Metsimaholo Local Municipality

2020/2021 Medium Term Revenue and Expenditure Framework (MTREF)

Budget Document

June 2020

June 2020

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Abbreviations and Acronyms

AMR	Automated Meter Reading
ASGISA	Accelerated and Shared Growth Initiative
BPC	Budget Planning Committee
CBD	Central Business District
CFO	Chief Financial Officer
CPI	Consumer Price Index
CRRF	Capital Replacement Reserve Fund
DBSA	Development Bank of South Africa
DoRA	Division of Revenue Act
DWA	Department of Water Affairs
EE	Employment Equity
EEDSM	Energy Efficiency Demand Side Management
EM	Executive Mayor
FBS	Free basic services
GAMAP	Generally Accepted Municipal Accounting Practice
GDP	Gross domestic product
GFS	Government Financial Statistics
GRAP	General Recognised Accounting Practice
HR	Human Resources
HSRC	Human Science Research Council
IDP	Integrated Development Strategy
IT	Information Technology
IBT	Inclining Block Tariff
kℓ	kilolitre
km	kilometre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	kilowatt
ℓ	litre
LED	Local Economic Development
MEC	Member of the Executive Committee
MFMA	Municipal Financial Management Act Programme
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MMC	Member of Mayoral Committee
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
MTEF	Medium-term Expenditure Framework
MTREF	Medium-term Revenue and Expenditure Framework
NERSA	National Electricity Regulator South Africa
NGO	Non-Governmental organisations
NKPIs	National Key Performance Indicators
OHS	Occupational Health and Safety
OP	Operational Plan
PBO	Public Benefit Organisations
PHC	Provincial Health Care
PMS	Performance Management System
PPE	Property Plant and Equipment
PPP	Public Private Partnership
PTIS	Public Transport Infrastructure System
RG	Restructuring Grant
RSC	Regional Services Council
SALGA	South African Local Government Association
SAPS	South African Police Service
SDBIP	Service Delivery Budget Implementation Plan
SMME	Small Micro and Medium Enterprises

Part 1 – Annual Budget

1.1 Mayor's Report

The Mayor will table her report as a separate document at the Council meeting of 26 June 2020

1.2 Council Resolutions

The Council approved the annual budget of the municipality for the financial year 2020/21 and indicative budgets for the two projected outer years 2021/2022 and 2022/2023 as set out, subject to the following resolutions:

The Council, in terms of Section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts the following resolutions

1. **The annual budget of the municipality for the 2020/21 financial year and the multi-year and single-year capital appropriations as set out in the following tables:**

   1.1 Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 18 on page 91
   1.2 Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 19 on page 93;
   1.3 Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 21 on page 96; and
   1.4 Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 22 on page 99

2. **The financial position, cash flow budget, reserve/accumulated surplus, asset management and basic service delivery targets are noted as set out in the following tables:**

   2.1 Budgeted Financial Position as contained in Table 23 on page 102;
   2.2 Budgeted Cash Flows as contained in Table 24 on page 104
   2.3 Reserves and accumulated surplus reconciliation as contained in Table 25 on page 105
   2.4 Asset management as contained in Table 26 on page 107; and
   2.5 Basic service delivery measurement as contained in Table 27 on page 112.

3. **The Council, in terms of Section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) considered the tariffs with effect (billing) from 1 July 2020**

   3.1 The tariffs for property rates – as set out on page 13-14
   3.2 The tariffs for electricity – as set out on page 17- 20
   3.3 The tariffs for the supply of water – as set out on page 15-17
   3.4 The tariffs for sanitation services – as set out on page 21-23
   3.5 The tariffs for solid waste services (cleansing) – as set out on page 23-24

4 **The Council, in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) considered with effect (billing) from 1 July 2020 the tariffs for other services, as set out on page 28 to 77 respectively**.

5. **The capital projects to be financed from own funds (accumulated surplus) be implemented subject to the improvement of the cash flow position of the Municipality and subject to affordability**

6. The Budget Related Policies were reviewed for approval by Council
7. Financial lease of R18.9 million plus VAT to finance the purchase of vehicles to improve service delivery been implemented in terms of MFMA
8. Council approves that the municipality raise an overdraft facility of R10 million with its primary bankers for utilisation in the 2020/2021 financial year.
9. The option investigated by the Municipal Manager to take up external borrowing of R41.3million to finance the installation of services at 122 un-service stands in Vaalpark
10. The option investigated by the Municipal Manager to take up external borrowing of R155million (period of 3 years implemented) to finance the rehabilitation/ resurfacing of roads
11. Operational Patala and Revenue Enhancement Strategy be submitted to Council and be implemented in order to obtain 83% collection rate
12. Public Participation were done via social media, website, pamphlets and notice in newspapers
13. The community be informed through email and social media of the Property Rates Policy, Indigent Policy, Tariff Policy and Debt Collection and Credit Control Policy.
14. A report regarding the fleet of the municipality be submitted to Council
15. The vacancies for 2020/2021 be phased in during the year.
16. No interest on outstanding accounts for services (excluding rates) be charged in July and August 2020
17. Approved indigent households received 10kl water free for July and August 2020
18. A policy for pauper burials be submitted to Council

1.3 Executive Summary

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

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

The Municipality will embark on preparing and implementing a comprehensive Revenue Enhancement Strategy Furthermore, the Municipality will undertake various customer care initiatives to ensure that the municipality truly involves all citizens in the process of ensuring a people lead government.

National Treasury's MFMA Circular No. 51, 54, 58, 59, 64, 66, 67, 70, 72, 74, 75, 78, 79, 85, 86,89 ,91,93, 94, 98 and 99 were used to guide the compilation of the 2020/21 MTREF.

The challenges in preparing the 2020/2021 MTREF are as follows:

Infrastructure and capital items

- Ageing and poorly maintained water, electricity and roads infrastructure
- A lack of proper maintenance master plans
- Limited capital projects that can be funded from own funds
- The need to reprioritize projects and expenditure within the existing limited resources given the cash flow realities
- Plant hire on a regular basis is costly and alternatives need to be explored – purchasing of own equipment (subject to affordability)

Increased costs and decreasing margins on trading activities

- Increased prices of goods and services above the inflation rate
- The increased cost of bulk water and electricity as well sewer treatment services as (due to tariff increases from Rand Water, Eskom and SASOL), which places constant upward pressure on service tariffs to the community,
- Declining profit margins on water and electricity
- Tariffs are not cost reflective
- Some private developments and industries receive services direct from Eskom and Rand Water with no direct benefit to the municipality

Irregular expenditure

- Expired tenders need to be regularised to avoid recurring irregular expenditure

Staffing and personnel costs

- Instability without permanent appointed directors
- Wage increases above the inflation target (As per the Bargaining Council Agreement)
- Critical vacancies can only be phased in over 4-8 years based on the affordability – subject to the organizational review

- Organisational review – process has commenced in 2015/2016 and is still not completed. This impacts on the critical vacancies and unfilled posts
- Post evaluation to address disparities on job and post levels
- Overtime cost in certain departments appear to be too high – requires a minimization strategy

Distribution losses

- Distribution losses - water and electricity require a minimization strategy that is practical and implementable
- Illegal connections to be addressed and eliminated altogether

Fleet management

- Fleet management (Cost of repairs and fuel) - needs to be addressed

Other matters

- Linking of each item to the IDP - the votes will reflect the link to IDP
- Tariff applications and approvals to be submitted timeously
- Uncertainty of Abrahamsrust Holiday resort
- Increase of revenue basis is limited

COVID 19 impact

- Only R298 000 Disaster grant relief allocated by National Treasury
- Additional expenditure related to sanitize, protective clothing, etc.
- Relied for consumers due to economic impact of lock down

The following budget principles and guidelines directly informed the compilation of the 2020/2021 MTREF:

- The 2019/20 Budget priorities and targets,
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed 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 instance the cost of bulk water and electricity;
- Tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;
- The water and electricity budget made provision for increase water distribution losses and electricity distribution unchanged (technical and non-technical losses).

Operating Budget (OPEX)

- Zero based budgeting and incremental budgeting was used, based on historical trends, plus inflation in line with Treasury guidelines
- All increases more than the inflation rate has to be properly motivated.
- Projects identified and divided into different items such as
    - Public programs into projects and items
    - Repairs and maintenance into projects and items
    - Linkages to the IDP

Capital Budget (CAPEX)

- Commitment letters for external funding will be a pre-requisite for budgeting
- Outside funding not paid directly to the Municipality will not be reflected in the Budget unless written commitment is submitted.
- Projects requiring external approvals will not to be included without such approvals being obtained.
- Shifting of funds to be in line with the approved Virement Policy
- **Own funding to be in line with anticipated cash flows and affordability**
- Own funding of capital projects **not to exceed the surplus on Operating Budget** before revenue from capital grants are taken into account
- *Implementation of Capital expenditure from the municipalities own funds will be subject to the actual cash flows and will have to be carefully managed to avoid making commitments that may not be affordable*
- Option investigate to obtain borrowing funds for vehicles.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2020/2021 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2020/21 MTREF

	Adjustment Budget	Medium Term Revenue and Expenditure Framework		
	2019/2020	2020/2021	2021/2022	2022/2023
	R'000	R'000	R'000	R'000
Operating revenue	**1,475,087**	**1,522,502**	**1,593,539**	**1,673,197**
Operating expenditure	**1,287,581**	**1,404,547**	**1,490,741**	**1,577,810**
Capital expenditure	**251,593**	**252,287**	**263,910**	**230,060**

Total operating revenue (including the operating and capital grants)

- Revenue has increase by 3.2 per cent or R47.4 million for the 2020/21 financial year when compared to the 2019/209 Budget. There is a decrease in capital grant revenue of R54.3 million
- For the two outer years, operational revenue will increase by 4.7 per cent and 5 per cent respectively, equating to a total revenue growth of R198 million over the MTREF. Capital grant revenue decrease from R116 million to R82.3 million in 2022/2023
- Included in revenue are grants for operating expenditure and capital projects.

Total operating expenditure

- For the 2020/21 financial year the operating expenditure appropriation is R1.4 billion and translates into a budgeted surplus of R117.9million.
- Compared to the 2019/20 Budget, operational expenditure has increased by 9.1 per cent or R117 million in the 2020/21 budget and
- For the two outer years of the MTREF, operational expenditure has grown by 6.1 % and 8.4% respectively.
- The operating surplus for the two outer years is R102.8 million and to R95.4 million.

