contemplated in section 110(2) of the Act, including –
      (i) water from the Department of Water Affairs or a public entity, another municipality or a municipal entity; and
      (ii) electricity from Eskom or another public entity, another municipality or a municipal entity.
   b) the unskilled labour component of the Municipality's Local Labour Promotion Programme (LLPP);
   c) the acquisition of services of attorneys and advocates subject that the acquisition of such services to be dealt with in terms of Delegations 4.2.52, 5.1.1.35.1 and 5.1.1.35.3 of the Municipality's Delegation of Powers and Duties, as amended from time to time and any Bargaining Council Agreements on Disciplinary Procedures;
   d) any contract relating to the publication of notices and advertisements by the municipality where applicable legislation or applicable council policy dictates.
   e) the acquisition of accommodation, car rental and air travel for official purposes, subject thereto that the acquisition of such services be dealt with in terms of the applicable council policy.

3 Adoption, Amendment and Implementation of the Supply Chain Management Policy

1) The Accounting Officer must –
   a) at least annually review the implementation of this Policy; and
   b) when the Accounting Officer considers it necessary, submit proposals for the amendment of this Policy to Council.
2) If the Accounting Officer submits proposed amendments to Council that differs from the model policy issued by the National Treasury, the Accounting Officer must –
   a) ensure that such proposed amendments comply with the Regulations; and

b) report any deviation from the model policy to the National Treasury and the Provincial Treasury.

3) When amending this supply chain management policy the need for uniformity in supply chain practices, procedures and forms between organs of state in all spheres, particularly to promote accessibility of supply chain management systems for small businesses must be taken into account.

4) The Accounting Officer must in terms of section 62(1)(f)(iv) of the Act, take all reasonable steps to ensure that the municipality implements the supply chain management policy.

4 Delegation of supply chain management powers and duties

1) Council hereby delegates all powers and duties to the Accounting Officer which are necessary to enable the Accounting Officer –

a) to discharge the supply chain management responsibilities conferred on Accounting Officers in terms of –

(i) Chapter 8 or 10 of the Act; and

(ii) this Policy;

b) to maximize administrative and operational efficiency in the implementation of this Policy;

c) to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this Policy; and

d) to comply with his or her responsibilities in terms of Section 115 and other applicable provisions of the Act.

2) Section 79 of the Act applies to the sub delegation of powers and duties delegated to the Accounting Officer in terms of sub-clause (1).

3) The Accounting Officer may not sub-delegate any supply chain management powers or duties to a person who is not an official of the Municipality or to a committee which is not exclusively composed of officials of the Municipality.

4) This clause may not be read as permitting an official to whom the power to make final awards has been delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in clause 26 of this Policy.

5 Sub-delegations

1) The Accounting Officer may in terms of section 79 of the Act sub-delegate any supply chain management powers and duties, including those delegated to the Accounting Officer in terms of this Policy, but any such sub-delegation must be consistent with sub-clause (2) of this clause and clause 4 of this Policy.

2) The power to make a final award –

a) above R10 million (Incl. VAT), may not be sub-delegated by the Accounting Officer;

b) above R200,000 (Incl. VAT), but not exceeding R10 million (Incl. VAT), may be sub-delegated but only to a bid adjudication committee of which the Chief Financial Officer is the chairperson or senior managers are members;

c) below R200,000 (Incl. VAT) may be sub-delegated as per Council's delegations, attached as Annexure D, pertaining to the procurement of goods and services.

3) An official or bid adjudication committee to which the power to make final awards has been sub-delegated in accordance with sub-clause (2) must within three (3) business days of the end of each month submit to the official referred to in sub-clause (4) a written report containing particulars of each final award made by such official or committee during that month, including–

a) contract numbers and description of goods, services or infrastructure projects;

b) the name of the person to whom the award was made;

c) the B-BBEE level of contribution claimed;

d) the amount of the award; and

e) the reason why the award was made to that person.

4) A written report referred to in sub-clause (3) must be submitted to the Accounting Officer, in the case of an award by a bid adjudication committee of which the Chief Financial Officer or a senior manager is a member.

   a) The awards scheduled must be published on Council's website in terms of Section 75(g) of the Act).

5) Sub-clauses (3) and (4) of this policy do not apply to procurement out of petty cash or written quotations below R2,000 (Incl. VAT).

6) This clause may not be interpreted as permitting an official to whom the power to make final awards has been sub-delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in clause 26 of this Policy. Also refer to clause 4(4) and 5(2)(a) of this Policy.

7) No supply chain management decision-making powers may be delegated to an advisor or consultant.

6 Oversight role of council

1) Council must maintain oversight over the implementation of this Policy.

2) For the purposes of such oversight the Accounting Officer must –

   a) within 22 business days of the end of each financial year, submit a report on the implementation of this Policy and the supply chain management policy of any municipal entity under the sole or shared control of the municipality, to the council of the municipality; and

   b) Whenever there are serious and material problems in the implementation of this Policy, immediately submit a report to Council.

3) The Accounting Officer must, within ten (10) business days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the mayor of the municipality.

4) The reports must be made public in accordance with section 21A of the Local Government Municipal Systems Act 32, 2002.

7 Supply Chain Management Unit

1) The Overstrand Municipality has established a Supply Chain Management Unit to implement this Policy.

2) The Chief Financial Officer is administratively in charge of the supply chain management unit which operates under the direct supervision of the Senior Manager: Supply Chain Management, to whom this duty has been sub-delegated in terms of Section 82 of the Act.

8 Training of Supply Chain Management officials

The training of officials involved in implementing this Policy should be in accordance with relevant legislation, including Treasury guidelines on supply chain management.

CHAPTER 2: SUPPLY CHAIN MANAGEMENT SYSTEM

9 Format of Supply Chain Management system

1) This Policy provides systems for –
   a) demand management;
   b) acquisition management;
   c) logistics management;
   d) disposal management;
   e) risk management; and
   f) performance management.

Part 1: DEMAND MANAGEMENT

10 System of Demand Management

1) The Accounting Officer must establish and implement an appropriate demand management system in order to ensure that the resources required by the Municipality support its operational commitments and its strategic goals outlined in the Integrated Development Plan, the Budget and the Service Delivery and Budget Implementation Plan.
2) The Demand Management Plan must be developed at the beginning of the financial year when the IDP, Service Delivery and Budget Implementation Plan (SDBIP) and annual budget have been approved.
3) All user departments are required to submit their procurement plans to the Head Supply Chain Management within 30 days of approval of the annual budget.
4) The procurement plan must be submitted to and approved by the Accounting Officer or his or her delegate before 31 July of each year.
5) The procurement plan must be reviewed regularly and submitted to the Accounting Officer or his delegate on a monthly basis.
6) Demand management must be co-ordinated by SCM officials of the Municipality in consultation with end-users.
7) The outcome of this activity should be a detailed planning document that outlines what goods, works or services should be procured, the manner in which they should be procured as well as the timelines to execute the procurement functions.

Part 2: ACQUISITION MANAGEMENT

11 System of Acquisition Management

1) The Accounting Officer must implement the system of acquisition management set out in this Part in order to ensure –
   a) that goods and services are procured by the Municipality in accordance with authorised processes only;
   b) that expenditure on goods and services is incurred in terms of an approved budget in terms of section 15 of the Act;
   c) that the threshold values for the different procurement processes are complied with;
   d) that bid documentation, evaluation and adjudication criteria, and general conditions of a contract, are in accordance with any applicable legislation; and
   e) that any Treasury guidelines on acquisition management are properly taken into account.

2) When procuring goods or services contemplated in section 110(2) of the Act, the Accounting Officer must, subject to clause 2(3), make public the fact that such goods or services are procured otherwise than through the Municipality's supply chain management system, including -

a) the kind of goods or services; and

b) the name of the supplier.

12 Range of procurement processes

1) Goods and services may only be procured by way of –

a) petty cash purchases in terms of Council's Petty Cash Policy for procurement transactions with a value up to R2 000 (Incl. VAT);

b) one written quotations for procurement transactions with a value up to R2 000 (Incl. VAT);

c) three written quotations for procurement transactions with a value over R2 000 (Incl. VAT) up to R30 000 (Incl. VAT) ;

d) formal written price quotations for procurement transactions valued over R30 000 (Incl. VAT) up to R200 000 (Incl. VAT) ; and

e) a competitive bidding process for –

(i) procurement transactions with a value above R200 000 (Incl. VAT); and

(ii) the procurement of long term contracts.

2) The Accounting Officer may, in writing -

a) lower, but not increase, the different threshold values specified in sub-clause (1); or

b) direct that –

(i) written or verbal quotations be obtained for any specific procurement of a transaction value lower than R2 000 (Incl. VAT);

(ii) formal written price quotations be obtained for any specific procurement of a transaction value lower than R30 000 (Incl. VAT); or

(iii) a competitive bidding process be followed for any specific procurement of a transaction value lower than R200 000 (Incl. VAT).

3) Goods or services may not deliberately be split into parts or items of a lesser value merely to avoid complying with the requirements of the policy. When determining transaction values, a requirement for goods or services consisting of different parts or items must as far as possible be treated and dealt with as a single transaction.

13 General preconditions for consideration of written quotations or bids

1) A written quotation or bid may not be considered unless the provider who submitted the quotation or bid –

a) has furnished that provider's –

(i) full name;

(ii) identification number or company or other registration number; and

(iii) tax reference number and VAT registration number, if any;

b) has authorised the Municipality to verify any of the documentation referred to in sub-clause (a) above; and

c) has indicated –

(i) whether he or she is in the service of the state, or has been in the service of the state in the previous twelve months;

(ii) if the provider is not a natural person, whether any of its directors, managers, principal shareholder or stakeholders are in the service of the state, or has been in the service of the state in the previous twelve months; or

(iii) whether a spouse, child or parent of the provider or of a director, manager, shareholder or stakeholder referred to in sub-clause (ii) is in the service of the state, or has been in the service of the state in the previous twelve months.

14 Lists of accredited prospective providers

1) The Accounting Officer must –

a) keep a list of accredited prospective providers of goods and services that must be used for the procurement requirements through written or verbal quotations and formal written price quotations; and

b) at least once a year through newspapers commonly circulating locally, the website and any other appropriate ways, invite prospective providers of goods or services to apply for evaluation and listing as accredited prospective providers; and

c) disallow the listing of any prospective provider whose name appears on the National Treasury's database as a person prohibited from doing business with the public sector.

2) The list must be updated at least quarterly to include any additional prospective providers and any new commodities or types of services. Prospective providers must be allowed to submit applications for listing at any time.

3) The list must be compiled per commodity and per type of service.

15 Written quotations below R2,000 (Incl. VAT)

1) The conditions for the procurement of goods by means of written quotations referred to in clause 12(1)(b) of this Policy for minor items that are purchased for up to R2,000 (Incl. VAT), are as follows:-.

a) written quotations for transactions must be obtained from at least one prospective supplier or service provider preferably from, but not limited to, suppliers or service providers whose names appear on the list of accredited prospective providers of the Municipality provided that if quotations are obtained from providers who are not listed, such providers must meet the listing criteria set out in clause 14(1) (b), (c) and (d) of this Policy;

b) Written quotations may be solicited telephonically but must be confirmed in writing (facsimile, computer print, e-mail, hand-written) by the officials in the Purchasing Section as specified and reviewed by the user-departments.

16 Written quotations above R2,000 (Incl. VAT)

1) The conditions for the procurement of goods or services through written quotations for amounts above R2,000 (Incl. VAT) up to R30,000 (Incl. VAT) are as follows:

a) quotations must be obtained from at least three different providers preferably from, but not limited to, providers whose names appear on the list of accredited prospective providers of the Municipality provided that if quotations are obtained from providers who are not listed, such providers must meet the listing criteria set out in clause 14(1) (b), (c) and (d) of this Policy;

b) if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the Chief Financial Officer or an official designated by the Chief Financial Officer and reported quarterly to the Accounting Officer or another official designated by the Accounting Officer;

c) the Accounting Officer must record the names of the potential providers requested to provide such quotations with their quoted prices; and

d) if a quotation was submitted verbally, the order may be placed only against written confirmation by the selected provider.

17 Formal written price quotations

1) The conditions for the procurement of goods or services through formal written price quotations are as follows:

a) quotations must be obtained in writing from at least three different providers whose names appear on the list of accredited prospective providers of the Municipality;

b) quotations may be obtained from providers who are not listed, provided that such providers meet the listing criteria set out in clause 14(1) (b), (c) and (d) of this Policy;

c) if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the Chief Financial Officer or an official designated by the Chief Financial Officer; and

d) the Accounting Officer must record the names of the potential providers and their written quotations.

2) A designated official referred to in sub-clause (1) (c) must within three (3) business days of the end of each month report to the Chief Financial Officer on any approvals given during that month by that official in terms of that sub-delegation.

18 Procedures for procuring goods or services through written quotations and formal written price quotations

1) The procedure for the procurement of goods or services through written quotations or formal written price quotations is as follows:

a) when using the list of accredited prospective providers the Accounting Officer must promote ongoing competition amongst providers by inviting providers to submit quotations on a rotation basis;

b) all requirements in excess of R30,000 (Incl. VAT) that are to be procured by means of formal written price quotations must, in addition to the requirements of clause 17, be advertised for at least five business days on the website and an official notice board of the Municipality;

c) quotes received must be evaluated on a comparative basis taking into account unconditional discounts;

d) the Accounting Officer or Chief Financial Officer must on a monthly basis be notified in writing of all written or verbal quotations and formal written price quotations accepted by an official acting in terms of a sub-delegation;

e) quotes must be awarded based on compliance to specifications and conditions of contract, ability and capability to deliver the goods and services and lowest price;

f) the Chief Financial Officer must set requirements for proper record keeping of all formal written price quotations accepted on behalf of the municipality;

19 Competitive bids

1) Goods or services above a transaction value of R200 000 (Incl. VAT) and long term contracts may only be procured through a competitive bidding process, subject to clauses 11(2) of this Policy.

2) No requirement for goods or services above an estimated transaction value of R200,000 (Incl. VAT), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.

20 Process for competitive bidding

1) The procedures for the following stages of a competitive bidding process are as follows:

a) Compilation of bidding documentation as detailed in clause 21;

b) Public invitation of bids as detailed in clause 22;

c) Site meetings or briefing sessions as detailed in clause 22;

d) Handling of bids submitted in response to public invitation as detailed in clause 23;

e) Evaluation of bids as detailed in clause 28;

f) Award of contracts as detailed in clause 29;

g) Administration of contracts: After approval of a bid, the accounting officer and the bidder must enter into a written agreement.

h) Proper record keeping: Original and legal copies of written agreements should be kept in a secure place for reference purposes.

21 Bid documentation for competitive bids

1) The criteria to which bid documentation for a competitive bidding process must comply, must –

a) take into account –

(i) the general conditions of contract and any special conditions of contract, if specified;

(ii) any Treasury guidelines on bid documentation; and

(iii) the requirements of the Construction Industry Development Board (CIDB), in the case of a bid relating to construction, upgrading, refurbishment of buildings or infrastructure.

b) include the preference points system to be used as contemplated in the Preferential Procurement Regulations, 2011, evaluation and adjudication criteria, including any criteria required by other applicable legislation;

c) compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted;

d) if the value of the transaction is expected to exceed R10 million (Incl. VAT) –

(i) if the bidder is required by law to prepare annual financial statements for auditing, its audited annual financial statements –

(a) for the past three years; or

(b) since its establishment if established during the past three years;

(ii) certificate signed by the bidder certifying that the bidder has no undisputed commitments for municipal services towards a Municipality or other service provider in respect of which payment is overdue for more than 30 calendar days;

(iii) particulars of any contracts awarded to the bidder by the municipality during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract;

(iv) a statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality or municipal entity is expected to be transferred out of the Republic; and

e) stipulate that disputes must be settled by means of mutual consultation, mediation (with or without legal representation), or, when unsuccessful, in a South African court of law;

2) A fee shall be raised for bid forms, plans, specifications, samples and any other bid documentation, depending on the nature, magnitude and value of technical information or samples provided by the municipality for tenders in excess of R200 000 (Incl. VAT).

22 Public invitation for competitive bids

1) The procedure for the invitation of competitive bids is as follows:

a) Any invitation to prospective providers to submit bids must be by means of a public advertisement:

(i) in newspapers commonly circulating locally,

(ii) on the notice boards at selected offices of the Municipality,

(iii) on the website of the Municipality,

(iv) on the i-Tender website of the CIDB for construction procurement related transactions or

(v) any other appropriate ways (which may include an advertisement in the Government Tender Bulletin).

b) The information contained in a public advertisement, must include –

(i) the closure date for the submission of bids, which may not be less than 22 business days in the case of transactions over R10 million (Incl. VAT), or which are of a long term nature, or 10 business days in any other case, from the date on which the advertisement is placed in a newspaper, subject to sub-clause (2) of this policy;

(ii) a statement that bids may only be submitted on the bid documentation provided by the Municipality;

(iii) a statement that bids will only be considered if it was deposited into the bid box indicated in the bid invitation;

(iv) date, time and venue of any proposed site meetings or briefing sessions, provided that site meetings / information sessions may not be scheduled within 5 business days of the date on which a bid advertisement is placed; and

(v) the required CIDB contractor category and grading designation for construction procurement.

2) The Accounting Officer may determine a closure date for the submission of bids which is less than the required 22 or 10 business days, but only if such shorter period can be justified on the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official procurement process.

3) The notice shall further state that all bids for the contract must be submitted in a sealed envelope on which it is clearly stated that such envelope contains a bid and the contract title and contract or bid reference number for which the bid is being submitted.

4) The period for which bids are to remain valid and binding must be indicated in the bid.

5) Amendments before the closing date

a) The Municipality is entitled to amend any bid condition, validity period, specification or plan, or extend the closing date of such a bid or quotation before the closing date, provided that such amendments or extensions are advertised and/or that all bidders to whom bid documents have been issued, are advised in writing per e-mail or by fax of such amendments or of the extension clearly reflecting the new closing date and time. For this reason, officials and authorised service providers issuing bids shall keep a record of the names, addresses and contact numbers of the persons or enterprises to whom bid documents have been issued.

23 Procedure for handling, opening and recording of bids

1) The procedures for the handling, opening and recording of bids, are as follows:

a) Bids–

(i) must be opened only in public;

(ii) must be opened on the same date and as soon as possible after the period for the submission of bids has expired; and

b) Any bidder or member of the public has the right to request that the names of the bidders who submitted bids in time must be read out and, if practical, also each bidder's total bidding price;

c) No information, except the provisions in sub-clause (b), relating to the bid should be disclosed to bidders or other persons until the successful bidder is notified of the award; and

d) The Accounting Officer must –

(i) record in a register all bids received in time;

(ii) make the register available for public inspection; and

(iii) publish the entries in the register and the bid results on the website.

2) Stamping of bids and reading out of names:

a) As each bid is opened the name of the bidder and the amount – if practical – shall be read out.

b) An official shall date-stamp the bid or quotation and all enclosures related to prices, delivery periods and special conditions.

c) Bids and quotations shall be numbered in the sequence in which they have been opened and the words "and last" shall be endorsed on the last bid or quotation.

d) In instances where only one bid has been received the words "and only" shall be endorsed on such bid.

e) Where prices have not been inserted in all relevant spaces on the form and such items have not been deleted by bidders, such spaces shall be stamped "no price" by the employee who opens the bids or quotations.

3) Late Bids

a) Bids or quotations arriving after the specified closing time shall not be considered and where practicable and cost effective shall be returned to the bidder unopened with a letter explaining the circumstances.

b) Where it is necessary to open a late bid or quotation to obtain the name and address of the sender, each page of the document shall be stamped "late bid" before the bid is returned to the bidder. The envelope must be stamped and initialled in like manner and must be retained for record purposes.

4) No Councillor of any municipality may be present at the opening of bids.

5) Dealing with bids and quotations if the closing date thereof has been extended.

a) Where the closing date of a bid or quotation is extended, bids or quotations already received, will be retained unopened in the bidding box and be duly considered after the expiry of the extended period, unless the bidder cancels it by submitting a later dated bid or quotation before the extended closing date.

24 Negotiations with preferred bidders and communication with prospective providers and bidders

1) The Accounting Officer may negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders, provided that such negotiation –

a) does not allow any preferred bidder a second or unfair opportunity;

b) is not to the detriment of any other bidder; and

c) does not lead to a higher price than the bid as submitted;

d) does not lead to a lower price in respect of sale of land / goods.

2) Minutes of such negotiations must be kept for record purposes and as far as practical be made part of the final contract.

3) No unauthorised communication with bidders and prospective providers:

a) where bids and quotations have been submitted to the municipality, a bidder may not communicate with any councillor, official, or authorised service provider on any matter regarding his bid, quotation or offer other than a notice of withdrawal.

b) No municipal personnel may communicate with a bidder or any other party who has an interest in a bid, during the period between the closing date for the receipt of the bid or quotation (or date of receipt of an offer), and the date of notification of the successful bidder of acceptance of his bid, quotation or offer, except as provided for in clause (c) below. Every such case of unauthorised communication shall forthwith be reported to the Supply Chain Management Unit as well as the chairperson of the Bid Adjudication Committee. A bid or quotation in respect of which unauthorised communication has occurred may be disqualified.

c) The chairperson of the Bid Adjudication Committee, as determined in clause 29(2), may authorise an employee or authorised consulting service provider, in writing, to communicate with a bidder during the period mentioned in subsection (b) above for the purpose of:-

(i) Obtaining an explanation and verification of declarations made in the bid response;

(ii) confirming technical particulars and the compliance thereof with specifications;

(iii) clarifying delivery times/quantities;

(iv) extending the validity period of a bid;

(v) clarifying any other commercial aspect;

(vi) for the submission of substantiating documents.

d) In all cases where authority has been granted to communicate with bidders in terms of clause (c) above, it should be clearly stated in the submission to the Bid Adjudication Committee the nature of the communication as well as by whom such authority to communicate has been granted.

4) A bid will not be invalidated if the amount in words and the amount in figures do not correspond, in which case the amount in words shall be read out at the bid opening and shall be deemed to be the bid amount.

25 Two-stage bidding process

1) A two-stage bidding process is allowed for –
   a) large complex projects; or
   b) projects where it may be undesirable to prepare complete detailed technical specifications; or
   c) long term projects with a duration period exceeding three years.
2) In the first stage technical proposals on conceptual design or performance specifications should be invited, subject to technical as well as commercial clarifications and adjustments.
3) In the second stage final technical proposals and priced bids should be invited.

26 Committee system for competitive bids

1) A committee system for competitive bids is hereby established, consisting of the following committees for each transaction or cluster of transactions as the Accounting Officer may determine:
   a) a bid specification committee;
   b) a bid evaluation committee; and
   c) a bid adjudication committee;
2) The Accounting Officer appoints the members of each committee, taking into account section 117 of the Act, and
3) The Accounting Officer may appoint a neutral or independent observer, to attend or oversee a committee when this is appropriate for ensuring fairness and promoting transparency.
4) The committee system must be consistent with –
   a) clause 27, 28 and 29 of this Policy; and
   b) any other applicable legislation.
5) The Accounting Officer may apply the committee system to formal written price quotations.

27 Bid Specification Committees

1) The appropriate bid specification committee must compile the specifications for each procurement transaction for goods or services by the Municipality, depending on the department involved.
2) Specifications –
   a) must be drafted in an unbiased manner to allow all potential suppliers to offer their goods or services;
   b) must take account of any accepted standards such as those issued by Standards South Africa, the International Standards Organization, or an authority accredited or recognised by the South African National Accreditation System with which the equipment or material or workmanship should comply;
   c) must, where possible, be described in terms of performance required and / or in terms of descriptive characteristics for design;
   d) may not create trade barriers in contract requirements in the forms of specifications, plans, drawings, designs, testing and test methods, packaging, marking or labelling of conformity certification;
   e) may not make reference to any particular trade mark, name, patent, design, type, specific origin or producer unless there is no other sufficiently precise or intelligible way of describing the characteristics of the work, in which case such reference must be accompanied by the word “equivalent”;
   f) must indicate each specific goal for which points may be awarded in terms of the points system set out in the Preferential Procurement Regulations, 2011; and
   g) must be approved by the Accounting Officer or the relevant delegated director prior to publication of the invitation for bids in terms of clause 22 of this Policy.
3) A Bid Specification Committee must be composed of the following:-
   a) a delegated supply chain management practitioner as chairperson;
   b) the budget holder from the Directorate for whom the bid is called; and

c) a legal advisor.

4) The Committee may, when appropriate, include external specialist advisors.

5) No person, advisor or corporate entity involved with the bid specification committee, or director of such a corporate entity, may bid for any resulting contracts.

28 Bid Evaluation Committees

1) A Bid Evaluation Committee must –

a) evaluate all bids for procurement exceeding R30,000 in accordance with –

(i) the specifications for a specific procurement; and

(ii) the points system set out in terms of the Preferential Procurement Policy;

b) evaluate each bidder's ability to execute the contract ;

c) check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears for more than three months;

d) submit to the adjudication committee a report and recommendations regarding the award of the bid or any other related matter; and

2) A Bid Evaluation Committee must be composed of:-

a) a delegated supply chain management practitioner; and

b) the budget holder from the Directorate for whom the bid is called;

c) the Accounting Officer must appoint the chairperson of the committee.

