

ANNUAL BUDGET
OF
ELIAS MOTSOLEDI LOCAL MUNICIPALITY



2021/22 TO 2023/24
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS

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ABBREVIATIONS AND ACRONYMS

AO	Accounting Officer	SAPS	South African Police Service
AMR	Automated Meter Reading	SDBIP	Service Delivery Budget Implementation Plan
LED	Local Economic Development	SMME	Small Micro and Medium Enterprises
MEC	Member of the Executive Committee	BPC	Budget Planning Committee
MFMA	Municipal Financial Management Act	CFO	Chief Financial Officer
MIG	Municipal Infrastructure Grant	CPI	Consumer Price Index
MMC	Member of Mayoral Committee	CRRF	Capital Replacement Reserve Fund
MPRA	Municipal Properties Rates Act	DBSA	Development Bank of South Africa
MSA	Municipal Systems Act	DORA	Division of Revenue Act
MTEF	Medium-term Expenditure Framework	DWA	Department of Water Affairs
MTREF	Medium-term Revenue and Expenditure Framework	EE	Employment Equity
NERSA	National Electricity Regulator South Africa	FBS	Free basic services
NGO	Non-Governmental organisations	GDP	Gross domestic product
NKPIs	National Key Performance Indicators	GFS	Government Financial Statistics
OHS	Occupational Health and Safety	GRAP	General Recognised Accounting Practice
OP	Operational Plan	HR	Human Resources
PBO	Public Benefit Organisations	IDP	Integrated Development Strategy
PMS	Performance Management System	IT	Information Technology
PPE	Property Plant and Equipment	KM	Kilometre
PPP	Public Private Partnership	KPA	Key Performance Area
RSC	Regional Services Council	KPI	Key Performance Indicator
SALGA	South African Local Government Association	KWH	Kilowatt
IDP	Integrated Development Plan		

1 Part 1- Annual Budget

1.1 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 sustainably, economically and equitably to all communities.

Section 17 of Municipal Finance Management Act (MFMA) requires the municipality to prepare an annual budget in the prescribed format. National Treasury's MFMA circular 108 have been used as guidance for the compilation of the 2021/22 MTREF. The main challenges experienced during the compilation of the 2021/22 MTREF can be summarized as follows

- Ageing and poorly maintained roads and electricity infrastructure
- Limited and/or very minimal surplus anticipated to be realized from operating budget makes it difficult to accommodate all the wards within the area of jurisdiction of the municipality in terms of capital projects implementations

The following budget principles and guidelines directly informed the compilation the 2021/22 MTREF:

- The 2020/21 adjustment budget priorities and targets as well as the base line allocations contained in that adjustment were adopted as the upper limits for the new base lines for the 2021/22 annual budget.
- Tariffs and property rates increases should be affordable and should generally not exceed the inflation as measured by the CPI except where there are price increases in the inputs of services that are beyond the control of the municipality, for example: cost of bulk electricity. In addition, we had to ensure that our tariffs remained or moved towards being cost reflective, and had to take into account the need to address infrastructure backlogs.
- Capital projects and activities funded from external grants are budgeted as per the gazetted amount as outlined in 2021/22 Division of Revenue Act (DoRA).
- In addition to cost containment implemented by the municipality, the following items and allocations thereof had to be kept at minimum level:
 - Consultants and Professional Fees;
 - Special Projects and Events;
 - Refreshments and Entertainment (R2 000 allocated per directorate for the entire financial year);
 - Ad hoc travelling;
 - Subsistence, Travelling and conference fees;
 - Telephone and cell phone subscriptions;
 - Issuing of Material and Store items, and
 - Overtime.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2021/22 Medium Term Revenue and Expenditure Framework:

Summary of 2021/22 Medium Term Revenue Expenditure Framework

	2021/22	2022/23	2023/24
DESCRIPTION	FINAL BUDGET	INDICATIVE BUDGET	INDICATIVE BUDGET
TOTAL REVENUE	625 958 071	643 102 298	649 541 664
Less: Transfer recognized capital	79 332 000	72 606 000	76 364 000
OPERATING REVENUE	546 626 071	570 496 298	573 177 664
OPERATING EXPENDITURE	532 675 161	536 414 505	550 023 828
TRANSFERS - CAPITAL	79 332 000	72 606 000	76 364 000
SURPLUS/(DEFECIT)	13 950 911	34 081 793	23 153 835
CAPITAL EXPENDITURE	88 032 000	94 606 000	87 064 000

The above table is used as a testing tool for determination of municipal deficit or surplus throughout 2021/22 MTREF and as presented, the budget has a surplus of R13, 950 million; R34, 081 million and R23, 153 million respectively throughout the MTREF period.

Total operating revenue and expenditure for 2021/22 financial year amounts to R532, 675 million and R536, 414 million and R550 023 million respectively. The budget increases steadily in the outer years.

1.2 Operating Revenue Framework

For Elias Motsoaledi Local Municipality 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 this municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to setting of tariff increases and balancing expenditures against realistically anticipated revenues and prioritization of capital projects as contained in the Integrated Development Plan (i.e. the needs of all wards within Elias Motsoaledi Local Municipality).

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

- National Treasury's guidelines and macroeconomic policy;

- Efficient revenue management, which aims to ensure 85% annual collection rate for property rates and other key service charges;
- Electricity tariff increases that are approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full 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);
- The municipality’s Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The following tables are a summary of the 2021/23 MTREF (classified by main revenue source):

Table 1 Summary of revenue classified by main revenue source

Description	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue By Source										
Property rates	25 978	32 756	35 773	38 345	38 345	38 345	26 216	38 865	40 498	42 280
Service charges	74 874	83 287	95 493	110 922	99 748	99 748	65 871	113 490	118 472	123 685
Investment revenue	2 928	2 133	1 368	3 042	542	542	225	1 900	1 980	2 067
Transfers recognised - operational	226 163	240 283	273 218	293 916	351 806	351 806	272 460	307 637	322 626	316 577
Other own revenue	94 037	67 452	33 323	85 393	34 705	34 705	15 984	84 734	86 920	88 569
Total Revenue (excluding capital transfers and contributions)	423 980	425 912	439 175	531 617	525 145	525 145	380 757	546 626	570 496	573 178

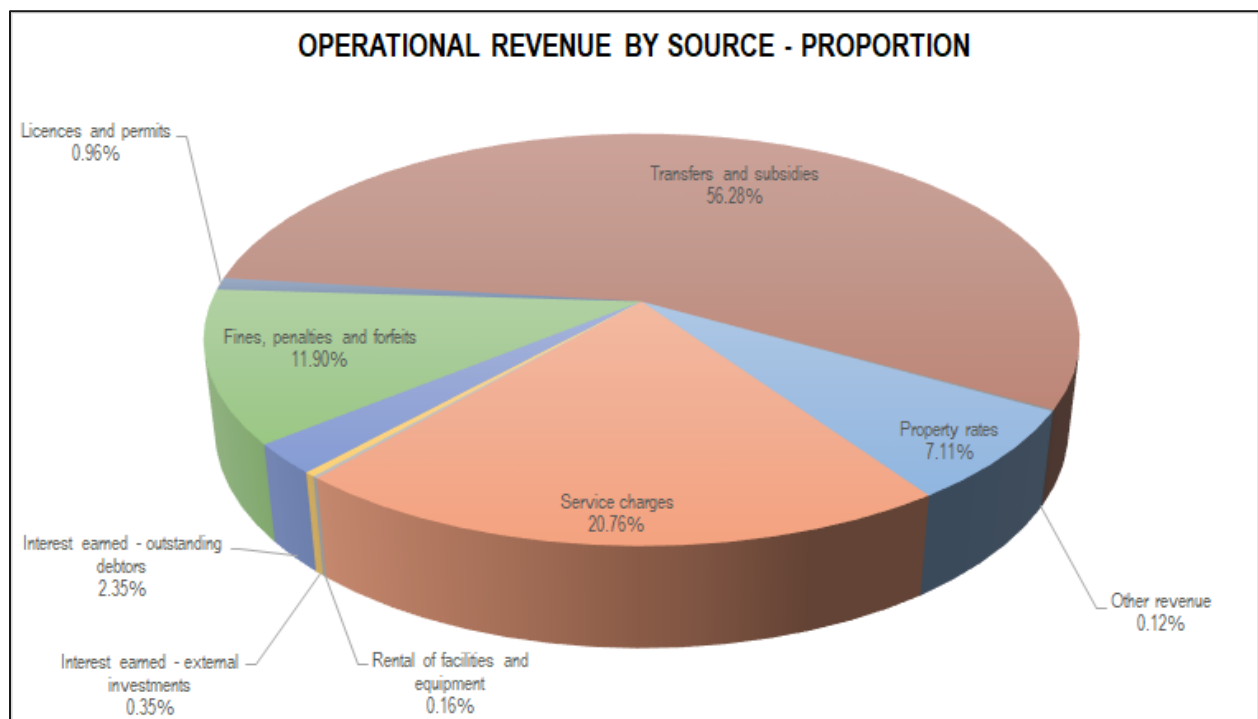


Figure 1 Main operational revenue categories for the 2021/22 financial year

In line with the formats prescribed by the Municipal Budget and Reporting Regulations (MBRR), transfer recognized - capital is excluded from the operating revenue statement, as inclusion of this revenue source would distort the calculation of the operating surplus/deficit.

Table 2 Operating Transfers and Grants Receipts

Description	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
RECEIPTS:									
Operating Transfers and Grants									
National Government:	226 163	245 278	273 214	293 320	351 806	351 806	307 637	322 626	316 577
Local Government Equitable Share	223 019	237 506	269 009	289 039	347 525	347 525	302 788	319 776	313 727
Finance Management	1 700	1 770	2 235	2 600	2 600	2 600	2 650	2 850	2 850
EPWP Incentive	1 444	1 002	1 374	1 681	1 681	1 681	2 199	-	-
Disaster Relief Grant			596	-	-	-	-	-	-
Energy Efficiency and Demand Management	-	5 000	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
N/A									
Other grant providers:	-	-	-	-	-	-	-	-	-
N/A									
Total Operating Transfers and Grants	226 163	245 278	273 214	293 320	351 806	351 806	307 637	322 626	316 577

Table 3 outlines the operating grants and transfers allocated to Elias Motsoaledi Local Municipality for 2021/22 MTREF and these grants are contributing significantly towards the revenue-base of the municipality.

1.4 Revenue

1.4.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate 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 prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0.25:1 (zero point two five is to one). The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality conforms to the stipulations of the above-mentioned regulations more especially on the ratio thereof. The stipulation in the Property Rates Policy is highlighted below:

- The first R30 000 of the market value of a property used for residential purposes is excluded from the rateable value (Section 17(h) of the MPRA). In addition to this exemption, the following additional rebates on the market value of a property will be granted in terms of the Municipality's own Property Rates tariffs;

PROPERTY CATEGORY	ADDITIONAL REBATES
Residential Property	20%
Business,commercial,Industrial and mining	25%
Agricultural Property	0%
State Owned Property	20%
Public Service Infrastructure	75%
Public Benefit Organization Property/OLD Age	75%
Municipal Property	Not Levied
UNKNOWN	Not Levied

The following owners may be granted a rebate on, or a reduction in the rates payable on their property:

- Pensioners that meet the following criteria:
 - Registered owner of property,
 - Applicant must reside on the property,
 - Income not exceeding an amount set by Council,
- Ratable property registered in the name of the Council., if such property is used in supplying electricity, water, and gas or sewerage services;
- Hospitals, clinics, and institutions for mentally ill persons, which are not operated for gain;
- Ratable property registered in the name of an agricultural society affiliated to or recognized by the South African Agricultural Union, which is used for the purpose of such society;
- Cemeteries and crematoriums, which are registered in the names of private persons and which are used exclusively for burials and cremations;
- Museums, art galleries, libraries and botanical gardens which are open to the public, whether admission fees are charged or not;
- Sports grounds used for the purpose of amateur sports and any social activities, which are connected with such sports;
- Ratable property registered in the name of benevolent or charitable organizations, or any ratable property let by the Council to any of the named organizations
- Owners of a property situated in an area affected by a disaster within the meaning of the Disaster Management Act, 2002 or in any other serious adverse social or economic conditions;
- Owners of residential properties with to which Section 17(1)(h) of the Act applies on the market value of the property less the amount stated in that Section or higher amount as determined by Council;
- State or public infrastructure and their rates may be reduced to a percentage which is contemplated in Section 11 of the Act.
- Owners of agricultural properties who are bona fide farmers.

1.4.2 Sale of Electricity and Impact of Tariff Increases

For the purpose of the Annual Budget, the municipality used the National Energy Regulator of South Africa (NERSA) approved 14.59% municipal tariff.

Registered indigents will continue to get 50 kWh allocated to them and this will result in indigents receiving 50 kWh per 30-day period free of charge.

It should further be noted that NERSA has advised that a step tariff structure needs to continue to be implemented even in the coming financial year. The effect thereof will be that the higher the consumption, the higher the cost per kwh. The aim is to subsidize the lower consumption users (mostly the poor).

1.4.3 Waste Removal and Impact of Tariff Increase

Service charge refuse removal is currently not doing fairly well since the revenue generated is currently less than the anticipated expenditure to be incurred and the municipality will therefore, have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors for the function not to break-even are repairs and maintenance on vehicles and landfill site, increases in general expenditure such as petrol and diesel and the cost of contracted service provider for refuse removal.

1.5 Operating Expenditure Framework

The Municipality's expenditure framework for the 2021/22 budget and MTREF is informed by the following:

- The renewal of existing assets and the repairs and maintenance needs;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The alignment of capital programme to the asset renewal requirement as per MBRR;
- Operational surplus will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of no project plans no budget. If there is no business plan no funding allocation will be made.

The following table is a high-level summary of the 2021/22 budget and MTREF classified per main type of operating expenditure:

Table 3 Summary of operating expenditure by standard classification item

Description	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Expenditure By Type										
Employee costs	127 202	143 445	150 217	169 749	159 477	159 477	104 095	163 212	170 102	177 553
Remuneration of councillors	22 874	23 662	25 065	26 525	26 283	26 283	16 198	27 334	28 428	29 565
Depreciation & asset impairment	53 654	56 996	56 343	55 163	57 163	57 163	-	58 392	60 845	63 522
Finance charges	281	2 797	2 361	1 184	2 633	2 633	2 442	3 729	2 653	1 880
Materials and bulk purchases	78 408	88 598	97 024	111 976	120 437	120 437	62 968	129 586	135 029	140 341
Transfers and grants	2 137	2 310	6 006	3 517	3 517	3 517	1 779	3 784	3 943	4 116
Other expenditure	225 516	140 399	127 549	144 385	146 692	146 692	76 279	146 638	135 415	133 047
Total Expenditure	510 071	458 206	464 565	512 498	516 203	516 203	263 761	532 675	536 415	550 024

The budgeted allocation for employee related costs and remuneration of councilors for the 2021/22 financial year totals R163, 212 million and R27, 334 million respectively, which equals 36% of the total operating expenditure. South African Local Government Bargaining Council didn't stipulates any increase for the year 2021/22. Based on MFMA circular 108, the two outer-years' salary increases have been factored into this budget at CPI percentage increase of 4,2%. The CPI is also applied on remuneration for councilors for outer years and the Increase from adjustment of R159, 477 million to R163 212 million is due to the vacant posts anticipated to be filled including those of senior Managers.

The cost associated with the remuneration of Councilors 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 most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

The provision of debt impairment was determined based on the annual average collection rate and the Debt Write-off Policy of the Municipality. For the 2021/22 financial year this amount equates to R48, 632 million and escalates to R50, 675 million in 2022/23 and R52, 904 million 2023/24. While this expenditure is considered a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

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 for asset consumption. Budget appropriations in this regard total R58, 392 million for the 2021/22 financial year and equates to 11% of the total operating expenditure. Cognizance should be taken 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. Note should therefore be taken that depreciation and asset impairment as well as debt impairment constitute non-cash items and as a result they are excluded when determining surplus to be expended for funding capital projects.

Bulk purchase is directly informed by the purchase of electricity from Eskom, NERSA approved 17% for Bulk Purchases. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions, which is also reliant on NERSA Approval. The expenditure includes distribution losses.

Other material comprises of amongst others the purchase of materials for maintenance, cleaning materials and chemicals. In line with the municipality's repairs and maintenance plan this group of expenditure has been prioritized to ensure sustainability of the municipality's infrastructure.

Contracted services comprise of 12% or R64 102 million of the total operational budget for the 2021/22 financial year and decreases to R51, 538 million and to R45, 479 million in the two respective outer years. The norm for contracted services is 2% to 5% and as a result, the budget for contracted services through the MTREF period is considered to be excessive.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved.