The capital budget

- The capital budget for 2020/2021 is R252.3million.
    - The R62.3 m (24.7%) is expected to be funded from internally generated funds, subject to availability of cash.
    - Government Grants total R116 million and comprises 46 % of the capital expenditure.
    - Capital projects financed from donation (Department of Tourism) total R3 million and comprise 1.42% of the capital expenditure
    - Capital projects financed from finance lease total R18.3 million and comprise 7.2% of the capital expenditure
    - Capital projects financed from external borrowing total R52.7 million and comprise 20.9% of the capital expenditure

- The capital programme is stable at R264 million in the 2021/22 financial year and further reduces to R230 million in 2022/23.

- The capital budget remains relatively flat over the medium-term due to constrains on internally funded capital projects due to cash flow considerations and the level of government grants that are approved for the municipality.

1.4 Operating Revenue Framework

For the Municipality to continue improving the quality of services provided to its citizens it needs to broaden its revenue base. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs, unemployment 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 tariff increases and balancing expenditures against realistically anticipated revenues.

Cost cutting measures must also be implemented as per guidelines of National Treasury

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

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure an 83-85 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- 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.
- Tariffs to be aligned to inflation target, except where input cost for services are beyond the control of the municipality.
- Water and electricity losses of **17**% and 7% respectively (technical and non-technical)
- Historical debt collection rates taken into account in determining the collection rate.
- Establishment of an in-house debt management department
- Implementation of strict credit control measures
- Operation Patala must intensify
- Formalising the informal settlements
- Reviewing the tax holiday incentives that were granted in the past

The following table is a summary of the 2020/21MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

FS204 Metsimaholo - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source											
Property rates	2	128,980	134,499	143,648	215,204	201,773	201,773	184,447	210,599	221,207	232,330
Service charges - electricity revenue	2	251,742	261,352	272,953	293,928	296,860	296,860	282,062	314,935	334,176	350,792
Service charges - water revenue	2	230,672	321,161	365,987	478,442	485,493	485,493	400,389	511,534	543,240	573,215
Service charges - sanitation revenue	2	22,087	26,522	27,518	29,892	29,900	29,900	33,541	42,370	44,899	47,534
Service charges - refuse revenue	2	28,834	30,150	32,024	28,836	33,920	33,920	42,529	37,636	40,268	42,889
Rental of facilities and equipment		6,069	6,156	5,852	6,567	6,083	6,083	5,301	6,288	6,595	6,607
Interest earned - external investments		2,335	3,778	3,784	1,500	2,000	2,000	2,478	2,500	2,500	2,500
Interest earned - outstanding debtors		25,072	32,955	37,327	36,270	41,470	41,470	45,126	38,725	44,888	44,888
Dividends received		99	107	115	–	100	100	123	100	100	100
Fines, penalties and forfeits		16,285	9,851	4,055	16,920	2,920	2,920	713	10,420	10,920	11,920
Licences and permits		117	115	106	211	211	211	26	211	211	211
Agency services											
Transfers and subsidies		131,170	150,551	168,246	189,039	189,337	189,337	187,042	208,982	229,751	252,192
Other revenue	2	30,225	16,539	7,121	15,243	14,751	14,751	7,399	22,231	22,122	25,728
Gains		–		83	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		**873,686**	**993,738**	**1,068,819**	**1,312,052**	**1,304,817**	**1,304,817**	**1,191,176**	**1,406,532**	**1,500,877**	**1,590,905**

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement.

Table 3 Percentage growth in revenue by main revenue source

			Medium Term Revenue and Expenditure Framework					
	2019/2020		**2020/2021**		**2021/2022**		**2022/2023**	
	R'000	%	R'000	%	R'000	%	R'000	%
Property rates	201,773	**13.7**	210,599	**13.8**	221,207	**13.9**	232,330	13.9
Electricity	296,860	**20.1**	314,935	**20.7**	334,176	**21.0**	350,792	21.0
Sanitation	29,900	**2.0**	42,370	**2.8**	44,899	**2.8**	47,534	2.8
Water	485,493	**32.9**	511,534	**33.6**	543,240	**34.1**	573,215	34.3
Refuse removal	33,920	**2.3**	37,636	**2.5**	40,268	**2.5**	42,889	2.6
Govt grants – operating	189,337	**12.8**	208,982	**13.7**	229,751	**14.4**	252,192	15.1
Govt grants – capital transfer	170,269	**11.5**	115,970	**7.6**	92,662	**5.8**	82,292	4.9
Fines/Penalties	2,920	**0.2**	10,420	**0.7**	10,920	**0.7**	11,920	0.7
Interest Debtors	41,470	**2.8**	38,725	**2.5**	44,888	**2.8**	44,888	2.7
Interest	2,100	**0.1**	2,600	**0.2**	2,600	**0.2**	2,600	0.2
Licences and permits	211	**0.0**	211	**0.0**	211	**0.0**	211	0.0
Rental of facilities	6,083	**0.4**	6,288	**0.4**	6,595	**0.4**	6,607	0.4
Other	14,751	**1.0**	22,232	**1.5**	22,122	**1.4**	25,727	1.5
Profit on sale of Land	0	**0.0**	0	**0.0**	0	**0.0**	0	0.0
	1,475,087	**100.0**	**1,522,502**	**100.0**	**1,593,539**	**100.0**	**1,673,197**	**100.0**

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise nearly three quarters of the total revenue mix. In the 2019/20 financial year, revenue from rates and services charges totalled R1.047 billion or 71 per cent.
This increases to R1.117 billion, R1.193 billion and R1.247billion respectively for the MTREF. The percentage revenue generated from rates and services charges varies marginally from 71 per cent in 2019/20 to 75 per cent in 2022/23.

Operating grants and transfers totals R209million in the 2020/21 financial year and increases to R252 million by 2022/23. Note that the year-on-year growth for the 2020/21 financial year 10.4 per cent and increases by 9.9 and 9.8 per cent in the two outer years. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 4 Operating Transfers and Grant Receipt

	2019/2020	**2020/2021**	**2021/2022**	**2022/2023**	
	R'000	R'000	R'000	R'000	
Equitable Share	183 064	202 505	224 427	246 754	Allocated for Free Services
Financial Management Grant	2 235	2 500	2 800	2 900	Appointment of Interns and training Address of audit findings
Municipal Infrastructure Grant	2 583	2 352	2 524	2 538	Salaries at Project Management Unit
Extended Public Works Programme	1 157	1 327			Salaries for temporary staff
Disaster Relief Grant	298	298			Assist with impact of COVID 19
Total	**189,337**	**208,982**	**229 751**	**252 192**	

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

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 4.5(4.9) per cent upper limit of the South African Reserve Bank's

inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases of both Eskom (9%), Rand Water bulk tariffs (6.6%) and SASOL sewer treatment 50%) are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's expenditure and these tariffs are largely outside the control of the Municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, etc.

The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

1.4.1 Property Rates

Property rates cover the cost of the provision of general 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. The Property Rates Policy of the Municipality is in keeping with the Circular 51.

A new valuation roll was implemented from 1 July 2019.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to this rebate, a further R35 000 reduction on the market value of a property will be granted in terms of the Municipality's own Property Rates Policy;
- Maximum of R50 subsidy is granted to registered indigents in terms of the Indigent Policy and free basic service as per Council resolution;
- For pensioners, physically and mentally disabled persons, *a maximum/total rebate of 30 per cent will be granted to owners of rate-able property if the total gross income does not exceed **R8 000** per month of the applicant and/or his/her spouse, if any*. In this regard the following stipulations are relevant:

- The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependants without income;
- The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;
- The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
- The property must be categorized as residential.
-

The tariff for farm residential properties (small holdings) will be changed for 2020/2021 from 50% less than residential tariff as rebate to **25%** less than residential tariff as rebate.

- The Municipality may award up to 100 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Chief Financial Officer in the prescribed format for such a grant.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2020/21 financial year as per new valuation roll and categories, based on an increase between 2 per cent and 6 per cent increase from 1 July 2020 is contained at table 5:

Table 5 Comparison of proposed rates to levy for the 2020/2021 financial year

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.

	Actual 2019/2020	Proposed **2020/2021**
Industries	0.0436130	0.0444853
Businesses	0.0174327	0.0184786
Residential	0.0087071	0.0092296
Agricultural	0.0021838	0.0023148

The rebate allocated to approve indigents for Assessment Rates is ***a maximum of*** R50.00 per month. **For budget purposes the assumption was made that there will be 13 000 approved indigents registered by the end of the 2020/2021 financial year**.

Additional income due to increase is R7.8 million.

1.4.2 Sale of Water and Impact of Tariff Increases

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

- Water tariffs must be fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- A detail analysis of the cost of water must be done in the 2020/21 financial year.
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

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

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

Rand Water has undertaken a critical assessment of its capital infrastructure requirements which **has led to Rand Water's increase of 6.6 %, effective from 1 July 2020**. The assessment indicates that Rand Water's current infrastructure is unlikely to sustain its long-term ability to supply water and they had no other choice but to enter capital markets to raise funding for infrastructure upgrades, hence the significant increase in the bulk cost of water.

An inclining block tariff from 1 July 2014 for water was implemented. The effect thereof will be that the higher the consumption, the higher the cost per kilolitre. The aim is to subsidise the lower consumption users (mostly the poor).

Water tariff at housing complexes is a challenge. An example of 10 households per complex, the consumption will be recalculated to 1(consumption divided by 10). Consumption is then charged according to the tariff of the inclining blocks.

The consumption tariff increase for water is set at 0 per cent for first 6kl, 4.9 per cent up till 12 kl, 6 per cent up till 30 kl, 8 per cent above 30 kl and **6** per cent for schools, businesses and industries, where the tariff is a flat tariff, not based on an inclining block tariff.

Although the input cost from Rand Water is 6.6% the cost of other inputs increasing and a surplus generated on the water service, together with the need to save water, were considered in the tariff setting process.
Municipality over the years has failed to maintain its infrastructure which has led to dysfunctional of the affected sections.

An availability charge for water service charge of R24.70per month is levied to each household. In addition, 6 kℓ water per 30-day period (73 kl free basic water per annum) will only be granted to approved/registered indigents. An approved indigent will receive 6kl of water free. The availability charge for water to approved indigent households will fully be subsidised. An additional 4kl of water will be free of charge to approved indigent for July and August 2020. Approved indigent households will receive 10kl of water in July and August 2020 free. A total of R14.6 million

is allocated from the Equitable Share in respect of free basic water. The proposed increase represents R20.2 million per annum.