29 Bid Adjudication Committees

1) A bid adjudication committee must –

a) consider the report and recommendations of the bid evaluation committee; and

b) either –

(i) depending on its delegations, make a final award or a recommendation to the Accounting Officer to make the final award; or

(ii) make another recommendation to the Accounting Officer how to proceed with the relevant procurement.

2) The bid adjudication committee must be composed of all municipality's directors, including of the following: –

a) the Chief Financial Officer or, if the Chief Financial Officer is not available, another manager reporting directly to the Chief Financial Officer and designated by the Chief Financial Officer; and

b) the Senior Manager: Supply Chain Management.

3) The Accounting Officer must appoint the chairperson of the committee. If the Chairperson is unable to chair the meeting, the members of the committee who are present must elect one of them to preside at the meeting.

4) A quorum for the Adjudication Committee shall be four members.

a) In the event of an equality of votes the chairperson shall have a casting vote over and above a deliberate vote.

b) The Director of the department that called for the tender must be present at the meeting where the particular tender is considered.

5) The Chairperson of the Bid Evaluation Committee, or in his absence an official nominated by the Chief Financial Officer, should be present at the Bid Adjudication Committee meetings to introduce the reports to the Committee and assist in clarifying issues that were dealt with in the Evaluation Committee meetings without voting rights.

6) A technical expert in the relevant field, who is an official, if such an expert exists, may attend the meeting as an advisor for clarification purposes. This official will not have voting rights at the Bid Adjudication Committee meeting. Neither a member of a bid evaluation committee, nor an advisor or person assisting the evaluation committee, may be a member of a bid adjudication committee.

7) If the bid adjudication committee decides to award a bid other than the one recommended by the bid evaluation committee –

   a) the bid adjudication committee must prior to awarding the bid –

      (i) check in respect of the preferred bidder whether that bidder's municipal rates and taxes and municipal service charges are not in arrears for more than three months, and;

      (ii) notify the Accounting Officer.

   b) The Accounting Officer may –

      (i) after due consideration of the reasons for the deviation, ratify or reject the decision of the bid adjudication committee referred to in clause (a); and

      (ii) if the decision of the bid adjudication committee is rejected, refer the decision of the adjudication committee back to that committee for reconsideration.

8) The Accounting Officer may at any stage of a bidding process, refer any recommendation made by the evaluation committee or the adjudication committee back to that committee for reconsideration of the recommendation.

9) The Accounting Officer must comply with Section 114 of the Act within 10 days–

   a) If a tender other than the one recommended in the normal course of implementing the supply chain management policy is approved, the Accounting Officer must, in writing, notify the Auditor-General, the Provincial Treasury and the National Treasury of the reasons for deviating from such recommendation.

   b) Subsection (1) does not apply if a different tender was approved in order to rectify an irregularity.

30 Procurement of Banking Services

1) A contract for banking services –

   a) must be procured through competitive bids;

   b) must be consistent with section 7 of the Act; and

   c) may not be for a period of more than five years at a time.

2) The process for procuring a contract for banking services must commence at least nine months before the end of an existing contract.

3) The closure date for the submission of bids may not be less than 46 business days from the date on which the advertisement is placed in a newspaper in terms of clause 22(1).

4) Bids must be restricted to banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990).

31 Procurement of Information- and Communication Technology (ICT) related goods or services

1) The Accounting Officer may request the State Information Technology Agency (SITA) to assist with the acquisition of ICT related goods or services through a competitive bidding process.

2) Both parties must enter into a written agreement to regulate the services rendered by, and the payments to be made to, SITA.

3) The Accounting Officer must notify SITA together with a motivation of the ICT needs if –

   a) the transaction value of ICT related goods or services required in any financial year will exceed R50 million ; or

   b) the transaction value of a contract to be procured whether for one or more years exceeds R50 million .

4) If SITA comments on the submission and the Municipality disagree with such comments, the comments and the reasons for rejecting or not following such comments must be submitted to Council, the National Treasury, the Provincial Treasury and the Auditor-General.

5) The Municipality is required to follow the following process before inviting proposals for a new financial management system:

   a) National and Provincial Treasury should immediately be informed of any intention to replace the accounting or billing system currently operating at the municipality;

b) The submission should include a comprehensive motivation with specific reasons for why it is deemed necessary to replace the existing financial system;

c) A copy of the service level agreement with minutes of the meetings between the municipality and the current service provider (financial system vendor) during the previous twelve months must be made available;

d) The organisational structure, specifically for the IT department/function, clearly indicating management capacity and responsibility for operating the financial system, must be submitted;

e) An assessment should be done to determine which modules of the existing financial system are being utilised by the municipality and reasons must be provided for modules not in operation. In cases where an existing system is not an ERP system the municipality must provide details of any other systems utilised by the municipality;

f) The date on which the existing financial system was implemented, the procurement and implementation costs and the current operational costs thereof must be disclosed;

g) A technical assessment must be undertaken on the server and network requirements of the new financial system and a copy of such report should be submitted; and

h) Copies of all IT strategies, policies and procedural documents including the IT disaster recovery plan must be made available.

32 Procurement of goods and services under contracts secured by other organs of state

1) The Accounting Officer may procure goods or services under a contract secured by another organ of state, but only if –

a) the contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state;

b) there is no reason to believe that such contract was not validly procured;

c) there are demonstrable discounts or benefits to do so; and

d) that other organ of state and the provider have consented to such procurement in writing.

33 Procurement of goods necessitating special safety arrangements

1) The acquisition and storage of goods in bulk (other than water), which necessitate special safety arrangements, including gasses and fuel, should be avoided where ever possible.

2) Where the storage of goods in bulk is justified, such justification must be based on sound reasons, including the total cost of ownership, cost advantages and environmental impact and must be approved by the official duly authorised in terms of the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993).

34 Proudly SA Campaign

1) The Municipality supports the Proudly SA Campaign to the extent that, as far as possible, preference is given to procuring local goods and services as per Council's Preferential Procurement Policy

35 Appointment of consultants

1) The Accounting Officer may procure consulting services provided that any National Treasury guidelines and CIDB requirements in respect of consulting services are taken into account when such services are procured.

2) Consultancy services must be procured through competitive bids if:

a) the value of the contract exceeds R200 000 (Incl. VAT); or

b) the duration period of the contract exceeds one year.

3) In addition to any requirements prescribed by this policy for competitive bids, bidders must furnish particulars of –

a) all consultancy services provided to an organ of state in the last five years; and

b) any similar consultancy services provided to an organ of state in the last five years.

4) The Accounting Officer must ensure that copyright in any document produced, and the patent rights or ownership in any plant, machinery, thing, system or process designed or devised, by a consultant in the course of the consultancy service is vested in the Municipality.

36 Deviation from, and ratification of minor breaches of procurement processes

1) The Accounting Officer may –

a) dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –

(i) in an emergency;

(a) Circumstances that warrant emergency dispensation, includes but are not limited to -

(i) the possibility of human injury or death;

(ii) the possibility of damage to property;

(iii) failure to take necessary action may result in the municipality not being able to render an essential community service;

(iv) the interruption of services related to communication facilities or support services critical to the effective functioning of the municipality as a whole; or

(v) the eminent possibility of serious damage occurring to the natural environment.

(b) The prevailing situation, or imminent danger, should be of such a scale and nature that it could not readily be alleviated by interim measures, in order to allow time for the formal tender process.

(c) Procurement in the case of emergencies must be tacitly approved by the relevant director or his delegate prior to incurring the expenditure and must be reported to the Municipal Manager or delegated official on the ensuing business day.

(ii) if such goods or services are produced or available from a single provider only;

(iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;

(iv) acquisition of animals for zoos and/or nature and game reserves; or

(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes;

b) ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature; and

c) may condone any irregular expenditure incurred in contravention of, or that is not in accordance with a requirement of this Policy and which is not also a contravention of the Municipal Supply Chain Management Regulations (GG 27636 of 30 May 2005), provided that such condonation and the reasons therefore shall be reported to Council at the next ensuing meeting.

2) The Accounting Officer must record the reasons for any deviations in terms of sub-clauses (1)(a) and (b) of this policy and report them to the next Council Meeting and include as a note to the annual financial statements.

3) Sub-clause (2) does not apply to the procurement of goods and services contemplated in clause 11(2) of this policy.

37 Unsolicited bids

1) In accordance with Section 113 of the Act there is no obligation to consider unsolicited bids received outside a normal bidding process.

2) The Accounting Officer may decide in terms of Section 113(2) of the Act to consider an unsolicited bid, only if –

a) the product or service offered in terms of the bid is a demonstrably or proven unique innovative concept;

b) the product or service will be exceptionally beneficial to, or have exceptional cost advantages;

c) the person who made the bid is the sole provider of the product or service; and

d) the reasons for not going through the normal bidding processes are found to be sound by the Accounting Officer.

3) If the Accounting Officer decides to consider an unsolicited bid that complies with sub-clause (2) of this policy, the decision must be made public in accordance with Section 21A of the Municipal Systems Act, together with –

   a) reasons as to why the bid should not be open to other competitors;

   b) an explanation of the potential benefits if the unsolicited bid was to be accepted; and

   c) an invitation to the public or other potential suppliers to submit their comments within 22 business days of the notice.

4) The Accounting Officer must submit all written comments received pursuant to sub-clause (3), including any responses from the unsolicited bidder, to the National Treasury and the Provincial Treasury for comment.

5) The bid adjudication committee must consider the unsolicited bid and may award the bid or make a recommendation to the Accounting Officer, depending on its delegations.

6) A meeting of the bid adjudication committee to consider an unsolicited bid must be open to the public.

7) When considering the matter, the adjudication committee must take into account –

   a) any comments submitted by the public; and

   b) any written comments and recommendations of the National Treasury or the Provincial Treasury.

8) If any recommendations of the National Treasury or Provincial Treasury are rejected or not followed, the Accounting Officer must submit to the Auditor General, the Provincial Treasury and the National Treasury the reasons for rejecting or not following those recommendations.

9) Such submission must be made within five business days after the decision on the award of the unsolicited bid is taken, but no contract committing the Municipality to the bid may be entered into or signed within 22 business days of the submission.

38 Combating of abuse of the supply chain management system

1) The Accounting Officer is hereby enabled to –

   a) take all reasonable steps to prevent abuse of the supply chain management system;

   b) investigate any allegations against an official or other role player of fraud, corruption, favouritism, unfair or irregular practices or failure to comply with this Policy, and when justified –

      (i) take appropriate steps against such official or other role player; or

      (ii) report any alleged criminal conduct to the South African Police Service;

   c) check the National Treasury's database prior to awarding any contract to ensure that no recommended bidder, or any of its directors, is listed as a person prohibited from doing business with the public sector;

   d) reject any bid from a bidder –

      (i) if any municipal rates and taxes or municipal service charges owed by that bidder or any of its directors to the Municipality, or to any other municipality or municipal entity are in arrears for more than three months; or

      (ii) who during the last five years has failed to perform satisfactorily on a previous contract with the Municipality or any other organ of state after written notice was given to that bidder that performance was unsatisfactory;

   e) reject a recommendation for the award of a contract if the recommended bidder, or any of its directors, has committed a corrupt or fraudulent act in competing for the particular contract;

   f) cancel a contract awarded to a person if –

      (i) the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or

      (ii) an official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person; and

   g) reject the bid of any bidder if that bidder or any of its directors –

(i) has abused the supply chain management system of the Municipality or has committed any improper conduct in relation to such system;

(ii) has been convicted for fraud or corruption during the past five years;

(iii) has wilfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or

(iv) has been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).

2) The Accounting Officer must inform the National Treasury and relevant provincial treasury in writing of any actions taken in terms of sub-clauses (1)(b)(ii), (e) or (f) of this policy.

Part 3: LOGISTICS, DISPOSAL, RISK AND PERFORMANCE MANAGEMENT

39 Logistics management

1) The Accounting Officer must establish and implement an effective system of logistics management, which must include -

a) the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;

b) the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;

c) the placing of manual or electronic orders for all acquisitions other than those from petty cash;

d) before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;

e) appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;

f) regular checking to ensure that all assets are properly managed and maintained in terms of Council's Asset Management Policy; and

g) monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

40 Disposal management

a) Assets must be disposed of in terms of the Municipal Asset Transfer Regulations, Overstrand Municipality's Asset Management Policy and Administration of Immovable Property Policy respectively.

b) Disposal Management does not represent a procurement process and is thus exempt from the prohibitions of Clause 44 of this policy. As a result, the municipality is not prohibited from selling/disposing of movable or immovable assets to persons in the service of the state

41 Risk management

The Accounting Officer must implement an effective system of risk management for the identification, consideration and avoidance of potential risks in the supply chain management system as per Council's Risk Management Policy.

42 Performance management

The Accounting Officer must implement an internal monitoring system in order to determine, on the basis of a retrospective analysis, whether the authorised supply chain management processes were followed and whether the objectives of this Policy were achieved in terms of the Performance Management System- Implementation Policy.

Part 4: OTHER MATTERS

43 Prohibition on awards to persons whose tax matters are not in order

1) Irrespective of the procurement process followed, the municipality may not make any award above R30 000 to a person whose tax matters have not been declared by the South African Revenue Service to be in order.

2) Before making an award to a person, the Municipality must first check with SARS whether that person's tax matters are in order.

3) If SARS does not respond within seven days, such person's tax matters may for purposes of sub-paragraph (1) be presumed to be in order.

44 Prohibition on awards to persons in the service of the state

1) Irrespective of the procurement process followed, no award may be made to a person in terms of this Policy –

   a) who is in the service of the state;

   b) that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state; or

   c) a person who is an advisor or consultant contracted with the Municipality in respect of a contract that would cause a conflict of interest.

45 Awards to close family members of persons in the service of the state

1) The Accounting Officer must ensure that the notes to the annual financial statements disclose particulars of any award of more than R2 000 (Incl. VAT) to a close family member of a person in the service of the state, or has been in the service of the state in the previous twelve months, including –

   a) the name of that person;

   b) the capacity in which that person is in the service of the state; and

   c) the amount of the award.

46 Ethical standards

1) A code of ethical standards for supply chain management practitioners and other role players involved in supply chain management is hereby established in accordance with sub-clause (2) in order to promote –

   a) mutual trust and respect; and

   b) an environment where business can be conducted with integrity and in a fair and reasonable manner.

2) An official or other role player involved in the implementation of the supply chain management policy –

   a) must treat all providers and potential providers equitably;

   b) may not use his or her position for private gain or to improperly benefit another person;

   c) may not accept any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person, of a value more than R350;

   d) notwithstanding sub-clause (2)(c), must declare to the Accounting Officer details of any reward, gift, favour, hospitality or other benefit promised, offered or granted to that person or to any close family member, partner or associate of that person;

   e) must declare to the Accounting Officer details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process of, or in any award of a contract by, the Municipality;

   f) must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest;

   g) must be scrupulous in his or her use of property belonging to the municipality;

h) must assist the Accounting Officer in combating fraud, corruption, favouritism and unfair and irregular practices in the supply chain management system; and

i) must report to the Accounting Officer any alleged irregular conduct in the supply chain management system which that person may become aware of, including –

(i) any alleged fraud, corruption, favouritism or unfair conduct;

(ii) any alleged contravention of clause 47(1) of this policy; or

(iii) any alleged breach of this code of ethical standards.

3) Declarations in terms of sub-clauses (2)(d) and (e) -

a) must be recorded in a register which the Accounting Officer must keep for this purpose;

(i) by the Accounting Officer must be made to the mayor of the municipality who must ensure that such declarations are recorded in the register.

4) A breach of the code of ethics must be dealt with as follows -

a) in the case of an employee, in terms of the disciplinary procedures of the Municipality envisaged in section 67(1)(h) of the Municipal Systems Act;

b) in the case a councillor, in terms of Schedule 1 of the Systems Act;

c) in the case a role player who is not an employee, or a councillor through other appropriate means in recognition of the severity of the breach; and

d) in all cases, financial misconduct must be dealt with in terms of Chapter 15 of the Act.

47 Inducements, rewards, gifts and favours to municipal officials and other role players

1) No person who is a provider or prospective provider of goods or services, or a recipient or prospective recipient of goods disposed or to be disposed of may either directly or through a representative or intermediary promise, offer or grant –

a) any inducement or reward to the Municipality for or in connection with the award of a contract; or

b) any reward, gift, favour or hospitality to –

(i) any official; or

(ii) any other role player involved in the implementation of this Policy.

2) The Accounting Officer must promptly report any alleged contravention of sub-clause (1) to the National Treasury for considering whether the offending person, and any representative or intermediary through which such person is alleged to have acted, should be listed in the National Treasury's database of persons prohibited from doing business with the public sector.

3) Sub-clause (1) does not apply to gifts less than R350 (Incl. VAT) in value.

48 Sponsorships

1) The Accounting Officer must promptly disclose to the National Treasury and the relevant provincial treasury any sponsorship promised, offered or granted, whether directly or through a representative or intermediary, by any person who is –

a) a provider or prospective provider of goods or services; or

b) a recipient or prospective recipient of goods disposed or to be disposed.

49 Objections and complaints

Persons aggrieved by decisions or actions taken in the implementation of this supply chain management system, may lodge within 10 business days of the decision or action, a written objection or complaint against the decision or action subject to the payment of applicable appeal deposit as per Council's approved tariffs.

50 Resolution of disputes, objections, complaints and queries

1) The Accounting Officer must appoint an independent and impartial person or persons, not directly involved in the supply chain management processes –

a) to assist in the resolution of disputes between the Municipality and other persons regarding -

(i) any decisions or actions taken in the implementation of the supply chain management system; or

(ii) any matter arising from a contract awarded in the course of the supply chain management system;

b) to deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.

2) The Accounting Officer, or another official designated by the Accounting Officer, is responsible for assisting the appointed person to perform his or her functions effectively.

3) The person appointed must –

a) strive to resolve promptly all disputes, objections, complaints or queries received; and

b) submit monthly reports to the Accounting Officer on all disputes, objections, complaints or queries received, attended to or resolved.

4) A dispute, objection, complaint or query may be referred to the Provincial Treasury if –

a) the dispute, objection, complaint or query is not resolved within 46 business days; or

b) no response is forthcoming within 46 business days.

5) If the Provincial Treasury does not or cannot resolve the matter, the dispute, objection, complaint or query will be referred to the National Treasury for resolution.

6) This clause must not be read as affecting a person's rights to approach a court at any time.

51 Contract management and Contracts providing for compensation based on turnover

1) Contracts will be implemented in terms of the requirements of Section 116 of the Act and Council's Contract Management Policy.
2) If a service provider acts on behalf of the Municipality to provide any service or act as a collector of fees, service charges or taxes and the compensation payable to the service provider is fixed as an agreed percentage of turnover for the service or the amount collected, the contract between the service provider and the Municipality must stipulate:-
   a) A cap on the compensation payable to the service provider; and
   b) That such compensation must be performance based.

52 Public-Private Partnerships

Public-Private Partnerships will be procured in terms of Part 2 of Chapter 11 of the Act.

53 Short title and commencement

This part of the policy is called the Overstrand Municipality **Supply Chain Management Policy**.

This policy will come into effect on 1 July 2015 and will be reviewed at least annually by way of a Council resolution.

POLICY SECTION:	SENIOR MANAGER: SUPPLY CHAIN MANAGEMENT				
		CURRENT UPDATE		PREVIOUS REVIEW:	2014/05/28
PREVIOUS REVIEW:	2013/05/29	PREVIOUS REVIEW:	2012/11/28	PREVIOUS REVIEW:	2012/06/26
PREVIOUS REVIEW:	2012/05/30	PREVIOUS REVIEW:	2011/11/30	PREVIOUS REVIEW:	2011/05/04
PREVIOUS REVIEW:	2010/05/26	PREVIOUS REVIEW:	2009/05/27	APPROVAL	2008/05/25

OVERSTRAND MUNICIPALITY

SUPPLY CHAIN MANAGEMENT POLICY PART B

PART B

PREFERENTIAL PROCUREMENT POLICY adopted in terms of section 2 of the Preferential Procurement Policy Framework Act, No. 5 of 2000 and the Preferential Procurement Regulations, 2011

PREAMBLE

WHEREAS the Overstrand Municipality aims to improve the quality of life of the local community and to free the potential of each person within a framework of facilitating service delivery, through effective governance and the Council takes into account the need for transparent procedures that give the effect to the principle of preferential procurement;

AND WHEREAS local economic development plays a crucial role in creating a prosperous, equitable, stable and democratic society and the overall national vision of economic development is one of decent work and living standards for all in the context of qualitative improved equality in ownership, skills and access to opportunities;

NOW THEREFORE the Council of the Overstrand Municipality resolves in terms of section 2 of the Preferential Procurement Policy Framework Act, No. 5 of 2000 that the principles embodied in the Preferential Procurement Regulations, 2011 are herewith integrated into the Overstrand Municipality's Supply Chain Management Policy to form the basis of the evaluation criteria for quotations and competitive tenders.

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PART ONE: DEFINITIONS AND APPLICATION

1 Definitions

1) In this policy, unless the context indicates otherwise, a word or expression to which a meaning has been assigned in the Act bears the same meaning, and:

"Act"	means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);
"all applicable taxes"	includes Value-Added Tax, Pay-as-you-Earn, Income Tax, Unemployment Insurance Fund Contributions and Skills Development Levies;
"B-BBEE"	means Broad-Based Black Economic Empowerment as defined in Section 1 of the Broad-Based Black Economic Empowerment Act;
"B-BBEE status level of contributor"	means the B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
"Broad-Based Black Economic Empowerment Act" (B-BBEEA)	means the Broad-Based Black Economic Empowerment Act, 2003 (Act No.53 of 2003);
"Comparative price"	means the price after the factors of a non-firm price and all unconditional discounts that can be utilised have been taken into consideration;
"Consortium or Joint Venture"	means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract;
"Contract"	means the agreement that results from the acceptance of a tender by the Overstrand Municipality;
"designated sector"	means a sector, sub-sector or industry that has been designated by the Department of Trade and Industry in line with national development and industrial policies for local production, where only locally produced services, works or goods or locally manufactured goods meet the stipulated minimum threshold for local production and content;
"Firm price"	is the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy, or tax, which, in terms of a law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract;
"Functionality"	means the measurement according to predetermined norms, as set out in the tender documents, of a service or commodity that is designed to be practical and useful, working or operating, taking into account, among other factors, the quality, reliability, viability and durability of a service and the technical capacity and ability of a tenderer;
"imported content"	means that portion of the tender price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or its subcontractors) and which costs are inclusive of the costs abroad, plus freight and direct importation costs, such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African port of entry;
"local content"	means that portion of the tender price which is not included in the imported content, provided that local manufacture does take place;
"Non-firm prices"	means all prices other than "firm" prices;
"Person"	includes reference to a juristic person;
"Rand value"	means the total estimated value of a contract in South African currency, calculated at the time of tender invitations and includes all applicable taxes and excise duties;
"stipulated minimum threshold"	means that portion of local production and content as determined by the Department of Trade and Industry;
"Sub-Contract"	means the primary contractor's assigning or leasing or making out work to, or employing, another person to support such primary contractor in the execution of part of a project in terms of the contract;
"Tender"	means a written offer in a prescribed or stipulated form in response to an invitation by the Overstrand Municipality for the provision of services, works or goods, through price quotations, advertised competitive tender processes or proposals;

"Total revenue"	bears the same meaning assigned to this expression as in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act, 2003 and promulgated in the Government Gazette on 9 February 2007;
"Trust"	means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person; and
"Trustee"	means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.

2 Application, Objectives & General Requirements

1) Application

a) An organ of state contemplated in sub-regulation (1) must, unless the Minister of Finance has directed otherwise, only apply a preferential procurement system which is in accordance with the Act and these Regulations.

PART TWO: PREFERENCE POINT SYSTEM AND BROAD-BASED BLACK ECONOMIC EMPOWERMENT STATUS, EVALUATION OF TENDERS ON FUNCTIONALITY, AWARD OF CONTRACTS TO TENDERERS NOT SCORING THE HIGHEST NUMBER OF POINTS AND THE CANCELLATION AND RE-INVITATION OF TENDERS

3 Planning and stipulation of preference point system to be utilized

1) The Municipality must, prior to making an invitation for tenders -

a) properly plan for, and, as far as possible, accurately estimate the costs of the provision of services, works or goods for which an invitation for tenders is to be made;

b) determine and stipulate the appropriate preference point system to be utilized in the evaluation and adjudication of the tenders; and

c) determine whether the services, works or goods for which an invitation is to be made has been designated for local production and content in terms of paragraph 9.

4 Evaluation of tenders based on functionality

1) The Municipality must indicate in the invitation to submit a tender, if that tender will be evaluated on functionality;

2) The evaluation criteria for measuring functionality must be objective.

3) When evaluating tenders on functionality, the-

a) evaluation criteria for measuring functionality,

b) weight of each criterion,

c) applicable values; as well as

d) minimum qualifying score for functionality,

4) No tender must be regarded as an acceptable tender, if it fails to achieve the minimum qualifying score for functionality as indicated in the tender invitation; and

5) Tenders that have achieved the minimum qualification score for functionality must be evaluated further in terms of the preference point systems prescribed in paragraphs 5 and 6.

5 The 80/20 preference point system for acquisition of services, works or goods up to a Rand value of R1,0 million

1) The following formula must be used to calculate the points for price in respect of tenders (including price quotations) with a Rand value equal to, or above R 30 000 and up to a Rand value of R1 000 000 (all applicable taxes included):

Ps = 80 $\left(1 - \frac{(Pt - Pmin)}{Pmin}\right)$

Where;

Ps = Points scored for comparative price of tender */ offer under consideration*
Pt = Comparative price of tender */ offer under consideration*
Pmin = Comparative price of lowest acceptable tender */ offer.*

a) The Municipality may apply thie formula for price quotations with a value less than R30 000, if and when appropriate.