The following diagram gives a breakdown of the main expenditure categories for the 2021/22 financial year.

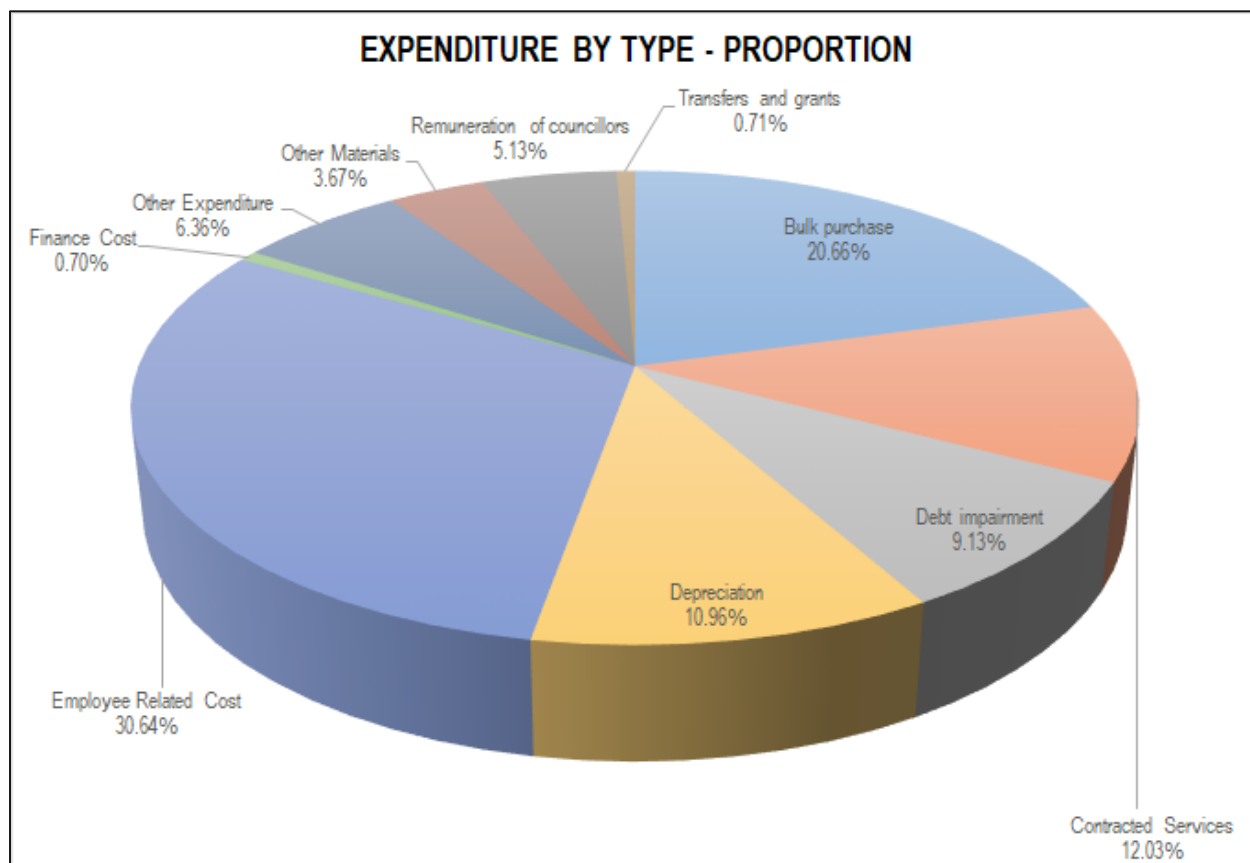


Figure 2 Main operational expenditure categories for the 2021/22 financial year

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 2021/22 budget and MTREF provide for budget appropriations in the area of asset maintenance, as informed by the asset renewal and repairs and maintenance needs. 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.

During the compilation of the 2021/22 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality's infrastructure and historic deferred maintenance. In this MTREF, repairs and maintenance budget has decreased from R23, 200 million in 2020/21 to R14, 701 million in 2021/22 then increases to R15, 407 million and decrease to R14, 239 million respectively in the outer years. In addition, the municipality is still experiencing budgetary constraints to can meet the required 8% that repairs and maintenance should contribute towards property, plant and equipment; and investment property. In relation to property, plant and equipment, repairs and maintenance comprises of 1,3% throughout the MTREF period and this percentage is however way below the set norm of 8% as stipulated by National Treasury.

1.5.2 Free Basic Services: Basic Social Services Package

The social package assists of households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. Details relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 10 MBRR A10 (Basic Service Delivery Measurement).

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act and this package covers all the basic services provided by EMLM and these services include, property rates rebates, service charges electricity, and refuse removal.

1.6 Capital expenditure

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

Table 5 2021/22 Medium-term capital budget per vote

Vote Description	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Capital expenditure - Vote										
Multi-year expenditure to be appropriated										
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager Town Secretary and Chief Executive	-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	1 110	1 400	-	1 050	1 050	1 050	479	460	2 200	1 100
Vote 5 - Community Services	434	1 600	-	-	-	-	-	300	2 400	1 000
Vote 6 - Technical Services	77 883	25 714	46 151	13 240	8 629	8 629	7 865	40 840	82 321	17 600
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	79 427	28 714	46 151	14 290	9 679	9 679	8 344	41 600	86 921	19 700
Single-year expenditure to be appropriated										
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager Town Secretary and Chief Executive	-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	350	350	350	-	100	-	-
Vote 4 - Corporate Services	-	800	633	500	54	54	54	-	-	-
Vote 5 - Community Services	1 005	522	1 424	2 200	2 290	2 290	29	800	2 000	900
Vote 6 - Technical Services	27 131	67 222	43 960	71 939	76 004	76 004	46 719	44 432	5 685	66 464
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	1 100	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	28 136	68 544	46 017	74 989	78 698	78 698	46 802	46 432	7 685	67 364
Total Capital Expenditure - Vote	107 563	97 258	92 168	89 280	88 377	88 377	55 146	88 032	94 606	87 064

The major portion of capital expenditure budget is appropriated in vote 6 and for 2021/22 the budget in vote 6 is mainly for electrification and road infrastructure capital projects. The other departments, *id-est* Corporate Services – the appropriations are mainly for procurement of operational equipment such as ICT equipment, Office furniture, and other equipment while Community Services – the appropriations are for fencing of cemeteries, landfill site and community parks and for Development Planning is for fencing of game park.

Capital expenditure Assumptions

Total capital expenditure for 2021/22 amount to R 88, 032 million reflecting a decrease of R345 thousand over 2020/21 adjusted budget.

The 2021/22 capital budget will be funded from capital conditional grants allocation and internally generated funds.

1.7 Annual Budget Tables

The following tables present the main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2021/22 annual budget and MTREF.

Table 6 MBRR Table A1 - Budget Summary

Description	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year+1 2022/23	Budget Year+2 2023/24
Financial Performance										
Property rates	25 978	32 756	35 773	38 345	38 345	38 345	26 216	38 865	40 498	42 280
Service charges	74 874	83 287	95 493	110 922	99 748	99 748	65 871	113 490	118 472	123 685
Investment revenue	2 928	2 133	1 368	3 042	542	542	225	1 900	1 980	2 067
Transfers recognised - operational	226 163	240 283	273 218	293 916	351 806	351 806	272 460	307 637	322 626	316 577
Other own revenue	94 037	67 452	33 323	85 393	34 705	34 705	15 984	84 734	86 920	88 569
Total Revenue (excluding capital transfers and contributions)	423 980	425 912	439 175	531 617	525 145	525 145	380 757	546 626	570 496	573 178
Employee costs	127 202	143 445	150 217	169 749	159 477	159 477	104 095	163 212	170 102	177 553
Remuneration of councillors	22 874	23 662	25 065	26 525	26 283	26 283	16 198	27 334	28 428	29 565
Depreciation & asset impairment	53 654	56 996	56 343	55 163	57 163	57 163	-	58 392	60 845	63 522
Finance charges	281	2 797	2 361	1 184	2 633	2 633	2 442	3 729	2 653	1 880
Materials and bulk purchases	78 408	88 598	97 024	111 976	120 437	120 437	62 968	129 586	135 029	140 341
Transfers and grants	2 137	2 310	6 006	3 517	3 517	3 517	1 779	3 784	3 943	4 116
Other expenditure	225 516	140 399	127 549	144 385	146 692	146 692	76 279	146 638	135 415	133 047
Total Expenditure	510 071	458 206	464 565	512 498	516 203	516 203	263 761	532 675	536 415	550 024
Surplus/(Deficit)	(86 091)	(32 295)	(25 390)	19 119	8 942	8 942	116 996	13 951	34 082	23 154
Transfers and subsidies - capital (monetary allocations)	97 901	75 766	70 685	74 561	69 561	69 561	52 754	79 332	72 606	76 364
Transfers and subsidies - capital (monetary allocations)	-	-	21 471	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	11 810	43 472	66 766	93 680	78 503	78 503	169 750	93 283	106 688	99 518
Surplus/(Deficit) for the year	11 810	43 472	66 766	93 680	78 503	78 503	169 750	93 283	106 688	99 518
Capital expenditure & funds sources										
Capital expenditure	107 563	97 258	92 168	89 280	88 377	88 377	55 146	88 032	94 606	87 064
Transfers recognised - capital	83 864	81 841	78 193	74 561	69 561	69 561	46 071	79 332	72 606	76 364
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	23 699	15 417	13 975	14 719	18 816	18 816	9 076	8 700	22 000	10 700
Total sources of capital funds	107 563	97 258	92 168	89 280	88 377	88 377	55 146	88 032	94 606	87 064
Financial position										
Total current assets	65 474	123 999	129 467	134 416	119 868	119 868	232 410	165 299	164 710	184 921
Total non current assets	1 019 126	1 084 590	1 125 020	1 286 031	1 290 074	1 290 074	1 166 301	1 305 435	1 306 613	1 377 804
Total current liabilities	93 424	131 311	125 568	93 706	92 781	92 781	124 830	111 087	114 248	116 249
Total non current liabilities	93 955	94 375	79 251	94 548	94 548	94 548	73 611	114 907	105 468	99 295
Community wealth/Equity	897 221	982 902	1 049 667	1 232 193	1 222 613	1 222 613	1 200 270	1 244 739	1 251 607	1 347 181
Cash flows										
Net cash from (used) operating	96 019	118 137	25 247	108 434	124 956	124 956	95 425	97 304	109 174	90 724
Net cash from (used) investing	(103 972)	(73 063)	(95 653)	(87 593)	(87 918)	(87 918)	(55 146)	(80 993)	(85 145)	(78 358)
Net cash from (used) financing	(6 900)	(8 010)	(7 753)	(11 480)	(11 480)	(11 480)	(7 196)	(11 947)	(14 594)	(11 367)
Cash/cash equivalents at the year end	6 194	24 176	1 929	11 291	27 487	27 487	35 012	31 852	41 286	42 286
Cash backing/surplus reconciliation										
Cash and investments available	6 225	24 177	1 929	20 356	22 813	22 813	35 012	31 852	41 286	42 286
Application of cash and investments	54 184	51 989	10 508	5 828	14 087	14 087	(41 906)	13 790	27 818	20 929
Balance - surplus (shortfall)	(47 960)	(27 813)	(8 579)	14 528	8 727	8 727	76 917	18 061	13 469	21 358
Asset management										
Asset register summary (WDV)	1 069 469	1 109 208	1 271 742	1 275 785	1 275 785	1 164 837	1 267 296	1 276 485	1 266 266	1 266 266
Depreciation	53 654	51 181	56 343	55 163	57 163	57 163	57 163	58 392	60 845	63 522
Renewal and Upgrading of Existing Assets	50 504	43 066	22 654	64 690	69 323	69 323	69 323	63 624	79 481	74 064
Repairs and Maintenance	12 305	10 374	10 649	15 373	23 200	23 200	23 200	14 701	15 408	14 240
Free services	-	-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided	-	-	-	1 121	1 220	1 220	6 816	6 816	7 102	7 415
Revenue cost of free services provided	5 628	5 684	5 741	9 017	9 017	9 017	5 772	5 772	6 014	6 279
Households below minimum service level										
Energy:	3	3	4	4	4	3	3	3	3	3
Refuse:	4 836	50 306	50 312	50 317	50 317	54 129	54 140	54 140	54 140	54 140

Explanatory notes to MBRR Table A1 - Budget Summary

- 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).

- The table provides an overview of the amounts contained in the Annual budget for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
 - 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 net of non-cash items) is positive over the MTREF period.
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Internally generated funds are financed from a combination of the current operating surplus. 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 is improving indicates that the necessary cash resources are available to fund the Capital Budget.
2. The Cash backing/surplus reconciliation shows that the municipality does have minimal reserves and consequently many of its obligations are not cash-backed. This place the municipality in a very vulnerable financial position with regards to replacement of assets since minimal capital replacement reserve is in place. Notwithstanding the minimal percentage of capital replacement reserves, at least the municipality is not operating on an over Annual nor funding some of its capital projects through direct borrowings. 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 has dropped and this is attributed to offering free basic services only to indigents and this function is not yet optimized.

Table 7 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Functional Classification Description	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue - Functional									
Governance and administration	183 232	198 283	223 026	228 630	277 913	277 913	245 185	254 069	250 145
Executive and council	35 581	42 873	46 559	49 315	55 860	55 860	48 669	51 400	50 427
Finance and administration	141 249	147 508	167 516	169 450	208 065	208 065	184 328	189 798	187 089
Internal audit	6 402	7 902	8 950	9 864	13 988	13 988	12 188	12 872	12 628
Community and public safety	88 773	88 850	36 265	94 154	37 006	37 006	88 396	95 281	97 927
Community and social services	3 412	7 973	9 633	10 636	11 376	11 376	9 924	10 479	10 286
Sport and recreation	6 469	10 677	12 104	13 344	15 456	15 456	13 472	14 227	13 960
Public safety	78 892	70 200	14 529	70 174	10 174	10 174	65 000	70 575	73 680
Economic and environmental services	127 676	141 810	132 942	121 857	130 832	130 832	126 286	132 324	134 206
Planning and development	6 605	17 107	21 248	23 604	26 971	26 971	24 295	23 330	22 914
Road transport	120 229	123 685	110 541	96 853	100 627	100 627	99 173	106 018	108 372
Environmental protection	842	1 018	1 153	1 400	3 234	3 234	2 818	2 976	2 919
Trading services	122 199	72 735	139 098	161 537	148 956	148 956	166 092	161 427	167 265
Energy sources	91 510	53 970	110 972	130 758	113 876	113 876	134 030	127 482	133 340
Waste management	30 689	18 765	28 126	30 779	35 080	35 080	32 062	33 945	33 925
Other	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	521 880	501 678	531 331	606 178	594 706	594 706	625 958	643 102	649 542
Expenditure - Functional									
Governance and administration	213 465	184 555	210 068	216 242	221 947	221 947	200 775	202 371	205 226
Executive and council	39 711	39 998	50 877	49 314	45 088	45 088	42 577	44 307	46 137
Finance and administration	167 531	135 446	152 835	158 383	169 759	169 759	150 204	149 733	150 392
Internal audit	6 223	9 111	6 356	8 545	7 099	7 099	7 995	8 331	8 698
Community and public safety	88 984	68 557	25 269	61 707	45 423	45 423	76 374	79 456	82 820
Community and social services	6 687	5 563	5 097	8 269	8 789	8 789	7 280	7 586	7 920
Sport and recreation	7 323	9 713	6 833	10 698	10 206	10 206	12 783	13 320	13 906
Public safety	74 973	53 281	13 339	42 740	26 428	26 428	56 311	58 550	60 994
Economic and environmental services	50 749	79 856	91 700	97 667	98 963	98 963	101 551	103 883	108 354
Planning and development	14 195	15 813	14 923	16 561	13 821	13 821	17 950	16 773	17 506
Road transport	35 904	63 315	76 178	80 487	84 515	84 515	82 936	86 416	90 124
Environmental protection	650	728	598	619	626	626	665	693	724
Trading services	156 873	125 237	137 529	136 881	149 870	149 870	153 974	150 705	153 623
Energy sources	128 737	101 683	93 944	111 716	116 365	116 365	129 442	132 795	138 598
Waste management	28 136	23 554	43 584	25 165	33 505	33 505	24 532	17 910	15 025
Other	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	510 071	458 206	464 565	512 498	516 203	516 203	532 675	536 415	550 024
Surplus/(Deficit) for the year	11 810	43 472	66 766	93 680	78 503	78 503	93 283	106 688	99 518

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (by standard classification)

- Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into different 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.