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

Table 6 Proposed Water Tariffs (excluding VAT)

Availability Charges	*2019/2020*	*2020/2021*
	R	R
Churches	38.65	40.97
Businesses	152.97	162.15
Light Industries	198.22	210.11
Heavy Industries		
Up to 20 000 kl	257.29	272.73
Up to 40 000 kl	1 292.75	1 370.32
Above 40 000 kl	3 228.48	3 422.19
Residential		
Vacant stands	76.42	81.01
All other residential stands	23.55	24.70
Oranjeville		
Co-operatives	1 538.13	1 630.42

Water consumption tariff (VAT exclusive)

	2019/2020	*2020/2021*
Domestic		
>0 up to and including 6 kl	R9.17/kl	R9.17/kl
>6 up to and including 12 kl	R20.29kl	R21.29kl
>12 up to and including 20 kl	R23.19/kl	R24.58/kl

>20 up to and including 30 kl	R32.81/kl	R34.78/kl
>30 up to and including 45 kl	R39.64/kl	R42.81/kl
>45 kl	R45.04/kl	R48.65/kl
Schools	*R27.76/kl*	*R29.43/kl*
State property		
(excl. residential properties)	*R27.76/kl*	*R29.43/kl*
Businesses	*R27.76/kl*	*R29.43/kl*
Light Industries	*R29.00/kl*	*R31.32/kl*
Heavy Industries	*R29.51/kl*	*R31.87/kl*

Guest houses are operated as businesses and are levied as businesses.

The tariff increase for consumption of 20kl results in an additional amount of R14.31 or 4.3% and for consumption of 45kl, R66. or 6.5%.

1.4.3 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. **A 9 per cent increase in the Eskom bulk electricity tariff to municipalities was used from 1 July 2020**, although a final figure for the increase is not available.

Availability charges increase by 6.22 per cent. The consumer tariff increase 6.22 %. Furthermore, it should be noted that the input costs are increasing at a higher rate than the rate of increases passed on to consumers. The declining margins will impact negatively on the budget of the municipality.

Free basic electricity is only given to registered indigents. Availability charges for electricity have also been introduced to all households from 1 July 2016. Approved indigent households are fully subsidised.

Approval must be obtained by the Director Technical Services (Electricity department) from NERSA for the increase of 6.22% in tariff.

The service reflects a **deficit of R37.3 million** however, change to a deficit of R61.5 million when the conditional capital grant of R24 million that is allocated to the operating budget, is not taken into account. The indirect cost (administration cost) is also not taken into account.

Any additional increase in tariffs by ESKOM will influence tariffs.

Table 7 Proposed Electricity Tariffs

Availability charges for Electricity (VAT exclusive)

	2019/2020	*2020/2021*
Schools, Churches, Halls	R211.31	R224.45
Businesses, Offices, Hotels, clubs	R214.77	R228.13
Single phase	R214.77	R228.13
Three phase	R200.27	R212.73
Four meters	R403.04	R428.11
Bulk Supply >50Kva	R429.95	R456.69
Bulk Supply >11kW	R416.56	R442.47
Residential		
Vacant stands	R109.25	R116.05
Domestic only consumers that have conventional meters	R63.79	R67.76
Domestic only consumers that have prepaid meters	R24.16	R25.66

***Tariff* (VAT exclusive)**	***kWh***	*2019/2020*	*2020/2021*
Domestic Off peak (September to May)	>0 up to and including 50	R1.0004/kWh	R1.0626/kWh
	>50 up to and including 350	R1.3019/kWh	R1.3829/kWh
	> 350 up to and including 600	R1.8317kWh	R1.9457/kWh
	>600	R2.1133/kWh	R2.2447/kWh
Domestic Peak (June, July, August)	>0 up to and including 50	R1.0503kWh	R1.1157/kWh
	>50 up to and including 350	R1.4319/kWh	R1.5210/kWh
	> 350 up to and including 600	R2.1560/kWh	R2.2901/kWh
	>600	R2.4302/kWh	R2.5814/kWh
Schools and churches		R1.9952/kWh	R2.1193/kWh
Business–Single Phase		R2.0096/kWh	R2.1346/kWh
Three Phase		R1.8740kWh	R1.9906/kWh
Four Phase		R2.0142/kWh	R2.1395/kWh
Bulk >50kVA		R1.0631/kW	R1.1292/kW
Bulk > 11kVA		R1.0631/kWh	R1.1292/kWh
Demand > 50 KVA		R192.47	R204.44
Demand> 11 kVA		R186.12	R197.70
Street lightning		R1.9444/kWh	R2.0653/kWh

Subject to NERSA approval			

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

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

Monthly Consumption	Current Amount Payable	Proposed amount payable			
kWh	R	R	Increase	% Change	Peak/
			R		Off Peak
100,00	115.12	**122.28**	7.16	6.22	Off Peak
	124.11	**131.84**	7.72	6.22	Peak
500,00	715.35	**759.86**	44.51	6.22	Off Peak
	805.49	**855.60**	50.11	6.22	Peak
1000,00	1,743.84	**1,852.31**	108.47	6.22	Off Peak
	1,993.17	**2,117.17**	124.00	6.22	Peak

An inclining block tariff structure was implemented from 1 July 2011. This was implemented and the effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor).
The Municipality furthermore implemented of a “Peak” and “Off-peak” tariff as the Municipality is subjected to this type of tariff by Eskom during the period between June, July and Aug.

The Main Substation for the supply of electricity for the Sasolburg area must be addressed as a matter of urgency and is expected that the upgrading should be done in the near future due to load growth. This investigation must be done not later than 2020 in order to make provision for the necessary funding.

It is also a recommendation by NERSA that a certain percentage of the revenue collected from the sale of electricity be utilized for the maintenance of the electrical network to ensure that it is maintained to the correct standard.

1.4.4 Sanitation and Impact of Tariff Increases

A tariff increase of 25 per cent for sanitation from 1 July 2020 is proposed. Sasol Chemical Industries operate the purification plant and 50% is the cost increase.

A detailed analysis of the cost of sanitation must be done.

A tariff increase of 25% for households and 25% for industries and business is proposed, in order to have uniform tariffs on water borne sewer. *The percentage variation is informed by the current non-compliance of influent discharged by industries to the network resulting in critical damages of infrastructure.*

The availability charges of sewer for approved indigent residents (households) will be fully subsidised by Council. An amount of R2.6 million is allocated from Equitable Share for this purpose. A further amount of R13.1 million is allocated from Equitable Share for additional sewer to all approved indigents.

Table 9 Proposed Sanitation Tariffs

Tariffs *(VAT exclusive)*

		2019/2020	***Proposed*** *2020/2021*
	Domestic - Basic based on Stand size	Increase 5.6%	Increase 25%
	Residential vacant stand	R13.47	R16.84
	Sasolburg		
	Basic charges		
	Heavy Industries Businesses	Actual cost by SCI plus 40%	Actual cost by SCI plus 40%
	Additional		
(a)	Residential sewer	R109.41	R136.76
(b)	Business sewer	R116.84	R146.05

(c)	Flats	R8.17	R10.21
		R109.41	R136.76
(d)	2nd Dwelling	R109.41	R136.76
(e)	Industries sewer	R116.84	R146.05
(f)	Day schools and Crèches	R37.47	R46.84
(g)	Flats sewer	R109.41	R136.76
(h)	Add units flats	R64.39	R80.48
	Suction tank per service	R580.80	R638.88
	Oranjeville Business	R111.05	R138.81
	Metsimaholo Businesses	R111.05	R138.81
	Additional sewer		
	Water borne sewer Oranjeville/Metsimaholo	R75.47	R94.34
	Basic sewer		
	Refengkgotso/Phomolong:		
	Businesses	R111.05	R138.81
	Water borne sewer	R75.47	R94.34
	Refengkgotso/Phomolong		
	Bucket services system	R33.09	R41.36
	Rural areas: Suction Tank Services		

Areas that are not included in the disestablished towns **(No Rates Payable)** Normal working hours After hours	 R 2 004.39/service R 4 008.79/service	 R 2 505.48/service R5 010 .98/service
Areas with discounted rates: Normal working hours After hours	 R 2 004.39/service R4 008.79service	 R 2 505.48/service R5 010.98/service

Guest houses are levied at the same rates as business.

The total revenue expected to be generated from rendering this service amounts to R42.4 million for the 2020/21 financial year.
The service reflects a surplus of R47.7 million for the 2020/21 budget year but if the conditional grant of R50.5 million is taken off, the service reflects a deficit of R2.8million
The service reflects a surplus for the 2021/22 and t 2022/2023 budget year and decrease further to a deficit when the capital grant that reflects as revenue, be taken off. Refer to Table 20 on page 94.

1.4.5 Waste Removal and Impact of Tariff Increases

An increase of 6 per cent on households and 6 per cent on businesses in the waste removal tariff is proposed from 1 July 2020. The tariff for the various categories is now uniform. Any increase higher than 6 per cent would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.

In order to economise the service the same tariff is charged where there is a service once a week.

All residents in all areas receive a service once a week. Therefore the tariff must be uniform.

The following table compares current and proposed tariffs payable from 1 July 2020:

Table10 Proposed Waste Removal Tariffs (VAT exclusive)

	R 2019/2020	*R 2020/2021*
Dwellings/Single flats	132.15	140.08
Joint flats (one service point)	132.15	140.08
Private Hostels	132.15	140.08
Businesses per point	257.75	273.22
Schools per point	257.75	273.22
Churches	132.15	140.08
Dumping ground: All tariffs for dumping is per cubic meter or part of cubic meter		
Industries and Contractors and	164.98	174.88
Garden Services	164.98	174.88
Approved indigents	FREE	FREE

Guest houses operate as businesses and are levied the same as businesses tariffs.

An amount of R21.9 million is allocated from equitable share for the refuse service to approved indigents (13 000)**.** The service reflects a deficit of R2.9 million after the 6 % tariff increase.

1.4.6 Overall impact of tariff increases on households

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

Note that in all instances the overall impact of the tariff increases on household's bills has been kept to between 6.3 and 5.8 per cent, with the increase for indigent households to 5.9 per cent.