2) Subject to sub-paragraph (3), points must be awarded to a tenderer for attaining the B-BBEE status level of contributor in accordance with the table below:

B-BBEE Status Level of Contributor	Number of Points
1	20
2	18
3	16
4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

3) A maximum of 20 points may be allocated in accordance with sub-paragraph (2).

4) The points scored by a tenderer in respect of B-BBEE contribution contemplated in sub-paragraph (2) must be added to the points scored for price as calculated in accordance with sub-paragraph (1).

5) Subject to paragraph 7, the contract must be awarded to the tenderer who scores the highest total number of points.

6 The 90/10 preference point system for acquisition of goods, works and / or services with a Rand value above R1,0 million.

1) The following formula must be used to calculate the points for price in respect of tenders with a Rand value above R1,000,000 (all applicable taxes included):

a) Ps = 90 $\left(1 - \frac{(Pt - Pmin)}{Pmin}\right)$

Where

Ps = Points scored for comparative price of tender or offer under consideration;
Pt = Comparative price of tender or offer under consideration; and
Pmin = Comparative price of lowest acceptable tender or offer.

2) Subject to sub-paragraph (3), points must be awarded to a tenderer for attaining their B-BBEE status level of contributor in accordance with the table below:

B-BBEE Status Level of Contributor	Number of Points
1	10
2	9
3	8
4	5
5	4
6	3
7	2
8	1
Non-compliant contributor	0

3) A maximum of 10 points be allocated in accordance with sub-paragraph (2).

4) The points scored by a tenderer in respect of the level of B-BBEE contribution contemplated in sub-paragraph (2) must be added to the points scored for price as calculated in accordance with sub-paragraph (1).

5) Subject to paragraph 7, the contract must be awarded to the tenderer who scores the highest total number of points.

7 Award of contracts to tenders not scoring the highest number of points

A contract may be awarded to a tenderer that did not score the highest total number of points, only in accordance with paragraph 2(1)(f) of the Act.

8 Cancellation and re-invitation of tenders

1) In the event that, in the application of the 80/20 preference point system as stipulated in the tender documents

   a) all tenders received exceed the estimated Rand value of R1,000,000, the tender invitation must be cancelled.

   b) If one or more of the acceptable tenders received are within the prescribed threshold of R1,000,000, all tenders received must be evaluated on the 80/20 preference point system.

2) In the event that, in the application of the 90/10 preference point system as stipulated in the tender documents,

   a) all tenders received are equal to, or below R1,000,000 the tender must be cancelled.

   b) If one or more of the acceptable tenders received are above the prescribed threshold of R1,000,000 all tenders received must be evaluated on the 90/10 preference point system.

3) In the event that the Municipality has cancelled a tender invitation as contemplated in sub-paragraph (1)(a) and 2(a), tenders must be re-invited and the tender documents must stipulate the correct preference point system to be applied.

4) The Municipality may, prior to the award of a tender, cancel a tender if:

   a) due to changed circumstances, there is no longer a need for the services, works or goods requested, or

   b) funds are no longer available to cover the total envisaged expenditure; or

   c) no acceptable tenders are received.

5) The decision to cancel a tender in terms of sub-paragraph (4) must be published in the media in which the original tender invitation was advertised.

PART THREE: LOCAL PRODUCTION AND CONTENT, B-BBEE STATUS LEVEL CERTIFICATES, CONDITIONS, DECLARATIONS, REMEDIES, TAX CLEARANCE, MECHANISMS TO SUPPORT PREFERENTIAL PROCUREMENT, SHORT TITLE AND COMMENCEMENT

9 Local Production and Content

1) The Municipality must, in the case of designated sectors, where in the award of tenders local production and content is of critical importance, advertise such tenders with a specific tendering condition that only locally produced goods, services or works or locally manufactured goods, with a stipulated minimum threshold for local production and content will be considered.

2) The National Treasury will issue instructions, circulars and guidelines to all organs of state, with specific report mechanisms to ensure compliance with sub-paragraph (1).

3) Where there is no designated sector, the Municipality may include, as a specific tendering condition, that only locally produced services, works or goods or locally manufactured goods with a stipulated minimum threshold for local production and content, will be considered, on condition that such prescript and threshold(s) are in accordance with the specific directives issued for this purpose by the National Treasury in consultation with the Department of Trade and Industry.

4) Every tender issued in terms of paragraph 9 must be measurable and audited.

5) Where necessary, tenders referred to in sub-paragraph (1) and (3), a two-stage tendering process may be followed, where the first stage involves functionality and minimum threshold for local production and content and the second price and B-BBEE with the possibility of price negotiations only with the short listed tenderer/s.

10 Broad –Based Black Economic Empowerment Status Level Certificates

1) Tenders with annual total revenue of R5 million or less qualify as Exempted Micro Enterprises (EMEs) in terms or the Broad-Based Black Economic Empowerment Act, and must submit a certificate issued by a registered auditor, Accounting Officer (as contemplated in section 60(4) of the Close Corporation Act,1984 (Act No.69 of 1984) or an accredited verification agency.
2) Tenders other than exempted Micro-Enterprises (EMEs) must submit their original and valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating.
3) The submission of such certificates must comply with the requirements of instructions and guidelines issued by the National Treasury and be in accordance with notices published by the Department of Trade and Industry in the Government Gazette.
4) B-BBEE status level verification certificates may be issued by SANAS accredited agencies or approved auditors registered with IRBA.
5) The B-BBEE status level attained by the tenderer must be used to determine the number of points contemplated in regulations 5(2) and 6(2).

11 Conditions

1) Only a tenderer who has completed and signed the declaration part of the tender documentation may be considered.
2) The Municipality must, when calculating comparative prices, take into account any discounts which have been offered unconditionally.
3) A discount which has been offered conditionally must, despite not being taken into account for evaluation purposes, be implemented when payment is processed.
4) Points scored must be rounded off to the nearest 2 decimals places.
5) In the event that two or more tenders have scored equal total points, the successful tender must
   a) be the one scoring the highest number of preference points for B-BBEE.
   b) However, when functionality is part of the evaluation process and two or more tenders have scored equal points including equal preference points for B-BBEE, the successful tender must be the one scoring the highest score for functionality.
   c) Should two or more tenders be equal in all respects, the award shall be decided by the drawing of lots.
6) A trust, consortium or joint venture will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.
7) A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every separate tender.
8) A person must not be awarded points for B-BBEE status level if it is indicated in the tender documents that such a tenderer intends sub-contracting more than 25% of the value of the contract to any other enterprise that does not qualify for at least the points that such a tenderer qualifies for, unless the intended sub-contractor is an exempted micro enterprise that has the capability and ability to execute the sub-contract.
9) A person awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned, unless the contract is sub-contracted to an exempted micro enterprise that has the capability and ability to execute the sub-contract.
10) A person awarded a contract in relation to a designated sector, may not sub-contract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.

11) When the Municipality is in need of a service provided by only tertiary institutions, such services must be procured through a tendering process from the identified tertiary institutions.

12) Tertiary institutions referred to in sub-paragraph (11) will be required to submit their B-BBEE status in terms of the specialized scorecard contained in the B-BBEE Codes of Good practice.

13) Should the Municipality require a service that can be provided by one or more tertiary institutions or public entities and enterprises from the private sector, the appointment of a contractor must be

a) done by means of a tendering process;

b) Public entities will be required to submit their B-BBEE status in terms of the specialised score-card contained in the B-BBEE Codes of Good Practice.

12 Declarations

1) A tender must, in the manner stipulated in the document, declare that-

a) the information provided is true and correct;

b) the signatory to the tender document is duly authorised; and

c) documentary proof regarding any tendering issue will, when required, be submitted to the satisfaction of the Municipality.

13 Remedies

1) The Municipality must, upon detecting that-

a) The B-BBEE status level of contribution has been claimed or obtained on a fraudulent basis; or

b) any of the conditions of the contract have not been fulfilled,

act against the tenderer or person awarded the contract.

2) The Municipality may, in addition to any other remedy it may have against the person contemplated in sub-paragraph (1) -

a) disqualify the person from the tendering process;

b) recover all costs, losses or damages it has incurred or suffered as a result of that person's conduct;

c) cancel the contract and claim any damages it has suffered as a result of having to make less favourable arrangements due to such cancellation;

d) restrict the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and

e) forward the matter for criminal prosecution.

14 Tax clearance

No tender may be awarded to any person whose tax matters have not been declared by the South African Revenue Services to be in order.

15 SHORT TITLE

This part of the policy is called the Preferential Procurement Policy of the Overstrand Municipality.

This policy will come into effect on 1 July 2015 and will be reviewed at least annually by way of a Council resolution.

POLICY SECTION:	SENIOR MANAGER: SUPPLY CHAIN MANAGEMENT				
		CURRENT UPDATE		PREVIOUS REVIEW:	2014/05/28
PREVIOUS REVIEW:	2013/05/29	PREVIOUS REVIEW:	2012/11/28	PREVIOUS REVIEW:	2012/06/26
PREVIOUS REVIEW:	2012/05/30	PREVIOUS REVIEW:	2011/11/30	PREVIOUS REVIEW:	2011/05/04
PREVIOUS REVIEW:	2010/05/26	PREVIOUS REVIEW:	2009/05/27	APPROVAL	2008/05/25

DELEGATION OF POWERS AND DUTIES CLAUSE 4.2.81

As far as contractual obligations are concerned: Personnel to be nominated in writing by the Municipal Manager, and Directors, subject to the under-mentioned criteria, and further subject to the municipality's Supply Chain Management Policy, financial regulations and council resolutions where applicable.

4.2.81.1. APPROVAL / AWARD OF QUOTATIONS, FORMAL QUOTATIONS AND TENDERS

RAND VALUE (VAT inclusive)	LEVEL OF APPROVAL (With due regard to proper segregation of duties)	QUOTATIONS / TENDERS PROCESS FOLLOWED
Up to R2 000	Level of approval as delegated by relevant director	Petty cash Purchases in terms of the Petty Cash Policy AND / OR One (1) written quotation by the Purchasing Section
R2 000.01 – R30 000	Post level T12 and higher	Three (3) written price quotations in terms of Paragraph 17(1)(a) of the SCM Policy
R30 000.01 – R200 000	Directors, subject to the recommendation of the Senior Manager: Supply Chain Management	Formal written price quotations in terms of Paragraph 18(b) of the SCM Policy – committee system
R200 000.01 – R10 million	Bid Adjudication Committee	Competitive Bidding – committee system
Over R10 million	Municipal Manager after recommendation from the Bid Adjudication Committee	Competitive Bidding – committee system

4.2.81.2 APPROVAL OF DEVIATIONS in terms of Clause 36 of the Supply Chain Management Policy.

RAND VALUE (VAT inclusive)	LEVEL OF APPROVAL
R0 – R70 000	Senior Manager: Supply Chain Management
Over R70 000 – R200 000	Chief Financial Officer (Director: Finance) after consultation with, and recommendation by, the Senior Manager: Supply Chain Management
Over R200 000	Accounting Officer

4.2.81.3 APPROVAL OF REQUESTS FOR ORDERS FOR DIRECT PURCHASES & MUNICIPAL STORE ISSUES, after an award has been made in terms of sub-paragraphs 4.2.81.1 and 4.2.81.2 above

Up to R2 000	Level of approval as delegated by relevant director
R2 000.01 – R30 000	Post level T12 and higher
R30 000.01 – R70 000	Post level T13 and higher
Over R70 000	Post level T17 and higher

4.2.81.4 CERTIFICATION AND AUTHORIZATION OF ALL PAYMENTS inclusive of where an official order has been issued in terms of sub-paragraph 4.2.81.3 above

RAND VALUE (VAT inclusive)	LEVEL OF APPROVAL (With due regard to proper segregation of duties)
R0 – R70 000	Post Level 13 and Higher
R70 000.01 – R500 000	Post Level 16 and Higher
Above R 500 000	Municipal Manager & Directors
Eskom Bulk Electricity Purchases	Senior Manager: Electro-technical Services

4.2.81.5 APPROVAL OF SPECIFICATIONS FOR COMPETITIVE BIDS, in terms of Paragraph 27(2)(g) of the SCM Policy

Cryptic description of Power or Duty	Sub-delegated to	Remarks, Limitations or Conditions
Specifications for Competitive Bids must be approved prior to the publication of the invitation for bids in terms of Paragraph 22 of the SCM Policy.	All Directors	This delegation applies in so far as each director's responsibility for managing the respective votes of the municipality and to whom powers and duties for this purpose have been delegated in terms of Section 79 of the MFMA (Act 56 of 2003).

POLICY SECTION:	**SENIOR MANAGER: SUPPLY CHAIN MANAGEMENT**								
		PREVIOUS REVIEW:	2014/05/28	**PREVIOUS REVIEW:**	2012/07/26	**PREVIOUS REVIEW:**	2011/05/04	**APPROVAL BY COUNCIL:**	2008/05/25
		PREVIOUS REVIEW:	2013/05/29	**PREVIOUS REVIEW:**	2012/05/30	**PREVIOUS REVIEW:**	2010/05/26		
CURRENT UPDATE		**PREVIOUS REVIEW:**	2012/11/28	**PREVIOUS REVIEW:**	2011/11/30	**PREVIOUS REVIEW:**	2009/05/27		

CODE OF CONDUCT FOR SUPPLY CHAIN MANAGEMENT PRACTITIONERS AND OTHER ROLE PLAYERS

The **purpose** of this Code of Conduct is to promote mutual trust and respect and an environment where business can be conducted with integrity and in a fair and reasonable manner.

1. General Principles

1) The Municipality commits itself to a policy of fair dealing and integrity in the conducting of its business. Officials and other role players involved in supply chain management (SCM) are in a position of trust, implying a duty to act in the public interest. Officials and other role players should not perform their duties to unlawfully gain any form of compensation, payment or gratuities from any person, or provider/contractor for themselves, their family or their friends.

2) Officials and other role players involved in SCM should ensure that they perform their duties efficiently, effectively and with integrity, in accordance with the relevant legislation, policies and guidelines. They should ensure that public resources are administered responsibly.

3) Officials and other role players involved in SCM should be fair and impartial in the performance of their functions. They should at no time afford any undue preferential treatment to any group or individual or unfairly discriminate against any group or individual. They should not abuse the power and authority vested in them.

2. Conflict of interest

1) An official or other role player involved with supply chain management –

   a) must treat all providers and potential providers equitably;

   b) may not use his or her position for private gain or to improperly benefit another person;

   c) may not accept any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person, of a value more than R350;

   d) must declare to the accounting officer details of any reward, gift, favour, hospitality or other benefit promised, offered or granted to that person or to any close family member, partner or associate of that person;

   e) must declare to the accounting officer details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process, or in any award of a contract by the Municipality;

   f) must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest;

   g) must declare any business, commercial and financial interests or activities undertaken for financial gain that may raise a possible conflict of interest;

   h) should not place him/herself under any financial or other obligation to outside individuals or organizations that might seek to influence them in the performance of their official duties; and

   i) should not take improper advantage of their previous office after leaving their official position.

3. Accountability

1) Practitioners are accountable for their decisions and actions to the public.

2) Practitioners should use public property scrupulously.

3) Only accounting officers or their delegates have the authority to commit the Municipality to any transaction for the procurement of goods and / or services.

4) All transactions conducted by a practitioner should be recorded and accounted for in an appropriate accounting system. Practitioners should not make any false or misleading entries into such a system for any reason whatsoever.

5) Practitioners must assist the accounting officer in combating fraud, corruption, favouritism and unfair and irregular practices in the supply chain management system.

6) Practitioners must report to the accounting officer any alleged irregular conduct in the supply chain management system which that person may become aware of, including

a) any alleged fraud, corruption, favouritism or unfair conduct;

b) any alleged contravention of the policy on inducements, rewards, gifts and favours to municipalities or municipal entities, officials or other role players; and

c) any alleged breach of this code of conduct.

7) Any declarations made must be recorded in a register which the accounting officer must keep for this purpose. Any declarations made by the accounting officer must be made to the **mayor** who must ensure that such declaration is recorded in the register.

4. Openness

1) Practitioners should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only if it is in the public interest to do so.

5. Confidentiality

1) Any information that is the property of the Municipality or its providers should be protected at all times. No information regarding any bid / contract / bidder / contractor may be revealed if such an action will infringe on the relevant bidder's / contractor's personal rights.

2) Matters of confidential nature in the possession of officials and other role players involved in SCM should be kept confidential unless legislation, the performance of duty or the provisions of law requires otherwise. Such restrictions also apply to officials and other role players involved in SCM after separation from service**.**

6. Bid Specification / Evaluation / Adjudication Committees

1) Bid specification, evaluation and adjudication committees should implement supply chain management on behalf of the Municipality in an honest, fair, impartial, transparent, cost-effective and accountable manner.

2) Bid evaluation / adjudication committees should be familiar with and adhere to the prescribed legislation, directives and procedures in respect of supply chain management in order to perform effectively and efficiently.

3) All members of bid adjudication committees should be cleared by the accounting officer at the level of "CONFIDENTIAL" and should be required to declare their financial interest annually.

4) No person should-

a) interfere with the supply chain management system of the Municipality; or

b) amend or tamper with any price quotation / bid after its submission.

7. Combative Practices

1) Combative practices are unethical and illegal and should be avoided at all cost. They include but are not limited to:

a) Suggestions to fictitious lower quotations;

b) Reference to non-existent competition;

c) Exploiting errors in price quotations / bids;

d) Soliciting price quotations / bids from bidders / contractors whose names appear on the Register for Tender Defaulters.

OVERSTRAND MUNICIPALITY

CONTRACT MANAGEMENT POLICY

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1. PRE-AMBLE

All transactions undertaken by the Overstrand Municipality involves a contract whether explicitly agreed in writing, or implicitly implied through actions.

Properly managed contracts by all stakeholders involved, can ensure that services are delivered within specifications as set and agreed by all during the specifications phase and at the agreed cost , (Inclusive of escalation clauses in contracts) time period and qualities of the goods and services procured.

All contracts must be managed throughout the contract Life Cycle, based on the level of management control appropriate for the classification of that contract.

Improperly managed contracts may impact negatively on service delivery. Adverse effects of ineffective contract management include but are not limited to:

1.1 goods and services outside of specification;

1.2 cost overruns;

1.3 poor suppliers-, buyer- or other stakeholder relations;

1.4 negative public perception, and

1.5 potentially complete service delivery failures.

Hence, good contract management by all stakeholders involved is essential for good financial management and will contribute greatly to the effectiveness and efficiency of service delivery. In effect it would give strategic direction to all directorates following a centralised strategy of contract management. This policy must be read in coincidence with the SCM Policy of the Overstrand Municipality.

2. DEFINITIONS:

In this Policy, unless the context indicates otherwise-

Accounting Officer ***(in relation to a municipality)***	means the municipal official referred to in section 60 of the MFMA (2003); and include a person acting as the accounting officer.
Act or MFMA	Means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);
Circular 62	means communication from National Treasury by means of a Circular to enhance compliance and accountability to SCM Regulations and the MFMA of 2003.
Construction Industry Development Board (CIDB):	means the Construction Industry Development Board (CIDB), a national body established by an Act of Parliament (Act 38 of 2000) to oversee the sustainability and growth of construction enterprises across the country.
Contract	means the agreement that results from the acceptance of a bid by the Municipality (mutual agreement)
Contract Alteration	means changing technical writing or input errors to the agreement of the contract without changing the scope of contract.
Contract Amendment	means changing the scope, nature, duration, purpose or objective of the agreement or contract (In context of Circular 62 and section 116 (3) of the MFMA).
Contract Champion	means the official within a specific department, responsible for all day to day activities (including performance management and dispute resolution) during the life cycle of the contract (with delegated powers to perform this function).
Contract Management	means the holistic term of all role players involved in an agreement (SLA/SDA) or contract and include the; SCM contract manager, contract owner, contract champion and supplier.
SCM Contract Manager	means the SCM official responsible for monitoring, regulating and reporting on all contract related activities as set out in Section 116 of the MFMA.
Contract Owner	means the deputy director, senior manager or manager, as the case may be, that is ultimately accountable for all activities during the life cycle of the contract. The Contract Owner can also be seen as the Budget holder.
Director	Appointment according to sect 56 of the Systems Act
Delegation ***(in relation to a duty)***	Includes an instruction or request to perform or to assist in performing the duty.
Force Majure	Is the expression used to denote irresistible superior force which might cause damage or prevent the execution of an obligation, therefore suppliers is not liable for damages caused by force majure or for failure to carry out a contract if prevented (Term and conditions in this regard will be determined by every individual contract/s).
Official (***In relation to a municipality)***	means: • an employee of a municipality; • a person seconded to a municipality to work as a member of the staff of the municipality; or • a person contracted by a municipality to work as a member of the staff of the municipality otherwise than as an employee.
Users	Means all officials as set out in the organogram of the Overstrand Municipality involved with contracts.

3. ABREVIATIONS:

BEE	Black economic empowerment
B-BBEE	Broad-Based Black Economic Empowerment
GCC	means General Conditions of contract.
MSA	means Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000).
NT	means National Treasury established by section 5 of the Public Finance Management Act.
SCC	means Special Conditions of Contract.
SCM	means Supply Chain Management
SDA	means Service Delivery Agreement.
SLA	means Service Level Agreement.

4. OBJECTIVES:

4.1 To give effect to Section 217 of the Constitution of South Africa (1996) that stipulate:

4.1.1 When an organ of state in the national, provincial or local sphere of government, or any other institution identified in national legislation, contracts for goods or services, it must do so in accordance with a system which is:

4.1.1.1 equitable
4.1.1.2 transparent
4.1.1.3 competitive
4.1.1.4 cost-effective and
4.1.1.5 fair

4.2 The effective and efficient control of contracts procured through the SCM system ensuring:

4.2.1 proper recording and enforcement of contracts throughout the contract life cycle (specifications to contract reviews);

4.2.2 support to the demand management framework as set out in Circular 62 of National treasury (August 2012), optimizing proper planning, resulting in effective service delivery;

4.2.3 management of Contract Performance;

4.2.4 compliance with the regulatory framework;

4.2.5 to assist officials in understanding their legal and managerial responsibilities with regards to contract management;

4.2.6 the optimization of efficient and sustainable financial wellbeing of the municipality, resulting in lower cost drivers, and

4.2.7 the continuous development of effective Management Information systems, resulting in strategic support and risk preventions.

4.3 To ensure that no contract procurement of goods and services (excluding land sales or rentals of Overstrand Municipal Assets, which are managed by Property Management Services), takes place outside of the SCM System.

5. STATUTORY AND REGULATORY FRAMEWORK FOR MANAGING CONTRACTS

5.1 Application and Framework of the Contract Management Policy

5.1.1 All officials and other role players in the Supply Chain Management system of the Overstrand Municipality must implement this Policy in a way that gives effect to:

5.1.1.1 Section 217 of the Constitution;
5.1.1.2 Section 116 of the MFMA;
5.1.1.3 Section 33 of the MFMA;
5.1.1.4 SCM Policy;
5.1.1.5 SCM Regulations
5.1.1.6 any other legislation pertaining to SCM.

5.1.2 This Policy applies when the Municipality:

5.1.2.1 procures goods or services;
5.1.2.2 disposes of goods no longer needed; and
5.1.2.3 selects service providers and suppliers to provide assistance in the provision of municipal services including circumstances where Chapter 8 of the Municipal Systems Act applies.

5.2 Adoption, Amendment and Implementation of the Contract Management Policy

5.2.1 The accounting officer must:

5.2.1.1 at least annually review the implementation of this Policy; and
5.2.1.2 when the accounting officer considers it necessary, submit proposals for the amendment of this Policy to Council;
5.2.1.3 in terms of section 62(1) (f) (IV) of the Act, take all reasonable steps to ensure that the Contract Management Policy is implemented.

5.3 Conditions of Contract

5.3.1 A contract or agreement procured through the Supply Chain Management System of the Municipality must:

5.3.1.1 be in writing;
5.3.1.2 stipulate the terms and conditions of the contract or agreement, which must provide for:

5.3.1.2.1 the termination of the contract or agreement in the case of non- or underperformance;
5.3.1.2.2 dispute resolution mechanisms to settle disputes between the parties;
5.3.1.2.3 a periodic review of the contract or agreement once every three years in the case of a contract or agreement for longer than three years; and
5.3.1.2.4 any other matters that may be prescribed.

5.4 Administrative Capacity

5.4.1 The relevant Director, with delegated powers from the Municipal Manager, must establish capacity in his/her directorate to assist the accounting officer in carrying out the duties set out in section 116(2) of the MFMA.

5.5 Management of Contracts

5.5.1 The accounting officer and delegated officials must take all reasonable steps to:

5.5.1.1 ensure that a contract or agreement procured through the supply chain management policy of the municipality is properly enforced;

5.5.1.2 monitor on a monthly basis the performance of the contractor under the contract or agreement.

5.5.1.3 administrate the contract with the necessary competencies and delegations, ensuring effective management of contracts.

5.5.2 The Contract Owner must ensure that contract champions submit suppliers' performance reports to the SCM contract manager within 5 business days after the end of each month.