- 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 8 MBRR Table A3 - Budgeted Financial Performance (by vote)

Vote Description	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue by Vote									
Vote 1 - Executive & Council	31 540	38 168	41 231	43 443	49 146	49 146	42 820	45 222	44 367
Vote 2 - Municipal Manager Town Secretary and Chief Executive	15 805	31 469	35 643	39 284	48 377	48 377	42 149	44 514	43 672
Vote 3 - Budget & Treasury	83 272	59 272	72 301	66 279	82 337	82 337	74 785	74 109	73 588
Vote 4 - Corporate Services	34 041	39 931	40 504	44 328	53 656	53 656	46 749	49 372	48 438
Vote 5 - Community Services	131 423	120 478	69 521	135 511	82 668	82 668	130 531	139 793	142 565
Vote 6 - Technical Services	211 539	184 982	239 252	241 368	234 763	234 763	250 001	251 313	258 841
Vote 7 - Developmental Planning	1 529	11 282	14 650	16 332	18 658	18 658	17 052	15 681	15 409
Vote 8 - Executive Support	12 731	16 094	18 229	19 633	25 102	25 102	21 871	23 098	22 661
Total Revenue by Vote	521 880	501 678	531 331	606 178	594 706	594 706	625 958	643 102	649 542
Expenditure by Vote to be appropriated									
Vote 1 - Executive & Council	36 404	35 307	42 975	41 788	40 511	40 511	37 114	38 618	40 204
Vote 2 - Municipal Manager Town Secretary and Chief Executive	20 075	37 306	49 330	39 198	44 072	44 072	36 199	34 964	36 493
Vote 3 - Budget & Treasury	89 906	53 758	55 077	62 769	67 880	67 880	57 501	57 311	54 889
Vote 4 - Corporate Services	39 301	30 600	24 723	36 795	27 703	27 703	35 707	37 204	38 800
Vote 5 - Community Services	123 541	100 333	76 526	96 097	87 405	87 405	108 992	105 791	106 641
Vote 6 - Technical Services	177 259	176 739	186 822	207 436	217 488	217 488	228 211	234 489	243 734
Vote 7 - Developmental Planning	7 999	9 977	8 942	11 455	8 892	8 892	13 293	11 725	12 239
Vote 8 - Executive Support	15 585	14 187	20 169	16 960	22 253	22 253	15 657	16 312	17 023
Total Expenditure by Vote	510 071	458 206	464 565	512 498	516 203	516 203	532 675	536 415	550 024
Surplus/(Deficit) for the year	11 810	43 472	66 766	93 680	78 503	78 503	93 283	106 688	99 518

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

Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the Municipality.

Table 9 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

Description	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue By Source										
Property rates	25 978	32 756	35 773	38 345	38 345	38 345	26 216	38 865	40 498	42 280
Service charges - electricity revenue	67 575	75 160	87 068	101 994	90 820	90 820	59 958	104 214	108 591	113 369
Service charges - refuse revenue	7 299	8 127	8 425	8 928	8 928	8 928	5 914	9 276	9 882	10 316
Rental of facilities and equipment	944	1 644	897	1 220	834	834	553	898	936	977
Interest earned - external investments	2 928	2 133	1 368	3 042	542	542	225	1 900	1 980	2 067
Interest earned - outstanding debtors	9 693	9 188	12 861	6 656	17 946	17 946	11 068	12 860	9 180	7 408
Fines, penalties and forfeits	67 325	50 233	14 570	70 242	10 242	10 242	363	65 071	70 652	73 761
Licences and permits	4 956	4 707	3 939	6 344	5 044	5 044	3 130	5 240	5 460	5 701
Transfers and subsidies	226 163	240 283	273 218	293 916	351 806	351 806	272 460	307 637	322 626	316 577
Other revenue	11 118	1 680	1 056	931	639	639	868	664	692	722
Gains	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	423 980	425 912	439 175	531 617	525 145	525 145	380 757	546 626	570 496	573 178
Expenditure By Type										
Employee related costs	127 202	143 445	150 217	169 749	159 477	159 477	104 095	163 212	170 102	177 553
Remuneration of councillors	22 874	23 662	25 065	26 525	26 283	26 283	16 198	27 334	28 428	29 565
Debt impairment	74 839	47 514	12 632	42 658	19 858	19 858	-	48 632	50 675	52 904
Depreciation & asset impairment	53 654	56 996	56 343	55 163	57 163	57 163	-	58 392	60 845	63 522
Finance charges	281	2 797	2 361	1 184	2 633	2 633	2 442	3 729	2 653	1 880
Bulk purchases - electricity	68 602	72 759	81 428	94 047	94 047	94 047	54 436	110 035	114 656	119 701
Inventory consumed	9 806	15 839	15 596	17 929	26 390	26 390	8 532	19 551	20 372	20 640
Contracted services	67 951	59 841	83 969	60 660	78 622	78 622	49 253	64 102	51 538	45 479
Transfers and subsidies	2 137	2 310	6 006	3 517	3 517	3 517	1 779	3 784	3 943	4 116
Other expenditure	81 255	33 044	32 008	41 067	48 213	48 213	27 026	33 904	33 203	34 663
Losses	1 470	-	(1 060)	-	-	-	-	-	-	-
Total Expenditure	510 071	458 206	464 565	512 498	516 203	516 203	263 761	532 675	536 415	550 024
Surplus/(Deficit)	(86 091)	(32 295)	(25 390)	19 119	8 942	8 942	116 996	13 951	34 082	23 154
Transfers and subsidies - capital (monetary allocations)	97 901	75 766	70 685	74 561	69 561	69 561	52 754	79 332	72 606	76 364
Transfers and subsidies - capital (monetary allocations)	-	-	21 471	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	11 810	43 472	66 766	93 680	78 503	78 503	169 750	93 283	106 688	99 518
Taxation	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	11 810	43 472	66 766	93 680	78 503	78 503	169 750	93 283	106 688	99 518
Attributable to minorities	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	11 810	43 472	66 766	93 680	78 503	78 503	169 750	93 283	106 688	99 518
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	11 810	43 472	66 766	93 680	78 503	78 503	169 750	93 283	106 688	99 518

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)**REVENUE BY SOURCE**

- Operating revenue is R546, 626 million in 2021/22 and escalates to R570, 496 million and R573, 178 million in the outer years.
- Services charges relating to electricity and refuse removal, these revenue sources contribute significantly to the revenue basket of the municipality and the contribution thereof totals R113, 4907 million for the 2021/22 financial year and increasing to R118, 472 million in 2022/23 and increasing to R123,6855 million in 2023/24 financial year. Service charge electricity increase is based on 14.59% increase approved by NERSA.

3. Transfers recognized operational – includes the local government equitable share, financial management grant, extended public works programme grant.
4. Services charges relating to refuse removal is increasing from R8.928 million to R9. 276 million and the increase is reasonable and based on the Annual tariffs of 4%.
5. Rental of facilities and equipment increased from R834 thousand in adjustment budget to R898 thousand. The increased is mainly based on the annual increment and notch movement of employee that rented municipal properties and CPI on rental of other equipment.
6. **Interest on external investment**
Interest on call deposit investment
 Interest on call deposit investment is budgeted to increase from R542 thousand to R1, 900 million, municipality is anticipating to increase its short term investment and in addition to open separate account to invest the R10 million reserves;
Interest on Eskom deposit (other non-current assets in table A6)
 The anticipated increment is due to the deposit that the municipality has with Eskom that generate interest and it's only realized at year end.
7. Interest earned – outstanding debtors: decreased from R17, 946 million to R12, 860 million, the decrease is mainly from anticipated collection forecasting as the municipality is finalizing the appointment of debt collectors. The municipality will write-off prescribed bad debt.
8. Fines are anticipated to increase from R10, 242 million to R65, 071 million. The upward forecast of traffic fines is due to the appointed the new service provider hence the hike in traffic fines revenue and the traffic fine speed cameras are expected to be running by the beginning of the financial year. The municipality appointed the new service provider hence the hike in traffic fines revenue. The operations of the municipality are back to normal and the increase is also taking into account the audited annual financial statements amount.

EXPENDITURE BY SOURCE

9. 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.
 Pension and UIF of other municipal staff increased due to the vacant post budgeted for 2021/22. The increment on payment in lieu of leave due to the attached circular from SALGA that stipulates that employees may cash in leave days, and provision for employees who might resign during the financial year. During adjustment budget preparation; posts that were considered not to be critical were frozen however the entire organisational structure of the municipality has be budgeted for in 2021-22 financial year.
10. Depreciation increased from R57, 163 million to R58, 392 million and the increase is due to acquisition of assets. Additionally all electrification projects will be transferred to ESKOM upon completion as the municipality is not the licence holder however addressing backlog.
11. Debt impairment – increased from R19, 585 million to R48 632 million the high hike is due to the implementation of the new traffic fines contract and the COVID19 pandemic, impact that is having on the consumers' ability to service their debts.
12. Remuneration of Councillors – Increased from R26, 283 million to R27, 334 million, the 4% increase was factored to forecast for the upper limits.
13. Protective clothing – In prior year the budget was decentralised to department, however the utilisation was not as anticipated. The municipality took a decision to centralise the budget to occupational health and safety and the estimated spending was provided.

Table 10 MBRR Table A5 - Budgeted Capital Expenditure by standard classification and funding source

Vote Description	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Capital Expenditure - Functional										
Governance and administration	1 110	2 200	1 957	1 900	1 454	1 454	533	1 360	2 200	1 100
Executive and council	-	-	-	-	-	-	-	-	-	-
Finance and administration	1 110	2 200	1 957	1 900	1 454	1 454	533	1 360	2 200	1 100
Internal audit	-	-	-	-	-	-	-	-	-	-
Community and public safety	8 834	522	-	2 200	2 290	2 290	29	1 100	4 400	1 900
Community and social services	-	522	-	600	720	720	-	600	1 500	-
Sport and recreation	8 834	-	-	1 000	800	800	29	200	1 900	-
Public safety	-	-	-	600	770	770	-	300	1 000	1 900
Housing	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-
Economic and environmental services	84 672	79 449	69 833	64 830	69 633	69 633	45 512	63 584	76 206	73 064
Planning and development	-	-	-	-	-	-	-	1 100	-	-
Road transport	84 672	79 449	69 833	64 830	69 633	69 633	45 512	62 484	76 206	73 064
Environmental protection	-	-	-	-	-	-	-	-	-	-
Trading services	12 946	15 087	20 378	20 350	15 000	15 000	9 072	21 988	11 800	11 000
Energy sources	12 946	13 487	18 954	20 350	15 000	15 000	9 072	21 988	11 800	11 000
Waste management	-	1 600	1 424	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	107 563	97 258	92 168	89 280	88 377	88 377	55 146	88 032	94 606	87 064
Funded by:										
National Government	83 864	62 910	56 721	74 561	69 561	69 561	46 071	79 332	72 606	76 364
Provincial Government	-	18 931	21 471	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations)	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	83 864	81 841	78 193	74 561	69 561	69 561	46 071	79 332	72 606	76 364
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	23 699	15 417	13 975	14 719	18 816	18 816	9 076	8 700	22 000	10 700
Total Capital Funding	107 563	97 258	92 168	89 280	88 377	88 377	55 146	88 032	94 606	87 064

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

Capital projects are funded from Municipal Infrastructure Grant (MIG); Integrated National Electrification Programme (INEP) and internal generated revenue. From table A4 point of view the municipality has budgeted for non-cash items, the effect thereof is the surplus of R13 951 million.

Table 11 MBRR Table A5 - Budgeted Capital Expenditure by vote

Vote Description	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Capital expenditure - Vote										
Multi-year expenditure to be appropriated										
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager Town Secretary and Chief Executive	-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	1 110	1 400	-	1 050	1 050	1 050	479	460	2 200	1 100
Vote 5 - Community Services	434	1 600	-	-	-	-	-	300	2 400	1 000
Vote 6 - Technical Services	77 883	25 714	46 151	13 240	8 629	8 629	7 865	40 840	82 321	17 600
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	79 427	28 714	46 151	14 290	9 679	9 679	8 344	41 600	86 921	19 700
Single-year expenditure to be appropriated										
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager Town Secretary and Chief Executive	-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	350	350	350	-	100	-	-
Vote 4 - Corporate Services	-	800	633	500	54	54	54	-	-	-
Vote 5 - Community Services	1 005	522	1 424	2 200	2 290	2 290	29	800	2 000	900
Vote 6 - Technical Services	27 131	67 222	43 960	71 939	76 004	76 004	46 719	44 432	5 685	66 464
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	1 100	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	28 136	68 544	46 017	74 989	78 698	78 698	46 802	46 432	7 685	67 364
Total Capital Expenditure - Vote	107 563	97 258	92 168	89 280	88 377	88 377	55 146	88 032	94 606	87 064

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 departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations, for 2021/22 R41 600 million has been allocated of the total R88, 032 million. This allocation escalates to R86, 921 million in 2022/23 and decrease to R19, 700 million in 2023/24.
3. Single-year capital expenditure has been appropriated at R46, 432 million for the 2021/22 financial year and declines to R7, 685 million in 2022/23 and then increases to R67 364 million in 2023/24 financial year.
4. 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. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years. The capital programme is funded from capital grants and transfers and internally generated funds from current year surpluses.

Table 12 MBRR Table A6 - Budgeted Financial Position

Description	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
ASSETS										
Current assets										
Cash	6 225	24 177	1 929	12 300	4 758	4 758	35 012	8 536	13 265	8 069
Call investment deposits	-	-	-	8 056	18 056	18 056	-	23 315	28 021	34 217
Consumer debtors	24 953	49 059	65 806	54 594	55 619	55 619	91 780	63 924	56 123	70 571
Other debtors	30 968	44 518	53 542	53 957	38 742	38 742	92 724	60 917	58 334	63 291
Current portion of long-term receivables	-	-	-	-	-	-	-	-	-	-
Inventory	3 328	6 245	8 190	5 510	2 693	2 693	12 895	8 606	8 967	8 772
Total current assets	65 474	123 999	129 467	134 416	119 868	119 868	232 410	165 299	164 710	184 921
Non current assets										
Long-term receivables	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-
Investment property	53 501	56 614	60 324	48 000	48 000	48 000	60 343	60 343	60 343	60 343
Investment in Associate	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	952 370	1 012 816	1 048 853	1 223 249	1 227 292	1 227 292	1 104 000	1 229 559	1 229 987	1 300 428
Biological	-	-	-	-	-	-	-	-	-	-
Intangible	85	39	31	30	30	30	31	31	31	31
Other non-current assets	13 169	15 120	15 811	14 752	14 752	14 752	1 928	15 502	16 252	17 002
Total non current assets	1 019 126	1 084 590	1 125 020	1 286 031	1 290 074	1 290 074	1 166 301	1 305 435	1 306 613	1 377 804
TOTAL ASSETS	1 084 600	1 208 588	1 254 487	1 420 447	1 409 942	1 409 942	1 398 711	1 470 733	1 471 323	1 562 725
LIABILITIES										
Current liabilities										
Bank overdraft	-	-	-	-	-	-	-	-	-	-
Borrowing	1 718	11 373	12 790	10 980	10 980	10 980	8 409	12 271	11 347	8 120
Consumer deposits	5 249	5 383	5 516	5 701	5 701	5 701	5 737	5 700	2 728	2 711
Trade and other payables	83 923	113 088	104 565	71 167	70 243	70 243	107 929	87 165	94 178	99 411
Provisions	2 534	1 467	2 697	5 857	5 857	5 857	2 754	5 950	5 996	6 007
Total current liabilities	93 424	131 311	125 568	93 706	92 781	92 781	124 830	111 087	114 248	116 249
Non current liabilities										
Borrowing	36 323	48 192	33 676	-	-	-	-	19 467	8 120	-
Provisions	57 632	46 183	45 575	94 548	94 548	94 548	73 611	95 439	97 348	99 295
Total non current liabilities	93 955	94 375	79 251	94 548	94 548	94 548	73 611	114 907	105 468	99 295
TOTAL LIABILITIES	187 378	225 687	204 819	188 254	187 329	187 329	198 441	225 994	219 716	215 544
NET ASSETS	897 221	982 902	1 049 667	1 232 193	1 222 613	1 222 613	1 200 270	1 244 739	1 251 607	1 347 181
COMMUNITY WEALTH/EQUITY										
Accumulated Surplus/(Deficit)	897 221	982 902	1 049 667	1 232 193	1 212 613	1 212 613	1 190 270	1 234 739	1 241 607	1 337 181
Reserves	-	-	-	-	10 000	10 000	10 000	10 000	10 000	10 000
TOTAL COMMUNITY WEALTH/EQUITY	897 221	982 902	1 049 667	1 232 193	1 222 613	1 222 613	1 200 270	1 244 739	1 251 607	1 347 181