FS204 Metsimaholo - Supporting Table SA14 Household bills

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework			
Rand/cent		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21 % incr.	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
	1										
Monthly Account for Household - 'Middle Income Range'											
Rates and services charges:											
Property rates		364.29	535.60	563.45	496.68	496.68	496.68	8.4%	499.94	523.94	549.09
Electricity: Basic levy		20.00	21.60	21.77	24.16	24.16	24.16	9.0%	25.66	26.99	28.29
Electricity: Consumption		589.56	1,452.12	1,551.40	1,734.84	1,734.84	1,734.84	9.6%	1,852.31	1,948.63	2,042.16
Water: Basic levy		20.00	21.28	22.39	23.55	23.55	23.55	4.9%	24.70	26.03	27.44
Water: Consumption		377.85	601.66	653.68	690.38	690.38	690.38	5.3%	727.13	766.40	807.78
Sanitation		91.86	109.78	116.37	122.89	122.89	122.89	25.0%	153.61	160.98	168.71
Refuse removal		110.96	118.06	125.14	132.15	132.15	132.15	6.0%	140.08	146.80	153.85
Other											
sub-total		**1,574.52**	**2,860.10**	**3,054.20**	**3,224.65**	**3,224.65**	**3,224.65**	**6.2%**	**3,423.43**	**3,599.78**	**3,777.32**
VAT on Services		243.07	348.68	373.61	409.20	409.20	409.20	9.0%	438.52	461.38	484.24
Total large household bill:		**1,817.59**	**3,208.78**	**3,427.81**	**3,633.84**	**3,633.84**	**3,633.84**	**6.3%**	**3,861.95**	**4,061.15**	**4,261.56**
% increase/-decrease			**76.5%**	**6.8%**	**6.0%**	**–**	**–**		**6.3%**	**5.2%**	**4.9%**
	2										
Monthly Account for Household - 'Affordable Range'											
Rates and services charges:											
Property rates		364.29	387.60	407.76	351.67	351.67	351.67	9.4%	346.11	362.72	380.13
Electricity: Basic levy		20.00	21.60	21.77	24.16	24.16	24.16	9.0%	25.66	26.99	28.29
Electricity: Consumption		589.56	600.66	641.72	715.35	715.35	715.35	9.0%	759.86	799.37	837.74
Water: Basic levy		20.00	21.66	22.39	23.55	23.55	23.55	4.9%	24.70	26.03	27.44
Water: Consumption		377.85	467.16	500.38	526.33	526.33	526.33	5.1%	553.26	583.14	614.63
Sanitation		91.86	109.78	116.37	122.89	122.89	122.89	25.0%	153.61	160.98	168.71
Refuse removal		110.96	118.06	125.14	132.15	132.15	132.15	6.0%	140.08	146.80	153.85
Other											
sub-total		**1,574.52**	**1,726.52**	**1,835.53**	**1,896.10**	**1,896.10**	**1,896.10**	**5.7%**	**2,003.28**	**2,106.05**	**2,210.79**
VAT on Services		132.72	200.84	214.17	231.66	231.66	231.66	8.6%	248.58	261.50	274.60
Total small household bill:		**1,707.24**	**1,927.36**	**2,049.70**	**2,127.76**	**2,127.76**	**2,127.76**	**5.8%**	**2,251.86**	**2,367.55**	**2,485.39**
% increase/-decrease			**12.9%**	**6.3%**	**3.8%**	**–**	**–**		**5.8%**	**5.1%**	**5.0%**

_				(0.51)	(0.40)	(1.00)	-				
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		–	–	–	–	–	–	–	–	–	–
Electricity: Basic levy											
Electricity: Consumption		323.25	329.34	351.84	390.57	390.57	390.57	9.0%	414.87	436.44	457.39
Water: Basic levy											
Water: Consumption		260.90	277.64	292.06	307.26	307.26	307.26	5.6%	324.38	341.90	360.36
Sanitation											
Refuse removal											
Other											
sub-total		**584.15**	**606.98**	**643.90**	**697.83**	**697.83**	**697.83**	**5.9%**	**739.25**	**778.34**	**817.75**
VAT on Services		81.78	91.04	96.59	104.67	104.67	104.67	7.5%	110.89	116.75	122.66
Total small household bill:		**665.93**	**698.02**	**740.49**	**802.50**	**802.50**	**802.50**	**5.9%**	**850.14**	**895.09**	**940.41**
% increase/-decrease			**4.8%**	**6.1%**	**8.4%**	**–**	**–**		**5.9%**	**5.3%**	**5.1%**
_											

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

4. Note this is for a SINGLE household.

1.4.7 Sundry Tariffs

Table12 Proposed Sundry Tariffs

That the following miscellaneous tariffs ***(VAT exclusive)*** be implemented from 1 July 2020.

Financial Services	*2019/2020*	*2020/2021*
New Consumers who move into municipal area		
Connection fee per meter:		
- Water	R205.00	R 217.00
- Electricity	R205.00	R 217.00
Delivery of warning notices	R235.00	R 249.00
Non-payment fees for defaulters		
- Normal reconnection fee	R434.00	R 460.00
- After hours' reconnection fee (additional)	R323.00	R 342.00
- Reduce water supply	R434.00	R460.00
- Cut electric cable	R522.00	R 553.00
- Remove electric cable	R868.00	R 920.00
- Replace electric cable	R868.00	R 920.00
- Final Notice Fee	R124.00	R 131.00
- Dishonoured Cheques R/D (admin / bank fee)	R385.00	R 408.00
- Dishonoured Credit cards (payment return by bank) ex. easy pay	R385.00	R 408.00
-		
Illegal Connection(Bypass/tampering of meters		
Household (Water or Electricity)	R27 305.00	R 28 943.00
Business	R 34 795.00/meter	R 36 883.00/meter

Illegal connection after disconnection(switch on of meter)	R5 580.00	R 5 915.00
Loss of units calculated for up to 1 year average plus tampering penalty	Number of units x tariff applicable	Number of units x tariff applicable
Clearances and Valuation		
Clearance certificates		
Normal collection	R260.00	R 276.00
Registered mail	R298.00	R 316.00
Valuation Roll per Town (Residential Area) or part thereof	R685.00	R 726.00
Valuation Roll electronic format	R310.00	R 329.00
Valuation Objection Fee (only for review and appeal)	R552.00	R 585.00
Valuation Certificate	R198.00	R 210.00
Address list per 500 pages or part thereof	R685.00	R 726.00
Search Fees	R88.00	R 93.00
Other Fees		
Testing of electricity meters	R621.00	R 658.00
Replacement of padlock	R434.00	R 460.00
Duplicate Accounts	R15.00	R 16.00
Duplicate tenant's Accounts sent to owners	R31.00	R 33.00
Duplicate IRP 5	R34.00	R 36.00
Fee for block/unblock of Prepaid electricity meters	R149.00	R 158.00
Replacement of prepaid card	R78.00	R 83.00

Selling of wood (= LDV load)	R159.00	R159.00
Cutting of trees (per tree)	R1 060.00	R1 060.00
Threshold for indigent	2 x state old age pension plus R1500	2 x state old age pension plus R1500
Parking for Officials		
Single Parking in basement of Civic Centre	R70.00	R70.00
Share Parking in basement of Civic Centre	R55.00	R55.00
Shelter Parking in outside parking area	R45.00	R45.00
Deposits		
Flats/Town houses		
Owners		
(without pre-paid meters)	R3 700.00	R3 700.00
Owners		
(with pre-paid meter)	R1 850.00	R1 850.00
Where body corporate pay other services	0	0
Houses		
with pre-paid meters	R2 650.00	R2 650.00
without pre-paid meters	R5 300.00	R5 300.00
Minimum Deposit charged when applying for clearance figures	R5 300.00	R5 300.00
Businesses		
With pre-paid meters	R 5 300.00	R 5 300.00

Without pre-paid meters based on twice monthly consumption based on the type of business *Light Industries* based on twice the monthly consumption based on the type of business *Heavy Industries* Government	R 10 600.00 Twice monthly consumption Twice monthly consumption Same as businesses	R 10 600.00 Twice monthly consumption Twice monthly consumption Same as businesses

Water, Electricity and Sewer connection tariffs increases

Connections to be done	**2019/2020**	**2020/2021**
SEWER		
100mm diameter -3m length	R5 343	R5 610.15
All other longer than 100mm diameter or longer than 3m	To be calculated	To be calculated
Water		
15mm - 3m max	R 2 064	R 2 734
20mm - 3m max	R 3 060	R 3 213
80/20 COMBO meter	R 23 318	R 24 484
50/20 COMBO meter	R 6 899	R 7 244
40 mm	R 6 796	R 7 136
longer than 3m and domestic meters	Cost plus 10%	Cost plus 10%

longer than 3m and larger meters	Cost plus 10%	Cost plus 10%
Closing of network valves for water connections done by contractor at request of owner or when Council cannot execute work due to strikes or unavailability of meters	R 353	R 371
Water and Sewer - general		
Water and Sewer road crossings (gravel)	R 6 292	R 6 607
Water and Sewer road crossings	R 12 582	R 13 211
Relocating Water meters(labour only)	R 1329	R 1395
Stolen Water meter	Cost of Meter plus 20%	Cost of Meter plus 20%
Testing of water meters		
20mm to 50 mm size meters	R 677	R 711
All other to be calculated	Cost of plus 20%	Cost of plus 20%
Electricity		
New single phase connection	R 7 129.58	R 7 486.06
Upgrading from 60 – 80 ampere	R 6 680.79	R 7 014.83
New three phase connection up to design load	R 7 699.65	R 8 084.63
New three phase connection larger than design load	Estimated cost plus network strengthening cost plus R1 144.55/kVA	Estimated cost plus network strengthening cost plus R1 144.55/kVA
Single phase prepaid meter	Cost plus 20%	Cost plus 20%
Three phase prepaid meter Moving of kWh meter from house to stand boundary	R 2 844.94 R 4 074.43	Cost plus 20% Cost plus 20%
Moving of connection	R 2 398	R 2 518 (subject to change due to

		distance of the area)
New ready board and keypad	R 2 629.71	R 2 761.20
Replacement of cable	Cost price plus 20% per meter	Cost price plus 20% per meter
Repair of cable (damaged by owner)	Cost price plus 20% per meter	Cost price plus 20% per meter
Temporary connection if service is available: Single Phase (max 60 amp)	R 1 370.73	Cost price plus 20% per meter
Three phase (town houses)	R 3 177.90	Cost price plus 20% per meter
Testing of kWh meter	R 650.22	R 682.73
Testing of prepaid meter	R 431.03	R 452.58
Damaged keypad prepaid meter	R 945.27	Cost plus 20%
Damaged single phase prepaid meter	Cost plus 20%	Cost plus 20%
Damaged three phase prepaid meter	Cost plus 20%	Cost plus 20%
Damage relay	Cost plus 20%	Cost plus 20%
Cost of prepaid meter and relay for town houses	Cost plus 20%	Cost plus 20%
Cost for second electrical installation test (1st free)	R431.03	R452.58
Replacement of broken or stolen ripple relay	Cost of relay and labour	Cost of relay and labour
Ripple relay	R 1 004.02	R 1 054.22
Ripple relay (damaged)	R 1 443.75	R 1 515.94
Network strengthening	R 1 073.02	R 1 126.67