5.5.3 The SCM Contract Manager submits a consolidated report to the relevant Director and Contract Owner within 10 business days after the end of each month for purposes of Section 116 (2)(b) of the Act.

5.5.4 The SCM Contract Manager submits a consolidated report on the performance of contracts or agreements for purposes of Section 116 (2)(d), to the Accounting Officer within 15 business days of the end of each quarter.

5.6 Amendment of Contracts

5.6.1 A contract or agreement procured through the supply chain management policy of the municipality may be amended by the parties, in exceptional circumstances in order to mitigate abuse, in perception after the fact to prevent financial inefficiencies and influencing financial sustainability.

5.6.2 In terms of Section 116(3) of the MFMA, (56 of 2003), amendments (in compliance with SCM procedures), may only be made after:

5.6.2.1 the reasons for the proposed amendment have been tabled in the council; and

5.6.2.2 the local community has been given reasonable notice of the intention to amend the contract or agreement; and

5.6.2.3 has been invited to submit representations to the municipality.

5.6.3 Amendments of contracts where the expansion or variation is not more than (NT Circular 62):

5.6.3.1 20% (construction related goods, services and/or infrastructure projects), and

5.6.3.2 15% (all other goods and/or services) of the original value of the contract, must be submitted directly to the Contract Man-

agement Office for approval and further reference to the SCM committee system for approval.

5.6.4 Amendments of contracts where the expansion or variation is more than the threshold prescribed by National Treasury (Circular 62), must be dealt with in terms of the provisions of section 116(3) of the MFMA, and are exempt from this process.

5.6.5 Amendments to the contract, without influencing the value or term of the contract, within the scope of the original terms and conditions, may be altered, provided that both parties have consensus on the amendment and the contract amendment is in writing and signed by both parties.

5.6.6 No agreement to amend or vary a contract shall be valid and of any force unless such agreement to amend or vary is entered into in writing and signed by the contracting parties.

5.6.7 When an amendment has a budgetary implication for a term longer than 3 (three) years, section 33 of the MFMA will apply to this amendment (Section 116 (3) of the MFMA will be followed with section 33, when amending an existing contract for longer than 3 years).

6. MAINTENANCE AND CONTRACT ADMINISTRATION

6.1 Contract administration includes all administrative duties associated with a contract once it is adjudicated and implemented.

6.2 No rights in terms of an awarded contract will accrue before the SCM appeal period and/or appeal has been finalised.

6.3 The contract should be signed by all parties concerned (The relevant official should also ensure that the suppliers have the delegated powers to sign and amend the contractual agreement).

6.4 The contract will only be enforceable after all the signatures of the relevant parties are documented.

6.5 A signed service level agreement (if applicable) must be compiled and signed which will incorporate all the relevant sections of the tender documentation.

6.6 All once-off purchases shall have a specified end delivery date.

7. ROLES AND RESPONSIBILITIES OF OFFICIALS:

7.1 SCM Contract Manager:

7.1.1 The SCM Contract Manager is the SCM official responsible for system administration, status and SCM performance reporting on all contracts related activities.

7.1.2 For the purposes of ***contract management*** activities performed by the relevant role players, the SCM contract manager will monitor and report on the following activities:

7.1.2.1 identification and classification of contracts for management purposes in terms of the SCM processes;

7.1.2.2 recognition, measurement and disclosure;

7.1.2.3 oversight of contract management as is provided for in this policy;

7.1.2.4 oversight of contract management as is provided for in this policy;

7.1.2.5 document and information management;

7.1.2.6 relationship management;
7.1.2.7 performance management;
7.1.2.8 contract risk management.

7.2 Contract Champion

7.2.1 The contract champion is responsible for the following activities:

7.2.2.1 ensuring that all the necessary legal formalities in entering into the contract are adhered to;

7.2.2.2 ensuring that purchase orders are processed on the financial system in accordance with the pricing schedule;

7.2.2.3 maintaining adequate records (paper and/or electronic) in sufficient detail on an appropriate contract file to provide an audit trail;

7.2.2.4 inform the Asset Management section of the Expenditure Department of the location of newly procured assets for asset register and insurance purposes; and

7.2.2.5 where appropriate, in terms of Council's Delegations, authorise invoices due for payment.

7.2.2.6 to take appropriate action in consultation with the contract owner and the SCM contract manager, where a contractor is underperforming or is in default or breach of the contract.

7.2.2.7 ensure performance of suppliers is managed appropriately to the terms and conditions of the contract.

7.3 Contract Owner

7.3.1 The contract owner is responsible for ensuring that contract champions are assigned to all contracts.

7.3.2 The contract owner is ultimately responsible for management of the activities.

7.4 Director

7.4.1 The director is responsible for signing of contracts with the relevant service provider, in line with the Delegation of Powers and Duties Policy.

7.4.2 The director is ultimately accountable for the contract.

8. RECORD KEEPING

8.1 Proper records regarding all aspects of the contract must be maintained and kept in accordance with relevant legislation.

8.2 All communication related to contracts must be linked to the master document on the electronic system, by the relevant official.

8.3 Safe custody of all contract documents must be enforced by all relevant users.

8.4 Contract Champions and Contract Owners are responsible for the electronic capturing of the contract information and maintenance thereof on the Contract Management system.

8.5 The original signed contract must be sent to the records department (by the contract management office) for safekeeping and storage.

8.6 The records department is responsible for the administration of archived contract documentation.

9. CONTRACTS HAVING BUDGETARY IMPLICATIONS BEYOND THREE FINANCIAL YEARS

Overstrand Municipality may not enter into any contract that will impose financial obligations beyond the three years covered in the annual budget for that financial year, unless the requirements of Section 33 of the Municipal Finance Management Act have been fully complied with.

10. RESOLUTION OF DISPUTES, OBJECTIONS, COMPLAINTS AND QUERIES:

The accounting officer is responsible to establish a dispute resolution mechanism as per paragraph 5.3.1.2.2 and also as required by section 116(1) of the MFMA and paragraph 50 of the SCM Policy.

11. CONTRACT PRICE ESCALATIONS:

11.1 An appropriate contract price adjustment formula or specified terms of escalation must be specified in the bid documents

11.2 Escalation notification must be in writing and presented before the implementation date thereof.

11.3 User departments are responsible to manage, verify and implement price escalations as per originally agreed terms and conditions set out in the specifications of the contract and keep proof of evidence to the newly agreed escalations on the system for all other relevant stakeholders to access.

12. PERFORMANCE ON CONTRACTS:

12.1 In terms of the SCM Policy and the Municipal Systems Act, the accounting officer must implement an internal monitoring system in order to determine, on the basis of a retrospective analysis, whether the authorised supply chain management processes were followed and whether the objectives of this Policy were achieved in terms of the Performance Management System Implementation Policy (Paragraph 9).

12.1.1 Municipality's Performance:

12.1.1.1 The municipality is required to pay creditors within 30 days of receiving all relevant invoice statements.

12.1.1.2 The municipality is also required to create a favourable environment to receive services and goods without preventing the supplier to perform their duties.

12.1.1.3 All parties involved must perform according to the terms and conditions of the relevant contract, while the contract is alive.

12.2.1 Supplier Performance:

12.2.1.1 The supplier of goods and services is required to perform as per terms and conditioned agreed upon and should inform the municipality if circumstances prevents them to perform, with reasons provided, within 5 working days (to be included in all contracts).

12.2.1.2 For all relevant deviations from the agreed terms and conditions of any contract, the key performance indicators (KPI's) should be reviewed as well as the alignment with the strategic objectives established in the IDP.

12.2.1.3 Suppliers performance will be reviewed by Overstrand Officials on a monthly basis (every 25th of the month) giving effect to section 116 of the MFMA, 2003 and the Performance Management System Implementation Policy

12.2.1.4. Prescribed procedures to evaluate service providers must be complied with.
(Refer to the Performance Management Framework Policy)

THE FOLLOWING PROCEDURES NEED TO BE FOLLOWED:

1. The requirements of this policy must be included in the contract of the service provider.
2. The performance of the service provider under the contract or service level agreement must be assessed monthly by the Reporting Officer.
3. The assessment must be completed in the contract management system.
4. The Reporting Officer must complete the Service Provider Assessment on the contract management at the end of each month.
5. The quarterly assessment and reporting must be completed within 15 working days after the end of each quarter. (Refer to the Performance Management Framework Policy, paragraph 9.2.1).
6. The Reporting Officer must provide a copy of the assessment to the Service Provider at the end of each quarterly assessment period and on completion or termination of the contract.
7. Supply Chain Management Unit (Contract Management Office) will review the quarterly Service Provider assessments within 20 days after the end of each quarter and submit a summary report to Council.
8. The Accounting Officer need to develop the necessary forms and report structures to be utilised to manage the above processes. The forms and reporting requirements need to be reviewed on a regular basis.
9. In the instance of under-performance:
   a. The Municipality will facilitate support interventions to service providers in the identified areas of underperformance
   b. Service providers who have been identified as under-performing in identified areas must be informed of these support interventions.
   c. The impact of support interventions must be monitored by the Reporting Officer.
   d. Corrective action should be documented in writing within the contract management system
   e. The records of the support interventions must be documented, signed by both parties and appropriately filed in the contract management system.

13. REVIEW OF CONTRACTS

13.1 In terms of section 116 (1) of the MFMA, a contract or agreement procured through the Supply Chain Management system must have a periodic review once

every three years in the case of a contract or agreement that are longer than three years.

13.2 The contract owner or champion must conduct, as appropriate, within 3 months after the expiry of contracts, post contract reviews.

14 IMPLEMENTATION AND REVIEW PROCESS

This policy will come into effect on 1 July 2015;

This policy will be reviewed at least annually or when required by way of a Council resolution.

POLICY SECTION:	**MANAGER: CONTRACTS**
CURRENT UPDATE	
PREVIOUS REVIEW	**28 MAY 2014**
APPROVAL BY COUNCIL	**8 MAY 2013**

OVERSTRAND MUNICIPALITY

INVESTMENT & CASH MANAGEMENT POLICY

PREAMBLE

Whereas section 13 of the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) determines that a municipality must introduce appropriate and effective investment arrangements;

And whereas a municipality must disclose its investment details;

And whereas councillors and officials as trustees of public funds, have an obligation to ensure that cash resources are managed as effectively, efficiently and economically as possible;

Now therefore the Overstrand Municipality adopts the following Investment Policy:

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OVERSTRAND MUNICIPALITY – INVESTMENT POLICY

1. DEFINITIONS

For the purpose of this policy, unless the context indicates otherwise, any word or expression to which a meaning has been attached in the Act shall bear the same meaning and means:-

"Accounting Officer"	a person appointed by the Municipality in terms of Section 82 of the Local Government: Municipal Structure Act. 1998 (Act No. 117 of 1998) and who is the head of administration and also the Municipal Manager for the Municipality.
"Chief Financial Officer"	an officer of the municipality appointed as the Head of the Finance Department and includes any person:- a) acting in such position; and b) to whom the Chief Financial Officer has delegated a power, function or duty in respective of such a delegated power, function or duty.
"Council"* or *"municipal council"	a municipal council referred to in section 18 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) and for purposes of this policy, the municipal council of the Municipality of Overstrand.
"Councillor"	a member of the Municipal Council
"Investments"	funds not immediately required for the defraying of expenses and invested at approved financial institutions.
"Municipal Manager"	the accounting officer appointed in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) and being the head of administration and accounting officer in terms of section 55 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) and includes any person:- a) acting in such position; and b) to whom the Municipal Manager has delegated a power, function or duty in respective of such a delegated power, function or duty.
"municipality"	the institution that is responsible for the collection of funds and the provision of services to the customers of Overstrand.
"public funds"	all monies received by the municipality to perform the functions allocated to them.

2. OBJECTIVE OF POLICY

The objectives of the Investment Policy are:-

2.1 to manage the investments of the municipality in such a manner that it will not tie up the municipality's scarce resources required to improve the quality of life of the citizens;

2.2 to manage the investments of the municipality in such a manner that sufficient cash resources are available to finance the capital and operating budgets of the municipality; and

2.3 to gain the highest possible return on investments during periods when excess funds are not being used, without unnecessary risk.

3. SCOPE OF POLICY

3.1 The Policy deals with:-

3.2 Responsibility / accountability;

3.3 Investment instruments;

3.4 Cash flow estimates;

3.5 Investment ethics and principles;

3.6 Investment procedures;

3.7 Other external deposits; and

3.8 Control over investments.

4. RESPONSIBILITY / ACCOUNTABILITY

4.1 The Municipal Manager as the Accounting Officer of the municipality is accountable for investment management.

4.2 The municipal council must approve a policy directing procedures, processes and systems required to ensure efficient and effective management of investments.

4.3 Efficient and effective investment management include:-

a. Accurately forecasting the institution's cash flow requirements.

b. Timing of the in- and outflow of cash.

c. Recognising the time value of money.

d. Taking any other action that avoids locking up money unnecessarily and inefficiently.

e. Avoiding bank overdrafts.

5. INVESTMENT INSTRUMENTS

5.1 The Minister of Provincial and Local Government may with the concurrence of the Minister of Finance by notice in the Gazette determine instruments or investments other than those referred to below in which Municipality may invest:-

a. Deposits with banks registered in terms of the Banks Act, 1990 (Act No 94 of 1990);

b. Securities issued by the National Government;

c. Investments with the Public Investment Commissioners as contemplated by the Public Deposits Act, 1984 (Act No 46 of 1984);

d. A municipality's own stock or similar type of debt; internal funds of a municipality which have been established in terms of a law to pool money available to the municipality and to employ such money for the granting of loans or advances to departments within a municipality, to finance capital expenditure;

e. Bankers' acceptance certificates, negotiable certificates or deposits of banks;

f. Long-term securities offered by insurance companies in order to meet the redemption fund requirements of municipalities; and

g. Any other instruments or investments in which a municipality was under a law permitted to invest before the commencement of the Local Government Transition Act, 1996: provided that such instruments shall not extend beyond the date of maturity or redemption thereof.

6. CASH FLOW ESTIMATES

6.1 Before money can be invested, the Municipal Manager must determine whether there will be surplus funds available for the term of the investment.

6.2 In order to be able to make investments for any fixed term, it is essential that cash flow estimates be drawn up.

6.3 Provision must be made in the cash flow estimates for the operating and capital requirements of the municipality:-

a. The operating requirements must include provisions for:-

i. Payment of monthly salaries.
ii. Payment for bulk purchases of electricity and water.
iii. Interest on long-term loans.
iv. Maintenance of assets.
v. General expenditure.
vi. Expected daily and monthly income.

b. Capital requirement must provide for:-

i. The anticipated cash flow requirements for each capital project.

7. INVESTMENT ETHICS AND PRINCIPLES

7.1 The Municipal Manager will be responsible for the investment of funds, and he/she has to steer clear of outside interference, regardless of whether such interference comes from individual councillors, agents or any other institution.

7.2 Under no circumstances may he/she be forced or bribed into making an investment.

7.3 No member of staff may accept any gift unless that gift can be deemed so small that it would not have an influence on his/her work or was not intended to do so, and can merely be seen as goodwill.

7.4 A certificate in respect of any gifts received should be furnished to the Municipality.

7.5 Interest rates offered should never be divulged to another institution.

7.6 Long-term investments should be made with an institution with at least a minimum BBB rating (where BBB refers to low risk institutions).

7.7 Short-term investments should be made with an institution with at least a minimum F3 rating (where F3 refers to low risk institutions).

7.8 Not more than 50% of the municipality's available funds should be placed with a single institution if the available funds exceed R50m.

7.9 The maximum amount invested with a financial institution should not exceed 10% of the relevant institution's shareholder's funds (capital and reserves).

7.10 The municipality may not borrow money specifically for reinvestment, as this would mean interest rates would have to be estimated in advance, which can be seen as speculation with public funds.

7.11 If the Municipal Manager invests with financial institutions, he/she must ensure that such institutions are registered in terms of the Banks Act, 1990 (Act No 94 of 1990) and that they are approved financial institutions, as approved by the Reserve Bank of South Africa from time to time.

7.12 When making growth related investments, the Municipal Manager must obtain a guarantee that at least the capital amount invested is safe, and must exercise due diligence in this regard.

8. INVESTMENT PROCEDURES

After determining whether there is cash available for investment and fixing the maximum term of investment, the Municipal Manager must consider the way in which the investment is to be made.

8.1 Short-term investments:

a. Quotations should be obtained from a minimum of three financial institutions (local banks), for the term of which the funds will be invested.

b. Should one of the institutions offer a better rate for a term, other than what the municipality had in mind, the other institutions which were approached, should also be asked to quote a rate for the other term.

c. Quotations should be obtained in writing or electronic medium.

d. Quotations from institutions must include the following:-

i Name of institution;

ii Name of person quoting rates;

iii Period of the investment;

iv Relevant conditions; and

v Other facts, such as interest payable monthly or on maturation date.

e. Once the required number of quotes has been obtained, a decision must be taken regarding the best terms offered and the institution with which funds are going to be invested.

f. The best offer must under normal circumstances be accepted, with thorough consideration of investment principles.

g. No attempt must be made to make institutions compete with each other as far as their rates and terms are concerned.

h. The investment capital must only be paid over to the institution with which it is to be invested and not to an agent or third party.

i. The financial institution where the investment is made must issue a confirmation stating the details of the investments.

j. The Municipal Manager must make sure that the investment document, if issued, is a genuine document and issued by the approved institution.

k. The financial institution, where the investment is made, must issue a certificate for each investment made stating that no commission has, nor will, be paid to any agent or third party, or to any person nominated by the agent or third party.

l. The municipality must be given a monthly report on all investments.

m. The Municipal Manager must obtain information from which the creditworthiness of financial institutions can be determined. This must be obtained and analysed annually.

8.2 Long-term investments:

a Written quotations must be obtained for all investments made for periods longer than twelve months.

b The municipal council must approve all investments made for periods longer than twelve months after considering the cash requirement for the next three years.

c The municipality must within 30 days after an investment with a term of 12 months or longer has been made, publish in a local newspaper in circulation within its area of jurisdiction, full details of any investments so made.

8.3. Withdrawals

All investment amounts withdrawn and not to be reinvested at the same institution at the time of withdrawal, shall be paid into the primary bank account.

All interest shall be paid into the primary bank account at the time of withdrawal of an investment, irrespective of the capital being reinvested.

9. OTHER EXTERNAL DEPOSITS

The principles and procedures set out above must apply to other investment possibilities subject to the applicable legislation, which is available to the municipality, including debentures and other securities of the state as well as other municipalities or statutory bodies in the Republic of South Africa, instituted under and in terms of any law.

10. CONTROL OVER INVESTMENTS

10.1 An investment register should be kept of all investments made. The following information must be recorded:-

a. name of institution;
b. capital invested;
c. date invested;
d. interest rate;
e. maturation date;
f. interest received;
g. capital repaid; and
h. balance invested.

10.2 The investment register and accounting records must be reconciled on a monthly basis.

10.3 The investment register must be examined on a weekly basis to identify investments falling due within the next week.

10.4 Interest, correctly calculated, must be received timeously, together with any distributable capital.

10.5 Investment certificates, if issued, must be kept in a safe place with dual custody.

10.6 The following documents must be safeguarded:-

a Fixed deposit letter or investment certificate;
b. Receipt confirmation for capital invested;
c. Copy of electronic transfer or cheque requisition;
d. Schedule of comparative investment figures;
e. Commission certificate indicating no commission was paid on the investment; and
f. Interest rate quoted.

11. IMPLEMENTATION AND REVIEW OF POLICY

This policy shall be implemented on 1 July 2015 and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.

12. SHORT TITLE

This Policy shall be called the **Investment Policy of the Overstrand Municipality**.

POLICY SECTION:	**SENIOR MANAGER: FINANCIAL SERVICES**
CURRENT UPDATE	
PREVIOUS REVIEW:	28 MAY 2014
PREVIOUS REVIEW:	29 MAY 2013
PREVIOUS REVIEW:	30 MAY 2012
PREVIOUS REVIEW:	4 MAY 2011
PREVIOUS REVIEW:	26 MAY 2010
APPROVAL BY COUNCIL:	27 MAY 2009

OVERSTRAND MUNICIPALITY

BUDGET POLICY

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PREAMBLE

In the spirit of the Municipal Finance Management Act, (No.56 of 2003), to modernise budget and financial management practices by placing local government finances on a sustainable footing in order to maximize the capacity of municipalities to deliver services to all residents customers, users and investors, and,

Whereas chapter 4 of the Municipal Finance Management Act, (No 56 of 2003) determines that a municipality may, except where otherwise provided in the Act, incur expenditure only in terms of an approved budget; and within the limits of the amounts appropriated for the different votes in an approved budget,

Therefore the Overstrand Municipality adopts the budget policy set out in this document.

OVERSTRAND MUNICIPALITY – BUDGET POLICY

1. OBJECTIVES OF POLICY

The policy sets out the budgeting principles which Overstrand Municipality will follow in preparing each annual budget. The policy aims to give effect to the requirements and stipulations of the Municipal Finance Management Act in terms of the planning, preparation and approval of the annual budgets.

The policy shall apply to all the relevant parties within the Overstrand Municipality that are involved throughout the budget process.

A Budget Steering Committee will be established to guide the budget process.

2. BUDGET PRINCIPLES

2.1. Capital Budget

The capital budget refers to the allocations made to specific infrastructural projects and the purchase of equipment and other forms of assets having a lifespan of more than one year and a cost value of more than R2 000.

2.1.1 Basis of Calculation

a. The current three year MTREF budget is the departure point in preparing the subsequent annual capital budget.
b. The annual capital budget shall be based on realistically anticipated revenue, which should be equal to the anticipated capital expenditure in order to result in a balanced budget.
c. The impact of the capital budget on the current and future operating budgets in terms of finance charges to be incurred on external loans, depreciation of fixed assets, maintenance of fixed assets and any other operating expenditure to be incurred resulting directly from the capital expenditure, should be carefully analyzed when the annual capital budget is being compiled.
d. In addition, the council shall consider the likely impact of such operational expenses, net of any revenues expected to be generated by such items on future property rates and service tariffs.

2.1.2 Financing

Own Financing Sources

<u>Own financing consists of the following sources:</u>

a. Unappropriated cash-backed surpluses from previous financial years, to the extent that such surpluses are not required for operational purposes and cash resources are adequate for cost coverage and liquidity ratio.

b. Borrowing (External Loans)

c. Proceeds on the sale of fixed assets, less cost to sell, in terms of the Asset Management-, Administration of Immovable Property- and Accounting policies.

Other Financing Sources (External)

The external funded capital budget shall be financed from external sources such as the following:

a. Grants and subsidies as allocated in the annual Division of Revenue of Act.

b. Grants and subsidies as allocated by Provincial government.

c. Public contributions and donations.

d. Any other external financing source secured by the local authority.

2.1.3 Process and responsible parties

The process to be followed in the compilation of the capital budget is as follows:

a. The current 3 year MTREF budget is the departure point in preparing the subsequent annual capital budget.

b. The CFO, in conjunction with the Senior Manager: Financial Services and the Manager: Budget Office and after consultation with the Budget Steering Committee sets the reasonable growth level of the capital budget to be financed out of own and external sources and determines affordability.

c. The draft capital budget is compiled based on the projects that emanated out of the engagements with the different stakeholders.

d. The CFO, together with the Senior Manager: Financial Services and the Manager: Budget Office, engage with the Directors and the Senior Manager: Strategic Services in order to determine the priorities for a particular financial year and to determine the ranking of projects based on these priorities.

e. The draft capital budget is submitted to the Budget Steering Committee for perusal and suggestions.

f. The draft capital budget is tabled in Council at least 90 days (31 March) before the start of the new financial year.

g. After the draft budget is tabled in Council, it is advertised for public comment for a period of 30 days.

h. Once the comments from the public have been received, noted and considered, any amendments and the final budget are tabled in Council for final approval, at least 30 days (31 May) before the start of the financial year.

2.1.4 Implementation

a. After the budget has been approved, the service delivery and budget implementation plan (SDBIP) is finalised.

b. The SDBIP must be submitted to the Mayor within 14 days after aforementioned approval, for approval within a further 14 days.

c. Each director indicates the intended spending for both capital and operating budgets.

d. Cash flows are included in the Service Delivery and Budget Implementation Plan of the organisation.

e. The SDBIP is monitored on a monthly basis.

f. Each project manager uses the respective vote numbers as indicated on the capital budget

2.2. Operational Budget

The operational budget refers to the funds that would be generated for the delivery of basic services, grants & subsidies and any other municipal services rendered. These funds are in turn used to cover the expenses incurred in the day to day running of the organization.

2.2.1. Basis of Calculation

a. The zero based and incremental approach is used by budget holders in preparing the annual operating budget, depending on the type of revenue or expenditure.

b. The annual operating budget shall be based on realistically anticipated revenue, which should at least be equal to the anticipated cash operating expenditure in order to result in a balanced budget.

c. An income based approach shall be used where the realistically anticipated revenue would firstly be projected. The level of operating expenditure will then be based on the projected revenue, thus resulting in a balanced budget.