Explanatory notes to Table A6 - Budgeted Financial Position

- 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).
- This format of presenting the statement of financial position is 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. 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.
4. 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 13 MBRR Table A7 - Budgeted Cash Flow Statement

Description	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates	20 409	18 029	24 332	26 841	26 841	26 841	15 519	29 997	30 907	31 931
Service charges	68 403	88 861	86 021	94 138	85 338	85 338	55 625	107 419	110 720	112 908
Other revenue	14 831	12 920	19 358	20 268	8 968	8 968	22 478	20 923	22 419	23 406
Transfers and Subsidies - Operational	226 165	245 283	273 214	293 916	351 806	351 806	274 798	307 637	322 626	316 577
Transfers and Subsidies - Capital	97 899	93 601	73 921	74 561	69 561	69 561	61 950	79 332	72 606	76 364
Interest	12 621	2 966	1 368	4 373	11 979	11 979	940	3 018	2 775	2 708
Payments										
Suppliers and employees	(343 186)	(359 320)	(391 834)	(401 012)	(423 262)	(423 262)	(331 538)	(443 509)	(446 285)	(467 174)
Finance charges	(281)	(1 397)	(2 592)	(1 184)	(2 633)	(2 633)	(2 442)	(3 729)	(2 653)	(1 880)
Transfers and Grants	(841)	(1 919)	(2 632)	(3 468)	(3 642)	(3 642)	(1 904)	(3 784)	(3 943)	(4 116)
NET CASH FROM/(USED) OPERATING ACTIVITIES	96 019	99 024	81 158	108 434	124 956	124 956	95 425	97 304	109 174	90 724
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE	2 400	2 839	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	150	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-
Payments										
Capital assets	(106 372)	(76 052)	(95 653)	(87 593)	(87 918)	(87 918)	(55 146)	(80 993)	(85 145)	(78 358)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(103 972)	(73 063)	(95 653)	(87 593)	(87 918)	(87 918)	(55 146)	(80 993)	(85 145)	(78 358)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	(500)	(500)	(500)	-	-	-	-
Increase (decrease) in consumer deposits	-	833	196	-	-	-	-	325	(3 247)	(3 247)
Payments										
Repayment of borrowing	(6 900)	(8 843)	(7 948)	(10 980)	(10 980)	(10 980)	(7 196)	(12 271)	(11 347)	(8 120)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(6 900)	(8 010)	(7 753)	(11 480)	(11 480)	(11 480)	(7 196)	(11 947)	(14 594)	(11 367)
NET INCREASE/ (DECREASE) IN CASH HELD	(14 854)	17 952	(22 248)	9 361	25 558	25 558	33 082	4 364	9 435	1 000
Cash/cash equivalents at the year begin:	21 048	6 225	24 176	1 929	1 929	1 929	27 487	27 487	31 852	41 286
Cash/cash equivalents at the year end:	6 194	24 176	1 929	11 291	27 487	27 487	60 569	31 852	41 286	42 286

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 level of the Municipality is projected to consistently increase, however the achievement of these results, requires implementation of stringent credit control.
4. The 2021/22 MTREF has been informed by the planning principle of ensuring adequate cash and cash equivalent over the medium-term and as a result, the Cash and Investment management policy is now in place.
5. Capital assets payment is exclusive of retention of the work done.

Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term. The rate of revenue collection is budgeted as a percentage of annual billings. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

Comparing A7 Capital assets and A5 total Capex the inconsistency is due retention that will be held by the municipality.

Table 14 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Description	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Cash and investments available										
Cash/cash equivalents at the year end	6 194	24 176	1 929	11 291	27 487	27 487	60 569	31 852	41 286	42 286
Other current investments > 90 days	31	0	1	9 065	(4 674)	(4 674)	(25 558)	-	-	-
Non current assets - Investments	-	-	-	-	-	-	-	-	-	-
Cash and investments available:	6 225	24 177	1 929	20 356	22 813	22 813	35 012	31 852	41 286	42 286
Application of cash and investments										
Unspent conditional transfers	915	23 851	5 616	3 452	452	452	325	-	-	-
Unspent borrowing	-	-	-	-	-	-	-	-	-	-
Statutory requirements										
Other working capital requirements	53 269	28 138	4 892	2 376	3 635	3 635	(52 231)	3 790	17 818	10 929
Other provisions										
Long term investments committed	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments					10 000	10 000	10 000	10 000	10 000	10 000
Total Application of cash and investments:	54 184	51 989	10 508	5 828	14 087	14 087	(41 906)	13 790	27 818	20 929
Surplus(shortfall)	(47 960)	(27 813)	(8 579)	14 528	8 727	8 727	76 917	18 061	13 469	21 358

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. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. From the above table, it is clearly indicated that the municipality has surplus over MTREF.

Table 15 MBRR Table A9 - Asset Management: New and Renewal of existing assets

Description	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/21	Budget Year +2 2023/24
CAPITAL EXPENDITURE									
Total New Assets	57 060	54 192	69 514	24 589	19 053	19 053	25 268	15 125	13 000
Roads Infrastructure	39 865	34 057	51 346	-	-	-	500	600	-
Storm water Infrastructure	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	12 946	13 487	16 111	20 000	15 000	15 000	21 348	11 000	11 000
Solid Waste Infrastructure	-	-	-	-	-	-	200	-	900
Infrastructure	52 811	47 545	67 457	20 000	15 000	15 000	22 048	11 600	11 900
Community Facilities	-	-	-	-	-	-	600	-	-
Community Assets	-	-	-	-	-	-	600	-	-
Operational Buildings	-	4 947	-	2 339	2 199	2 199	-	-	-
Other Assets	-	4 947	-	2 339	2 199	2 199	-	-	-
Computer Equipment	749	1 000	38	250	250	250	460	1 100	550
Furniture and Office Equipment	362	400	526	800	800	800	460	1 100	550
Machinery and Equipment	3 138	300	1 492	1 200	804	804	900	1 325	-
Transport Assets	-	-	-	-	-	-	800	-	-
Total Renewal of Existing Assets	42 569	41 466	10 527	47 540	52 573	52 573	39 250	40 075	28 554
Roads Infrastructure	42 135	40 944	10 527	39 222	51 753	51 753	39 250	40 075	28 554
Solid Waste Infrastructure	-	-	-	7 719	100	100	-	-	-
Infrastructure	42 135	40 944	10 527	46 940	51 853	51 853	39 250	40 075	28 554
Community Facilities	-	522	-	600	720	720	-	-	-
Community Assets	-	522	-	600	720	720	-	-	-
Operational Buildings	434	-	-	-	-	-	-	-	-
Other Assets	434	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	7 934	1 600	12 127	17 150	16 750	16 750	24 374	39 406	45 510
Roads Infrastructure	-	-	10 828	16 150	15 950	15 950	13 184	35 106	44 510
Electrical Infrastructure	-	-	-	-	-	-	340	400	-
Solid Waste Infrastructure	-	1 600	-	-	-	-	10 650	1 000	1 000
Infrastructure	-	1 600	10 828	16 150	15 950	15 950	24 174	36 506	45 510
Community Facilities	-	-	-	1 000	800	800	200	2 900	-
Sport and Recreation Facilities	7 829	-	-	-	-	-	-	-	-
Community Assets	7 829	-	-	1 000	800	800	200	2 900	-
Operational Buildings	105	-	1 299	-	-	-	-	-	-
Other Assets	105	-	1 299	-	-	-	-	-	-
Total Capital Expenditure	107 563	97 258	92 168	89 280	88 377	88 377	88 892	94 606	87 064
Roads Infrastructure	82 000	75 001	72 701	55 372	67 703	67 703	52 934	75 781	73 064
Electrical Infrastructure	12 946	13 487	16 111	20 000	15 000	15 000	21 688	11 400	11 000
Solid Waste Infrastructure	-	1 600	-	7 719	100	100	10 850	1 000	1 900
Infrastructure	94 946	90 089	88 812	83 090	82 803	82 803	85 472	88 181	85 964
Community Facilities	-	522	-	1 600	1 520	1 520	800	2 900	-
Sport and Recreation Facilities	7 829	-	-	-	-	-	-	-	-
Community Assets	7 829	522	-	1 600	1 520	1 520	800	2 900	-
Operational Buildings	539	4 947	1 299	2 339	2 199	2 199	-	-	-
Other Assets	539	4 947	1 299	2 339	2 199	2 199	-	-	-
Computer Equipment	749	1 000	38	250	250	250	460	1 100	550
Furniture and Office Equipment	362	400	526	800	800	800	460	1 100	550
Machinery and Equipment	3 138	300	1 492	1 200	804	804	900	1 325	-
Transport Assets	-	-	-	-	-	-	800	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	107 563	97 258	92 168	89 280	88 377	88 377	88 892	94 606	87 064

Table 16 MBRR Table A9 - Asset Management: Upgrading of existing assets and total capital expenditure

Description	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/21	Budget Year +2 2023/24
ASSET REGISTER SUMMARY - PPE (WDV)	1 069 469	1 109 211	1 271 742	1 275 785	1 275 785	1 164 837	1 267 296	1 276 485	1 266 266
Roads Infrastructure	594 077	659 258	606 366	696 228	701 917	701 917	702 619	703 322	704 025
Electrical Infrastructure	43 047	70 460	46 351	74 655	74 655	74 655	74 730	74 804	74 879
Solid Waste Infrastructure		4 080	11 708	16 232	15 256	15 256	15 272	15 287	15 302
Infrastructure	637 123	733 798	664 425	787 115	791 828	791 828	792 620	793 413	794 206
Community Assets	20 782		18 203	92 705	92 625	92 625	92 718	92 811	92 904
Heritage Assets			463	463	463	463	464	464	465
Investment properties			60 324	48 000	48 000	48 000	60 343	60 343	60 343
Other Assets	234 948	375 413	504 590	76 056	71 872	39 076	49 884	57 916	46 539
Intangible Assets			31	30	30	30	31	31	31
Computer Equipment			1 424	3 796	3 796	3 796	3 800	3 803	3 807
Furniture and Office Equipment			2 045	2 636	2 636	2 636	2 639	2 641	2 644
Machinery and Equipment			5 120	30 104	29 654	29 654	29 684	29 714	29 744
Transport Assets	176 616		15 116	234 879	234 879	156 727	235 114	235 349	235 584
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	1 069 469	1 109 211	1 271 742	1 275 785	1 275 785	1 164 837	1 267 296	1 276 485	1 266 266
EXPENDITURE OTHER ITEMS	65 959	61 555	66 992	70 536	80 363	80 363	71 865	74 972	76 425
Depreciation	53 654	51 181	56 343	55 163	57 163	57 163	58 392	60 845	63 522
Repairs and Maintenance by Asset Class	12 305	10 374	10 649	15 373	23 200	23 200	13 472	14 127	12 903
Roads Infrastructure	1 266	2 000	161	4 892	7 783	7 783	2 892	3 013	3 146
Electrical Infrastructure	1 891	1 000	2 180	1 845	3 689	3 689	3 233	3 369	3 517
Solid Waste Infrastructure	2 538	3 704	2 778	2 993	3 800	3 800	-	-	-
Infrastructure	5 694	6 704	5 119	9 729	15 272	15 272	6 125	6 382	6 663
Community Facilities	-	-	-	306	1 806	1 806	385	401	419
Community Assets	-	-	-	306	1 806	1 806	385	401	419
Operational Buildings	929	1 000	1 497	1 845	1 690	1 690	527	549	573
Other Assets	929	1 000	1 497	1 845	1 690	1 690	527	549	573
Licences and Rights	-	-	-	425	180	180	187	195	203
Intangible Assets	-	-	-	425	180	180	187	195	203
Machinery and Equipment	4 905	1 670	1 306	1 214	1 834	1 834	3 736	3 982	2 311
Transport Assets	777	1 000	2 727	1 854	2 418	2 418	2 513	2 618	2 733
TOTAL EXPENDITURE OTHER ITEMS	65 959	61 555	66 992	70 536	80 363	80 363	71 865	74 972	76 425
Renewal and upgrading of Existing Assets as % of total capex	47.0%	44.3%	24.6%	72.5%	78.4%	78.4%	71.6%	84.0%	85.1%
Renewal and upgrading of Existing Assets as % of deprecn	94.1%	84.1%	40.2%	117.3%	121.3%	121.3%	109.0%	130.6%	116.6%
R&M as a % of PPE	1.3%	1.0%	1.0%	1.3%	1.9%	1.9%	1.1%	1.2%	1.1%
Renewal and upgrading and R&M as a % of PPE	6.0%	5.0%	3.0%	6.0%	7.0%	8.0%	6.0%	7.0%	7.0%

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to construct and/procure new assets, renewal, and upgrading of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal and upgrading of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE.
3. The renewal and upgrading of existing assets target has been met throughout the MTEF period, however, the achievement of repairs and maintenance target remains a challenge.

Table 17 MBRR Table A10 – Service Delivery

Description	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Household service targets									
Energy:									
Electricity (at least min.service level)	62 464	62 464	62 464	69 458	69 458	69 458	73 278	77 235	77 235
Electricity - prepaid (min.service level)	-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total	62 464	62 464	62 464	69 458	69 458	69 458	73 278	77 235	77 235
Electricity (< min.service level)	-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-
Other energy sources	3 895	3 895	3 895	3 480	3 480	3 480	3 000	3 162	3 162
Below Minimum Service Level sub-total	3 895	3 895	3 895	3 480	3 480	3 480	3 000	3 162	3 162
Total number of households	66 359	66 359	66 359	72 938	72 938	72 938	76 278	80 397	80 397
Refuse:									
Removed at least once a week	16 042	16 042	16 042	661 153	661 153	661 153	661 153	661 153	11 534
Minimum Service Level and Above sub-total	16 042	16 042	16 042	661 153	661 153	661 153	661 153	661 153	11 534
Removed less frequently than once a week	400	405	405	405	405	405	406	406	406
Using communal refuse dump	1 993	1 993	1 993	1 993	1 993	1 993	1 999	1 999	1 999
Using own refuse dump	38 712	38 712	38 712	42 524	42 524	42 524	42 525	42 525	42 525
Other rubbish disposal	703	703	703	703	703	703	704	704	704
No rubbish disposal	8 504	8 504	8 504	8 504	8 504	8 504	8 506	8 506	8 506
Below Minimum Service Level sub-total	50 312	50 317	50 317	54 129	54 129	54 129	54 140	54 140	54 140
Total number of households	66 354	66 359	66 359	66 656	66 656	66 656	66 656	66 656	65 674
Households receiving Free Basic Service									
Electricity/other energy (50kwh per household per month)	1 472	1 472	1 472	1 472	1 472	1 472	1 473	1 473	1 473
Refuse (removed at least once a week)	-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)									
Electricity/other energy (50kwh per indigent household per month)	-	-	-	-	-	-	4 367	4 550	4 750
Refuse (removed once a week for indigent households)	-	-	-	-	-	-	2 449	2 552	2 665
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)	-	-	-	-	-	-	-	-	-
Total cost of FBS provided	-	-	-	-	-	-	6 816	7 102	7 415
Highest level of free service provided per household									
Property rates (R value threshold)									
Electricity (kwh per household per month)									
Refuse (average litres per week)									
Revenue cost of subsidised services provided (R'000)									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)									
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17	5 628	5 684	5 741	9 017	9 017	9 017	9 017	9 396	9 809
Electricity/other energy (in excess of 50 kwh per indigent household per month)	-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)	-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided	5 628	5 684	5 741	9 017	9 017	9 017	9 017	9 396	9 809

2 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.

Due to COVID-19 pandemic, some of the activities in the process plan will be conducted through virtual meetings ,telephonic discussions and other electronic means.

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

The primary aim of the Budget Steering Committee is 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

Section 21 (1) (6) of the MFMA prescribes that the Mayor of a Municipality must at least 10 months before the start of a financial year, table in Council a time schedule outlining key deadlines for the preparation, tabling and approval of the annual budget and also the review of the Integrated Development Plan.

The municipality intends to conclude the review process for the 2021/22 IDP by the end of May 2020. Below is the timetable for the IDP/ budget process for 2021/22 Municipal fiscal year.