Capital Contributions (once off payment)

Water	**2019/2020**	**2020/2021**
Per kilolitre day usage-supply	R 6 880	R 7 224
Residential per added building or unit		
Low density	R 13 781	R 13 781
Middle density	R 10 319	R 10 319
High density	R 4 125	R 4 331
Guest houses and hotels: per room(existing developments consider in calculation)(normal household norm 1kl/day)	0.03 kl per room per day x kilolitre rate	0.3 kl per room per day x kilolitre rate
Sewer		
Per kilolitre day usage- effluent	R 7 739.55	R 7 739.55
Residential per added building or unit		
Low density	R 9 284.10	R 9 284.10
Middle density	R 7 739.55	R 7 739.55
High density	R 3 870.30	R 3 870.30
Guest houses and hotels: treatment of sewer effluent. (normal household runoff norm 0.8kl/day)	R 9 855.30/kl (daily kl demand	0.25 kl per room per day x kilolitre rate

Printing price list - Technical Services

	2019/2020	2020/2021
PAPER		
A0	R44.74	R44.74
A1	R22.81	R22.81
A2	R14.92	R14.92
A3	R4.39	R4.39
A4	R2.64	R2.64
Durester		
A0	R151.76	R151.76
A1	R79.83	R79.83
A2	R41.23	R41.23
A3	R21.06	R21.06
A4	R13.16	R13.16
Film		
A0	R100.44	R100.44
A1	R67.99	R67.99
A2	R35.09	R35.09
A3	R18.43	R18.43
A4	R9.22	R9.22
A4 Fax send/received(Private)	R10.53	R10.53

Social Services

a	D P de Villiers Stadium	2019/2020	2020/2021
	Rental of halls		
	Stadium Hall		
	Resident : meetings	R290.00 per hour	R305.00 per hour
	Non-Resident : meetings	R590.00 per hour	R620.00 per hour
	Functions	R800.00	R840.00
	Churches and schools	half price	half price
	Deposit	R720	R760
	Club complex Hall		
	Resident : meetings	R 110.00/ hour	R 115.00/ hour
	Non-Resident : meetings	R210.00/hour	R220.00/hour
	Functions	R440.00	R460.00
	Churches and schools	50% of R440.00	50% of R460.00
	Deposit	R720	R760
	Athletics		
	Schools sport meeting		
	Morning session 07:00 - 13:00	R1 330.00	R1 390.00
	Afternoon session 13:00 - 19:00	R1 330.00	R1 390.00
	Lights to switch on first 2 hours	R590.00	R620.00
	Then per half hour	R170.00	R180.00
	Deposit	R3 360	R3 530

	Non Residents (Invitational/Zones)		
	Morning session 07:00 - 13:00	R3 700.00	R3 885.00
	Afternoon session 13:00 - 19:00	R3 700.00	R3 885.00
	Lights to switch on first 2 hours	R590.00	R620.00
	Then per half hour	R 170.00	R 180.00
	Deposit	R3 360	R3 530
	Provincial Meetings		
	Morning session 07:00 - 13:00	R4 860	R5 103
	Afternoon session 13:00 - 19:00	R4 860	R5 103
	Lights to switch on first 2 hours	R590.00	R620.00
	Then per half hour	R170.00	R180.00
	Deposit	R3 090	R3 240
	Schools in Gauteng		
	Morning session 07:00 - 13:00	R4 860	R5 103
	Afternoon session 13:00 - 19:00	R4 860	R5 103
	Lights to switch on first 2 hours	R590	R620
	Then per half hour	R170	R180
	Deposit	R3 090	R3 240

	Provincial Meetings		
	Morning session 07:00 - 13:00	R3 090	R3 240
	Afternoon session 13:00 - 19:00	R3 090	R3 240
	Lights to switch on first 2 hours	R660	R690
	Then per half hour	R180	R190
	National Meetings		
	Morning session 07:00 - 13:00	R6 070	R6 370
	Afternoon session 13:00 - 19:00	R6 070	R6 370
	Lights to switch on first 2 hours	R460.00	R480.00
	Then per half hour	R160.00	R170.00
	Deposit	R3 360	R3 530
	Rental of Electronic Timing Equipment		
	Electronic Timing Equipment per session	R1 340	R1 340
	Training sessions		
	Pre-determined practice periods Training at the stadium will only be allowed after payment of R280, 00 per annum as well as purchase of proxy card at R50, 00 per athlete training. Cards will only be sold to contributing schools/clubs/instances. Purchase card at R50.00 for student and other person.		
	Pre –determined practice periods		
	Trainer (5 and less athletes)	R360 p/a	R380 p/a
	Trainer (6 to 20 athletes)		

	Trainer (21 and more athletes)	R730 p/a	R770 p/a
		R1 220 p/a	R1 280 p/a
	School Rugby, School league all rugby fields as available.		
	Resident per session/season	R400.00	R420.00
	Non-resident per session/season	R590.00	R620.00
	Provincial Games	R1 970	R2 070
		per day	per day
	Lights to switch on first 2 hours	R590.00	R620.00
	Then per half hour	R170	R180
	Deposit	R2 420	R2 540
	National and International Games	R4 300.00	R4 510
	Soccer meetings (outside stadium)		
	Resident per session/season	R440.00	R4 510
	Non-resident per session/season	R640.00	R670
	Soccer meetings (inside stadium)		
	Morning session 07:00 - 13:00	R1070	R1 120
	Afternoon session 13:00 - 19:00	R1070	R1 120
	Lights to switch on first 2 hours	R590	R620
	Then per half hour	R170	R180

	Cross Country		
	A Field	R740.00	R780
	Outside Field	R400.00	R420
	Stadium Hall	R1 134.00	R1 130
	Rental of stadium for Church service	R2 420.00 p/d	R2 540 p/d
	Deposit	R2 980.00	R3 130
	Rental of stadium for non-sports related events	R12 160 .00p/d	R12 770 p/d
	Deposit	R5 790.00	R6 080
	Dog show		
	Resident per session	R430	R450
	Non-resident per session	R630	R660
	Deposit	R6 940	R7 290
b	**Sasolburg show ground**		
	Cricket pitch (High Performance)		
c	**Sports facilities**		
	Penny Heyns :		
	Adults: Season tickets	R220	R230
	: Day tickets	R30	R32
	Children : Season tickets	R110	R115
	: Day tickets	R20	R21

	School Galas		
	Morning session 07:00 - 13:00	R530	R560
	Afternoon session 13:00 - 19:00	R530	R560
	Lights to switch on first 2 hours	R530	R560
	Then per half hour	R140	R150
	Clubs/ Social clubs		
	Occasion	R1 470.00 without touch pad	R1 540.00 without touch pad
	Training sessions		
	Pre-determined practice periods Clubs	Training at the swimming pool will only be allowed after payment of R490.00 per annum as well as purchase of seasonal tickets per swimmers training	Training at the swimming pool will only be allowed after payment of R515.00 per annum as well as purchase of seasonal tickets per swimmers training
	<u>Zamdela Swimming Pool</u>		
	: Adults : Season tickets	R130.00	R135
	: Day tickets	R20.00	R21
	: Children : Season tickets	R80.00	R85
	: Day tickets	R15.00	R16
	School Galas		

	Morning session 07:00 - 13:00	R490.00	R490.00
	Afternoon session 13:00 - 19:00	R490.00	R490.00
	Lights to switch on first 2 hours	R380.00	R380.00
	Then per half hour	R150.00	R150.00
	Clubs/ Social clubs		
	Occasion	R1 390.00 without touch pad	R1 390.00 without touch pad
	School Games(soccer, Basketball Netball and Volleyball)		
	Morning session 07:00 - 13:00	R500	R525
	Afternoon session 13:00 - 19:00	R500	R525
	Lights to switch on first 2 hours	R390	R410
	Then per half hour	R160	R170
	Clubs/ Social clubs for Courts (soccer, Basketball, Netball and Volleyball)		
	Morning session 07:00 - 13:00	R550	R580
	Afternoon session 13: - 19:00	R550	R580
	Lights to switch on first 2 hours	R390	R410
	Then per half hour	R160	R170
	Training sessions		
	Pre-determined practice periods	Training at the swimming pool will only be allowed after payment of R440.00per annum	Training at the swimming pool will only be allowed after payment of R460.00per annum

		as well as purchase of seasonal tickets per swimmers training	as well as purchase of seasonal tickets per participants
	Cemeteries		
	Zamdela : Adult : Resident	R510.00	R535
	:Non Resident	R2 000.00	R2 000.00
	Children : Resident	R400.00	R420
	: Non resident	R1 610.00	R1 690
	Deneysville/		
	Refengkgotso / Metsimaholo :		
	: Adults : Resident	R460.00	R480
	: Non Resident	R1 860	R1 950
	: Children :Resident	R340	R360
	:Non-Resident	R1 420	R1 490
	Sasolburg:		
	: Adults : Resident	R1 330	R1 400
	: Non Resident	R5 170	R5 430
	: Children :Resident	R920	R970
	:Non- Resident	R3 200	R3 360
	Oranjeville:		
	: Adults : Resident	R460	R480

	: Non Resident	R1 870	R1 960
	: Children :Resident	R340	R360
	:Non -Resident	R1 420	R1 490
	Indigents		
	Approved as per Metsimaholo Local Municipality policy	Free	Free
	Urns in Walls of Remembrance		
	Residents	R500	R525
	Non Residents	R2 340	R2 460
	Placing of urn in existing grave:		
	Residents	R220	R230
	Non Residents	R400	R420
	Stack Burials:		
	Two coffins in one grave		
	Residents	One and half price (1.5)	One and half price (1.5)
		One and half price (1.5)	One and half price (1.5)
	Oversize Grave	Extra R60.00	Extra R65

e	**Halls**		
	Zamdela/Refengkgotso/		
	Metsimaholo		
	Church Service and meetings		
	Morning session 07:00 - 13:00	R570	R600
	Afternoon session 13:00 - 19:00	R570	R600
	Extra hour	R210	R220
	Kitchen use	R210	R220
	Music/Jazz and others		
	Morning session 07:00 - 13:00	R1 070	R1 120
	Afternoon session 13:00 - 19:00	R1 070	R1 120
	Extra hour	R290	R305
	Kitchen use	R290	R305
	Training and Practice		R250.00 p/m
	Seasonal meetings		R1 200.00
	Funeral service and memorial service		
	Morning session 07:00 - 13:00	R490	R515
	Afternoon session 13:00 - 19:00	R490	R515
	Extra hour	R230	R240
	Kitchen use	R240	R250
	Political meetings		
	Morning session 07:00 - 13:00	R290	R305