2.2.2. Financing

The operating expenditure shall be financed from the following sources:

a. Service Charges

(i) Property Rates

(ii) Electricity Charges

(iii) Water Sales

(iv) Refuse Removal Fees

(v) Sewerage Fees

Service charges shall be based on the tariff growth rate as agreed upon plus a growth rate of the town.

b. Grants, Subsidies, Conditional Receipts & Awards

Grants and subsidies shall be based on all the gazetted grants and subsidies plus all other allocations received by the organization.

c. Interest on Investments

The budget for interest on investments shall be in accordance with the Investment and Cash Management Policy of the organization.

d. Rental Fees

Fees for rentals will be determined based on the percentage growth as determined by contracts for a particular budget year

e. Fines

Revenue from fines will be budgeted for based on the projected fines that will be issued during the financial year.

f. Other Income

All other income items will be budgeted for based on the historic trends.

2.2.3 Budget Categories

The following expenditure categories shall be accommodated in the operating budget:

a Salaries, Wages and Allowances

The salaries and allowances are calculated based on the percentage increases as per the collective agreement between organised labour and the employer for a particular period. The remuneration of all political office bearers is based on percentages as gazetted.

b Bulk Purchases

The expenditure on bulk purchases shall be determined using the tariffs as stipulated by NERSA from time to time.

c Impairment

Impairment losses will be budgeted for to the extent that Assets and other financial assets, such as Debtors and receivables from Fines, are impaired.

d Other General Expenditure

A percentage growth for all other general expenditure shall be based on budget requests to be considered by the Budget Steering Committee in line with growth rates and the CPI.

e Repairs and Maintenance

The budget of repairs and maintenance shall be based on budget requests to be considered by the Budget Steering Committee in conjunction with the needs of the departments in terms of repairing and maintaining their assets.

f Capital Expenses

Capital expenses refer to:

i) Interest payable on external loans taken up by Council. The budget for interest on external loans will be determined by the repayments that the municipality is liable for based on the agreements entered into with the lenders.
ii) Interest on Finance Leases
iii) Depreciation, based on the estimated useful lives of assets

g Contributions to Provisions

Refers to the contribution made to provisions (e.g. leave, bonus, rehabilitation of land-fill sites, clearing of alien vegetation) on an annual basis and is calculated from relevant data and any other factors that could have an effect.

h Recharges

This category refers to interdepartmental charges (Overheads) within the organization. The performance of each of the line items is analyzed and then the budget is based on the preceding year's performance.

2.2.4. Process

a. The CFO, in conjunction with the Senior Manager: Financial Services and the Manager: Budget Office, and after consultation with the Budget Steering Committee, sets the reasonable growth level of the operational budget based on the current financial performance and the prevailing industry growth levels. (i.e. CPI).

b. After the income has been determined, an acceptable growth level for the operating expenditure is determined and the draft operating budget is discussed with the relevant Directors for their perusal and amendments.

c. The draft operating budget is compiled based on the submissions from the engagements with the different stakeholders.

d. The draft operating budget serves before the Budget Steering Committee for perusal and suggestions.

e. The draft operating budget is tabled in Council at least 90 days (31 March) before the start of the new financial year.

f. The draft SDBIP is tabled in Council at least 90 days (31 March) before the start of the new financial year.

g. After the draft budget is tabled in Council, it is advertised for public comment for a period of 30 days.

h. Once the comments from the public have been received, noted and considered, the final budget (inclusive of any amendments) is tabled in Council for adoption, at least 30 days (31 May) before the start of the financial year.

i Sect 25(1) of the Municipal Finance Management Act (56 of 2003) states that "if a municipal council fails to approve an annual budget, including revenue raising measures necessary to give effect to the budget, the Council must reconsider the budget and again vote on the budget, or on an amended version thereof, within 7 days of the Council meeting that failed to approve the budget."

2.2.5. Implementation

a. After the budget has been approved, the service delivery and budget implementation plan (SDBIP) is finalised.

b. The SDBIP must be submitted to the Mayor within 14 days after aforementioned approval, for Mayoral approval with a further 14 days.

c. Each director indicates the intended spending for both capital and operating budgets.

d Cash flows are included in the Service Delivery and Budget Implementation Plan of the organisation.

e. The SDBIP is monitored on a monthly basis.

f. Each directorate uses their respective vote numbers as indicated on the operational budget.

2.3. Adjustments Budget

2.3.1 A general adjustments budget may be tabled once a year by 28 February.

2.3.2 The adjustments budget process shall be aligned to the annual budget in terms of consideration by the Budget Steering Committee.

2.3.3 The adjustments budget must be approved by Council before implementation.

2.3.4 Any consequential amendment of the SDBIP necessitated by the adjustments budget must be published together with the adjustments budget within 5 days after the Municipal Council has approved an adjustments budget.

3. IMPLEMENTATION AND REVIEW OF POLICY

This policy shall be implemented on 1 July 2015 and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.

POLICY SECTION:	**SENIOR MANAGER: FINANCIAL SERVICES**
CURRENT UPDATE:	
PREVIOUS REVIEW	28 MAY 2014
PREVIOUS REVIEW	29 MAY 2013
PREVIOUS REVIEW:	30 MAY 2012
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OVERSTRAND MUNICIPALITY

VIREMENT POLICY

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OVERSTRAND MUNICIPALITY – VIREMENT POLICY

1 DEFINITIONS

"Accounting officer"	The municipal manager of a municipality is the accounting officer of the municipality in terms of section 60 of the MFMA
"Approved budget"	means an annual budget approved by a municipal council.
"Budget-related policy"	means a policy of a municipality affecting or affected by the annual budget of the municipality
"Chief financial officer"	means a person designated in terms of the MFMA who performs such budgeting, and other duties as may in terms of section 79 of the MFMA be delegated by the accounting officer to the chief financial officer.
"Capital Budget"	This is the estimated amount for capital items in a given fiscal period. Capital items are fixed assets such as facilities and equipment, the cost of which is normally written off over a number of fiscal periods
"Council"	means the council of a municipality referred to in section 18 of the Municipal Structures Act.
"Financial year"	means a 12-month year ending on 30 June.
"Line Item"	an appropriation that is itemized on a separate line in the internal budget document for the purpose of greater control over expenditure **[See annexure "B1" for Item structure]**
"Operating Budget"	the Municipality's financial plan, which outlines proposed expenditures for the coming financial year and estimates the revenues used to finance them.
"Ring Fenced"	an exclusive combination of line items grouped for specific purposes for instance salaries and wages.
"Service delivery and budget implementation plan"	means a detailed plan approved by the mayor of a municipality in terms of section 53(1) *(c)* (ii) for implementing the municipality's delivery of municipal services and its annual budget.
"Virement"	is the process of transferring an approved budget allocation from one operating line item or capital project to another, with the approval of the relevant Manager. To enable budget managers to amend budgets in the light of experience or to reflect anticipated changes.
"Vote"	means one of the main segments into which a budget of a municipality is divided for the appropriation of funds for the different Directorates or GFS classifications of the municipality; and which specifies the total amount that is appropriated for the purposes of the Directorates or GFS classifications concerned**. [See annexure "A1" for Vote structure]**

2 ABBREVIATIONS

"CFO"	Chief Financial Officer
"GFS"	Government Financial Statistics
"IDP"	Integrated Development Plan
"MFMA"	Municipal Finance Management Act No. 56 of 2003
"SDBIP"	Service delivery and budget implementation plan

OVERSTRAND MUNICIPALITY – VIREMENT POLICY

3 OBJECTIVE

To allow limited flexibility in the use of budgeted funds to enable management to act on occasions such as disasters, unforeseen expenditure or savings, etc. as they arise to accelerate service delivery in a financially responsible manner.

4 VIREMENT CLARIFICATION

Virement is the process of transferring budgeted funds from one line item number to another, with the approval of the relevant Director and CFO, in certain instances, to enable budget managers to amend budgets in the light of experience or to reflect anticipated changes. (Section 28 (2) (c) MFMA)

5 FINANCIAL RESPONSIBILITIES

Strict budgetary control must be maintained throughout the financial year in order that potential overspends and / or income under-recovery within individual vote departments are identified at the earliest possible opportunity. (Chapter 4 of the MFMA) The Chief Financial Officer has a statutory duty to ensure that adequate policies and procedures are in place to ensure an effective system of financial control. The budget virement process is one of these controls. (Section 27(4) MFMA)

It is the responsibility of each manager or head of a directorate or activity to which funds are appropriated, to plan and conduct assigned operations so as not to expend more funds than budgeted. In addition, they have the responsibility to identify and report any irregular or fruitless and wasteful expenditure in terms of the MFMA sections 78 and 32.

6 VIREMENT RESTRICTIONS

(a) A virement of funds between votes (Directorates) will not be allowed without approval in an adjustments budget.

(b) Cumulative virements may not exceed a maximum of 10% of the total approved operating budget per Directorate.

(c) A virement may not create new policy, significantly vary from current policy or alter the approved outcomes / outputs as approved in the IDP for the current or subsequent years. (section 19 and 21 MFMA)

(d) Virements resulting in adjustments to the approved SDBIP need to be submitted to the Municipal Manager after an adjustments budget, with altered outputs and measurements for approval. (MFMA Circular 13 page 3 paragraph 3)

(e) No virement request may be effected in the current year which will increase the approved budget in future financial years without the prior approval of the Municipal Manager and the Mayor. This refers to expenditure such as entering into lease- or rental agreements for vehicles, photo copier's or fax machines, operational contracts.

(f) No virement may be made where it would result in unauthorised expenditure. (section 32 MFMA)

(g) No virement shall add to the staff establishment of the Municipality without the approval of the Municipal Manager.

(h) Budget may only be transferred from Salaries if approved by the Municipal Manager and the Director: Finance.

(i) If the virement relates to an increase in the work force establishment, then the Council's existing recruitment policies and procedures will apply.

(j) Virements may not be made in respect of ring-fenced allocations.

(k) No virements are permitted from Capital financing, Depreciation, Provisions, Contributions and Income Foregone.

(l) Virements in capital budget allocations are only permitted within specified action plans and not across funding sources and must in addition have comparable asset lifespan classifications.

(m) No virements are permitted in the first three months or the final month of the financial year without the express approval of the CFO.

(n) No virement proposal shall affect amounts to be paid by another Department without the agreement of the Manager of that Department, as recorded on the signed virement form. (Section 15 MFMA)

(o) Virement amounts may not be rolled over to subsequent years, or create expectations on following budgets. (Section 30 MFMA)

(p) An approved virement does not give expenditure authority and all expenditure resulting from approved virements must still be subject to the procurement / supply chain management policy of Council as periodically reviewed.

(q) Virements may not be made between Expenditure and Income.

(r) Virements may not be made between capital and operational budgets, except as indicated in paragraph 7.

(s) Virements from services such as electricity, water, sewage and refuse may only be considered after the submission of full details of the impact of the reduced expenditure for that service, and the impact has been duly considered, and approved by the Director: Finance.

7 VIREMENT PROCEDURE

(a) All virement proposals must be completed on the appropriate documentation and forwarded to the Budget Office for checking and implementation. All virements must be subjected to scrutiny across all seven segments of the SCOA classification framework.

(b) All virements must be approved by the Vote holder and/or relevant Manager (Section 79 MFMA) in the case of a departmental budget transfer, and also by the relevant Director in the case of a transfer within a Directorate relating to the operational budget.

(c) Capital Budget Virement within a GFS Classification must be approved by the relevant manager and Director, the Municipal Manager and Director: Finance and, in cases where the amount exceeds R100 000, by the Executive Mayor. Virements across GFS classification will only be considered if it qualifies as an Adjustment Budget request and will then be done as part of the official Adjustment Budget.

(d) A virement form must be completed for all Operational Budget Transfers and in the case of a Capital Budget transfer an official memo approved by the relevant director, MM & CFO must be submitted. The prescribed documentation must be completed.

(e) Virements in excess of R 50,000 with a maximum as determined under section 6b. requires the approval of the relevant Director for Inter-departmental transfers, as well as the express approval of the Chief Financial Officer. (Section 79 MFMA).

(f) Virement transfers must be taken into consideration by the respective managers with regards to the SDBIP.

(g) Virements in respect of Ward specific projects must be approved by the Chief Financial Officer, Muncipal Manager and the Mayor.

(h) Virements between Capital and Operational in respect of Ward Specific Projects and grant allocations, will only be allowed if it qualifies as an Adjustment Budget request and will then be done as part of the official Adjustment Budget

(i) All virement documentation must be in order and approved before any expenditure may be committed or incurred. (Section 79 MFMA).

(j) After all virement documentation has been duly completed, including all authorizations, the budget transfers must be effected within three working days.

(k) The Director: Finance must report to the Municipal Manager and the Mayor on a monthly basis in respect of virements in excess of R50 000 per item.

8. IMPLEMENTATION AND REVIEW OF THIS POLICY

This policy shall be implemented on 1 July 2015 and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.

POLICY SECTION:	**SENIOR MANAGER: FINANCIAL SERVICES**
CURRENT UPDATE:	
PREVIOUS REVIEW	28 MAY 2014
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APPROVAL BY COUNCIL:	26 MAY 2010

SCOA FUNCTION/SUB FUNCTION

FUNCTION/SUB-FUNCTION	FUNCTION/SUB-FUNCTION
Community and Social Services	**Finance and Administration**
Aged Care, Home Assistance and Transport Facilities	Administrative and Corporate Support
Animal Care and Diseases	Asset Management
Cemeteries, Funeral Parlours and Crematoriums	Budget and Treasury Office
Child Care Facilities	Finance
Community Halls and Facilities	Fleet Management
Libraries and Archives	Human Resources
Literacy Programmes	Information Technology
Museums and Art Galleries	Legal Services
Theatres	Marketing, Customer Relations, Publicity and Media Co-ordination
Zoo's	Property Services
	Risk Management
Electricity and Gas	Security Services
Electricity and Gas Distribution	Supply Chain Management
Street Lighting	Valuation Service
Electricity Generation	
	Health
Environmental Protection	Health Services
Biodiversity and Landscape	Laboratory Services
Coastal Protection	
Pollution Control	**Housing**
	Housing
Executive and Council	Informal Settlements
Mayor and Council	
Municipal Manager, Town Secretary and Chief Executive	**Internal Audit**
	Governance Function
Other	
Abattoirs	**Road Transport**
Air Transport	Parking Garages
Forestry	Pounds
Licensing and Regulation	Public Transport
Markets	Roads
Tourism	Taxi Ranks

OVERSTRAND MUNICIPALITY – VIREMENT POLICY

ANNEXURE A

FUNCTION/SUB-FUNCTION	FUNCTION/SUB-FUNCTION
Planning and Development	**Sport and Recreation**
Billboards	Beaches and Jetties
Corporate Wide Strategic Planning (IDPs, LEDs)	Community Parks (including Nurseries)
Central Improvement District	Recreational Facilities
Development Facilitation	Sports Grounds and Stadiums
Economic Development/Planning	
Town Planning, Building Regulations and Enforcement, and City Engineer	**Waste Management**
Project Management Unit	Recycling
Support to Local Municipalities	Solid Waste Disposal (Landfill Sites)
	Solid Waste Removal
Public Safety	Street Cleansing
Civil Defence (Municipal Commando's)	
Cleansing	**Waste Water Management**
Control of Public Nuisances	Public Toilets
Fencing and Fences	Sewerage
Fire Fighting and Protection	Storm Water Management
Licensing and Control of Animals	Treatment
Police Forces, Traffic and Street Parking Control	
	Water
	Treatment
	Water Distribution
	Water Storage

Note: The function/sub- function segment consist of core and non-core functions

OPERATIONAL BUDGET - DIRECTORATES & DEPARTMENTS (OWN SEGMENT)

DEPT	DIRECTORATE	CODE
	Council & Mayor's Office	1
0010	COUNCIL'S GENERAL	
0050	MAYORS OFFICE	
0060	PENSIONERS & CONTINUED MEMBERS	
	MM & Internal Audit	2
0100	MUNICIPAL MANAGER	
0140	INTERNAL AUDIT	
	Management Services	3
0080	MUNICIPAL COURT	
0090	COMMUNICATION	
0110	DIRECTOR: MANAGEMENT SERVICES	
0120	LEGAL SERVICES	
0130	STRATEGIC SERVICES	
0650	HUMAN RESOURCES	
0660	INFO & COMMUNICATION TECHNOLGY	
0670	COUNCIL SUPPORT SERVICES	
0680	SOCIAL DEVELOPMENT	
	Finance	4
0150	FINANCE: DIRECTOR	
0160	FINANCE: DEPUTY DIRECTOR	
0180	FINANCE: ACCOUNTING SERVICES	
0190	FINANCE: EXPENDITURE & ASSETS	
0200	FINANCE: REVENUE	
0210	MANAGER: SUPPLY CHAIN MANAGEMT	
0220	DATA CONTROL	
0250	ASSESSMENT RATES	
	Infrastructure & Planning	5
2180	DIRECTOR:INFRASTRUCTURE & PLAN	
2190	ENGINEERING SERVICES	
2200	TOWN PLANNING & PROPERTY ADMIN	
2210	DEP.DIRECTOR:ENGINEERING PLANN	
2220	GEOGRAPHICAL INFO SYSTEM (GIS)	
2240	SOLID WASTE PLANNING	
2250	BUILDING CONTROL SERVICES	
2260	MUNICIPAL PROPERTIES	
2990	OVERSTRAND HOUSING DEVELOPMENT	
2300	ENVIRONMENTAL MANAGEMENT SERV	

DEPT	DIRECTORATE	CODE
1460	STREETLIGHTS: KLEINMOND	
1470	STREETLIGHTS: HERMANUS	
1480	STREETLIGHTS: STANFORD	
1490	STREETLIGHTS: GANSBAAI	
4200	ELECTRICITY(ADMIN) HM/KM	
4210	ELECTRICITY(ADMIN) GB&ST	
4250	ELECTRICITY (DISTR): KLEINMOND	
4260	ELECTRICITY (DISTR): HERMANUS	
4270	ELECTRICITY (DISTR): STANFORD	
4280	ELECTRICITY (DISTR): GANSBAAI	
4350	ELECT (PURCH/SALES): KLEINMOND	
4360	ELECT (PURCH/SALES): HERMANUS	
4370	ELECT (PURCH/SALES): STANFORD	
4380	ELECT (PURCH/SALES): GANSBAAI	
4400	ELECTRICITY INCOME	
4430	ELECT (SERV & CON): KLEINMOND	
4440	ELECT (SERV & CON): HERMANUS	
4450	ELECT (SERV & CON): STANFORD	
4460	ELECT (SERV & CON): GANSBAAI	
3640	OVERSTRAND: SOLID WASTE DISP.	
	Protection Services	6
0700	TRAFFIC	
0710	LAW ENFORCEMENT	
0720	VEHICLE TESTING	
0740	FIRE BRIGADE/DISASTER MANAGEMT	
0750	VEHICLE LICENSING	
0800	DIRECTOR:PROTECTION & SECURITY	
	LED	7
1110	DIRECTOR:ECON.DEVELOP&TOURISM	
1120	TOURISM	
1130	PARKING SERVICE	

OVERSTRAND MUNICIPALITY – VIREMENT POLICY

ANNEXURE A

DEPT	DIRECTORATE	CODE	DEPT	DIRECTORATE	CODE
	Community Services	8			
0500	DIRECTOR:COMMUNITY SERVICES		**1920**	OFFICE BUILDINGS ST	
0510	DEPUTY DIR:OPERATIONAL SERVICE		**1930**	OFFICE BUILDINGS GB	
0530	AREA MANAGER: KLEINMOND		**1940**	CORPORATE BUILDING (HM)	
0540	AREA MANAGER: HERMANUS		**1990**	SWIMMING POOL: HAWSTON	
0550	AREA MANAGER: STANFORD		**2100**	SPORTSGROUNDS: KLEINMOND	
0560	AREA MANAGER: GANSBAAI		**2110**	SPORTGROUNDS: HERMANUS	
0610	CONTROL ROOM		**2120**	SPORTGROUNDS: STANFORD	
0620	FLEET MANAGEMENT		**2130**	SPORTGROUNDS: GANSBAAI	
0630	SPORTS & RECREATION		**2140**	SWIMMING POOL: HERMANUS	
0640	MANAGER: CORPORATE PROJECTS		**2150**	SLIPWAY (KLEINBAAI)	
0950	LIBRARY: BETTY'S BAY		**2160**	STONY POINT (BETTY'S BAY)	
0960	LIBRARY: KLEINMOND		**2500**	CEMETERIES: KLEINMOND	
0970	LIBRARY: HAWSTON		**2510**	CEMETERIES: HERMANUS	
0980	LIBRARY: MOUNT PLEASANT		**2520**	CEMETERIES: STANFORD	
0990	LIBRARY: ZWELIHLE		**2530**	CEMETERIES: GANSBAAI	
1000	LIBRARY: HERMANUS		**2600**	CARAVAN PARK: PALMIETCAMP	
1010	LIBRARY: STANFORD		**2610**	CARAVANPARK: KLEINMOND	
1020	LIBRARY: GANSBAAI		**2620**	CAMPING SITE: HAWSTON	
1100	POST OFFICE AGENCY: STANFORD		**2630**	CARAVAN PARK: ONRUS	
1300	OPERATIONAL MANAGER: KLEINMOND		**2660**	CARAVAN PARK: GANSBAAI	
1310	OPERATIONAL MANAGER: HERMANUS		**2900**	HOUSING & SOCIAL UPLIFTMENT	
1320	OPERATIONAL MANAGER: STANFORD		**2910**	HOUSING ALL SCHEMES	
1330	OPERATIONAL MANAGER: GANSBAAI		**4560**	WATER (TREAT): KLEINMOND	
1600	BEACHES: KLEINMOND		**4590**	WATER (TREAT): DE BOS/PREEKSTO	
1610	BEACHES: HERMANUS		**4600**	WATER (TREATMENT) STANFORD	
1620	BEACHES: GANSBAAI		**4620**	WATER (TREAT): GANSBAAI/FRANSK	
1360	STREETS: PROVINCIAL MAIN ROAD		**4800**	WATER (DISTRIBUTION): KLEINMON	
1400	STREETS: KLEINMOND		**4810**	WATER (DISTRIBUTION): HERMANUS	
1410	STREETS: HERMANUS		**4820**	WATER (DISTRIBUTION): STANFORD	
1430	STREETS: STANFORD		**4830**	WATER (DISTRIBUTION): GANSBAAI	
1440	STREETS: GANSBAAI		**4850**	OVERSTRAND: WATER	
1450	OVERSTRAND: ROADS		**4890**	WATER INCOME	
1640	PARKS & TOWNLANDS (KLEINMOND)		**4900**	WATER (SERV & CON): KLEINMOND	
1650	PARKS & TOWNLANDS (HERMANUS)		**4910**	WATER (SERV & CON): HERMANUS	
1660	PARKS & TOWNLANDS (STANFORD)		**4920**	WATER (SERV & CON): STANFORD	
1670	PARKS & TOWNLANDS (GANSBAAI)		**4930**	WATER (SERV & CON): GANSBAAI	
1750	MULTI-PURPOSE CENTRE (HAWSTON)		**4970**	WATER (RAW WAT DAMS): GANSBAAI	
1800	COMMUNITY BUILDINGS KM		**1500**	STORMWATER: KLEINMOND	
1810	COMMUNITY BUILDINGS HM		**1510**	STORMWATER: HERMANUS	
1820	COMMUNITY BUILDINGS ST		**1530**	STORMWATER: STANFORD	
1830	COMMUNITY BUILDINGS GB		**1540**	STORMWATER: GANSBAAI	
1840	AUDITORIUM & BANQUETING HALL		**3200**	PUBLIC TOILETS (HERMANUS)	
1900	OFFICE BUILDINGS KM		**3750**	SEWERAGE (DISTRIBU): KLEINMOND	
1910	OFFICE BUILDINGS HM		**3760**	SEWERAGE (DISTRIBU): HERMANUS	

OVERSTRAND MUNICIPALITY – VIREMENT POLICY

ANNEXURE A

DEPT	DIRECTORATE	CODE
3770	SEWERAGE (DISTRIBU): STANFORD	
3780	SEWERAGE (DISTRIBU): GANSBAAI	
3860	SEWERAGE (SERV/CON): HERMANUS	
3950	SEWERAGE (TANKERS): KLEINMOND	
3960	SEWERAGE (TANKERS): HERMANUS	
3970	SEWERAGE (TANKERS): STANFORD	
3980	SEWERAGE (TANKERS): GANSBAAI	
4050	SEWERAGE (TREATMENT) KLEINMOND	
4060	SEWERAGE (TREATMENT): HAWSTON	
4070	SEWERAGE (TREATMENT) HERMANUS	
4080	SEWERAGE (TREATMENT) STANFORD	
4090	SEWERAGE (TREATMENT) GANSBAAI	
4100	SEWERAGE INCOME	
3300	REFUSE REMOVAL: KLEINMOND	
3310	REFUSE REMOVAL: HERMANUS	
3320	REFUSE REMOVAL: STANFORD	
3330	REFUSE REMOVAL: GANSBAAI	
3400	SOLID WASTE DISPOSAL:B/BAY	
3410	SOLID WASTE DISPOSAL: HAWSTON	
3420	SOLID WASTE DISPOSAL: VOELKLIP	
3430	SOLID WASTE DISPOSAL: STANFORD	
3440	REFUSE DISPOSAL:P/BEACH(TRFST)	
3500	SOLID WASTE DISPOSAL: KLEINMON	
3510	SOLID WASTE DISPOSAL: HERMANUS	
3620	WASTE DISPOSAL SITE: GANSBAAI	
3650	REFUSE INCOME	

LIST OF SCOA OPERATIONAL ITEMS

Bulk Purchases - Electricity: ESKOM	This account should record the cost of all electricity purchased for resale.
Contracted Services - Outsourced Services	The municipality should have the capacity and expertise to carry out certain services, but for some reasons not utilising their own staff. The reasons might include temporary incapacity or the outsourcing of services to save costs, for example cleaning, security and recruitment. In evaluating the classification of agency/outsourced services it should be established whether the services being procured could have been provided by the municipality itself. It could also be that the municipality ordinarily has the expertise to provide the service but temporarily could not do so or to save costs.
Alien Vegetation Control	External service providers used by the municipality for the control of alien vegetation being 1) declared noxious weeds (toxic to humans or cattle and which can infest agricultural crops 2) declared invasive weeds (usually less dangerous than the former but are non the less invasive and thus threaten the survival of other species and 3) plants perceived as "weeds" which are not classified within the two former groups and are not "declared" as such. [Conservation of Agricultural Resources Act No 43 of 1983]
Animal Care	Making use of external service providers to assist with animal care, such as the SBCA, Wet Noise or Volunteers.
Clearing and Grass Cutting Services	If the municipality make use of external service providers for assisting in the clearing and cleaning of bushes, ervin, fire belt, alien, invasive trees and tree/grass cutting the cost need to be recorded to this item. This would include the hiring of unemployed for assisting in these tasks.
Fire Services	If the municipality make use of external service providers for assisting in providing a fire service the cost need to be recorded to this item.
Hygiene Services	External service providers used by the municipality in providing hygiene services such as public toilets, toilet facilities in municipal buildings, waste and rain water causing hygiene concerns and problems, sewerage spills resulting from blocked drains, etc.
Illegal Dumping	If the municipality make use of external service providers to remove and clean-up "illegal dumping" of waste and refuse.
Litter Picking and Street Cleaning	External service providers or making use of contract workers to assist in litter picking in cleaning the municipal area.
Medical Waste Removal	Hospitals, clinics, medical practioners and laboratories generate various forms of medical waste to be disposed of in terms of Waste Legislation. In order to ensure the appropriate removal of waste the service is outsourced to specialist external services providers by the municipality.
Meter Management	The municipality make use of external service providers for the management of water and electricity meters including checking for tampering, calibration, replacing meters, reading meters and securing meters if instructed to disconnect and reconnect on instruction.
Reconnect-, Disconnect-, New Connections: Electricity	The cost of services rendered by external bodies i.r.o the disconnection and/or reconnection of meters and new installations of meters. specifically for electricity.
Reconnect-, Disconnect-, New Connections: Water	The cost of services rendered by external bodies i.r.o the disconnection and/or reconnection of meters and new installations of meters specifically for water.
Removal of Structures and Illegal Signs	Cost incurred in the use of contractors to remove illegal structures, signage, posters, advertisements, etc. This item exclude Informal Settlement Management.
Security Services	Cost incurred for the rendering of security services including safe guarding of cash in transit, personal bodyguards, guard services for public events and functions, monitoring of alarms, crime prevention, access control to buildings and public places, rapid and armed response.
Swimming Supervision	Cost incurred for making use of contractors for swimming supervision at municipal swimming pools.