IDP/Budget Process Plan for the 2021/22 financial year

MONTH	ACTIVITY	Target date
PREPARATORY PHASE		
July 2020	<ul style="list-style-type: none"> Review of previous year's IDP/Budget process with MTEF included. EXCO provides political guidance over the budget process and priorities that must inform preparations of the budget. Tabling of the Annual 2021 - 2022 IDP and Budget process plan to IDP steering committee/technical committee for comments and inputs. Tabling of the 2021 - 2022 IDP and Budget process plan to council structures for approval 	1-31 July 2020 1-31 July 2020 15 July 2020 29 July 2020
August 2020	<ul style="list-style-type: none"> Ward-to-Ward based analysis data collection 4th Quarter Performance Lekgotla Submit AFS (Annual Financial Statements) for 2019/20 to AG. Submit 2019/20 cumulative Performance Report to AG & Council Structures 	17 August 2020 - 30 September 2020 17 August 2020 31 August 2020 31 August 2020
ANALYSIS PHASE		
September 2020	<ul style="list-style-type: none"> Council determines strategic objectives for service delivery through IDP review processes and the development of the next 3 year budget (including review of sector departments plans). Determine revenue projections and propose tariffs and Annual initial allocations per function and department for 2021/22 financial year. Consult with provincial and national sector departments on sector specific programmes for alignment (schools, libraries, clinics, water, electricity, roads, etc.). Finalize ward based data compilation for verification in December 2020 	01 September 2020 - December 2020
STRATEGIES PHASE		
October 2020	<ul style="list-style-type: none"> Quarterly (1st) review of 2020/21 budget, related policies, amendments (if necessary), any related consultative process. Collate information from ward based data. 	23 October 2020 1-31 October 2020

	<ul style="list-style-type: none"> Begin preliminary preparations on proposed budget for 2021/22 financial year with consideration being given to partial performance of 2020/21. 1ST Quarter Performance Lekgotla (2020/21) 	1-31 October 2020 30 October 2020
	PROJECTS PHASE	
November 2020	<ul style="list-style-type: none"> Confirm IDP projects with district and sector departments. Engage with sector departments' strategic sessions to test feasibility of attendance to planned sessions. Review and effect changes on initial IDP Annual. 	1-30 November 2020
	INTEGRATION PHASE	
December 2020	<ul style="list-style-type: none"> Consolidated Analysis Phase report in place IDP Steering/technical Committee meeting to present the analysis phase data IDP Representative Forum to present the analysis report 	04 December 2020 08 December 2020 14 December 2020
January 2021	<ul style="list-style-type: none"> Review budget performance and prepare for adjustment Table Annual 2019/20 Annual Report to Council. Submit Annual Annual Report to AG, Provincial Treasury and COGHSTA. Publish Annual Annual Report in the municipal jurisdiction (website etc.). Prepare Oversight Report for the 2019/20 financial year. Mid-Year Performance Lekgotla/Review/Strategic Planning Session, (review of IDP/Budget, related policies and consultative process) 	11-22 January 2021 25 January 2021 18 January 2021
February 2021	<ul style="list-style-type: none"> Mid- year performance bilateral Table Budget Adjustment. Submission of Annual IDP/Budget for 2020/21 to Management. Submission of Annual IDP/Budget and plans to Portfolio Committees. Submission of 2021/22 Adjustment Budget to Budget Steering Committee Adjusted budget/IDP/SDBIP 2020/2021 	26 February 2021 11 February 2021 11 - 12 February 2021 18-19 February 2021 23 February 2021 26 February 2021
March 2021	<ul style="list-style-type: none"> mSCOA – capturing of Annual budget on the financial system Submission of 2021/22 Annual Budget to Budget Steering Committee Submission of 2021-2022 Annual IDP and Budget to EXCO 	18 March 2021 31 March 2021

	<ul style="list-style-type: none"> • Council considers the 2021-2022 Annual IDP and Budget. • Adoption of Oversight Report for 2019-2020. 	31 March 2021
		31 March 2021
	APPROVAL PHASE	
April 2021	<ul style="list-style-type: none"> • Submit 2021-2022 Annual IDP and Budget to the National Treasury, Provincial Treasury and COGHSTA in both printed & electronic formats. • Quarterly (3rd) review of 2020-2021 budget/IDP and related policies' amendment (if necessary) and related consultative process. • IDP Representative Forum meeting to present the Annual 2021-2022 IDP to various stakeholders • Consultation with community and other stakeholder on the Annual 2021-2022 IDP/Budget, tariffs, indigents, credit control and free basic services • 3rd Quarter Performance Lekgotla (2020/21) 	06 April 2021 28 April 2021 12 April 2021 17 April 2021 -10 May 2021 16 April 2020
May 2021	<ul style="list-style-type: none"> • Annual Budget bilateral with LPT • MSCOA – finalize budget capturing on the financial system • Submission of 2021-2022 Final Budget to Budget Steering Committee • Final Budget/IDP/SDBIP 2021/2022 • Submission of Final Annual IDP/Budget for 2021/22 to EXCO. • Submission of Final Annual IDP/Budget for 2021/22 to the Council for approval. • Develop Performance Agreements (Performance Plans) of MM, Senior Managers and Middle Managers for 2021-2022 performance year. 	15 May 2021 30 May 2021
June 2021	<ul style="list-style-type: none"> • Submission of the SDBIP to the Mayor. • Submission of 2021-2022 Performance Agreements to the Mayor. • Submission of approved budget, SDBIP and IDP to Treasury 	1-30 June 2021

2.1.2 IDP and Service Delivery and Budget Implementation Plan

The IDP Process Plan and the Budget Time Schedule for the 2021/22 MTREF was tabled in Council in August 2020.

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 including 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 2021/22 MTREF based on the approved 2019/20 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 2021/22 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year performance for 2020/21 financial year. 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 2021/22 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 2021/22 MTREF:

- The Municipality growth (looking mainly on additional revenue from the new mall and traffic fines)
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, etc)
- Performance trends (2020/21)
- The approved 2020/21 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtors payment levels
- Investment possibilities
- The need for tariff increases versus the ability of the community to pay for service
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 108 has been taken into consideration in the planning and prioritisation process.

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 realized 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 coordinate 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:

- 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);
- National Spatial Development Perspective (NSDP) and
- National Priority Outcomes.

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.

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.

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 developmental priorities mentioned above.

Developmental priority	Outcome	Role of EMLM	Output
Spatial Rationale	Outcome 8 &9	<ul style="list-style-type: none"> • Provide land for human settlement • Zoning and rezoning of land • Prevent land invasions 	More efficient land utilization and release state land.
Access to basic service delivery	Outcome 6	<ul style="list-style-type: none"> • Provision of electricity • Roads and storm water control 	Reliable infrastructure services
Local Economic Development	Outcome 7,4 &11	<ul style="list-style-type: none"> • Creation of jobs • Support to emerging businesses (SMME"s) • Promote tourism 	Improved employment and municipal economy
Financial sound management	Outcome 9 &12	<ul style="list-style-type: none"> • Financial management and planning • Comply with legal financial requirements • Revenue enhancement 	Sound financial management
Good Governance and public participation	Outcome 9	<ul style="list-style-type: none"> • Community participations • Intergovernmental relations 	Full participation of all structures and communities
Organizational Development	Outcome 9	<ul style="list-style-type: none"> • Human resource development and management • Organizational structure development • Executive and Council support 	Vibrant institution
Social services	Outcome 1 , 2 &10	<ul style="list-style-type: none"> • Education support and co-ordination • Facilitation of health services • Community development services 	Improved community services

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

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

For the 2021/22 financial year registered indigents have been provided for in the budget and the indigent-base is expected to steadily increase in the MTREF period. In terms of the Municipality’s indigent policy registered households are entitled to 50 kwh of electricity, free waste removal, as well as special property rates rebates. Special discount on property rates will also be given to pensioners.

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 MBRR A10 (Basic Service Delivery Measurement) on.

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 during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

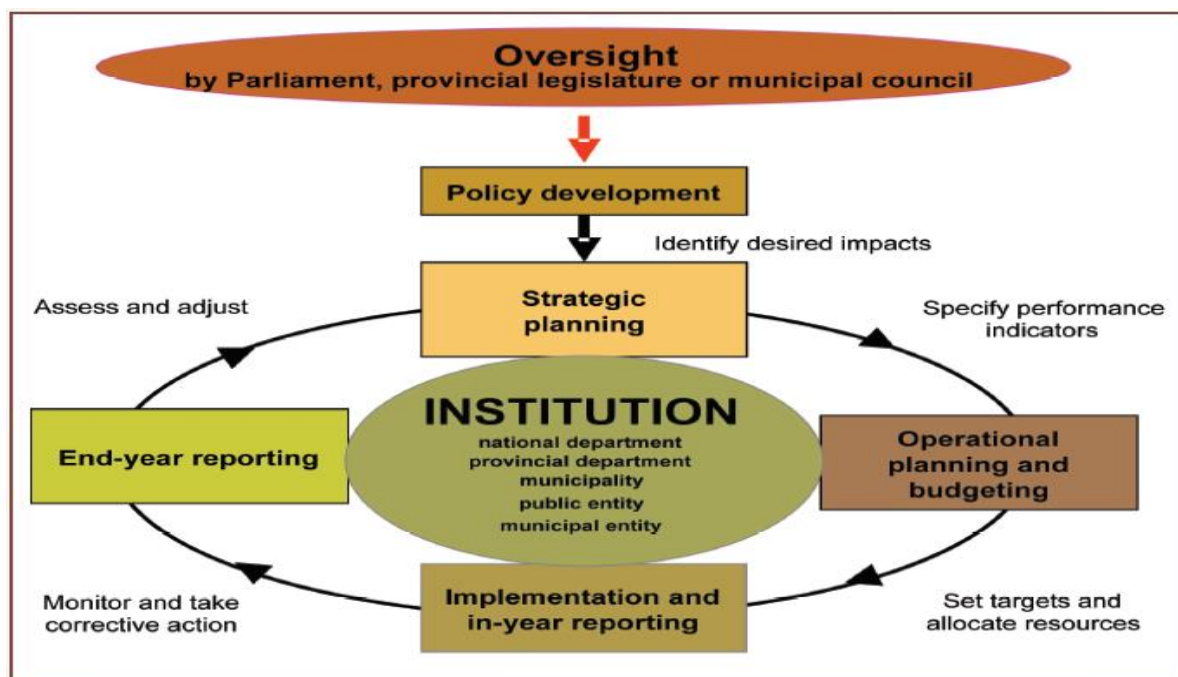


Figure 4 Planning, budgeting and reporting cycle

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

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

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

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

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 Review of credit control and debt collection procedures/policies

The Collection Policy as approved by Council in the past is currently under review. While the adopted policy is credible, sustainable, manageable and informed by affordability and value for money, there has been a need to review certain components to achieve a higher collection rate. Some of the possible revisions will include the lowering of the credit periods for the down payment of debt. In addition emphasis will be placed on speeding up the indigent registration process to ensure that credit control and debt collection efforts are not fruitlessly wasted on these debtors.

As most of the indigents within the municipal area are unable to pay for municipal services because they are unemployed, the Integrated Indigent Exit Programme aims to link the registered indigent households to development, skills and job opportunities. The programme also seeks to ensure that all departments as well as external role players are actively involved in the reduction of the number of registered indigent households.

The 2021/22 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 71 per cent on current billings. In addition the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the municipality's cash levels. In addition, the potential of a payment incentive scheme is being investigated and if found to be viable will be incorporated into the policy.

2.4.2 Asset Management, Infrastructure Investment and Funding Policy

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 municipality's revenue base. Within the framework, the need for asset renewal was considered a priority and hence the capital programme was determined based on renewal of current assets versus new asset construction.

Further, continued improvements in technology generally allows many assets to be renewed at a lesser 'real' cost than the original construction cost. Therefore, it is considered prudent to allow for a slightly lesser continual level of annual renewal than the average annual depreciation. The Asset Management, Infrastructure and Funding Policy is therefore considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance and is utilised as a guide to the selection and prioritisation of individual capital projects. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

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 September 2007 and the policy has been getting reviewed on annual basis and the changes made now are incorporated and presented in the resolutions paragraph.

2.4.5 Budget Virement Policy

The Budget and 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. The Budget and Virement Policy was approved by Council in the past and is getting reviewed every financial year in respect of both Operating and Capital Budget Fund Transfers.

2.4.6 Cash Management and Investment Policy

The municipality's Cash Management and Investment Policy was amended by Council in February 2013. 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. The policy details the minimum cash and cash equivalent required at any point in time and introduces time frames to achieve certain benchmarks.

2.4.7 Tariff Policies

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. The policies have been approved on various dates and a consolidated tariff policy is envisaged to be compiled for ease of administration and implementation.

All the above policies are available on the municipality's website, as well as the following budget related policies:

- Basic Social Services Package (Indigent Policy), and
- Petty Cash Policy

2.5 Overview of budget assumptions

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.

Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 95% will be achieved on operating expenditure and 100% on the capital programme for the 2021/22 MTREF of which performance has been factored into the cash flow budget.

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 and presents operating surplus of R16, 198 million in 2021/22 that is not relatively enough.

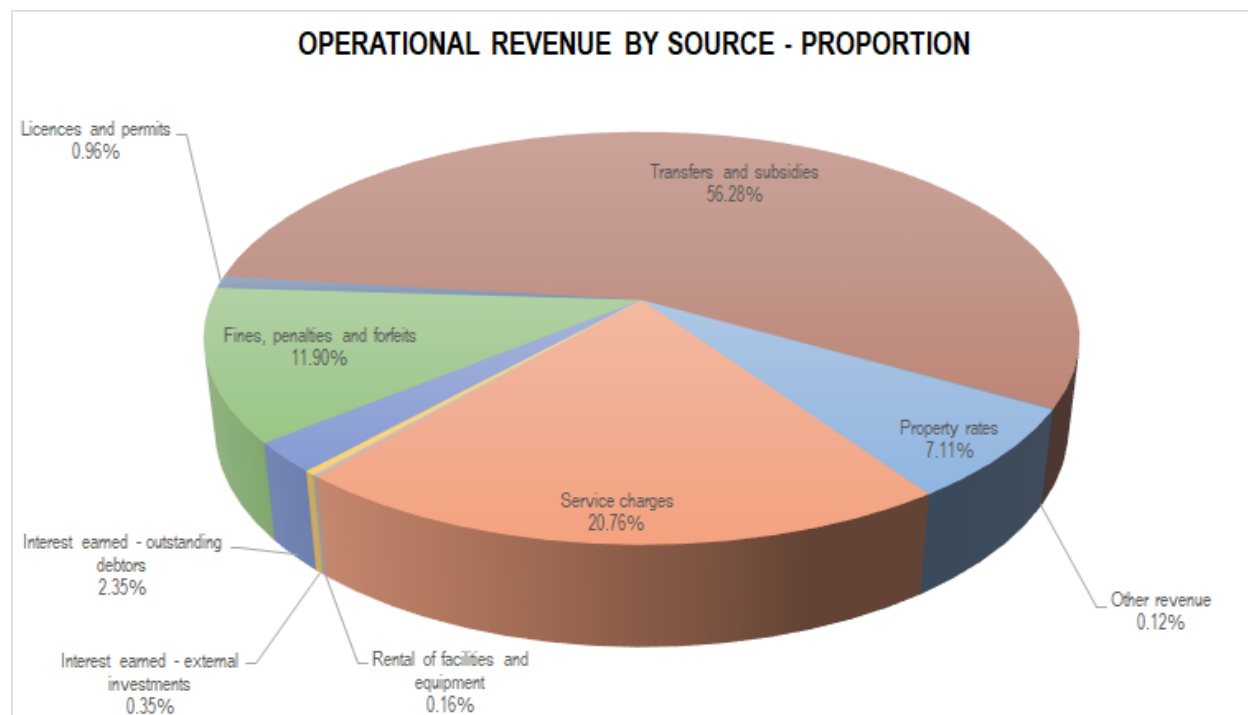


Figure 5 Breakdown of operating revenue over the 2021/22 MTREF

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 electricity and 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 71 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;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels.