	Afternoon session 13:00 - 19:00	R290	R305
	Extra hour	R100	R105
	Kitchen use	R100	R105
	Season 2 meetings per month	R590	R620
	Government structures		
	Morning session 07:00 - 13:00	R320	R340
	Afternoon session 13:00 - 19:00	R320	R340
	Extra hour	R90	R95
	Kitchen use	R90	R95
	Welfare	R610	R640
	Deposit		
	Music/Jazz and others	R2 340	R2 460
	All other	R460	R480

(f)	**Abrahamsrust recreation resort – if applicable**	**2019/2020**	**2020/2021**
	Season tickets (only residents)	R460.00 per annum/motor vehicle/ motor cycle powerboat R120.00/ second motor vehicle/ motorcycle	R460.00 per annum/motor vehicle/ motor cycle powerboat R120.00/ second motor vehicle/ motorcycle
	Pensioners (age 60 years)	R120.00 for 1 ticket per family R500.00	R120.00 for 1 ticket per family R500.00

	Non-residents pensioners	R500.00 1 ticket per family	R500.00 1 ticket per family
	Metsimaholo workers and Councillors with proof	R 160.00 for 1 ticket per family	R 160.00 for 1 ticket per family
	Non-residents registered power boat/ caravan owners:	R710.00/ annum per vehicle/ powerboat	R710.00/ annum per vehicle/ powerboat
	Entrance fees (Day visitors)		
	Season ticket holders	Free (vehicle & 6 passengers, 1 visit per day)	Free (vehicle & 6 passengers, 1 visit per day)
	Entrance fee per person	R65 per person per day	R65 per person per day
	Entrance fee per car	R65 per car per day	R65 per car per day
	Entrance fee per taxi/minibus	R120	R120
	Entrance fee per bus	R360	R360
	Entrance fee per boat	R190 per boat per day	R190 per boat per day
	Entrance fee 2-6 years (Families only) Groups(2-6years) Crèches, Churches etc.	Free per child 2-6 years per day R30 per child 7-14 years per day	Free per child 2-6 years per day R30 per child 7-14 years per day
	Entrance fee for group bookings of more than 50 people	Discount of tariffs approved by Director Social Services using his/her discretion (Prior arrangements))	Discount of tariffs approved by Director Social Services using his/her discretion (Prior arrangements))
	Local schools and churches	R45.00 per person	R45.00 per person
	Caravan and tent sites(Power)		
	Season ticket holders/ rallies (10-29 caravans)	R170.00 per day with power(4 persons)	R170.00 per day with power(4 persons)

	Pensioners/ Rallies (30 and more caravans)	R120.00 per day(4 persons)	R120.00 per day(4 persons)
	Non-season ticket holders	R500.00 per day(4 persons)	R210.00 per day(4 persons)
	Caravan and tent sites without power sockets/ not exceed 4 people	R160.00 per day without power	R160.00 per day without power
	Season ticket holders/ rallies (10-29 caravans)	R160.00/ caravan/ night	R160.00/ caravan/ night
	Pensioners/ Rallies (30 and more caravans)	R110.00/ caravan/ night	R110.00/ caravan/ night
	Non-season ticket holders	R210.00/ caravan/ night	R210.00/ caravan/ night
	Chalets		
	Small type 2-bed	R530.00	R530.00
	Large type 4-bed	R690.00	R690.00
	Luxury chalets Chalet A	R880.00	R880.00
	Chalet B (With lapa)	R930.00	R930.00
	Monthly Rental Chalets four bed	R 5 250.00 p.m.	R 5 250.00 p.m.
	Park home 6 bed	R690.00	R690.00
	Monthly Rental Park home 6 bed	R4 200.00 p.m.	R4 200.00 p.m.
	Refundable key deposit	R320.00	R320.00
	Lapa		
	With shelter per function	R690.00 plus entrance fee	R690.00 plus entrance fee
	Without shelter per function	R460.00 plus entrance fee	R460.00 plus entrance fee
	Hall	R690.00	R690.00
	Rental of resort for event	R100 000 per event	R100 000 per event

	Deposit for event	R46 200 per event refundable	R46 200 per event refundable
	DAY VISIT ORANJEVILLE AND DENEYSVILLE		
	Season tickets (only residents)	R140.00 per annum/motor vehicle/ motor cycle powerboat R120.00/ second motor vehicle/ motorcycle	R150.00 per annum/motor vehicle/ motor cycle powerboat R130.00/ second motor vehicle/ motorcycle
	Pensioners (age 60 years)	R70.00 for 1 ticket per family	R75.00 for 1 ticket per family
	Metsimaholo workers and Councillors with proof	R90.00 for 1 ticket per family	R95.00 for 1 ticket per family
	Non-residents registered power boat/ caravan owners:	R340.00/ annum per motor vehicle/motorcycle/ powerboat R290.00/second vehicle/motorcycle/ Powerboat	R360.00/ annum per motor vehicle/motorcycle/ powerboat R305.00/second vehicle/motorcycle/ Powerboat
	Entrance fees (Day visit) Season ticket holders	Free (vehicle & 6 passengers, 1 visit per day)	Free (vehicle & 6 passengers, 1 visit per day)
	Entrance fees (Day visitors)		
	Entrance fee per person	R35 per person per day	R36 per person per day
	Entrance fee per car	R35 per car per day	R36 per car per day
	Entrance fee per boat	R45 per boat per day	R47 per boat per day
	Entrance fee per 2-6 years (Families only)	Free child 2-6 years per day R25.00 per child 7-14 years per day	Free child 2-6 years per day R25.00 per child 7-14 years per day

	Groups (2-6 years)		
	Entrance fee for group bookings of more than 50 people	Discount on tariffs approved by Director Social Services using his/her discretion (prior arrangements)	Discount on tariffs approved by Director Social Services using his/her discretion (prior arrangements)
	Local schools and churches	R25.00 per person	R27.00 per person
	Caravan and tent sites(Power)		
	Season ticket holders/ rallies (10-29 caravans)	R45.00 per day with power(4 persons)	R47.00 per day with power(4 persons)
	Pensioners/ Rallies (30 and more caravans)	R45.00 per day(4 persons)	R47.00 per day(4 persons)
	Non-season ticket holders	R55.00 per day(4 persons)	R57.00 per day(4 persons)
	Caravan and tent sites without power sockets/ not exceed 4 people	R190.00 per day without power	R200.00 per day without power
	Season ticket holders/ rallies (10-29 caravans)	R35.00/ caravan/ night	R36.00/ caravan/ night
	Pensioners/ Rallies (30 and more caravans)	R35.00/ caravan/ night	R36.00/ caravan/ night
	Non-season ticket holders	R35.00/ caravan/ night	R36.00/ caravan/ night
	Rental of resort for event	R73 500 per event	77 175 500 per event
	Deposit for event	R42 000 per event	R44 100 per event

(g)	Moses Kotane Stadium - when applicable	2019/2020	2020/2021
	Rental of halls **Stadium Hall**		
	Resident: meetings	R340,00	R340,00
	Non-Resident: meetings	R680,00	R680,00

	Functions	R510,00	R510,00
	Churches and Schools	Half price	Half price
	Political Rally	R63 000.00	R63 000.00
	Athletics		
	In-house school sport		
	Morning	R370.00	R370.00
	Afternoon	R370.00	R370.00
	Lights to switch on first 2 hours	R300.00	R300.00
	Then per half hour	R130.00	R130.00
	Practice session	R120.00/ school/ season	R120.00/ school/ season
	Non Residents (Free State)		
	Morning	R740.00	R740.00
	Afternoon	R740.00	R740.00
	Lights to switch on first 2 hours	R300.00	R300.00
	Then per half hour	R130.00	R130.00
	Schools in Gauteng		
	Morning	R860.00	R860.00
	Afternoon	R860.00	R860.00
	Lights to switch on first 2 hours	R300.00	R300.00
	Then per half hour	R130.00	R130.00

	Provincial Meetings		
	Morning session 07:00 - 13:00	R2 380.00	R2 380.00
	Afternoon session 13:00 - 19:00	R2 380.00	R2 380.00
	Lights to switch on first 2 hours	R300.00	R300.00
	Then per half hour	R130.00	R130.00
	National Meetings		
	Morning session 07:00 - 13:00	R3 700.00	R3 700.00
	Afternoon session 13:00 - 19:00	R3 700.00	R3 700.00
	Lights to switch on first 2 hours	R510.00	R510.00
	Then per half hour	R130.00	R130.00
	Rental of Electronic Timing Equipment		
	Electronic Timing Equipment per session	R1 070.00	R1 070.00
	Soccer		
	Soccer meetings (inside stadium)		
	Morning session 07:00 - 13:00	R300.00	R300.00
	Afternoon session 13:00 - 19:00	R300.00	R300.00
	Lights to switch on first 2 hours	R300.00	R300.00
	Then per half hour	R130.00	R130.00
	Rental of stadium for events	R15 750.00	R15 750.00

	Deposit	R7 350.00	R7 350.00
	Entrance income	15% of entrance fee minimum or R1 780.00	15% of entrance fee minimum or R1 780.00
	Refundable damage fee	R1 050.00	R1 050.00
	Schools	R2900.00/ school/ season	R2900.00/ school/ season
	Other soccer games	15% of entrance fee minimum or R1 650.00	15% of entrance fee minimum or R1 650.00
	Morning	R350.00	R350.00
	Afternoon	R350.00	R350.00
	Evening	R350.00	R350.00
	Lights to switch on first 2 hours	R290.00	R290.00
	Then per half hour	R120.00	R120.00
	Practice inside stadium	R180.00/per hour	R180.00/per hour
	Coaching development and soccer clinics	R110.00 per occasion	R110.00 per occasion
	Practice outside fields	R180.00/ season twice weekly	R180.00/ season twice weekly
	Schools	R150.00/ season twice weekly	R150.00/ season twice weekly
	Social games	R180.00 per occasion	R180.00 per occasion
	Other facilities		
	Netball/Basketball and Tennis		
	Morning session	R110.00	R110.00
	Afternoon session	R110.00	R110.00
	Stadium Hall		
	Sports clubs and cultural groups (by pre-arrangement)	R180.00	R180.00