Translators and Interpreters	External translator and interpreting service used by the municipality to assist at public participation meetings, newsletters, public hearings and addresses, communications, letters, newsletters, etc.
Traffic Fines Management	This account provides for the outsourcing of traffic management for example camera fine management and collection thereof.
Veterinary Services	Costs incurred for services rendered by persons caring for sick, hurt or injured animals. Included are consultation fees, medication and hospitalisation of animals.
Contracted Services-Consultants/Professional Services	This group of accounts provides for Business and Advisory Services provided by Consultants and Professional Service Providers.
Business and Advisory - Accountants and Auditors	Consultancy services provided by registered accountants and auditors.
Business and Advisory - Air Pollution	Consultancy services provided to assist the municipality in curbing air pollution resulting from the introduction of chemicals, particular matter or biological materials that cause harm or discomfort to humans or other living organisms, or cause damage to the natural environment or built environment into the atmosphere.
Business and Advisory - Audit Committee	Compensation paid to external audit committee members for attending meeting.
Business and Advisory - Board Member	Consultation fees incurred for external board members attendance at Board Meetings.
Business and Advisory - Business and Fin. Management	Provision of specialised professional services regarding Financial Management and Procurement Management that cannot be maintained in-house. The legal status can be an individual, partnership or corporation.
Business and Advisory - Commissions and Committees	Professional services for special commissions of enquiry and members of committees other than the audit committee, performance committee, etc.
Business and Advisory - Communications	Professional advice to the municipality on its external and internal communication strategies.
Business and Advisory - Human Resources	Specialised professional services of a technical or specialised nature related to Human Resources Management that cannot be maintained in-house.
Business and Advisory - Medical Examinations	Referring employees for medical examinations at the expense of the municipality, for example if more than the acceptable sick leave are taken within a cycle, etc.
Business and Advisory - Occupational Health and Safety	Occupational health, safety and risk assessment consultants which is a cross-disciplinary area concerned with protecting the safety, health and welfare of people engaged in the work- or employment environment. As a secondary effect, it may also protect co-workers, family members, employers, customers, suppliers, nearby communities, and other members of the public who are impacted by the workplace environment. Risk assessment is the determination of quantitative or qualitative value of risk related to a concrete situation and a recognised threat which involve the calculations of risk, magnitudes of loss and the probability that the loss will occur.
Business and Advisory - Organisational	Professional advice to the municipality on the organisational structure, including advice on transformation, streamlining and stabilisation of the municipality and its service delivery activities.
Business and Advisory - Project Management	Professional fees for persons (individuals) or companies contracted to manage specific large projects on behalf of the municipality.
Business and Advisory - Research and Advisory	Specialist research and advisory services related to the development, refinement or evaluation of policies to the municipality (Usually these kinds of specialist research and advisory services would be done by recognised specialists in the relevant field, who very often are working as individuals, universities or research institutes. Also Environment studies done for land under claim to determine the impact a change of business will have on the land and surrounding environment and needs assessments are done whilst settling the claims to assess what the community's requirements are and if it will be met by the way the claim is settled.
Business and Advisory - Qualification Verification	Professional services for qualification verification of employees and candidates for positions.

Business and Advisory - Quality Control	Specialised professional services of a technical or specialised nature related to quality control that cannot be maintained in-house. The legal status can be an individual, partnership or corporation, including electricity, water and air.
Business and Advisory - Valuer	Professional services of a valuer for valuing property, plant and equipment or providing assistance with compilation of the municipal valuation roll.
Infrastructure and Planning - Architectural	Architectural services being the art and science of designing buildings and structure including the design of the total built environment: from the macro level of town planning, urban design and landscape architecture to the micro level of construction details and, sometimes, furniture, etc.
Infrastructure and Planning - Ecological	This item includes services relating to ecology, such as studies in the science of the relationship between organisms and their environment, or studying the relationships between human groups and their physical and social environment and the study of the detrimental effects of modern civilisation on the environment, with a view toward prevention or reversal through conservation.
Infrastructure and Planning - Engineering: Civil	Civil engineering is a professional engineering discipline that deals with the design, construction and maintenance of the physical and naturally built environment, including works such as bridges, roads, canals, dams and buildings.
Infrastructure and Planning - Engineering: Electrical	Electrical engineering, sometimes referred to as electrical and electronic engineering, is a field of engineering that deals with the study and application of electricity, electronics and electromagnetism. It covers a range of subtopics including power, electronics, control systems, signal processing and telecommunications.
Infrastructure and Planning - Engineering: Industrial	Industrial engineering is a branch of engineering that concerns the development, improvement, implementation and evaluation of integrated systems of people, money, knowledge, information, equipment, energy, material and process. Industrial engineering draws upon the principles and methods of engineering analysis and synthesis, as well as mathematical, physical and social sciences together with the principles and methods of engineering analysis and design to specify, predict and evaluate the results to be obtained from such systems. Industrial engineers work to eliminate waste of time, money, materials, energy, and other resources. Industrial engineering is also known as operations management, systems engineering, production engineering, manufacturing engineering or manufacturing systems engineering. Where as most engineering disciplines apply skills to very specific areas, industrial engineering is applied in virtually every industry. Examples of where industrial engineering might be used include shortening lines (or queues) at a theme park or streamlining an operating room.
Infrastructure and Planning - Engineering: Mechanical	Mechanical engineering is an engineering discipline that involves the application of principles of physics for analysis, design, manufacturing, and maintenance of mechanical systems. Mechanical engineers design and build engines and power plants, structures and vehicles of all sizes. Mechanical engineers also design and analyze motor vehicles, aircraft, heating and cooling systems, watercraft, manufacturing plants, industrial equipment and machinery, robotics, medical devices and more.
Infrastructure and Planning - Engineering: Structural	Structural engineering is a field of engineering dealing with the design of structures that support or resist loads. Structural engineering is usually considered a specialty within civil engineering. Structural engineers are most commonly involved in the design of buildings and large non-building structures but they can also be involved in the design of machinery, medical equipment, vehicles or any items where the structural integrity of the design item affects its function or safety.
Infrastructure and Planning - Geodetic Surveys	Geotechnical engineer is an expert who evaluates and stabilises foundations for buildings, roads and other structures. Geotechnical engineering deals with geology, soil and rock mechanics, foundation engineering, ground improvement, land reclamation, deep excavation, underground construction and related work.

Infrastructure and Planning - Geoinformatic Services	Creation of geographic information from manipulating geographic data in a computerised system. Typical applications are land registration, hydrology, cadastral, land evaluation, planning or environmental observation. Service may come in many different forms, such as maps or images taken from the air or from space, e.g. remote sensing data. Geodata is stored in a database, having special extensions for storing, handling and manipulation. Geoinformation is the useful output, produced by analysing data with a computer program called a "geographic information system".
Infrastructure and Planning - Geologist	Cost incurred in making use of a professional service provider relating to the science of geology, such as studying the physical structure and processes of the earth and planets of the solar system.
Infrastructure and Planning - Land/ Quantity Surveyors	Control of the cost on construction projects. The methods employed, cover a range of activities which may include cost planning, value engineering, feasibility studies, cost benefit analysis, lifecycle costing, valuation and cost estimation.
Infrastructure and Planning - Landscape Designer	Services provided by a landscape designer, being the planning, design and sometimes oversight of an exterior landscape or space.
Infrastructure and Planning - Town Planner	Services provided in the field of urban planning for public health and safety. Services may relate to the formulation of plans for short- and long-term growth and renewal of urban and suburban communities; the study of land use compatibility, economic, environmental and social trends and problems to determine the best use of land and resources. Town planners consider environmental matters such as sustainable development, air pollution, traffic congestions, crime, land values, legislation and zoning codes. The are usually hired by developers, private property owners, private planning firms, and local governments to assist in the large-scale planning of master planned communities, private/public housing, commercial development, community redevelopment, environmental expertise, public facilities, and public transportation systems.
Laboratory Services - Agriculture	This item include the cost associated with making use of consultants or professionals for laboratory services such as scientific experiments, research, manufacturing of drugs or chemicals, observation and testing specifically relating to agriculture.
Laboratory Services - Medical	This item includes the cost associated with making use of consultants or professionals for laboratory services (including the National Health Laboratory Services and "other services providers") such as scientific experiments, research, manufacturing of drugs or chemicals, observation and testing specifically relating to human health (medical).
Laboratory Services - Roads	This item includes the cost associated with making use of consultants or professionals for laboratory services provided for testing of road surfaces and any other tests relating to roads.
Laboratory Services - Water	This item includes the cost associated with making use of consultants or professionals for laboratory services provided for testing of water samples, water quality and water related laboratory services.
Legal Cost - Legal Advice and Litigation	Services rendered by an attorney duly admitted to practice as an attorney in any part of the Republic of South Africa. Legal advice includes services such as: arbitration, business law, litigation (civil), commercial , company law, human rights, conveyance, employment law, environmental law, family law, insolvency, intellectual property, labour law, liquidation, mediation, property law, taxation, litigation (general), litigation (commercial), litigation (corporate), MVA claims, company registrations, mining, corporate, insurance law, commercial drafting, sequestrations, financial markets, high court practice, constitutional, liquor Law, town planning, litigation (high court), litigation (magistrates court), industrial relations, water law, international transactions and litigation (tax).
Legal Cost - Issue of Summons	Messenger of the court fees are incurred only on civil cases. A civil case refers to a matter where there is money involved (non payment of fees), for example, the department has not been paying its electricity or water bill. Money to pay for messenger of the court fees.
Legal Cost - Collection	Cost incurred for issuing warning to customers, collection cost of outstanding debt, fines and penalties.

Contracted Services - Contractors	Contractors are required to provide services that are not the core business of the municipality. It is normally not cost effective to maintain these skills within the department. Contractors include costs associated with the use of contracted individuals or businesses on projects or tasks. This does not include amounts payable to contractors in respect of provision of services such as cleaning and security even if a staff element can be identified. Note also that it is common practice that the said contractor provides all the materials required for the project - he/she tenders for the whole project, materials included.
Aerial Photography	Aerial photography is the process of taking photographs from a camera mounted in an aircraft or balloon. Aerial photographs are used extensively in cartography to provide detailed geographical information in the production of maps.
Aerial Surveillance	Costs incurred by the municipality for utilising aerial surveillance service being the gathering of surveillance, usually visual imagery or video, from an airborne vehicle, such as helicopters or military aircrafts for reasons such as crime prevention, emergency and disaster management, high way patrols, helicopter Services, etc
Artists and Performers	The hiring of artists and/or performers for festivals organised by the municipality.
Auctioneers	Costs incurred for services rendered by an auctioneer who conducts a public sale in which goods and capital assets are sold to the highest bidder. This payment usually equals a fixed percentage of the selling price obtained.
Audio-visual Services	Cost incurred for the services provided by a person, not employed by the department relating to the recording and reproduction of sound and sight. "Consultants used in the creation, development and production of videos, films, DVD or other audio visual materials".
Bore Waterhole Drilling	Bore waterhole drilling contractors used for the rendering of service not qualifying for capitalisation.
Building Contractors	Building contractors providing services not recognised as capital but rather repairs and maintenance.
Chipping	Cost incurred for "chipping" of solid waster for recycling such as tires, metal, glass, wood, etc.
Electrical	Cost incurred in the use of electrical contractors (electricians) for installing new cabling, meters, transformers and transmitters, cable replacement and maintenance of electrical infrastructure and equipment.
Employee Wellness	Cost incurred for service providers for internal seminars and awareness programs in assisting employees in addressing specific needs and problems either in their workplace or private affairs. This includes programs relating to psychological, physical, financial, etc. Examples of such programs will include HIV awareness, financial awareness or self defence classes by contractors who come to the workplace to instruct etc. It is important to note that this item excludes medical wellness programs which include physical tests such as cholesterol, blood pressure, diabetes or advisory services by dieticians or any other medical related issue. The latter should be classified under the specific item for medical services and also does not include training programmes as defined in the training definitions, neither should the cost for any materials, or venues and facilities for those wellness contractors be classified under this item, but to the specific items as available for those items on the chart.
Event Promoters	Promoters develop marketing strategies for events ranging from concerts to sporting tournaments. Event promoters work with television, radio, special-events coordinators, ticket sellers, reviewers, bulk mailers, and local merchants to market a product/service. They are also involved in locating and booking the venues, artists, performers, stage and sound crew as well as the marketing strategies. It will also include market related cost payable to motivational speakers at public events, team building sessions etc.
First Aid	Costs incurred with regards to first aid facilities required for government occupied buildings. This facilities are fixed to the walls in the building. All costs incurred should be allocated to this item even if procured from an external service provider.

Fire Protection	Cost incurred for the purpose of fire prevention and fire fighting affairs and services operation of regular and auxiliary fire brigades and of other fire fighting training programs. Includes: civil protection services such as mountain rescue, beach surveillance, evacuation of flooded areas, and provision, service and inspection of fire extinguishers and sprinkler systems. All costs incurred should be allocated to this item even if procured from an external service provider.
Fire Services	Cost incurred for contractors and other authorities i.r.o the prevention of fires and for fire brigade charges
Gardening Services	Cost incurred for domestic gardening services provided by service organisations. All costs incurred should be allocated to this item even if procured from an external service provider. Contracted out to a company, outsourcing of gardening service or acquiring of plants and flowers for own use.
Graphic Designers	Design or create graphics to meet specific commercial or promotional needs, such as packaging, displays, or logos. May use a variety of mediums to achieve artistic or decorative effects.
Grading of Sport Fields	Contractors used for grading (1-5% slope allowed from the centre of the field to outer corners) and drainage of sports fields according to generally accepted norms and standards. Essential process in constructing sports fields.
Haulage	Transport of waste between sites and from sites for recycling. Service provided by a contractor.
Interior Decorator	This item provides for the expertise of an interior decorator to provide advice in the art of decorating a room so that it is attractive, easy to use, and functions well with the existing architecture .
Inspection Fees	Contractors used for water and electricity meter inspections to detect tampering and confirm accuracy of metering use.
Maintenance of Buildings and Facilities	Costs incurred for making use of contractors for maintaining and repairing of buildings and facilities. Transactions allocated to this item is applicable only if the maintenance and repair does not extend the useful life of the asset and result in future cash inflows into the organisation. Examples would be painting, waterproofing, replacing carpets, fix broken windows, etc. Detail of Buildings and Facilities to be selected from the Project Segment.
Maintenance of Equipment	Costs incurred for making use of contractors for maintaining and repairing of equipment. Transactions allocated to this item is applicable only if the maintenance and repair does not extend the useful life of the asset and result in future cash inflows. Examples would be replacing filters or gas in an air conditioner, servicing of machinery and equipment and ordinary service of a motor vehicle. Detail of Plant and Equipment to be selected from the Project Segment.
Maintenance of Unspecified Assets	Costs incurred for making use of contractors for maintaining and repairing of buildings and facilities. Transactions allocated to this item is applicable only if the maintenance and repair does not extend the useful life of the asset and result in future cash inflows into the organization. Included in this item are maintenance of all other assets, not included under the categories for machinery and equipment e.g. biological assets, software and intangible assets, heritage assets. Examples would be maintenance of other assets such as roads, harbours and other infrastructure assets (all other assets not included in property maintenance or machinery and equipment). Detail of "other assets" to be selected from the Project Segment.
Management of Informal Settlements	Contractors used for removal of illegal settlements, structures and occupants.
Medical Services	Clinics might from time to time require the services of private medical practioners to render services when staff shortages occur. This is a short term arrangement for a specific requirement or need. Includes payment to private medical practitioners for services to employees as a result of injury on duty. Costs incurred by private medical centres for examination of sick patients of which the cost is carried by the municipality. Municipalities acquire the services of medical staff to render medical services to employees at the workplace to enhance employment wellness.
Mint of Decorations	Draft/mint of decorations/medals for the Mayor and Deputy Mayor not subjected to capitalisation.

Pest Control and Fumigation	Cost incurred for contracting in Pest Control services for managing pests in the municipal area, such as rats, cockroaches, termites including fumigation cost using chemicals to prevent pests.
Photographer	Costs incurred for services rendered by photographer for official photo's.
Plants, Flowers and Other Decorations	Costs incurred for plants, flowers, wreaths used at memorial services and other decorations used for special events.
Prepaid Electricity Vendors	Contractors for vending of "prepaid electricity".
Preservation/Restoration/Dismantling/Cleaning Services	Costs incurred of services relating to restoration and preservation of items that should be stored for a long period of time whilst not in use and the restoration of art items. Excluded from this item are normal maintenance and repairs. Also included are the cost for dismantling and cleaning of assets to be stored for a unspecified period of time as well as the cost associated with the demolition of assets.
Tracing Agents and Debt Collectors	The expenditure incurred i.r.o services rendered by collecting firms with regard to outstanding accounts, including legal fees in this regard.
Traffic and Street Lights	Contractors appointed for the management of traffic and street lights such as replacing light bulbs, poles and traffic lights damaged in accidents, etc.
Transportation Contractor	Contractor for furniture removal, removal of abandoned vehicles, pounding of vehicles and "tow-in" of municipal vehicles and motors parked restricting entrance/exit gates.
Safeguard and Security	Cost incurred relating to safeguarding of property, for example armed response provided by ADT, Chubb or other(s) and security services for example reception or motor entrances access control outsourced.
Sewerage Services	Contractors used for sewerage and sanitation services, including suction pump vehicle (honey suckers) and removal of sludge from drying beds.
Inventory	The amount of inventories recognised as an expense during the period. GRAP 12.45(d) The amount of inventories recognised as an expense during the period, which is often referred to as cost of sales, consists of those costs previously included in the measurement of inventory that has now been sold, exchanged or distributed, and unallocated production overheads and abnormal amounts of production cost of inventories. GRAP 12.47
Inventory - Consumable Stores	Inventories are assets in the form of materials or supplies to be consumed in the production process; in the form of materials or supplies to be consumed or distributed in the rendering of services; held for sale or distribution in the ordinary course of operations or in the process of production for sale or distribution. (GRAP 12 .07). This category includes all other inventory consumables that are note catered for in the major inventory categories, like linen, seeds and seedlings, workplace decorations, cell phone accessories, etc.
Inventory - Consumable Stores - Standard Rated	Consumable stores procured subjected to the standard vat rate.
Inventory - Consumable Stores - Zero Rated	Certain basic food stuff subjected to zero-rated vat and fuel levy goods and farming goods such animal feed, animal remedies, fertilizer, pesticide and plants and seeds in a form used for cultivation.
Inventory - Finished Goods	Finished goods are goods that have completed required manufacturing process and are awaiting to be fitted/mixed/processed with final product or final product or final product itself could also be called as finished goods.

Inventory - Goods held for Resale	Other goods held by the municipality for sale to third parties and would for example include agricultural produce.
Inventory - Materials and Supplies	Inventories are assets in the form of materials or supplies to be consumed in the production process; in the form of materials or supplies to be consumed or distributed in the rendering of services; held for sale or distribution in the ordinary course of operations or in the process of production for sale or distribution. (GRAP 12 .07). Materials and supplies will include items like building materials, hardware, painting materials and workshop accessories, etc.
Inventory - Raw Materials	Something bought as raw material and used to manufacture a product.
Inventory - Reversal of Write-down	The amount of any reversal of any write-down that is recognised as a reduction in the amount of inventories recognised as an expense in the period. [GRAP 12.45(f). The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, shall be recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.
Operating Leases	An operating lease is a lease other than a finance lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. Land use portion of a building finance lease must be recorded under Rental of Land.
Operating Leases - Buildings	Classification of payments made for operational leases pertaining to buildings.
Operating Leases - Computer Equipment	Classification of payments made for operational leases pertaining to computer equipment.
Operating Leases - Furniture and Office Equipment	Classification of payments made for operational leases pertaining to furniture and office equipment.
Operating Leases - Intangible Assets	Classification of payments made for operational leases pertaining to infrastructure - Intangible Assets.
Operating Leases - Machinery and Equipment	Classification of payments made for operational leases pertaining to infrastructure - Machinery and Equipment.
Operational Cost	An operating expense is a day-to-day expense such as sales and administration, or research & development, accounting expenses, license fees, advertising, office expenses, utilities such as telephone, insurance, property management, travel and vehicle expenses.
Achievements and Awards	Cost incurred in giving awards in reconnection of achievements.
Advertising: Auctions	Cost incurred in publishing advertisements for auctions to dispose of obsolete assets in compliance with procurement and asset management policies.
Advertising: Corporate and Municipal Activities	Costs incurred relating to the promotion and selling of products or services related to the activities of the municipality by any media, e.g. TV, radio and newspapers. Include in this account would be draft and final budget adverts, council meeting and public participation, notice and town planning on sub-divisions, rezoning town development etc.
Advertising: Customer/Client Information	Advertising to encourage payment of municipal accounts, client and customer payment and service centres or special discounts for settlement of accounts in arrear.
Publicity and Marketing: Gifts and Promotional Items	Costs incurred in providing gifts without charge to the recipient (an individual or entity) or for the promotion of an event carrying the municipality, the states' or projects slogan. Gifts must be of a gratuitous nature and be a token of appreciation. Promotional items should serve the purpose of promoting the image of the municipality, project or state. This item include tracksuits, T-shirts and other promotional items.
Advertising: Mun. Newsletters	Cost incurred for printing and distribution of municipal newsletters.
Advertising, Publicity and Marketing: Signs	Cost incurred in placing poster, signs and boards for municipal activities.
Advertising, Publicity and Marketing: Staff Recruitment	Cost incurred in the publishing of notices in a local or national newspaper for recruiting potential candidates to apply for vacancies on the establishment. Also included in this item are advertisements to recruit interns.