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

The proposed tariff increases for the 2021/22 MTREF on the different revenue categories are:

- Property rates
- Refuse removal
- Electricity
- Other

Table 18 MBRR Table SA11 – Property Rates Summary

Description	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Valuation:									
Date of valuation:	2017/01/07	2018/01/07	2019/01/07	2020/01/07					
Financial year valuation used	2017-18	2017-18	218-19	2019/20					
Municipal by-laws s6 in place? (Y/N)	Yes	Yes	Yes	Yes					
Municipal/assistant valuer appointed? (Y/N)	No	No	Yes	Yes					
Municipal partnership s38 used? (Y/N)	No	No	No	No					
No. of assistant valuers (FTE)	-	-	-	-					
No. of data collectors (FTE)	-	-	-	-					
Valuation appeal board established? (Y/N)	No	No	No	No					
Implementation time of new valuation roll (mths)	12	12	12	12					
No. of properties		18703	20215	20215					
No. of supplementary valuations	-	1	1	1					
No. of valuation roll amendments	-	-	-	-					
No. of objections by rate payers			-	-					
No. of appeals by rate payers									
No. of successful objections									
No. of successful objections > 10%									
Supplementary valuation	-	-	1	1					
Public service infrastructure value (Rm)			1	1					
Municipality owned property value (Rm)				1					
Valuation reductions:									
Valuation reductions-public infrastructure (Rm)									
Valuation reductions-nature reserves/park (Rm)									
Valuation reductions-mineral rights (Rm)									
Valuation reductions-R15,000 threshold (Rm)	404 001	404 200	404 200	405 200	405 200	405 200	405 200	405 200	405 200
Valuation reductions-public worship (Rm)									
Valuation reductions-other (Rm)									
Total valuation reductions:	404 001	404 200	404 200	405 200	405 200	405 200	405 200	405 200	405 200
Total value used for rating (Rm)	4 644 558	4 644 558	4 644 558	4 644 558	4 644 558	4 644 558	4 644 558	4 644 558	4 644 558
Total land value (Rm)									
Total value of improvements (Rm)									
Total market value (Rm)	4 644 558	4 644 558	4 644 558	4 644 558	4 644 558	4 644 558	4 644 558	4 644 558	4 644 558
Rating:									
Residential rate used to determine rate for other categories? (Y/N)	No	No	No	No					
Differential rates used? (Y/N)	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)	No	No	No	No					
Phasing-in properties s21 (number)	0	0	0	0	0	0	0	0	0
Rates policy accompanying budget? (Y/N)	Yes	Yes	Yes	Yes					
Fixed amount minimum value (R'000)	30000	30000	30000	30000					
Non-residential prescribed ratio s19? (%)	0	0	0	0					
Rate revenue:									
Rate revenue budget (R'000)	26 472	33 010	36 658	38 345	38 345	38 345	40 109	41 954	42 373
Rate revenue expected to collect (R'000)	21 177	32 502	29 610	26 841	26 841	26 841	28 076	29 367	29 661
Expected cash collection rate (%)	80.00%	98.46%	80.77%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
Special rating areas (R'000)									
Rebates, exemptions - indigent (R'000)	2 250								
Rebates, exemptions - pensioners (R'000)	200								
Rebates, exemptions - bona fide farm. (R'000)	-								
Total rebates, exemptns, reductns, discs (R'000)	2 450	-	-	-	-	-	-	-	-

Table 19 MBRR 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 2020/21																	
Valuation:																	
No. of properties	150 987	41	381	521	1 127	2 075	986									21	
No. of sectional title property values																	
No. of unreasonably difficult properties s7(2)																	
No. of supplementary valuations																	
Supplementary valuation (Rm)																	
No. of valuation roll amendments																	
No. of objections by rate-payers																	
No. of appeals by rate-payers																	
No. of appeals by rate-payers finalised																	
No. of successful objections																	
No. of successful objections > 10%																	
Estimated no. of properties not valued																	
Years since last valuation (select)	<1	<1	<1	<1	<1	<1	<1									<1	
Frequency of valuation (select)	5	5	5	5	5	5	5	5								5	
Method of valuation used (select)	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.	
Phasing-in properties s21 (number)	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	
Flat rate used? (Y/N)	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	
Valuation reductions:																	
Valuation reductions-public infrastructure (Rm)	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30 000
Valuation reductions-nature reserves/park (Rm)	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30 000
Valuation reductions-mineral rights (Rm)	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30 000
Valuation reductions-R15,000 threshold (Rm)	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30 000
Valuation reductions-public worship (Rm)	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30 000
Valuation reductions-other (Rm)	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30 000
Total valuation reductions:																	
Total value used for rating (Rm)	3 341 309	77 105	712 838	17 600	325 268	156 983	1 595	30	30	30	30	30	30	30	30	11 860	-
Total land value (Rm)	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30 000
Total value of improvements (Rm)	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30 000
Total market value (Rm)	3 341 309	77 105	712 838	17 600	325 268	156 983	1 595	30	30	30	30	30	30	30	30	11 860	-
Rating:																	
Average rate	0	0	0	0	0	0	0	-	-	-	-	-	-	-	-	0	-
Rate revenue budget (R'000)																	
Rate revenue expected to collect (R'000)	119	1	6	0	8	-	0	-	-	-	-	-	-	-	-	0	-
Expected cash collection rate (%)	1	1	1	1	1	-	1	-	-	-	-	-	-	-	-	1	-

Table 20 MBRR 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/nts	Public benefit organs.	Mining Props.
Budget Year 2021/22																
Valuation:																
No. of properties	150 987.00	41.00	381.00	521.00	1 127.00	2 075.00	986.00								21.00	
No. of sectional title property values																
No. of unreasonably difficult properties s7(2)																
No. of supplementary valuations																
Supplementary valuation (Rm)																
No. of valuation roll amendments																
No. of objections by rate-payers																
No. of appeals by rate-payers																
No. of appeals by rate-payers finalised																
No. of successful objections																
No. of successful objections > 10%																
Estimated no. of properties not valued																
Years since last valuation (select)	<1	<1	<1	<1	<1	<1	<1								<1	
Frequency of valuation (select)	5	5	5	5	5	5	5	5								5
Method of valuation used (select)	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.	
Phasing-in properties s21 (number)	0	0	0	0	0	0	0	0							0	
Combination of rating types used? (Y/N)	Yes	Yes	Yes	Yes	Yes	Yes	Yes								Yes	
Flat rate used? (Y/N)	No	No	No	No	No	No	No								No	
Is balance rated by uniform rate/variable rate?	Variable	Variable	Variable	Variable	Variable	Variable	Variable								Variable	
Valuation reductions:																
Valuation reductions-public infrastructure (Rm)	30	30	30	30	30	30	30	30	30	30	30	30	30	30		
Valuation reductions-nature reserves/park (Rm)	30	30	30	30	30	30	30	30	30	30	30	30	30	30		
Valuation reductions-mineral rights (Rm)	30	30	30	30	30	30	30	30	30	30	30	30	30	30		
Valuation reductions-R15,000 threshold (Rm)	30	30	30	30	30	30	30	30	30	30	30	30	30	30		
Valuation reductions-public worship (Rm)	30	30	30	30	30	30	30	30	30	30	30	30	30	30		
Valuation reductions-other (Rm)	30	30	30	30	30	30	30	30	30	30	30	30	30	30		
Total valuation reductions:																
Total value used for rating (Rm)	3 341 309	77 105	712 838	17 600	325 268	156 983	1 595	30	30	30	30	30	30	30	11 860	-
Total land value (Rm)	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30
Total value of improvements (Rm)	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30
Total market value (Rm)	3 341 309	77 105	712 838	17 600	325 268	156 983	1 595	30	30	30	30	30	30	30	11 860	-
Rating:																
Average rate	0.01	0.02	0.02	0.00	0.01	0.01	0.00	-	-	-	-	-	-	-	0.00	-
Rate revenue budget (R '000)																
Rate revenue expected to collect (R'000)	0	0	0	0	0	-	0	-	-	-	-	-	-	-	0	-
Expected cash collection rate (%)	85.00%	68.00%	68.00%	85.00%	100.00%	0.00%	50.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	50.00%	0.00%

Table 21 MBRR Table SA13a – Tarrifs by category

Description	2017/18	2018/19	2019/20	Current Year 2020/21	2021/22 Medium Term Revenue		
					Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Property rates (rate in the Rand)							
Residential properties	0.00749	0.0079	0.0083	0.0087	0.0090	0.0094	0.0098
Residential properties - vacant land	0.00749	0.0079	0.0083	0.0087	0.0090	0.0094	0.0098
Formal/informal settlements							
Small holdings							
Farm properties - used	0.00187	0.0020	0.0021	0.0022	0.0022	0.0023	0.0024
Farm properties - not used	0.00187	0.0020	0.0021	0.0022	0.0022	0.0023	0.0024
Industrial properties							
Business and commercial properties	0.001480	0.0016	0.0016	0.0017	0.0018	0.0019	0.0020
Communal land - residential							
Communal land - small holdings							
Communal land - farm property							
Communal land - business and commercial							
Communal land - other							
State-owned properties	0.00749	0.0079	0.0083	0.0087	0.0090	0.0094	0.0098
Municipal properties	Not Levied	Not Levied	Not Levied	Not Levied	Not Levied	Not Levied	Not Levied
Public service infrastructure	0.00187	0.0020	0.0021	0.0022	0.0022	0.0023	0.0024
Privately owned towns serviced by the owner							
State trust land							
Restitution and redistribution properties	0.0017	0.0018	0.0019	0.0020	0.0020	0.0021	0.0022
Protected areas							
National monuments properties							
Exemptions, reductions and rebates (Rands)							
Residential properties							
R15 000 threshold rebate	15 000	15 000	15 000	15 000	15 000	15 000	15 000
General residential rebate							
Indigent rebate or exemption							
Pensioners/social grants rebate or exemption							
Temporary relief rebate or exemption							
Bona fide farmers rebate or exemption							
Electricity tariffs							
Domestic							
Basic charge/ fixed fee (Rands/month)	155.000	169.950	205.300	218.070	14.59%	287.369	330.474
FBE	50kwh	50kwh	50kwh	50kwh	50kwh	50kwh	50kwh
Life-line tariff - prepaid	1.340	1.420	1.447	1.546	14.59%	1.774	2.038
Meter - IBT Block 1 (c/kwh)	0.734	0.804	0.805	0.995	14.59%	1.122	1.192
Meter - IBT Block 2 (c/kwh)	1.023	1.120	1.122	1.323	14.59%	1.492	1.585
Meter - IBT Block 3 (c/kwh)	1.300	1.424	1.426	1.753	14.59%	1.977	2.099
Prepaid - IBT Block 1 (c/kwh)	0.870	0.924	1.034	1.098	14.59%	1.238	1.315
Prepaid - IBT Block 2 (c/kwh)	0.760	0.807	1.329	1.412	14.59%	1.592	1.691
Prepaid - IBT Block 3 (c/kwh)	0.840	0.892	1.871	1.987	14.59%	2.241	2.380
Waste management tariffs							
Domestic							
Street cleaning charge	19.300	20.574	23.570	24.631	3.9%	26.949	28.188
Basic charge/ fixed fee	77.250	82.349	88.740	92.733	3.9%	101.461	106.128
80l bin - once a week	198.250	211.335	217.200	226.974	3.9%	248.336	259.759
250l bin - once a week							

Table 21 MBRR Table SA13b – Tariffs by category

Description	Provide description of tariff structure where appropriate	2017/18	2018/19	2019/20	Current Year 2020/21	2021/22 Medium Term Revenue &		
						Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Exemptions, reductions and rebates (Rands)								
R15 000 threshold rebate	R15 000 threshold rebate	15 000	30 000	30 000	30 000	30 000	30 000	30 000
Electricity tariffs								
Domestic Conventional (Residential) - Basic Charge	(fill in thresholds)		155.080	332.310	213.635	14.59%	237.330	237.330
Block 1(0 - 50kwh)	(fill in thresholds)	0.861	0.916	1.198	1.262	14.59%	1.402	1.402
Block 2(51 - 350kwh)	(fill in thresholds)	1.097	1.167	1.525	1.607	14.59%	1.786	1.786
Block 3(351 kwh - >)	(fill in thresholds)	1.430	1.522	1.989	2.097	14.59%	2.329	2.329
Business/ Commercial/ Government	(fill in thresholds)		-	-	-	14.59%	-	-
Basic Charge (40A - 60A)	(fill in thresholds)		400.000	522.800	551.031	14.59%	612.149	612.149
Basic Charge (Medium)	(fill in thresholds)		150.000	195.690	206.637	14.59%	229.556	229.556
Industrial	(fill in thresholds)				-	-	-	-
> 100A	(fill in thresholds)				-	-	-	-
Basic Charge	(fill in thresholds)	958.930	1 024.520	1 339.048	1 411.356	14.59%	1 567.898	1 567.898
Energy Charge	(fill in thresholds)	1.460	1.560	2.039	2.149	14.59%	2.387	2.387
Agriculture - Basic Charge	(fill in thresholds)	1 030.000	1 100.450	1 438.288	1 515.956	14.59%	1 684.099	1 684.099
Agriculture - Energy Charge	(fill in thresholds)	1.160	1.240	1.621	1.708	14.59%	1.898	1.898

Table 22 MBRR Table SA24 – Summary of Personal numbers

Summary of Personnel Numbers	2019/20			Current Year 2020/21			Budget Year 2021/22		
	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities									
Councillors (Political Office Bearers plus Other Councillors)	61	-	61	61	-	61	61	-	61
Board Members of municipal entities	-	-	-	-	-	-	-	-	-
Municipal employees									
Municipal Manager and Senior Managers	7	-	7	7	-	7	7	-	7
Other Managers	35	31	1	35	34	1	35	34	1
Professionals	46	41	-	46	41	-	46	41	-
Finance	27	26	-	27	26	-	27	26	-
Spatial/town planning	9	5	-	9	5	-	9	5	-
Information Technology	-	-	-	-	-	-	-	-	-
Roads	-	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-	-	-
Refuse	-	-	-	-	-	-	-	-	-
Other	10	10	-	10	10	-	10	10	-
Technicians	315	287	-	316	288	-	316	288	-
Finance	-	-	-	-	-	-	-	-	-
Spatial/town planning	-	-	-	-	-	-	-	-	-
Information Technology	5	5	-	5	5	-	5	5	-
Roads	44	16	-	44	16	-	44	16	-
Electricity	7	7	-	7	7	-	7	7	-
Water	-	-	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-	-	-
Refuse	-	-	-	-	-	-	-	-	-
Other	7	7	-	7	7	-	7	7	-
Clerks (Clerical and administrative)	117	117	-	118	118	-	118	118	-
Service and sales workers	14	14	-	14	14	-	14	14	-
Skilled agricultural and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades	-	-	-	-	-	-	-	-	-
Plant and Machine Operators	25	25	-	25	25	-	25	25	-
Elementary Occupations	96	96	-	96	96	-	96	96	-
TOTAL PERSONNEL NUMBERS	464	359	69	465	363	69	465	363	69
% increase				0%	1%	0%	0.0%	0.0%	0.0%
Total municipal employees headcount	370	266	67	370	267	67	371	270	68
Finance personnel headcount	60	59	1	60	59	1	60	59	1
Human Resources personnel headcount	34	34	-	34	34	-	34	34	-

Table 23 MBRR Table SA30 – Budgeted Monthly Cash flow

MONTHLY CASH FLOWS	Budget Year 2021/22												Medium Term Revenue and		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Cash Receipts By Source													0		
Property rates	2 492	2 448	2 481	2 495	2 460	2 435	2 488	2 480	2 473	2 474	2 480	2 790	29 997	30 907	31 931
Service charges - electricity revenue	8 815	8 723	7 995	7 963	8 994	9 646	7 501	7 674	7 571	7 776	8 569	8 772	99 998	101 965	102 930
Service charges - refuse revenue	601	658	647	653	626	654	617	679	607	529	512	639	7 421	8 755	9 978
Rental of facilities and equipment	92	99	75	76	75	19	20	97	60	60	60	164	898	936	977
Interest earned - external investments	-	-	252	-	-	143	-	-	245	-	451	809	1 900	1 980	2 067
Interest earned - outstanding debtors	67	76	133	119	63	74	62	100	69	50	176	128	1 118	796	641
Fines, penalties and forfeits	1 127	1 324	1 127	1 122	1 112	1 125	1 167	1 160	1 172	1 049	1 091	1 543	14 120	15 331	16 006
Licences and permits	303	287	387	442	358	180	268	360	71	65	938	1 581	5 240	5 460	5 701
Transfers and Subsidies - Operational	136 581	2 721	-	791	-	86 279	-	528	80 737	-	-	-	307 637	322 626	316 577
Other revenue	-	-	-	-	-	-	-	-	-	-	-	664	664	692	722
Cash Receipts by Source	150 077	16 337	13 097	13 661	13 689	100 555	12 124	13 078	93 005	12 003	14 277	17 090	468 994	489 449	487 530
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations)	17 524	5 320	-	15 779	8 512	16 651	-	2 128	13 418	-	-	-	79 332	72 606	76 364
Transfers and subsidies - capital (monetary allocations)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	(1 325)	-	-	(921)	-	-	(1 000)	-	-	-	3 571	325	(3 247)	(3 247)
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	167 601	20 331	13 097	29 440	21 280	117 207	12 124	14 206	106 423	12 003	14 277	20 662	548 651	558 808	560 648
Cash Payments by Type															
Employee related costs	11 577	11 348	11 208	11 212	11 285	18 838	12 591	11 774	12 700	12 700	12 700	25 277	163 212	170 102	177 553
Remuneration of councillors	2 082	2 082	2 082	2 082	2 082	2 119	2 082	2 082	2 250	2 250	2 250	3 893	27 334	28 428	29 565
Finance charges	-	625	-	293	260	1 167	781	217	87	-	-	300	3 729	2 653	1 880
Bulk purchases - electricity	10 112	10 653	10 424	9 158	7 313	7 512	7 259	8 492	8 840	9 249	10 296	10 727	110 035	114 656	119 701
Acquisitions - water & other inventory	388	1 216	187	1 913	516	787	227	1 127	1 019	1 650	1 106	3 000	13 137	17 372	18 640
Contracted services	10 302	2 672	4 598	7 314	3 231	8 206	7 314	6 758	3 217	3 775	4 068	2 647	64 102	51 538	45 479
Transfers and grants - other	266	210	391	283	267	387	275	-	270	270	270	896	3 784	3 943	4 116
Other expenditure	1 300	3 902	1 642	4 185	113	6 855	3 263	1 033	3 384	2 356	2 347	1 484	31 864	33 203	34 663
Cash Payments by Type	36 027	32 707	30 532	36 440	25 067	45 870	33 791	31 484	31 766	32 250	33 038	48 224	436 748	433 300	443 465
Other Cash Flows/Payments by Type															
Capital assets	921	5 691	9 371	4 259	3 875	9 257	2 658	12 632	7 029	6 041	7 048	12 210	80 993	85 145	78 358
Repayment of borrowing	832	851	867	870	902	931	959	1 212	1 512	1 612	1 712	8	12 271	11 347	8 120
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	14 274	14 274	19 580
Total Cash Payments by Type	37 780	39 249	40 771	41 570	29 844	56 059	37 409	45 328	40 308	39 903	41 798	74 716	544 286	549 373	559 648
NET INCREASE/(DECREASE) IN CASH HELD	129 821	(18 918)	(27 673)	(12 130)	(8 565)	61 148	(25 285)	(31 122)	66 116	(27 900)	(27 521)	(54 054)	4 364	9 435	1 000
Cash/cash equivalents at the month/year begin:	27 487	157 308	138 390	110 717	98 587	90 022	151 170	125 885	94 763	160 879	132 978	105 457	27 487	31 852	41 286
Cash/cash equivalents at the month/year end:	157 308	138 390	110 717	98 587	90 022	151 170	125 885	94 763	160 879	132 978	105 457	51 403	31 852	41 286	42 286

Monthly budgeted cash flow shows Capital Assets that is not aligned to total capital on A5, is due to the 10% retention that remains with the municipality that will be paid usually in the coming financial years if the requirements for such release of payments are met.