	Residents: Meetings	R130.00	R130.00
	Non-residents: Meetings	R650.00	R650.00
	Functions	R490.00	R490.00
	Churches and schools	Half price	Half price
	Non sporting events inside stadium		
	Rental of stadium for events(pre-approve by MM)	R73 500.00	R73 500.00
	Deposit for the events	R31 500.00	R31 500.00

(h)	**Multipurpose Sports Centre**		
	Hall		
	Church Service and meetings		
	Morning session 07:00 - 13:00	R630.00	R660.00
	Afternoon session 13:00 - 19:00	R630.00	R660.00
	Extra hour	R100.00	R105.00
	Kitchen use	R250.00	R260.00
	Music/Jazz and others		
	Morning session 07:00 - 13:00	R1 100.00	R1 150.00
	Afternoon session 13:00 - 19:00	R1 100.00	R1 150.00
	Extra hour	R100.00	R105.00
	Kitchen use	R300.00	R315.00

	Funeral service and memorial service		
	Morning session 07:00 - 13:00	R510.00	R535.00
	Afternoon session 13:00 - 19:00	R510.00	R535.00
	Extra hour	R100.00	R105.00
	Kitchen use	R250.00	R260.00
			R340.00
	Political meetings		
	Morning session 07:00 - 13:00	R350.00	R340.00
	Afternoon session 13:00 - 19:00	R350.00	R105.00
	Extra hour	R100.00	R260.00
	Kitchen use	R250.00	R340.00
	Season 2 meetings per month	R590.00	R590.00
	Political Rally	R81 030.00	R85 080.00
	Deposit	R42 000.00	R42 000.00
	Government structures		
	Morning session 07:00 - 13:00	R320.00	R340.00
	Afternoon session 13:00 - 19:00	R320.00	R340.00
	Extra hour	R100.00	R105.00
	Kitchen use	R250.00	R260.00
	Welfare	R320.00	R340.00
	Deposit		
	Music/Jazz and others	R2 230.00	R2 340.00

	All other	R430.00	R450.00
	Sports Facility		
	Soccer/ Rugby and Cricket		
	Morning session 07:00 - 13:00	R500.00	R200.00
	Afternoon session 13:00 - 19:00	R500.00	R200.00
	Extra hour	R100.00	R105.00
	Seasonal meetings		R1 200.00
	Kitchen	R240.00	R250.00
	Netball/ Basketball and Tennis		
	Morning session 07:00 - 13:00	R200.00	R210.00
	Afternoon session 13:00 - 19:00	R200.00	R210.00
	Seasonal meetings		R1 200.00
	Extra hour	R100.00	R105.00
	Kitchen	R240.00	R250.00
	Schools		
	Morning session 07:00 - 13:00	R140.00	R150.00
	Afternoon session 13:00 - 19:00	R140.00	R150.00
	Extra hour	R80.00	R84.00
	Kitchen	R80.00	R84.00
	Indoor Games		
	Morning session 07:00 - 13:00	R240.00	R250.00
	Afternoon session 13:00 - 19:00	R240.00	R250.00
	Seasonal meetings		R1 200.00
	Extra hour	R100.00	R105.00

	Kitchen use	R240.00	R250.00
	Coaching development and practice		
	Morning session 07:00 - 13:00	R140.00	R150.00
	Afternoon session 13:00 - 19:00	R140.00	R140.00
	Kitchen	R240.00	R250.00
	Booking of 2 sports ground for events	R5 000.00	R5 000.00

	Highveld Gardens	2019/2020	2020/2021
	Operational Time: 08hrs – 18hrs **No loud music**		
	Lap		
	With shelter per function Party		R600.00
	Wedding		R1000 00
	Church		R500.00
	Schools		R500.00
	Meetings		R250.00
	Crèche		R200.00
	Lapa without shelter		R300.00

(i)	**Fire and Rescue**	**2019/2020**	**2020/2021**
	Extinguishing of fires (excluding grass-bush and rubbish fires)		
(a)	**Call out fee**		
	Industrial fire (High risk)	R1453.26	R1 517.25
	Industrial fire (Low risk)	R720.08	R752.85
	Residential	R402.80	R420.00
	Institutions	R402.80	R420.00
	Public assembly	R402.80	R420.00
	Commercial	R402.80	R420.00
	Storage	R402.80	R420.00
	Shack or Informal housing (Flat rate) all costs included		
	Heavy motor vehicle fire	R402.80	R420.00
	Motor vehicle, Motor bike, trailer with content		
	Lamp or Electrical Poles (Council property excluded)	R157.94	R164.00
	Transformers (Council property excluded)	R402.80	R420.00
(b)	**Personnel (tariff per hour)**		
	Per Senior Officer	R199.28	R207.00
	Per Officer	R171.72	R179.00
	Per Senior Fireman	R157.94	R164.00
	Per Fireman	R131.44	R137.00
	(Times to be calculated from the time that the personnel left the Station until the fire has been reported as extinguished).		

(c)	**Vehicles**		
	Per vehicle or per fire pump per hour or part thereof calculated from the time that the vehicle has left the Station until the fire has been reported extinguished.	R526.82	R550.00
(d)	**Material used**		
	Real cost of the fire extinguishing material used including VAT and as certified by the Chief Fire Officer plus 20%.		
II	*Grass, bush and rubbish fires*		
(a)	Rubbish Fires		
	Bales of feed or Hay stack (up to 50 cubic meters)	R788.64	R823.00
	Bales of feed or Hay stack (more than 50 cubic meters)	R1 577.28	R1 646.00
(b)	**Personnel(tariff per hour)**		
	Per Senior Officer	R199.28	R207.00
	Per officer	R171.72	R179.00
	Per Senior Fireman	R157.94	R164.00
	Per Fireman (Times to be calculated from the time that the personnel left the Station until the fire has been reported as extinguished)	R131.44	R137.00
(c)	**Vehicles**		
	Per vehicle or per fire pump per hour or part thereof calculated from the time that the vehicle has left the Station until the fire has been reported extinguished.	R526.82	R550.00

(d)	**Material used**		
	Real cost of the fire extinguishing material used including VAT and as certified by the Chief Fire Officer plus 20%.		
III	*Special services (Dangerous goods etc).*		
(a)	**Call out Fee**	R1 577.28	R1646.00
(b)	**Personnel(tariff per hour)**		
	Per Senior Officer	R402.80	R271.00
	Per officer	R372.06	R344.00
	Per Senior Fireman	R329.66	R299.00
	Per Fireman	R260.76	R245.00
(c)	**Vehicles**		
	Where the services of a Fire Pump is needed (per hour or part thereof calculated from the time the vehicle left the station until the service is reported to be completed.	R1 054.70	R1 101
	Per kilometre (Travelled to and from the time of pump per hour)	R12.72	R13.65
	Per portable pump (Real working time of pump per hour)	R173.84	R181.00
	Per Fire Hose (per hour of part thereof)	R34.98	R36.00
	Per ladder used per call	R171.72	R179.00
	Real cost (VAT) inclusive for consumable material used plus 20% as certified by the Chief Fire Officer.		

IV	*Protection services (Standby Services)*		
	Where the presence of the Fire Department is compulsory with Fire pump and crew, the company responsible for the situation will be liable for the account.		
(a)	**Call out Fee**	R1 576.22	R1645.00
(b)	**Personnel(tariff per hour)**		
	Per Senior Officer	R402.80	R420.00
	Per officer	R372.06	R388.00
	Per Senior Fireman	R329.66	R344.00
	Per Fireman	R260.76	R271.00
(c)	**Vehicles**		
	Where the services of a Fire Pump is needed (per hour or part thereof calculated from the time the vehicle left the station until the service is reported to be completed.	R1 054.70	R1101.00
	Per kilometre (Travelled to and from the incident per utility vehicle)	R12.72	R13.65
	Per portable pump (Real working time of pump per hour)	R171.72	R179.00
	Per Fire Hose (per hour of part thereof)	R34.98	R36.00
	Per ladder used per call	R171.72	R179.00

	Real cost (VAT) inclusive for consumable material used plus 20% as certified by the Chief Fire Officer.		
V	*Filling of swimming pools and water tanks*		
	Hydrants must be within 90m from swimming or tank basic levy	R329.66	R344.00
	Per Fire Hose per hour period or part thereof	R34.98	R36.00
	Per Officer	R171.72	R179.00
	Per Senior Fireman	R157.94	R164.00
	Per Fireman	R131.44	R137.00
	Per kilometre (calculated to and from the address per utility vehicle)	R12.72	R13,65
	If a fire truck is required per hour or part thereof	R526.82	R550.00
	The cost of the water as per ruling levy on residences on Sundays and Public holidays.	(Double the normal tariffs)	(Double the normal tariffs)

VI	*Other Services*		
(a)	**Attendance of Fireman in terms of section 14 of the standard by-laws relating to Fire Brigade Services:**		
	Per entertainment, recreation meeting or other event provided that in the case of any variety entertainment or stage show conducted on schools premises or in a public hall in aid of school funds, no charges shall be charged for the attendance of a Fireman.	R402.80	R420.00
	Per Officer**(tariff per hour)**	R372.06	R388.00

	Per Senior Fireman**(tariff per hour)**	R329.66	R344.00
	Per Fireman**(tariff per hour)**	R260.76	R271.00
(b)	**Pumping of water from property:**		
	Light pump with a capacity of up to 1125 1/min per hour or part thereof	R1 054.70	R1 101.00
	Medium pump with a capacity of up to 2250 1/min per hour or part thereof	R1 113.00	R1 162.00
	Heavy pump with a capacity of up to 4500 1/min per hour or part thereof	R1 173.42	R1 225.00
	Per Officer**(tariff per hour)**	R329.66	R344.00
	Per Senior Fireman**(tariff per hour)**	R305.28	R319.00
	Per Fireman**(tariff per hour)**	R171.72	R179.00
(c)	**Using Compressor per hour or part thereof**		
	Per Officer**(tariff per hour)**	R305.28	R344.00
	Per Senior Fireman**(tariff per hour)**	R171.72	R319.00
	Per Fireman**(tariff per hour)**	R305.28	R179.00
(d)	**Emergency Rescue unit per hour or part thereof**		
	Per Officer**(tariff per hour)**	R287.26	R300.00
	Per Senior Fireman**(tariff per hour)**	R329.66	R319.00