Advertising, Publicity and Marketing: Tenders	Cost incurred in publishing tender requests for the attention and information of potential providers of goods and service in compliance with procurement policies made to newspapers and other agencies for the placement and design of advertisements for tenders.
Assets less than the Capitalisation Threshold	Plant and equipment procured at less than the asset threshold to be expensed under this item. Capitalisation Threshold is the value above which assets are treated as capital assets and entered into an asset register from which reporting in the financial statements (specifically the Statement of Financial Position) is extracted.
Audit Cost: External	The Constitution of South Africa Section 188 determines that the Auditor-General must audit and report on the accounts, financial statements and financial management of all national and provincial departments and administrations, as well as all municipalities.
Bank Charges, Facility and Card Fees - Bank Accounts	Bank charges and card fees payable to Commercial Banks. Commercial banks are institutions that inter alia, provide basic banking services. Basic banking services entails the opening, maintenance and operation of accounts for money transmission by means of cheque, other payment instrument or savings account, such as FNB, Nedbank, Standard Bank, etc.
Bank Charges, Facility and Card Fees - Third Parties	Bank charges incurred by third party service providers by whom financial transactions are managed on behalf of municipalities, for example third party vending of pre-paid electricity includes both cash handling and debit/credit card bank charges. These costs need to be recorded separately in the municipalities records so as to manage and report accordingly.
Bank Charges, Facility and Card Fees - Fleet Cards	Bank charges and services charged on credit/debit/fleet/charged cards.
Bank Charges, Facility and Card Fees - Investments	Charges levied for the administration of investments held by institutions administrated under the Bank Act, e.g. First National Bank, ABSA, Nedbank, etc. All charges levied are allocated to this account, except for interest paid on bank overdrafts.
Bank Charges, Facility and Card Fees - Lease Payments	Bank charges and services fees charged on finance agreements with banks, etc.
Bank Charges, Facility, Card Fees - L/S Term Borrowings	Bank Fees and other administrative levies charged by financial institutions on providing long and short term loans, borrowings and bonds on property to the municipality.
Bargaining Council	Agency shop fees payable to the South African Local Government Bargaining Council determined by the Collective Agreement as a % of the employee's monthly salary up to a maximum of RX.
Bursaries (Employees)	Bursaries include payments made to provide direct support to employees for studying at universities or other tertiary institutions, where all the conditions and terms have been complied with in terms of the contract with the bursary holder.
Catering Municipal Activities	Expenditure incurred on individuals employed or contracted to the municipality or individuals outside the employee of the municipality, in connection with the activities of the municipality or department within a municipality, that directly relates to the achievement of its objectives. Such expenditure includes but is not limited to catering for Lekgotla, conferences, bosberade, workshops, indabas, courses, forums, hearings and meetings held with the intention to discuss the municipality's activities, launches and public addresses, interviews and training sessions, diner and drinks supplied at function for employees, catering and eatery provided for committee meetings and forums. The reason for the distinction between entertainment and catering is derived from section 17(2)(a)(i) being that municipalities are able to deduct input tax in regard to creating or maintaining those recreational facilities, but where entertainment goods or services are acquired for the purpose of hosting an event at sporting or recreational facilities or public amenities must be considered under section 17(2)(a)(i).
Cleaning Services: Laundry Services	Dry cleaning and laundry services for items other that those that forms part of the building which will be allocated to owned and leasehold expenditure.
Commission: Third Party Vendors	The commission payable to external bodies for the collection of income via for example "easy pay" or other pre-paid systems.

Commission: Prepaid Electricity	Commission paid to Vendors for selling "Prepaid Electricity" to consumers.
Cost relating to the Sale of Houses	Cost incurred relating to the selling of municipal property such as houses, Ervin and buildings.
Courier and Delivery Services	Costs incurred in the use of courier services for transporting documents/parcels from one to a specified destination. Examples - Docex, XPS, DHL, etc.
Communication: Cell Contract (Subscription and Calls)	Monthly service provider subscription fees, call costs, itemised billing, CLI, 3G and other operating expenses for cellular phones should be allocated to this item.
Communication: Licences (Radio and Television)	Annual payment made to the SABC and other licensing authorities (SAMRO) for a permit to view television programs and to listen to the radio or "music license's". Annual payment made to obtain a television and radio licence including ICASA Radio licences, alarm systems, etc
Communication: Postage/Stamps/Franking Machines	Postage is the amount payable for the carrying of the article by post, including any special charge or additional fee payable for special services supplied in relation to the carrying of the article. Stamp is the officially issued postage label, often adhesive, attesting that payment has been rendered for mail delivery. Franking Machine is the machine which prints a franked impression on an envelope to record the amount of postage paid. Advance payment is made to the Post Office based on the average usage of the franking machine. Excluded are courier services for delivering of documents and articles, e.g. by DHL Speed Services and XPS.
Communication: Rent Private Bag and Postal Box	Costs incurred in the renting of post boxes and private bags from the Post Office or Post Net usually on an annual basis. This is usually an annual payment.
Communication: Satellite Signals	Cost include monthly subscription for Mnet and DSTV.
Communication: SMS Bulk Message Service	Subscriptions fees or bundle charges for sending bulk or customised SMS messages.
Communication: Telephone, Fax, Telegraph and Telex	Payments for the usages of telephones, faxes, telegraphs and telex for communication purposes, including costs for teleconferences. Communication by telephones and faxes includes the sending of messages electronically i.e. the sending of a message, image or document via a fax machine or a telephone or cell phone. Included in this item are the monthly charges for routers on the current Telkom PABX systems. Telex is a communications system using teleprinters that communicate via telephone lines. Teleconference is a meeting via telecommunications equipment: a meeting held among people in different places by means of telecommunications equipment. Payments include all costs for the usage of telecommunication equipment, including rentals. Telecommunication equipment includes phones, faxes, telegraphs and telex excluding cellular phones.
Communication: Telemetric Systems	Telephone bills for the systems - related to alarm systems used at reservoirs and water lines
Communication: Telephone Installation	Expenditure incurred for the installation of telephone systems excluding any capital outlays. This is usually of a once off nature.
Deeds	Fees payable to the Registrar of Deeds for extraction of information on ownership of property.
Dumping Fees (District Council)	District fees for dumping including the dumping fees and fixed cost.
Eskom Connection Fees	Once-off payment to ESCOM for new substations (Non Capitalised Cost).
Electricity Compliance Certificate	Section 14 of the National Building Regulations and Building Standards Amendment Act require any person licensed or authorized by a local authority to carry out the installation, alteration or repair of any electrical wiring connected or of which connection is desired with the electrical supply or distribution works of such local authority or any statutory body, shall, at the request of the owner of a building of which the erection has been completed or of any person having an interest therein (or of the local authority) issue a certificate if he is satisfied that the electrical wiring and other electrical installations in such building are in accordance with the provisions of all applicable laws. All costs incurred should be allocated to this item even if procured from an external service provider.

Entertainment: Mayor	Entertainments expenditure incurred for entertainment expenses by the Mayor and Deputy Mayor as determined by the councils policy.
Entertainment: Councillors	Entertainments expenditure incurred for entertainment expenses by the Councillors as determined by the councils policy.
Entertainment: Senior Management	Entertainments expenditure incurred for entertainment expenses by the Senior Manager as determined by the councils policy.
External Computer Service: Data Lines	Communication lines at the municipal control centre and server room and other remote offices where data lines are operational.
External Computer Service: GPS Licence Fees	Licence fees paid for GPS licensing (GIS Information)
External Computer Service: Information Services	Any other computer services provided by external service providers.
External Computer Service: Internet Charge	Costs incurred for internet connectivity to other service providers other than SITA, e.g. Mweb, World online, Iafrica, etc.
External Computer Service: Network Extensions	Costs incurred for moving, adding or replacing network extensions and cables as required.
External Computer Service: Remote Server Access	Costs incurred for utilising remote server access.
External Computer Service: Software Licences	Costs incurred to obtain a document granting permission for the use of computer programs to ensure that the operators of materials and resources are acknowledged and rewarded for their work, as well as ensuring that the materials are used legally and without risk of prosecution.
External Computer Service: Spec. Computer Service	Services provided by contractors to promote the effective utilisation of information technology to enhance the efficiency at the municipality.
External Computer Service: System Adviser	Costs incurred for the provision of technical, functional and business advice and support regarding information technology.
External Computer Service: System Development	System development costs incurred for services rendered with regard to developing and establishing network operating systems.
External Computer Service: Wireless Network	Services provided for setting up and maintaining wireless networks.
Freight Services	Costs incurred for the transport of goods in bulk by truck, train, ship or aircraft.
Full Time Union Representative	Compensation paid to "full time union representative" not included in compensation of employees.
Insurance Underwriting: Insurance Aggregation	Insurance aggregation is a process of finding multiple insurance quotes at one time so the buyer can make an accurate comparison of insurance policies based on identical information given to each company.
Insurance Underwriting: Claims paid to Third Parties	Claims paid to third parties.
Insurance Underwriting: Insurance Brokers Fees	Insurance Brokers Fees expenses
Insurance Underwriting: Insurance Claims	Costs paid towards claims incurred for damages to City of Cape Town property and assets, e.g. material, subcontractor costs, etc. [Self insured - pay-outs]
Insurance Underwriting: Excess Payments	An excess payment, also known as a deductible, is a fixed contribution that must be paid each time a car is repaired with the charges billed to an automotive insurance policy. Normally this payment is made directly to the accident repair "garage" when the car is collected. If the accident was the other driver's fault, and this fault is accepted by the third party's insurer, then the vehicle owner may be able to reclaim the excess payment from the other person's insurance company. If the insurance company settles a claim in terms of the insurance contract a fixed agreed amount as determined by the agreement with the insurer are usually deducted from the settlement payment either paid by the municipality when making replacements.
Insurance Underwriting: Risk Management Programs	Risk Management Program expenses.

Insurance Underwriting: Premiums	Monthly premiums paid towards short term insurance either transfers made to thee general insurance fund or self insurance fund.
Land Alienation Costs	Various land related costs
Levies Paid - Water Resource Management Charges	The payment of charges raised by the Department of Water Affairs based on a specified cent value per Kl on Bulk Water purchased and include Catchment Management Areas Levy, Water Research Levy and Trans Caledon Tunnel Authority (TCTA) charges.
Licences: Motor Vehicle Licence and Registrations	Expenses incurred in obtaining motor vehicle licence and registration renewals or new issues.
Licences: Performing Arts	SAMRO licences for playing music in community halls.
Registration Fees: Professional and Regulatory Bodies	Registration fees paid to register with professional and regulatory bodies excluding the annual membership or subscription fees. Usually these bodies levy a "once-off "registration fees for enrolling new members.
Registration Fees: Seminars, Conferences: National	Fees paid for the attendance of National congresses/seminars/ symposiums and workshops. Excludes accommodation and transport which must be allocated to travelling and subsistence.
System Access and Information Fees	Cost incurred to get access to data information used for research and analysis purposes and systems for example, ITC, Home Affairs system, AKTEX system, StaticsSA or SARS data information. Also monies payable to the deeds trading account to obtain deeds registration certificates. This is for WAN access to users of this information database and not the software use license fee. The information provided is not seen as an intangible asset of the entity and constitutes the payment for a good or service current payments. This information could be in the form of a DVD, CD or other hardcopy format or directly online.
Travel Agency Fees	Cost incurred for services rendered by Travel Agency. Fees for the administration and management of travel arrangements of employees. It is important to note that any transaction administration fee payable to a service provider is excluded from the scope of the agency fee account. In addition, a fee payable to a car rental service provider in respect of traffic fines should not form part of expenditure, but should be recovered from the employee receiving the traffic fine.
Office Decorations	Cost incurred in procuring office decorations such as flowers, small ornaments, paintings, plants, table clothes, etc of low value and thus not capitalised.
Printing and Publications	All printing and publications, not inventory related and including development of photos, subscriptions to newspapers, magazines and periodic. Law amendments and updates, accounting and tax handbooks only used for limited period and then gets updated. This item includes reference books.
Professional Bodies, Membership and Subscription	Where an employee or official are required to pay fees to an independent institution in order to fulfil the role as required by their employment contract or the position they have been appointed in and fees payable to maintain occupation where maintenance of standards is required for public safety, (e.g. auditors with IRBA) Other examples of items to be included are SAICA, PAAB, CIA, IPFA, SAIGO, Institute of Mechanical Engineers, MASA, etc. Excluded from this item are course registration fees which is allocated under training expense.
Remuneration to Ward Committees	Remuneration to ward committee members [framework]
Resettlement Cost	Cost paid for re-imbursing an employee if transferred from one city to another. This would include transport of household, own transport, temporary accommodation, etc.
Road Worthy Test	"Roadworthy", in relation to a vehicle, means a vehicle which complies with the relevant provisions of the Road Traffic Act (Act) otherwise in a fit condition to be operated on a public road; A roadworthy certificate, is a certificate issued in terms of section 64 of this Act requiring the examination of motor vehicle and issue of roadworthy certificate and roadworthy certificate disc. Upon receipt of an application referred to in section 63, an appropriately graded examiner of vehicles shall test and examine the motor vehicle concerned in the manner and in respect of the features as prescribed.
Skills Development Fund Levy	Employers must pay 1% of their employers pay to the skills development levy.

Search Fees	Cost incurred in extracting documents from CIPRO, AKTEX, NCA, etc.
Servitudes and Land Surveys	Cost incurred for conducting land surveys and obtaining servitudes to allow land use arrangements.
Signage	The purchasing and erection of all street name signs and name boards
Storage of Files (Archiving)	Cost incurred for archiving of files and documents to kept in terms of the MFMA.
Storage of Assets and Goods	Cost incurred for storage of furniture and equipment or any other movable assets or goods.
Small Differences Tolerances	Small losses on cashier deposits and petty cash floats.
Taking over Contractual Obligations	Taking over of study loan incurred by an employee for full time study before appointed by the municipality. In return the employee agrees to work for the department for a specified period of time In the event the term of service is not completed a pro-rata refund could be claimed from the employee depending on the agreement with the municipality.
Toll Gate Fees	Toll gates fees paid to SANRAL for making use of National Roads
Uniform and Protective Clothing	Uniform and Protective clothing purchased for issue to employees.
Vehicle Tracking	This is used to record all payments associated with vehicle tracking; including the initial payment of the installation of the tracking device as well as the associated monthly tracking fees.
Warrantees and Guarantees	Warrantees and guarantees form part of the elements of cost at initial purchase price of an asset which should be capitalised. However, once the warrantee has expired and departments need to re-new such warrantee the cost should be expensed against this item.
Wet Fuel	Payment for fuel supplied by vendor (Topping up) when hiring fleet, plant or equipment (externally)
Workmen's Compensation Fund	Workmen's Compensation by to the Commissioner in terms of the Occupational Injuries and Diseases Act of 1993 (COIDA)
Travel and Subsistence: Domestic	Travel and subsistence includes all domestic and foreign travel related expenditure paid for employees and non-employees. This item in specific covers expenditure on accommodation cost, food and beverage, incidental cost, and car rental paid for official travelling purposes. Departmental policies apply when these expenditure are incurred.
Accommodation	If an employee must take an official journey the employer shall meet reasonable actual accommodation costs, if any. Accommodation includes a room, building or space where someone may stay or live. This item includes the accommodation cost either directly paid by the department or reimbursed to the employee.
Daily Allowance	Special daily allowance (smaller tariff) to compensate for incidental expenses where actual expenses are claimed meaning that the actual accommodation and meals cost are paid to a travel agency, or hotel or the claimant be re-imbursed. Those expenses are allocated to the specific items provided for in the chart. Fixed daily subsistence allowance (bigger tariff) is payable in circumstances where actual expenses are not claimed for example a person would stay with family and no accommodation or meals are paid to a third party. Also under this item provision is made for daily allowances payable to camping personnel. The separation allowance should also be allocated to daily allowance.
Food and Beverage (Served)	Actual purchases of food and beverages served over the counter (take always) or in a restaurant.
Incidental Cost	Requisitions of minor, casual or sub-ordinate nature, for example telephone cost, toll fees, parking fees, making of photocopies when on an official trip.

Transport without Operator: Car Rental	Car hire costs incurred on behalf of an employee required to travel to various locations within South Africa in performing his official duties. Examples of services providers are AVIS, Imperial, Budget, etc.
Transport without Operator: Own Transport	If an employee must use private transport to carry out his/her duties, the employer may: I) provide an allowance to cover reasonable actual costs, and/or compensate the employee according to tariffs prescribed.
Transport with Operator: Public Transport-Air Transport	Scheduled freight and passenger services, departing from national and international airports within the boundaries of South Africa. Travelling to Cape Town for portfolio committee meetings, SCOPA hearings and any other official business making use of air travel. Include are the airport taxes, luggage handling fees, VAT and cost of the ticket. Excluded is the travel agency fees.
Transport with Operator: Public Transport-Road Transport	Scheduled freight and passenger services, for example bus services and unscheduled taxi and shuttle services outside the South African boundaries.

OVERSTRAND MUNICIPALITY

BORROWING POLICY

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OVERSTRAND MUNICIPALITY – BORROWING POLICY

1 PURPOSE

To establish a borrowing framework policy for the Municipality and set out the objectives, policies, statutory requirements and guidelines for the borrowing of funds.

2 OBJECTIVES OF POLICY

The objectives of this Policy are to:-

a manage interest rate and credit risk exposure;
b maintain debt within specified limits and ensure adequate provision for the repayment of debt;
c to ensure compliance with all Legislation and Council policy governing borrowing of funds.

3 SCOPE OF THE POLICY

The primary goal in the borrowing of funds is to ensure that the funds are obtained at the lowest possible interest rates at minimum risk, within the parameters of authorized borrowings.

3.1 Risk Management

The need to manage interest rate risk, credit risk exposure and to maintain debt within specified limits is the foremost objective of the borrowing policy. To attain this objective, diversification is required to ensure that the Chief Financial Officer prudently manages interest rate and credit risk exposure.

3.2 Cost of Borrowings

The borrowings should be structured to obtain the lowest possible interest rate, on the most advantageous terms and conditions, taking cognisance of borrowing risk constraints, infrastructure needs and the borrowing limits determined by Legislation.

3.3 Prudence

Borrowings shall be made with care, skill, prudence and diligence.

4 LEGISLATIVE FRAMEWORK AND DELEGATION OF AUTHORITY

The relevant Legislation in terms of which borrowing decisions are governed is the Local Government Municipal Finance Management Act, No 56 of 2003.

The Municipal Regulations on Debt Disclosure has been promulgated (Government Gazette no. 29966, 15 June 2007) and has been effective from 01 July 2007 for a municipality or municipal entity. *Refer to Annexure A2*, Municipal Finance Management Act: Municipal Regulations on Debt Disclosure.

5 TYPES OF LOANS AND FINANCING

5.1 Annuity loans

Annuity loans are straight forward and uncomplicated. The loan amount, interest rate and repayment period offered by the Financial Institution are fixed. Normally with an annuity loan, the instalment of the loan will be repaid in equal six monthly instalments over the term of the loan. The capital portion of the instalment will increase over the duration of the loan, and conversely, the interest amount charged will decrease over the loan period. Where the interest rate offered by the Financial Institution is on a variable basis, an interest rate swap (IRS) option should be included in the agreement. An IRS agreement will need to be signed with the party agreeing to accept the variable rate and in turn, offer the fixed rate to the Municipality. An Interest Rate Swap Agreement must comply with the terms set out by the International Swap Dealers Association (ISDA). The fixing of debt repayments is an important consideration in meeting the financial requirements of the Municipality, that of annually producing a balanced budget. There are from time to time various options offered by Financial Institutions which need to be treated on their merits and which could invariably result in slightly lower interest rates being offered.

5.2 Bullet payment redemption

In this instance, the total capital is usually repaid at the end of the term and interest on the total amount borrowed is paid annually or semi annually. The interest rate can be fixed and the interest payable is known for the duration of the loan. Cash has to be set aside to repay the capital at the end of the term.

The lender could require security in the form of an investment (sinking fund).

5.3 Bonds

A Bond is an instrument used by Government and Parastatals such as Telkom, Eskom, Transnet, Corporates and Municipalities to raise loan capital on the open market. Bond holders have the right to interest, usually paid on a semi annual basis, and the repayment of the capital amount reflected on the stock certificate held on maturity date. The coupon, maturity, principal value and market value are intrinsic features of a Bond. The most critical variable factor in determining Bond rates is the expected long term trend in inflation, in order to provide a return that equals inflation plus a risk premium. The higher the risk attached to a borrower, the higher will be the risk premium investors will demand. During its tenure the Bond will trade on the Bond market at prevailing interest levels. The price of a Bond trading at any given time on the market is a function of prevailing interest rates. Bond prices

move inversely to movements in interest rates.

5.4 Use of Internal Funds

The Municipality from time to time, will use certain of its surplus funds to fund its Capital programme. The utilisation of surplus funds enables the Municipality to reduce its reliance on external debt financing, thereby allowing it to borrow only funds from external sources when favourable market conditions prevail. The use of internal funds impacts negatively on surplus cash for return of interest and should be within limits to reduce the impact on the Current Ratio, ideally to be at a ratio of 1,5 : 1, and the Cost Coverage, ideally to be between 1 – 3 months.

6 OTHER CONSIDERATIONS

The Municipality has by the judicious use of surplus funds and external long term debt implemented its Integrated Development Plan, which has facilitated the much needed service delivery program.

Factors to be considered when borrowing:

(a) the type and extent of benefits to be obtained from the borrowing;
(b) the length of time the benefits will be received;
(c) the beneficiaries of the acquisition or development;
(d) the impact of interest and redemption payments on both current and forecasted property tax and services revenue;
(e) the current and future capacity of the property tax base and rendering of services to pay for borrowings and the rate of growth of the property tax base and services;
(f) likely movements in interest rates for variable rate borrowings;
(g) other current and projected sources of funds;
(h) competing demands for funds;
(i) timing of money market interest rate movements and the long term rates on the interest rate curve.

The Municipality will, in general, seek to limit its dependence on borrowings in order to minimise future revenue committed to debt servicing and redemption charges. The Municipality may only borrow funds, in terms of the Municipal Finance Management Act, for the purpose of acquiring assets, improving facilities or infrastructure to provide service delivery.

Overstrand Municipality may incur long term debt only for the purpose of Capital expenditure on infrastructure, property, plant or equipment to be used for the purpose of achieving the objects of Local Government as set out in section 152 of the Constitution.

The use of external loans should be limited to financing infrastructure where a return

can be realised from tariffs to service the debt, or major infrastructure exceeding R10 million for a single project, with long term benefits to the community as a whole, where indirect revenue streams are evident.

The gearing for external loans (total outstanding debt to operating revenue, including recurrent operational grants) was fixed at a ceiling of 60% as at 30 June 2012. To reduce the reliance on external long term borrowing this percentage must reduce by at least 1% each year till a level of 50% or less is attained by 30 June 2022.

7 REFINANCING DEBT

Section 46 of the Municipal Finance Management Act provides that the Overstrand Municipality may refinance existing long term debt, if such refinancing is in accordance with the framework as prescribed by the Municipal Finance Management Act, as follows:

- The Municipality may borrow money for the purpose of refinancing existing long term debt, provided the existing long term debt was lawfully incurred and the refinancing will not extend the term of the debt beyond the useful life of the infrastructure, property, plant or equipment for which the money was originally borrowed.

Cognisance must be taken of any early repayment penalty clauses in the initial loan agreement, as part of the financial feasibility assessment. No loans will be prematurely redeemed unless there is a financial benefit to the Municipality.

8 DEBT REPAYMENT PERIOD

Whilst the period for which loan debt may be received will vary from time to time according to the needs of the various Lenders, presently the typical debt repayment period for loans is fifteen years, though not closely matching the underlying asset lives serviced by the loans.

Cognisance is taken of the useful lives of the underlying assets to be financed by the debt, and, moreover, careful consideration is taken of the interest rates on the interest yield curve. Should it be established that it is cost effective to borrow the funds on a shorter duration (as opposed to the life of the asset) as indicated by the interest yield curve, the loan will be negotiated to optimise the most favourable and cost effective benefit to the Municipality.

9 SECURITY

In terms of the Municipal Finance Management Act the Municipality may provide security for any of its debt obligations, including the giving of a lien, pledging, mortgaging or ceding an asset, or giving any other form of collateral. It may cede as security any category of revenue or rights of future revenue. Some Lenders may require the Municipality to agree to restrictions on debt that the Municipality may incur

in future until the secured debt is settled.

10 SHORT TERM DEBT

The Municipal Finance Management Act provides that the Municipality may incur short term debt only when necessary to bridge shortfalls within a financial year during which the debt is incurred, in expectation of specific and realistic anticipated income to be received within that financial year; or capital needs within a financial year, to be repaid from specific funds to be received from enforceable allocations or long term debt commitments.

The municipal council may approve an individual transaction or a credit facility for a line of credit or overdraft facility.

The Municipality must pay off short term debt within the same financial year and may not renew or refinance its short term debt if it will have the effect of extending the short term debt into a new financial year.

11 DISCLOSURE

The Municipality must, when interacting with a prospective Lender or when preparing documentation for consideration by a prospective Investor, disclose all relevant information that may be requested or that may be material to the decision of the prospective Lender or Investor. Reasonable care must be taken to ensure the accuracy of any information disclosed. Whilst this is a standard and acceptable business practice, it is also in compliance with section 49 of the Municipal Finance Management Act.

12 GUARANTEES

The Municipal Finance Management Act provides that the Municipality may not guarantee any debt of any entity unless the entity is a Municipal entity under its sole ownership control. The debt must be reflected in the approved business plan of the entity. The guarantee must be authorised by the Municipality. This must be done in the same manner and subject to the same conditions applicable to any other borrowings. Neither the National nor Provincial Government may guarantee the debt of any Municipality.

13 APPROVAL OF LOANS BY THE MUNICIPALITY

Section 46 of the Municipal Finance Management Act stipulates that the Municipality may incur long-term debt only if a resolution of the Council, signed by the mayor, has approved the debt agreement and the Accounting Officer has signed the agreement or other document which acknowledges the debt. At least 21 days prior to the meeting of the Council at which approval for the debt is to be considered, the Municipality must make public an information statement setting out particulars of the

proposed debt, including the amount of the proposed debt, the purposes for which the debt is to be incurred and particulars of any security to be provided. The Public, the National Treasury and Provincial Treasury must be invited to submit written comments or representations to the council in respect of the proposed debt.