Cash and cash equivalent at end of the 2021/22 financial year is R31 852 million.

2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2021/22 medium-term capital programme:

Table 32 Sources of capital revenue over the MTREF

Description	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
RECEIPTS:									
Capital Transfers and Grants									
National Government:	81 860	70 766	70 685	74 561	69 561	69 561	79 332	72 606	76 364
Municipal Infrastructure Grant (MIG)	66 860	60 769	51 731	54 561	54 561	54 561	57 984	62 606	65 364
Intergrated National Electrification Grant	15 000	9 997	18 954	20 000	15 000	15 000	21 348	10 000	11 000
Provincial Government:	-	-	21 771	-	-	-	-	-	-
Coghsta - Development			21 771	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
[insert description]									
Other grant providers:	-	-	-	-	-	-	-	-	-
[insert description]									
Total Capital Transfers and Grants	81 860	70 766	92 456	74 561	69 561	69 561	79 332	72 606	76 364

The above table is graphically represented as follows for the 2021/22 financial year.

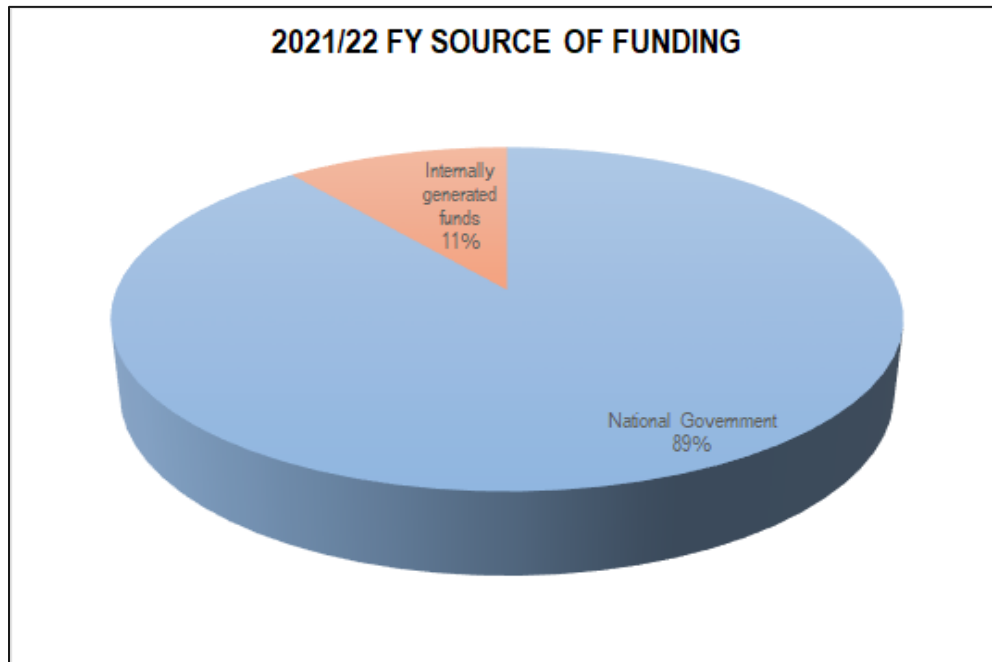


Figure 6 Breakdown of the source of funding for 2021/22 MTREF

Capital grants and receipts equate to 89% of the total funding source which represents R79, 332 million for the 2021/22 financial year and decreases to R72, 606 million and increase R76, 364 million in 2022/23 and 2023/24 financial years. Only 11% of capital budgets is funded from internally generated revenue.

2.7 Expenditure on grants and reconciliation of unspent funds

Table 34 MBRR SA18 - Transfers and Grants Receipts

Description	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
RECEIPTS:									
Operating Transfers and Grants									
National Government:	226 163	245 278	273 214	293 320	351 806	351 806	307 637	322 626	316 577
Local Government Equitable Share	223 019	237 506	269 009	289 039	347 525	347 525	302 788	319 776	313 727
Finance Management	1 700	1 770	2 235	2 600	2 600	2 600	2 650	2 850	2 850
EPWP Incentive	1 444	1 002	1 374	1 681	1 681	1 681	2 199	-	-
Disaster Relief Grant	-	-	596	-	-	-	-	-	-
Energy Efficiency and Demand Management	-	5 000	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
[insert description]									
Other grant providers:	-	-	-	-	-	-	-	-	-
[insert description]									
Total Operating Transfers and Grants	226 163	245 278	273 214	293 320	351 806	351 806	307 637	322 626	316 577
Capital Transfers and Grants									
National Government:	81 860	70 766	70 685	74 561	69 561	69 561	79 332	72 606	76 364
Municipal Infrastructure Grant (MIG)	66 860	60 769	51 731	54 561	54 561	54 561	57 984	62 606	65 364
Intergrated National Electrification Grant	15 000	9 997	18 954	20 000	15 000	15 000	21 348	10 000	11 000
Provincial Government:	-	-	21 771	-	-	-	-	-	-
Coghsta - Development			21 771	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
[insert description]									
Other grant providers:	-	-	-	-	-	-	-	-	-
[insert description]									
Total Capital Transfers and Grants	81 860	70 766	92 456	74 561	69 561	69 561	79 332	72 606	76 364
TOTAL RECEIPTS OF TRANSFERS & GRANTS	308 023	316 044	365 670	367 881	421 367	421 367	386 969	395 232	392 941

Table 35 MBRR SA19 - Expenditure on transfers and grants expenditure

Description	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
EXPENDITURE:									
Operating expenditure of Transfers and Grants									
National Government:	226 163	245 278	273 214	293 916	351 806	351 806	307 637	322 626	316 577
Local Government Equitable Share	223 019	237 506	269 009	289 039	347 525	347 525	302 788	319 776	313 727
Finance Management	1 700	1 770	2 235	2 600	2 600	2 600	2 650	2 850	2 850
EPWP Incentive	1 444	1 002	1 374	1 681	1 681	1 681	2 199	-	-
Disaster Relief Grant	-	-	596	596	-	-	-	-	-
Energy Efficiency and Demand Management	-	5 000	-	-	-	-	-	-	-
Provincial Government:	-	-	-	-	-	-	-	-	-
N/A									
District Municipality:	-	-	-	-	-	-	-	-	-
N/A									
Other grant providers:	-	-	-	-	-	-	-	-	-
N/A									
Total operating expenditure of Transfers and Grants:	226 163	245 278	273 214	293 916	351 806	351 806	307 637	322 626	316 577
Capital expenditure of Transfers and Grants									
National Government:	97 901	70 766	73 875	74 561	69 561	69 561	79 332	72 606	76 364
Municipal Infrastructure Grant (MIG)	82 722	60 769	54 921	54 561	54 561	54 561	57 984	62 606	65 364
Intergrated National Electrification Grant	15 179	9 997	18 954	20 000	15 000	15 000	21 348	10 000	11 000
Provincial Government:	-	-	21 471	-	-	-	-	-	-
Coghsta - Development	-	-	21 471	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
N/A									
Other grant providers:	-	-	-	-	-	-	-	-	-
N/A									
Total capital expenditure of Transfers and Grants	97 901	70 766	95 346	74 561	69 561	69 561	79 332	72 606	76 364
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	324 064	316 044	368 560	368 477	421 367	421 367	386 969	395 232	392 941

Table 36 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

Description	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Operating transfers and grants:									
National Government:									
Balance unspent at beginning of the year	-	-	-	-	-	-	-	-	-
Current year receipts	-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue	226 163	240 283	273 218	293 916	351 806	351 806	307 637	322 626	316 577
Conditions still to be met - transferred to liabilities	-	-	-	-	-	-	-	-	-
Provincial Government:									
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
District Municipality:									
Conditions still to be met - transferred to liabilities	-	-	-	-	-	-	-	-	-
Other grant providers:									
Conditions met - transferred to revenue									
Total operating transfers and grants revenue	226 163	240 283	273 218	293 916	351 806	351 806	307 637	322 626	316 577
Total operating transfers and grants - CTBM	-	-	-	-	-	-	-	-	-
Capital transfers and grants:									
National Government:									
Current year receipts	83 864	81 841	56 422	74 561	69 561	69 561	79 332	72 606	76 364
Conditions met - transferred to revenue	83 864	81 841	56 422	74 561	69 561	69 561	79 332	72 606	76 364
Conditions still to be met - transferred to liabilities	-	-	-	-	-	-	-	-	-
Provincial Government:									
Conditions met - transferred to revenue	-	-	21 771	-	-	-	-	-	0
District Municipality:									
Conditions still to be met - transferred to liabilities	-	-	-	-	-	-	-	-	-
Other grant providers:									
Conditions still to be met - transferred to liabilities	-	-	-	-	-	-	-	-	-
Total capital transfers and grants revenue	83 864	81 841	78 193	74 561	69 561	69 561	79 332	72 606	76 364
Total capital transfers and grants - CTBM	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE	310 027	322 124	351 410	368 477	421 367	421 367	386 969	395 232	392 941
TOTAL TRANSFERS AND GRANTS - CTBM	-	-	-	-	-	-	-	-	-

Table 37 MBRR SA21 – Transfers and Grants made by the municipality

Description	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Groups of Individuals										
Free Basic Electricity	2,137,392	1,400,000	1,047,560	1,121,088	1,121,088	1,121,088	638,227	1,164,810	1,213,732	1,267,137
Retirement Benefit		814,498	4,701,571	1,895,944	1,895,944	1,895,944	1,091,216	2,099,761	2,187,951	2,284,221
External Bursaries		95,067	258,948	500,000	500,000	500,000	50,000	519,500	541,319	565,137
Total Non-Cash Grants To Groups Of Individuals	2,137,392	2,309,565	6,006,079	3,517,032	3,517,032	3,517,032	1,779,443	3,784,071	3,943,002	4,116,494
TOTAL NON-CASH TRANSFERS AND GRANTS	2,137,392	2,309,565	6,006,079	3,517,032	3,517,032	3,517,032	1,779,443	3,784,071	3,943,002	4,116,494
TOTAL TRANSFERS AND GRANTS	2,137,392	2,309,565	6,006,079	3,517,032	3,517,032	3,517,032	1,779,443	3,784,071	3,943,002	4,116,494

Table 38 presents the transfers and grants to be paid out by the municipality and figures presented in the 2021/22 MTREF pertains to bursaries to be awarded to the deserving students residing within the area of jurisdiction of Elias Motsoaledi local municipality, medical aid contributions to designated former employees of the municipality, and lastly, free basic electricity given to registered indigents.

2.11 Capital expenditure details

The following five tables present details of the municipality's capital expenditure programme, firstly on new assets, renewal of existing assets, repair and maintenance of assets, depreciation, and upgrading of existing assets.

Table 50 BRR SA 34a - Capital expenditure on new assets by asset class

Description	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +2 2022/23	Budget Year +2 2023/24
Capital expenditure on new assets by Asset Class									
Infrastructure	52 811	47 545	67 457	20 000	15 000	15 000	22 048	11 600	21 154
Roads Infrastructure	39 865	34 057	51 346	-	-	-	500	600	-
Roads	39 865	34 057	51 346				500	600	-
Road Structures									
Road Furniture									
Storm water Conveyance									
Electrical Infrastructure	12 946	13 487	16 111	20 000	15 000	15 000	21 348	11 000	20 954
HV Substations									
HV Switching Station									
HV Transmission Conductors									
MV Substations									
MV Networks	12 946	13 487	16 111	20 000	15 000	15 000	21 348	11 000	20 954
Capital Spares									
Solid Waste Infrastructure	-	-	-	-	-	-	200	-	200
Landfill Sites							-	-	200
Waste Processing Facilities									
Waste Drop-off Points							-	-	-
Capital Spares							200	-	-
Community Assets	-	-	-	-	-	-	100	-	-
Community Facilities	-	-	-	-	-	-	100	-	-
Halls									
Centres							100	-	-
Public Open Space									
Taxi Ranks/Bus Terminals									
Capital Spares									
Other assets	-	4 947	-	2 339	2 199	2 199	-	-	-
Municipal Offices		4 947		600	770	770			
Workshops				1 739	1 429	1 429			
Computer Equipment	749	1 000	38	250	250	250	460	1 100	550
Computer Equipment	749	1 000	38	250	250	250	460	1 100	550
Furniture and Office Equipment	362	400	526	800	800	800	-	1 100	550
Furniture and Office Equipment	362	400	526	800	800	800	-	1 100	550
Machinery and Equipment	3 138	300	1 492	1 200	804	804	400	1 325	-
Machinery and Equipment	3 138	300	1 492	1 200	804	804	400	1 325	-
Transport Assets	-	-	-	-	-	-	800	-	700
Transport Assets	-	-	-	-	-	-	800	-	700
Land	-	-	-	-	-	-	1 100	-	-
Land	-	-	-	-	-	-	1 100	-	-
Total Capital Expenditure on new assets	57 060	54 192	69 514	24 589	19 053	19 053	24 908	15 125	22 954

Table 51 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

Description	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +2 2022/23	Budget Year +2 2023/24
Capital expenditure on renewal of existing assets by Asset Class									
Infrastructure	42 135	40 944	10 527	46 940	51 853	51 853	39 750	40 075	18 600
Roads Infrastructure	42 135	40 944	10 527	39 222	51 753	51 753	39 750	40 075	18 600
Roads	42 135	40 944	10 527	39 222	51 753	51 753	39 750	40 075	18 600
Road Structures									
Road Furniture									
Capital Spares									
Electrical Infrastructure	-	-	-	-	-	-	-	-	-
HV Substations									
HV Switching Station									
HV Transmission Conductors									
MV Networks									
Capital Spares									
Solid Waste Infrastructure	-	-	-	7 719	100	100	-	-	-
Landfill Sites	-	-	-	7 719	100	100			
Waste Transfer Stations									
Waste Drop-off Points									
Community Assets	-	522	-	600	720	720	-	-	-
Community Facilities	-	522	-	600	720	720	-	-	-
Cemeteries/Crematoria		522		600	720	720			
Parks									
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Indoor Facilities									
Outdoor Facilities									
Capital Spares									
Other assets	434	-	-	-	-	-	-	-	-
Operational Buildings	434	-	-	-	-	-	-	-	-
Municipal Offices	434								
Workshops									
Yards									
Capital Spares									
Computer Equipment	-	-	-	-	-	-	-	-	-
Computer Equipment									
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment									
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment									
Transport Assets	-	-	-	-	-	-	-	-	-
Transport Assets									
Total Capital Expenditure on renewal of existing assets	42 569	41 466	10 527	47 540	52 573	52 573	39 750	40 075	18 600
Renewal of Existing Assets as % of total capex	536.5%	42.6%	11.4%	53.2%	59.5%	59.5%	45.2%	42.4%	21.4%
Renewal of Existing Assets as % of deprecn"	79.3%	81.0%	18.7%	86.2%	92.0%	92.0%	68.1%	65.9%	29.3%