A copy of the information statement submitted to Council at least 21 days prior to the meeting to approve the loan agreement must contain particulars of -

(a) the essential repayment terms, including the anticipated debt repayment schedule; and

(b) the anticipated total cost in connection with such debt over the repayment period.

14 PROVISION FOR REDEMPTION OF LOANS

Overstrand Municipality may borrow from Institutions and set up sinking funds to facilitate loan repayments, when the repayment is to be met by a bullet payment on the maturity date of the loan. These sinking funds may also be invested directly with the Lender's Bank. The maturity date and accumulated value of such investment must coincide with the maturity date and amount of the intended loan that is to be repaid.

15 NON-REPAYMENT OR NON-SERVICING OF LOAN

Overstrand Municipality must honour all its loan obligations timeously. Failure to effect prompt payment will adversely affect the raising of future loans at favourable costs of borrowing.

Failure to pay any loan instalment, even by one day, and even if only through administrative oversight, will have severe repercussions, and may jeopardise the Municipality's credit rating.

In addition to the timeous payment of the loans, the Municipality must adhere to the covenants stipulated in the loan agreements.

16 PROHIBITED BORROWING PRACTICES

Overstrand Municipality shall not borrow for investment purposes, with the sole purpose of investing to earn a return. The cost of debt is almost always more expensive than the return that the Municipality can derive by investing in permitted investments.

17 FOREIGN BORROWINGS

Foreign Borrowing is permitted in terms of section 47 of the Municipal Finance Management Act, whereby the debt must be denominated in Rand and is not indexed to, or affected by, fluctuations in the value of the Rand against any foreign currency.

18 NATIONAL TREASURY AND OTHER REPORTING AND MONITORING REQUIREMENTS

The Municipality submits returns to National Treasury quarterly and annually, as well as submissions to Council. It is mainly coordinated by the Financial Services Department.

19 IMPLEMENTATION AND REVIEW PROCESS

This policy shall be implemented on 1 July 2015 and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.

POLICY SECTION:	**SENIOR MANAGER: FINANCIAL SERVICES**
CURRENT UPDATE:	
PREVIOUS REVIEW:	28 May 2014
PREVIOUS REVIEW:	29 May 2013
APPROVAL BY COUNCIL:	27 June 2012

OVERSTRAND MUNICIPALITY

FUNDING, RESERVES AND PROVISIONS POLICY

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OVERSTRAND MUNICIPALITY – FUNDING, RESERVES AND PROVISIONS POLICY

1. INTRODUCTION AND OBJECTIVE

The Council sets as objective a long term financially sustainable municipality with acceptable levels of service delivery to the community.

This policy aims to set standards and guidelines towards ensuring financial viability over both the short- and long term and includes funding as well as reserves requirements.

2. SECTION A: FUNDING POLICY

2.1 LEGISLATIVE REQUIREMENTS

In terms of Sections 18 and 19 of the Municipal Finance Management Act (Act No 56 of 2003) (MFMA), an annual budget may only be funded from:

2.1.1 Realistically anticipated revenues to be collected, including grants;

2.1.2 Cash backed accumulated funds from previous years' surpluses not committed for other purposes, and

2.1.3 Borrowed funds, but only for capital projects.

Furthermore, spending on a capital project may only be commenced once the funding sources have been considered, are available and have not been committed for other purposes.

The requirements of the MFMA are clear in that the budget must be cash – funded, i.e. cash receipts inclusive of prior period cash surpluses committed to this specific budget, must equal or be more than cash paid.

In determining whether the budget is actually cash funded and in addition ensuring long term financial sustainability, the municipality will use analytical processes, including those specified by National Treasury from time to time.

2.2 STANDARD OF CARE

Each functionary in the budgeting and accounting process must do so with judgment and care with the primary objective of ensuring that the objectives of this policy are achieved.

2.3 STATEMENT OF INTENT

The municipality will not pass a budget which is not cash – funded or where any of the indicators as listed in this document are negative, unless acceptable reasons can be provided for non-compliance and provided that the requirements of the MFMA must at all times be adhered to.

2.4 CASH MANAGEMENT

Cash must be managed in terms of the municipality's Investment and Cash Management Policy.

2.5 LIABILITY MANAGEMENT

Debt must be managed in terms of the municipality's Borrowing Policy, together with any requirements in this policy.

2.6 FUNDING THE OPERATING BUDGET

2.6.1 INTRODUCTION

The municipality's objective is that the user of municipal resources must pay for such usage in the period in which it will occur.

The municipality recognises the plight of the poor, and in line with national and provincial objectives, commits itself to subsidising services to the poor. This may necessitate cross- subsidisation in some tariffs to be calculated in the budget process.

2.6.2 GENERAL PRINCIPLE WHEN COMPILING THE OPERATING BUDGET

The following specific principles apply when compiling the budget:

a) The budget must be cash – funded, i.e. revenue and expenditure projections must be realistic and the provision for impairment of receivables must be calculated on proven recovery rates;

b) Growth parameters must be realistic and be based on historic patterns adjusted for current reliable information;

c) Tariff adjustments must be fair, taking into consideration general inflation indicators as well as the geographic region's ability to pay;

d) Revenue from Government Grants and Subsides must be in accordance with the amounts promulgated in the Division of Revenue Act, proven provincial transfers and any transfers from other municipalities.

e) Projected revenue from services charges must be reflected as net (i.e. all billing less revenue foregone, including free basic services).

f) Projected revenue from property rates must include all rates to be levied.

g) For the purpose of the Cash flow Budget all rebates and discounts must be deducted from the projected revenue.

h) Only changes in fair values related to cash may be included in the cash

flow budget. Changes to unamortized discount must be included in the Operating Budget. Employee related costs include contributions to non-current and current employee benefits. It is acknowledged that the non-current benefits' requirements are well above the initial cash capabilities of the municipality. It is therefore determined that the short term expenditure portion of employee benefits be funded from the current year operating cash surplus.

i) Depreciation must be fully budgeted for in the operating budget.

j) Contributions to provisions (non-current and current) do not form part of the cash flow for provisions with a non-current portion, except for the current portion of post retirement benefits relating to continued members for medical aid and long service awards. It is necessary to provide for an increase in cash resources in order to comply with the conditions of the provision at the time when it is needed.

2.7 FUNDING THE CAPITAL BUDGET

2.7.1 INTRODUCTION

The municipality's objective is to maintain, through proper maintenance and replacement measures, existing levels of service and to improve and implement services which are neglected or non-existent.

In order to achieve this objective the municipality must annually, within financial means, budget for the replacement of redundant assets as well as new assets.

2.7.2 FUNDING SOURCES FOR CAPITAL EXPENDITURE

The capital budget can be funded by way of own cash, grants, public contributions as well as external loans.

Cash

The capital budget or portions thereof may also be funded from surplus cash generated in previous financial years. The cash must already be available and not be committed for other purposes or expected to be generated in the current or future years. The allocations of the funding sources from own contributions will be determined during the budget process.

Grants (Including Public Contributions)

Grants for capital expenditure have become a common practice, especially in order to extend service delivery to previously disadvantaged areas. While such grants are welcomed, care should also be taken that grant funding does not place an unreasonable burden on the residents for future maintenance costs which may be higher than their ability to pay.

The accounting officer will annually evaluate the long term effect of unusual capital grants on future tariffs, and if deemed necessary, report on such to Council.

Depreciation charges on assets financed from grants and donations must not have a negative effect on tariffs charged to the users of such assets. The Accounting Officer will put such accounting measures in place as to comply with this requirement as far as possible.

MFMA Circular 48, read with MFMA Circular 58 and 75, states that municipalities may treat the 'reclaimed VAT' ito the expenditure from conditional grant funds as 'own revenue'. The municipality opts to utilise the full grant funding for the grant related projects.

External Loans

The municipality may only raise loans in accordance with its Borrowing Policy.

The Accounting Officer must also put such accounting measures in place to ensure that no unspent portions of loans raised, be included in the cash surplus for the year.

2.8 FUNDING COMPLIANCE MEASUREMENT

2.8.1 INTRODUCTION

The municipality must ensure that the annual budget or any subsequent adjustments budget complies with the requirements of the MFMA and this policy. For this purpose a set of indicators must be used as part of the budget process and be submitted with the budget. These indicators include all the indicators as recommended by National Treasury as well as any additional indicators detailed in this policy.

If any of the indicators are negative during the compilation or approval process of the budget, the budget may not be approved until all the indicators provide a positive return, unless those negative indicators can be reasonable explained and any future budget projections address the turn-around of these indicators to within acceptable levels.

2.8.2 CASH AND CASH EQUIVALENTS AND INVESTMENTS

A positive Cash and Cash Equivalents position should be maintained throughout the year.

2.8.3 CASH PLUS INVESTMENTS LESS APPLICATION OF FUNDS

The overall cash position of the municipality must be sufficient to include:

a) unspent conditional grants;

b) unspent conditional public contributions;

c) unspent borrowings;

d) VAT due to SARS;

e) ceded investments;

f) the cash portion of statutory funds such as the Housing Development Fund;

g) other working capital requirements; and

h) the cash position must be sufficient to back reserves as approved by the municipality and those portions of provisions as indicated elsewhere in this policy.

INDICATORS

2.8.4 MONTHLY AVERAGE PAYMENT COVERED BY CASH AND CASH EQUIVALENTS ("CASH COVERAGE")

This indicator shows the level of risk should the municipality experience financial stress.

2.8.5 SURPLUS/DEFICIT EXCLUDING DEPRECIATION OFFSETS

It is probable that the operating budget including depreciation charges on assets funded by grants and public contributions, as well as on revalued assets, will result in a deficit.

As determined elsewhere in this policy it is not the intention that residents be burdened with tariff increases to provide for such depreciation charges. In order to ensure a "balanced" budget, the cash position must be determined.

Should a budget result in a deficit cash position, the budget will be deemed unfunded and must be revised.

2.8.6 PROPERTY RATES/SERVICE CHARGE REVENUE PERCENTAGE INCREASE LESS MACRO INFLATION TARGET

The intention of this indicator is to ensure that tariff increases are in line with macro economic targets, but also to ensure that revenue increases for the expected growth in the geographic area are realistically calculated.

2.8.7 CASH COLLECTION % RATE

The object of the indicator is to establish whether the projected cash to be collected is realistic and complies with section 18 of the MFMA.

The collection rate for calculating the provision for impairment of receivables must be based on past and present experience. Past experience refers to the collection rates of the prior years and present experience refers to the collection rate of the current financial year as from 1 July.

It is not permissible to project a collection rate higher that the current rate. Any improvement in collection rates during the budget year may be appropriated in an Adjustments Budget.

2.8.8 DEBT IMPAIRMENT EXPENSE AS A PERCENTAGE OF BILLABLE REVENUE

This indicator provides information as to whether the contribution to the provision for impairment of receivables is adequate. In theory it should be equal to the difference between 100% and the cash collection rate, but other factors such as past performance can have an influence on it. Any aberration must be motivated in the budget report.

2.8.9 BORROWING AS A PERCENTAGE OF CAPITAL EXPENDITURE (EXCLUDING GRANTS AND CONTRIBUTIONS)

This indicator provides information as to compliance with the MFMA in determining borrowing needs. The Accounting Officer must ensure compliance with the Municipality's Borrowing Policy.

2.8.10 GRANT REVENUE AS A PERCENTAGE OF GRANTS AVAILABLE

The percentage attained should never be less that 100% and the recognition of expected unspent grants at the current year-end as revenue in the next financial year must be substantiated in a report.

2.8.11 CONSUMER DEBTORS CHANGE (CURRENT AND NON-CURRENT)

The object of the indicator is to determine whether budgeted reductions in outstanding debtors are realistic.

Any unacceptably high increase in either current or non-current debtors' balances should be investigated and reported.

2.8.12 REPAIRS AND MAINTENANCE EXPENDITURE LEVEL

Property Plant and Equipment should be maintained properly at all times in order to ensure sustainable service delivery. The budget should allocate sufficient resources to maintain assets and care should be exercised not to allow a declining maintenance program in order to fund other less important expenditure requirements.

Similarly, if the maintenance requirements become excessive, it could indicate that a capital renewal strategy should be implemented or reviewed.

2.8.13 ASSET RENEWAL/REHABILITATION EXPENDITURE LEVEL

This indicator supports further the indicator for repairs and maintenance.

The Accounting Officer must, as part of the capital budget, indicate whether each project is a new asset or a replacement/renewal asset in order to determine whether the renewal program is sufficient or needs revision.

3 SECTION B: RESERVES AND PROVISIONS POLICY

3.1 INTRODUCTION

Fund accounting historically formed the major component of municipal finance in the IMFO standards.

After the change to General Recognised Accounting Practices (GRAP), fund accounting is no longer allowed.

The municipality, however, recognizes the importance of providing to the municipality itself, as well as its creditors, financiers, staff, and general public a measure of protection for future losses, as well as providing the necessary cash resources for future capital replacements and other current and non-current liabilities.

This policy therefore aims to provide for a measure of protection by creating certain reserves and provisions.

3.2 LEGAL REQUIREMENTS

There are specific legal requirements for the creation of reserves, such as the Housing Development Fund. The GRAP Standards themselves do not provide for reserves, although certain provisions are required in terms of GRAP.

3.3 TYPES OF RESERVES/PROVISIONS

Reserves/Provisions can be classified into two main categories being “cash funded” and “non–cash funded”.

3.3.1 CASH FUNDED RESERVES

In order to provide for sufficient cash resources for future expenditure, the municipality hereby approves the establishment of the following reserves:

a) Statutory reserves

It may be necessary to create reserves prescribed by law, such as the Housing Development Fund. The Accounting Officer must create such reserves according to the directives in the relevant laws.

b) Self-Insurance reserves

The Municipality has a Self-Insurance Reserve to set aside amounts to offset potential losses or claims that cannot be insured externally. This Reserve is ring-fenced within the accumulated surplus. Contributions to the Fund are considered annually during the Budget process.

3.3.2 NON – CASH FUNDED RESERVES / PROVISIONS

On occasion it is necessary to create non – cash funded reserves. The Accounting Officer must create any reserves prescribed by the accounting standards, such as the Revaluation Reserve, if required and provisions such as post-retirement benefits and rehabilitation of land fill sites.

3.4 ACCOUNTING FOR RESERVES AND PROVISIONS

3.4.1 REVALUATION RESERVE

The accounting for the Revaluation Reserve must be done in accordance with the requirements of GRAP 17.

3.4.2 OTHER RESERVES

The accounting for all other reserves must be processed through the Statement of Financial Performance. The required transfer to or from the reserves must be processed in the Statement of Net Assets to or from the accumulated surplus.

In terms of GRAP1 transactions may be directly appropriated against these reserves.

3.4.3 PROVISIONS

Provisions are established from contributions appropriated in the annual budget. Currently, the long term portions of provisions are non-cash funded and are covered by non-current assets.

4. SECTION C: REVIEW OF THE POLICY

This policy shall be implemented on 1 July 2015 and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.

POLICY SECTION:	**SENIOR MANAGER: FINANCIAL**
CURRENT UPDATE:	
PREVIOUS REVIEW:	28 MAY 2014
PREVIOUS REVIEW:	29 MAY 2013
PREVIOUS REVIEW:	30 MAY 2012
APPROVAL BY COUNCIL:	04 MAY 2011

OVERSTRAND MUNICIPALITY

LONG TERM FINANCIAL PLANNING AND IMPLEMENTATION POLICY

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OVERSTRAND MUNICIPALITY

LONG TERM FINANCIAL PLANNING AND IMPLEMENTATION POLICY

1. INTRODUCTION

1.1 In essence a financial plan encompasses the development, implementation and evaluation of a plan for the provision of basic municipal services and capital assets. Such a plan aims to help Municipal Councillors and other decision makers make informed choices about the provision of basic services and capital assets and to promote stakeholder participation in the process.

1.2 The financial plan should set out the Municipality's estimated expenditure over the medium- term, based on its goals and objectives, as well as the resources necessary to achieve this. In addition, the financial plan must set out where funding for the planned expenditure will come from.

1.3 The compilation of a financial plan is a core component of an Integrated Development Plan(IDP). The envisaged timeframe allocations for a long term financial plan are:-

1.3.1 Immediate (12 months).

1.3.2 Medium term (3 years).

1.3.3 Long term (4 years onwards).

2. PURPOSE

2.1 The Policy on Long Term Financial Planning is aimed at ensuring that the Municipality has sufficient and cost-effective funding in order to achieve its long term objectives through the implementation of the medium term operating and capital budgets. The purpose of the Policy on Long Term Financial Planning is therefore to:-

2.1.1 Ensure that all long term financial planning is based on a structured and consistent methodology in order to ensure the long term financial sustainability of Overstrand Municipality.

2.1.2 Identify capital investment requirements and associated funding sources to ensure the future sustainability of the Municipality;

2.1.3 Identify revenue enhancement and cost saving strategies in order to improve service delivery at affordable rates; and

2.1.4 Identify new revenue sources as funding for future years.

3. GUIDING PRINCIPLES

3.1 The policy on Long Term Financial Planning is based on the following principles:-

3.1.1 Future financial sustainability;

3.1.2 Annual growth in population and consumer base;

3.1.3 Optimal collection of revenue, taking into consideration the socio economic environment;

3.1.4 Optimal utilisation of grant funding and public donations; and

3.1.5 Continuous improvement and expansion in service delivery framework.

4. DEVELOPMENT OF A FINANCIAL PLAN

4.1 The phases for development of the Financial Plan are set out below.

Phase One	→	**Compile a Status Quo assessment of the municipality's current financial status and key challenges**
Phase Two	→	**Conduct financial modelling to determine financial viability**
Phase Three	→	**Analyse outcomes and ratios**
Phase Four	→	**Prepare a long term financial plan policy**

4.2 Phase One: Status Quo Assessment

4.2.1 Perform a Status Quo assessment under the following criteria:-

(a) The Municipality's current financial status;

(b) Current revenue sources, internal and external;

(c) Main cost drivers impacting on the sustainability of the municipality

(d) Status of municipal infrastructure;

(e) Ability to finance capital expenditure; and

(f) Municipal service delivery backlogs.

4.2.2 The financial viability and creditworthiness of the Municipality is measured against a number of nationally recognised key ratios. These key ratios should include for example the following:-

a) Gross debtors to annual revenue;

b) Gross Debtors Collection Period (Days);

c) Net debtors to annual revenue;

d) Net Debtors Collection Period (Days);

e) Annual Collection Rate;

f) Service Charges and Property Rates Revenue Budget Implementation Indicator;

g) Cash Coverage Ratio;

h) Personnel Costs to Total Operating Expenditure;

i) Repairs and Maintenance to PPE;

j) Liquidity Ratio (Current Ratio); and

k) Net Asset Position.

4.2.3 The objective of the status quo report is to assess the current financial position and to identify the key challenges faced by the Municipality. The status quo report will aim to identify issues which impact on the overall financial stability of the Municipality and will include a historical analysis and assessment of financial results (based on financial statements).

4.2.4 The first phase has been completed.

4.3 Phase Two: Planned Finance and Financial Modelling

4.3.1 Upon completion of the status quo assessment, resulting in an understanding of the Municipality's financial position, the next phase is to determine the Municipality's financing need over the medium-term.

4.3.2 This entails determining what expenditure the Municipality plans to undertake over the medium-term and what its financing requirements are likely to be and how these can be funded either internally or externally.

4.3.3 As the Municipality evolves and expands its service delivery framework, so do those of the National Government. Long term community development and economic development projects will therefore also be included under this phase.

4.3.4 The second phase has been completed.

4.4 Phase Three: Analyse Outcomes and Ratios

4.4.1 Evaluate the short-term financial viability (6 months to 12 months):-

(a) Develop a financial forecast model to identify immediate opportunities and risks;

(b) Perform scenario planning to identify the optimum balance between revenue collection and municipal spending; taking into account the following:-

(c) Potential revenue enhancement strategies which may have an immediate impact on the revenue base of the Municipality;

(d) Evaluate cost saving mechanisms to minimise the cost of effective service delivery;

(e) Current infrastructure investments and maintenance programs which may influence revenue streams or the cost of service delivery;

4.4.2 Evaluate the medium and long term financial viability (1 year to 10 years):-

(a) Develop a financial forecast model to identify future opportunities and risks;

(b) Perform scenario planning to identify the optimum balance between revenue collection and municipal spending, taking into account the following:-

i. The impact each scenario has on the financial viability ratios of the Municipality;

ii. Potential revenue enhancement strategies which may have a long term impact on the revenue base of the Municipality;

iii. Cost saving mechanisms to minimise the cost of effective service delivery; taking into account potential infrastructure developments and renewals;

iv. The impact of current infrastructure investments and maintenance programs on future revenue streams or cost of service delivery;

v. The impact of envisaged future infrastructure investments on the revenue stream and cost of service delivery; and

vi. The impact of national and municipal priorities over the medium and long term.

4.5 Phase Four: Develop a Long Term Financial Plan Policy

4.5.1 Once the Municipality has finalised the prioritisation of initiatives and projects; a comprehensive long term financial plan will have to be developed to

indicate the envisaged impact it will have on the financial status of the Municipality. An overall financial forecast will then have to be done in order to illustrate the projected result of the implementations throughout the five year period.

4.5.2 Although a long term financial plan provides a forecast of potential outcomes, it has to be emphasised that the success of the financial plan remains in continuous revision. As is the case with any forecast model, the financial plan should be seen as a moving target and should be subject to honest and realistic assessments of successes and failures on a regular basis.

4.5.3 The fourth phase involves finalising a medium-term income and expenditure plan based on the various alternative service delivery options.

4.5.4 A key component in determining future options, potential problems and opportunities is the forecast of revenues and expenditures. The revenue and expenditure plan essentially involves combining the forecasting of revenues and the forecasting of expenditures into a single financial forecast.

4.5.5 Finalisation of the Financial Plan includes collating all short, medium and long term financial data and develop a long term financial plan that:-

(a) Identifies future revenue projections based on current and projected revenue streams, as well as those projects required to achieve these projections;

(b) Identifies future expenditure frameworks and cost of service delivery based on current and projected expenditure patterns;

(c) Identifies the level of infrastructure development required to achieve the municipal priorities, within the funding restrictions; and

(d) Identifies external funding requirements required for capital investment.

5. ANNUAL REVIEW

5.1 The financial plan must be reviewed on an annual basis as part of the annual review of the IDP and updated with at least the following information:-

5.1.1 any direct change in financial status or internal factors, other than previously predicted, which may influence the financial status and viability of the Municipality;

5.1.2 any changes in the economic and socio economic environment, other than previously predicted, which may influence the financial status of the Municipality;

5.1.3 any changes in the revenue base or composition which may have an impact on the financial viability of the Municipality;

5.1.4 any changes in the national or municipal priorities as previously identified; and

5.1.5 any factors which may have an impact on the ability to implement previously identified projects.

6. IMPLEMENTATION AND REVIEW OF THIS POLICY

This policy shall be implemented on 1 July 2015 and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.

POLICY SECTION:	**SENIOR MANAGER: FINANCIAL SERVICES**
CURRENT UPDATE:	
PREVIOUS REVIEW:	28 MAY 2014
APPROVAL BY COUNCIL:	29 MAY 2013

DRAFT OPERATING AND CAPITAL BUDGET FOR 2015/2016, INDICATIVE BUDGET FORECASTS FOR 2016/2017 TO 2017/2018 AND DRAFT BUDGET RELATED POLICIES

5/1/1/17-2015/2016
BA King **(028) 313 8154** **Finance Directorate**
12 March 2015

1. Executive Summary

The purpose of this report is to table the draft Operating and Capital Budget for 2015/2016, indicative budget forecasts for 2016/2017 to 2017/2018 and draft budget related policies.

2. Service Delivery and Budget Implementation Plan - IGNITE

Directorate: Finance
Department: Financial Services

3. Compliance with Strategic Priorities

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

4. Delegated Authority

None

5. Legal Requirements

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

6. Background/Introduction/Discussion/Motivation/Proposal

Sections 21 to 23 of the MFMA provides for the budget preparation process, the publication of annual budgets for comment and consultations to take place on tabled budgets.

The budget has been compiled taking into account the draft IDP and all inputs from the Budget Steering Committee, Ward Committees and the administration.

The report referred to in the Executive Summary will be tabled in Council on 25 March 2015. After the report has been tabled at the Council meeting, same will lie open for inspection for the community and all other stakeholders to make representations during the period 1 April to 30 April 2015.

After taking into account the comments and submissions made by the community and all other stakeholders, Council will consider the final 2015/2016 budget proposals at a meeting to be held on 27 May 2015.

7. Financial Implications

As per budget documentation.

8. Staff Implications

None

9. Comments from other Departments, Divisions and Administrations

The budget has been compiled taking into account the inputs from the Budget Steering Committee and budget holders.

10. Annexures

Draft Operating and Capital Budget Report for 2015/2016, indicative budget forecasts for 2016/2017 to 2017/2018 and draft budget related policies (**to be tabled at the Council meeting)**.

RECOMMENDATION TO THE COUNCIL:

1. that the tabling of the draft Operating and Capital Budget for 2015/2016, indicative budget forecasts for 2016/2017 to 2017/2018 and the draft budget related policies **be noted.**

RESPONSIBLE OFFICIAL : S REYNEKE-NAUDE

TARGET DATE FOR IMPLEMENTATION : TO BE NOTED