Table 52 MBRR SA34c - Repairs and maintenance expenditure by asset class

Description	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +2 2022/23	Budget Year +2 2023/24
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	5 694	6 704	5 119	9 729	15 272	15 272	7 125	6 382	6 663
Roads Infrastructure	1 266	2 000	161	4 892	7 783	7 783	5 092	3 013	3 146
Roads	1 266	2 000	161	4 892	7 783	7 783	5 092	3 013	3 146
Road Structures									
Road Furniture									
Capital Spares									
Storm water Infrastructure	-	-	-	-	-	-	-	-	-
Storm water Conveyance									
Electrical Infrastructure	1 891	1 000	2 180	1 845	3 689	3 689	2 033	3 369	3 517
HV Substations									
HV Switching Station									
HV Transmission Conductors									
MV Substations									
MV Switching Stations									
MV Networks	1 891	1 000	2 180	1 845	3 689	3 689	2 033	3 369	3 517
Capital Spares									
Solid Waste Infrastructure	2 538	3 704	2 778	2 993	3 800	3 800	-	-	-
Landfill Sites	2 538	3 704	2 778	2 993	3 800	3 800	-	-	-
Waste Transfer Stations									
Waste Processing Facilities									
Waste Drop-off Points									
Capital Spares									
Community Assets	-	-	-	306	1 806	1 806	385	401	419
Community Facilities	-	-	-	306	1 806	1 806	385	401	419
Parks				306	1 806	1 806	385	401	419
Other assets	929	1 000	1 497	1 845	1 690	1 690	1 756	1 830	1 910
Operational Buildings	929	1 000	1 497	1 845	1 690	1 690	1 756	1 830	1 910
Municipal Offices	929	1 000	1 497	1 845	1 690	1 690	527	549	573
Stores							1 229	1 281	1 337
Laboratories									
Capital Spares									
Intangible Assets	-	-	-	425	180	180	187	195	203
Servitudes									
Licences and Rights	-	-	-	425	180	180	187	195	203
Solid Waste Licenses									
Computer Software and Applications				425	180	180	187	195	203
Computer Equipment	-	-	-	-	-	-	-	-	-
Computer Equipment									
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment									
Machinery and Equipment	4 905	1 670	1 306	1 214	1 834	1 834	3 736	3 982	2 311
Machinery and Equipment	4 905	1 670	1 306	1 214	1 834	1 834	3 736	3 982	2 311
Transport Assets	777	1 000	2 727	1 854	2 418	2 418	1 513	2 618	2 733
Transport Assets	777	1 000	2 727	1 854	2 418	2 418	1 513	2 618	2 733
Total Repairs and Maintenance Expenditure	12 305	10 374	10 649	15 373	23 200	23 200	14 701	15 408	14 240
R&M as a % of PPE	1.3%	1.0%	1.0%	1.3%	1.9%	1.9%	1.3%	1.3%	1.2%
R&M as % Operating Expenditure	2.4%	2.3%	2.3%	3.0%	4.5%	4.5%	5.6%	2.9%	2.7%

Table 53 MBRR SA34d – Depreciation of Assets

Description	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +2 2022/23	Budget Year +2 2023/24
Depreciation by Asset Class/Sub-class									
Infrastructure	43 138	34 653	41 654	40 059	42 059	42 059	43 068	44 877	46 852
Roads Infrastructure	3 039	25 147	36 797	29 935	31 935	31 935	38 002	39 598	41 340
Roads	3 039	25 147	36 797	29 935	31 935	31 935	38 002	39 598	41 340
Road Structures									
Storm water Infrastructure	(767)	3 712	4	3 953	3 953	3 953	399	415	434
Drainage Collection									
Storm water Conveyance	(767)	3 712	4	3 953	3 953	3 953	399	415	434
Attenuation									
Electrical Infrastructure	40 326	5 166	4 156	5 501	5 501	5 501	3 954	4 120	4 302
HV Substations									
HV Transmission Conductors							3 954	4 120	4 302
MV Networks	40 326	5 166	4 156	5 501	5 501	5 501	-	-	-
Solid Waste Infrastructure	540	629	697	670	670	670	714	744	776
Landfill Sites	540	629	697	670	670	670	714	744	776
Waste Drop-off Points									
Capital Spares									
Community Assets	1 161	2 918	1 209	3 108	3 108	3 108	1 231	1 283	1 339
Community Facilities	1 161	2 918	1 209	3 108	3 108	3 108	1 231	1 283	1 339
Cemeteries/Crematoria	1 161	2 918	1 209	3 108	3 108	3 108	-	-	-
Public Open Space							1 231	1 283	1 339
Heritage assets	-	-	-	-	-	-	5	6	6
Other Heritage							5	6	6
Other assets	5 033	2 180	4 079	500	500	500	4 140	4 314	4 504
Operational Buildings	5 033	2 180	4 079	500	500	500	4 140	4 314	4 504
Municipal Offices	5 033	2 180	4 079	500	500	500	4 140	4 314	4 504
Intangible Assets	-	378	1 169	402	402	402	51	53	55
Servitudes									
Licences and Rights	-	378	1 169	402	402	402	51	53	55
Water Rights									
Computer Software and Applications		378	1 169	402	402	402	51	53	55
Load Settlement Software Applications									
Computer Equipment	526	1 518	644	1 616	1 616	1 616	692	721	753
Computer Equipment	526	1 518	644	1 616	1 616	1 616	692	721	753
Furniture and Office Equipment	685	3 817	672	3 390	3 390	3 390	590	614	641
Furniture and Office Equipment	685	3 817	672	3 390	3 390	3 390	590	614	641
Machinery and Equipment	1 394	2 175	3 066	2 316	2 316	2 316	2 864	2 984	3 115
Machinery and Equipment	1 394	2 175	3 066	2 316	2 316	2 316	2 864	2 984	3 115
Transport Assets	1 716	3 542	3 849	3 772	3 772	3 772	5 751	5 992	6 256
Transport Assets	1 716	3 542	3 849	3 772	3 772	3 772	5 751	5 992	6 256
Total Depreciation	53 654	51 181	56 343	55 163	57 163	57 163	58 392	60 845	63 522

Table 54 MBRR SA34e – Upgrading of Existing Assets

Description	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +2 2022/23	Budget Year +2 2023/24
Capital expenditure on upgrading of existing assets by Asset Class									
Infrastructure	-	1 600	10 828	16 150	15 950	15 950	22 674	36 506	45 510
Roads Infrastructure	-	-	10 828	16 150	15 950	15 950	13 184	35 106	44 510
Roads			10 828	16 150	15 950	15 950	13 184	35 106	44 510
Road Structures									
Road Furniture									
Storm water Infrastructure	-	-	-	-	-	-	-	-	-
Drainage Collection									
Storm water Conveyance									
Attenuation									
Electrical Infrastructure	-	-	-	-	-	-	340	400	-
HV Substations									
MV Networks							-	400	-
Capital Spares							340	-	-
Solid Waste Infrastructure	-	1 600	-	-	-	-	9 150	1 000	1 000
Landfill Sites		1 600					9 150	1 000	1 000
Waste Drop-off Points									
Community Assets	7 829	-	-	1 000	800	800	700	2 900	-
Community Facilities	-	-	-	1 000	800	800	700	2 900	-
Cemeteries/Crematoria							500	1 500	-
Parks				1 000	800	800	200	1 400	-
Public Open Space									
Sport and Recreation Facilities	7 829	-	-	-	-	-	-	-	-
Indoor Facilities									
Outdoor Facilities	7 829	-							
Capital Spares									
Other assets	105	-	1 299	-	-	-	-	-	-
Operational Buildings	105	-	1 299	-	-	-	-	-	-
Municipal Offices			1 299						
Computer Equipment	-	-	-	-	-	-	-	-	-
Computer Equipment									
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment									
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment									
Transport Assets	-	-	-	-	-	-	-	-	-
Transport Assets									
Total Capital Expenditure on upgrading of existing asse	7 934	1 600	12 127	17 150	16 750	16 750	23 374	39 406	45 510
Upgrading of Existing Assets as % of total capex	0.0%	1.6%	13.2%	19.2%	19.0%	19.0%	26.6%	41.7%	52.3%
Upgrading of Existing Assets as % of deprecn"	14.8%	3.1%	21.5%	31.1%	29.3%	29.3%	40.0%	64.8%	71.6%

Table 56 MBRR Table SA36–Capital project list

Project List	Function	Project Description	Asset Class	Asset Sub-Class	2021/22 Medium Term Revenue &		
					Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Parent municipality:							
List all capital projects							
Technical Services	Upgrading of Gbriersdal Traffic Lights	Electrical Infrastructure	Capital Spares	340 000	-	-	
Technical Services	Fencing of Main substation	Electrical Infrastructure	MV Networks	-	400 000	-	
Technical Services	Aircons	Machinery and Equipment	Transport Assets	300 000	400 000	-	
Technical Services	Electrification of Ga Posa	Electrical Infrastructure	MV Networks	2 088 000	-	-	
Technical Services	Electrification of Lenkwaneng Section	Electrical Infrastructure	MV Networks	-	-	1 098 000	
Technical Services	Electrification of Magagamatala ext/Ga-makuwa/Pundulwane	Electrical Infrastructure	MV Networks	-	-	1 862 000	
Technical Services	Electrification of Makaepea	Electrical Infrastructure	MV Networks	-	-	3 000 000	
Technical Services	Electrification of Zumapark	Roads Infrastructure	Roads	-	-	-	
Technical Services	Electrification of Maleoskop 601	Electrical Infrastructure	MV Networks	3 348 000	3 160 000	-	
Technical Services	Electrification of Masakaneng	Electrical Infrastructure	MV Networks	5 508 000	4 480 000	3 000 000	
Technical Services	Electrification of Mashemong	Electrical Infrastructure	MV Networks	-	2 360 000	-	
Technical Services	Electrification of Matlala Lehwele	Electrical Infrastructure	MV Networks	3 438 000	-	-	
Technical Services	Electrification of Mountain village	Electrical Infrastructure	MV Networks	-	-	900 000	
Technical Services	Electrification of Ntswelomotse	Electrical Infrastructure	MV Networks	-	-	-	
Technical Services	Electrification of Nyakelang Extension	Electrical Infrastructure	MV Networks	-	-	1 140 000	
Technical Services	Electrification of Rondebosch	Electrical Infrastructure	MV Networks	1 206 000	-	-	
Technical Services	Electrification of Vlakfontein	Electrical Infrastructure	MV Networks	5 760 000	-	-	
Technical Services	Installation of high mast lights in various location	Electrical Infrastructure	MV Networks	-	1 000 000	-	
Technical Services	Goblersdal Lanfillsite	Solid Waste Infrastructure	Landfill Sites	9 050 000	-	-	
Technical Services	Machinery and Equipment	Machinery and Equipment	Machinery and Equipment	-	425 000	-	
Technical Services	Culverts and Road signs	Roads Infrastructure	Roads	500 000	600 000	-	
Technical Services	Goblersdal - Roads & Street	Roads Infrastructure	Roads	-	2 000 000	800 000	
Technical Services	Masakaneng Roads	Roads Infrastructure	Roads	-	-	-	
Technical Services	JJ Zaaiplaas Road	Roads Infrastructure	Roads	-	-	-	
Technical Services	Kgapamadi Road	Roads Infrastructure	Roads	-	-	17 000 000	
Technical Services	kgapamadi Bus Road	Roads Infrastructure	Roads	1 000 000	-	-	
Technical Services	Motetema Streets Upgrade	Roads Infrastructure	Roads	1 500 000	3 575 000	-	
Technical Services	Mpheleng Construction of Road	Roads Infrastructure	Roads	-	-	9 954 000	
Technical Services	Rehabilitation of roads/streets in various wards	Roads Infrastructure	Roads	2 500 000	2 500 000	800 000	
Technical Services	Upgrading of Nyakurone Internal Access Road(Int)	Roads Infrastructure	Roads	-	8 337 000	9 000 000	
Technical Services	Upgrading of Stompo Bus Road	Roads Infrastructure	Roads	-	-	700 000	
Technical Services	Upgrading of Dipakapakeng Access Road	Roads Infrastructure	Roads	21 750 000	-	-	
Technical Services	Upgrading of Bloompoot Road	Roads Infrastructure	Roads	13 000 000	32 000 000	-	
Technical Services	Upgrading of Hlogotlou-Bopanang Road	Roads Infrastructure	Roads	-	3 000 000	4 000 000	
Technical Services	Upgrading of Malaengeng A Ntwane Access Road	Roads Infrastructure	Roads	-	-	700 000	
Technical Services	Upgrading of Maraganeng internal Access road (MIG)	Roads Infrastructure	Roads	-	700 000	20 400 000	
Technical Services	Kgoshi Rammupudu Road	Roads Infrastructure	Roads	-	-	-	
Technical Services	Upgrading of Mogaung Road	Roads Infrastructure	Roads	-	-	-	
Technical Services	Tambo Road Construction	Roads Infrastructure	Roads	-	-	-	
Technical Services	Machinery and Equipment(tools)	Machinery and Equipment	Machinery and Equipment	-	-	-	
Technical Services	Development of workshop	Roads Infrastructure	Roads	-	-	-	
Technical Services	Laersdrift Road	Roads Infrastructure	Roads	-	-	-	
Technical Services	Upgrading of Masoing Bus route	Roads Infrastructure	Roads	-	-	700 000	
Technical Services	Upgrading of Ngolovane access road to Sibisi school	Roads Infrastructure	Roads	-	800 000	9 010 000	
Technical Services	Upgrading of Tafelkop stadium 600	Roads Infrastructure	Roads	13 184 000	22 269 000	-	
Information Technology	Computer Equipment	Computer Equipment	Computer Equipment	460 000	1 100 000	550 000	
Human Resources	Furniture and Office Equipment	Furniture and Office Equipment	Furniture and Office Equipment	-	1 100 000	550 000	
Fleet Management	Vehicles	Transport Assets	Transport Assets	800 000	-	-	
Finance	Forklift	Machinery and Equipment	Machinery and Equipment	100 000	-	-	
Community Services	Machinery and Equipment	Machinery and Equipment	Machinery and Equipment	-	500 000	-	
Community Services	Fencing of Elandsdoorn Cemeteries	Community Facilities	Cemeteries/Crematoria	500 000	-	-	
Community Services	Mobile Offices	Community Facilities	Operational building	-	-	-	
Community Services	Upgrading and Development of Parks	Community Facilities	Parks	200 000	1 400 000	-	
Community Services	Bin lifter (compatible with self-compressed containers)	Machinery and Equipment	Machinery and Equipment	-	-	-	
Community Services	Lawn mowers and other equipment's	Machinery and Equipment	Machinery and Equipment	-	-	-	
Community Services	Disaster Management Centre & Emergency Relief Store room	Community Facilities	Centres	100 000	-	-	
Community Services	No Illegal Dumping	Solid Waste Infrastructure	Capital Spares	200 000	-	-	
Community Services	Construction of Slabs for Skip Bins	Solid Waste Infrastructure	Landfill Sites	-	-	200 000	
Community Services	Two trailers	Community assets	Machinery and Equipment	-	-	300 000	
Community Services	Upgrading of Rosennekal Concrete Palisade	Solid Waste Infrastructure	Landfill Sites	100 000	1 000 000	1 000 000	
Community Services	Waste Refusal Skip Bins	Solid Waste Infrastructure	Waste Drop-off Points	-	-	400 000	
Cemeteries Funeral	Upgrading of Goblersdal Cemetry	Community Facilities	Cemeteries/Crematoria	-	1 500 000	-	
Economic Development	Fencing of Game Farm	Land	Land	1 100 000	-	-	
Total Capital expenditure				88 032 000	94 606 000	87 064 000	

Quality certificate

I, KGWALE MAHLAGAUME MESHACK, the Municipal Manager of **ELIAS MOTSOLEDI LOCAL MUNICIPALITY**, hereby certify that the 2021/22 Annual 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 annual budget and supporting documents are consistent with Integrated Development Plan of the Municipality.

Print name: Kgwale Mahlagaume Meshack

Municipal Manager of Elias Motsoaledi Local Municipality (LIM 472)



M.M KGWALE
MUNICIPAL MANAGER