	Per Fireman**(tariff per hour)**	R260.76	R271.00
(e)	**Any other duty not mentioned under item VI per hour or part thereto**		
	Where the services of a Fire pump is needed (per hour or part thereof calculated from the time the vehicle left the station until the service is reported to be completed).	R1 054.70	R1 101.00
	Per kilometre (Travelled to and from the incident per utility vehicle)	R12.72	R13.65
	Per Officer**(tariff per hour)**	R329.66	R344.00
	Per Senior Fireman**(tariff per hour)**	R297.86	R310.00
	Per Fireman**(tariff per hour)**	R261.82	R273.00
(f)	**Firebreaks per hour or part thereof**		
	Where the services of a Fire pump is needed (per hour or part thereof calculated from the time the vehicle left the station until the service is reported to be completed).	R720.80	R752.00
	Per Officer**(tariff per hour)**	R526.82	R550.00
	Per Senior Fireman**(tariff per hour)**	R329.66	R344.00
	Per Fireman**(tariff per hour)**	R260.76	R271.00
(g)	**Special Service**		
	Refilling of cylinders(SCBA)	R46.64	R48.00
	Issuing of Dangerous Goods Certificate	R376.30	R392.00

	Issuing of Fire Certificate in business	R376.30	R392.00
	Basic Fire Fighter Training	R402.80	R420.00
	Renting of Lecture Room	R458.98	R478.00
	Extra hour	R136.74	R140.00
	Kitchen use	R136.74	R142.00
	Traffic Services	**2019/2020**	**2020/2021**
	Abnormal loads escorts and excavations		
	Per Officer (Per hour or part thereof)	R177.63	R186.50
	Per Officer Overtime (Per hour or part thereof)	R373.02	R391.60
(a)	**Sport Meetings**		
	Per Officer (Per hour or part thereof)	R267.71	R281.00
	Per Officer Overtime (Per hour or part thereof)	R372.22	R390.80
(b)	**Impounded Vehicles**		
	Hitching of vehicles	R746.82	R784.10
	Towing of the vehicle	R456.33	R479.10
	Tracing of the owner	R1049.56	R1 102.00
	Storage Fees(per day including first and last day)	R120.04	R126.00

(c)	Erection of posters DEPOSIT COST PER POSTER	R351.70 R21.15	R369.20 R21.15
(d)	Street Trading OUTSKIRTS CBD	R144.69 R127.20	R151.90 R133.50
(e)	Events Per Officer (Per hour as part thereof)	R265	R278.20

DIRECTORATE	R 2019/2020	R 2020/2021
Economic Development		
Housing and Property Management Services *(& Economic Development)*		
Leases - General: - Rental arrangements as agreed per contract	**Contractual Arrangements** ***Status quo***	**Contractual Arrangements** ***Status quo***
Leases: Sec 112(1)(d)&(e) MFMA Act 56 of 2003 Incentives to *Entrepreneurs* in **Business Cubicles** of approximately 70 m²	*R1.00 m² / p.m*	*R1.00 m² / p.m*
Leases: Sec 112(1)(d)&(e) MFMA Act 56 of 2003 Incentives to Entrepreneurs on Serviced **Light Industrial Stands** *(Stand sizes differ – average approximately 350 m²)*	*R1.00 m² / p.m*	*R1.00 m² / p.m*
Leases: Two Farm Houses (*Mooidraai*) Incentive R1`000 pm since 2008 – Approximately 220 m² Each *(Market Related Rent = R3`300.00 p.m.)*	**Incentive R1`680 p.m.**	**Incentive R1`680 p.m.**
Leases: Cell phone Communication Towers (Vodacom, etc) *Market Related Rent for a similar crèche = R1`300 pm*	**R5 0000 p.m.**	**R5 0000 p.m.**

Leases: Crèche *(Such as Erf 11711 Zamdela Ext 9)* *Market Related Rent for a similar crèche = R5`000 pm*	**Incentive** **R1`291 p.m.**	**Incentive** **R1`291 p.m.**
Leases: Temporary allocation of land not exceeding 21 days *(such Circuses / Churches for spiritual revivals / church outreaches)*	**R63.00 / day**	**R63.00 / day**
For commercial use – entertainment event)	**R1 000/day**	**R1 000/day**
Unauthorised Land Use: Public Open Space / Community Facility / Business erven Social use (NPO) – Crèches, Churches, Place of Instruction Any commercial purpose	**R250 p.m (0m² – 500m²)** **R500 p.m (exceeding 501 m²)** **R500 p.m (0m² – 500m²)** **R1000 p.m (exceeding 501 m²)**	**R250 p.m (0m² – 500m²)** **R500 p.m (exceeding 501 m²)** **R500 p.m (0m² – 500m²)** **R1000 p.m (exceeding 501 m²)**
Leases: Initiation Schools not exceeding 50days	**R1 207.00 (fixed)Water provision to be agreed with Civil Engineering**	**R1 207.00 (fixed)Water provision to be agreed with Civil Engineering**
Temporary leases for parking purposes on open portions of land	**R29.00/per day per parking bay of 40 m²**	**R29.00/per day per parking bay of 40 m²**
Leases: Cattle owners Leases - grazing	**R378.00 p.m. per cattle owner**	**R378.00 p.m. per cattle owner**
<u>Deposit Payments at Hostels / Thembalethu</u> The Council re-confirm that since September 1994 deposit payments was not a requirement and /or will not be a requirement for beneficiaries / tenants moving onto residential stands and / or into municipal dwelling / rental units , either: 1 A rental deposit and / or	Not a requirement ***Status quo***	Not a requirement ***Status quo***

2 Other deposit payments such as consumer services deposit payments		
Leases: Assisted Sub-Economic Rental Stock		
Six (6) semi-detached - / row houses in Sasolburg Extension 1 one and (1) house in Sasolburg Extension 19 reserved / earmarked as rental stock for the elderly, disabled and poor households restricted to households in the *deep down-market range* earning between R800.00 per month to R3,500.00 per month *Market related rent for a similar house = R3100 pm* *Note: Pre-paid meters to be installed in ALL rental stock units to recover electrical services costs* Erf 1499 Sasolburg Ext 1 (83 m²) Grobler 12 Sasolburg X 1 Erf 1500 Sasolburg Ext 1 (83 m²) Grobler 14 Sasolburg X 1 Erf 1501 Sasolburg Ext 1 (83 m²) Grobler 16 Sasolburg X 1 Erf 1502 Sasolburg Ext 1 (83 m²) Philip Botha 2 Sasolburg X 1 Erf 1503 Sasolburg Ext 1 (98 m²) Philip Botha 4 Sasolburg X 1 Erf 1504 Sasolburg Ext 1 (98m²) Philip Botha 6 Sasolburg X 1 Erf 12884 Sasolburg Ext 1 (128 m²) Candlewood 6 Sasolburg X 19	**Calculated at 20% of monthly household income implying that the average monthly rental should not exceed R615.00 per month *(excluding consumer services*) for qualifying beneficiaries**	**Calculated at 20% of monthly household income implying that the average monthly rental should not exceed R615.00 per month *(excluding consumer services*) for qualifying beneficiaries**
Leases: Thembalethu Hostel (141 x 101,02 m² units) *Pre-paid meters to be installed in all rental stock units to recover electrical services cost*	**R 2019/2020**	**R 2020/2021**
Block A - 24 x units (shower & bath) *Market Related Rent for three bedroom units = R2`500 pm*	**Incentive R1`470 p.m.**	**Incentive R1`470 p.m.**

Block B - 18 x units (shower & bath) *Market Related Rent for three bedroom units = R2`500 pm*	**R1`470 p.m.**	**R1`470 p.m.**
Block C - 24 x units (shower) *Market Related Rent for two bedroom units = R2`000 pm*	**R1 300.00 p.m.**	**R1 300.00 p.m.**
Block D - 18 x units (shower) *Market Related Rent for two bedroom units = R2`000 pm*	**R1 300.00 p.m.**	**R1 300.00 p.m.**
Block E - 30 x units (shower) *Market Related Rent for two bedroom units = R2`000 pm*	**R1 300.00 p.m.**	**R1 300.00 p.m.**
Block F - 9 x units (shower) *Market Related Rent for two bedroom units = R2`000 pm*	**R1 300.00 p.m.**	**R1 300.00 p.m.**
Single Units - 18 x beds (6 x flats with 3 x bedrooms) *Market Related Rent for Bachelor Flats = R1`200 pm*	**R600.00 p.m**	**R600.00 p.m**
(Other)		
Tariffs are in accordance to size of the property *(Tuck shop / Churches / others)* *($0m^2$ -$25m^2$)* *($26m^2$ – $80m^2$)* *(exceeding $80m^2$)*	 R115.20 p.m R231.00 p.m R267.00 p.m	 R115.20 p.m R231.00 p.m R267.00 p.m
Tuck shop / Churches (62 m²)	**R231.00 p.m**	**R231.00 p.m**
Tuck shop / Milk depot (13 m²)	**R115.00 p/day**	**R115.00 p/day**
Tuck shop / F Shai (22 m²)	**R115.50 p.m**	**R115.50 p.m**
Tuck shop / M Kok (22 m²)	**R115.50 p.m**	**R115.50 p.m**
Tuck shop / L Tau (22 m²)	**R115.50 p.m**	**R115.50 p.m**
Tuck shop / Dry Cleaners (37 m²)	**R115.50 p.m**	**R115.50 p.m**
Tuck shop / Hair Saloon (41 m²)	**R231.00 p.m**	**R231.00 p.m**
Tuck shop / Upholsterer (46 m²)	**R231.00 p.m**	**R231.00 p.m**
Tuck shop / Dressmaking (80 m²)	**R231.00 p.m**	**R231.00 p.m**
Tuck shop / Crèche (197 m²)	**R231.00 p.m**	**R231.00 p.m**
Tuck shop / Video Shop (207 m²)	**R267.00 p.m**	**R267.00 p.m**

Former kitchen/Hall per activity	**R267.00 p.m**	**R267.00 p.m**
Recycling Business	**R460.00 p/day**	**R460.00 p/day**
Thembalethu Community Hall	**R1 423.00 p.m**	**R1 423.00 p.m**
Thembalethu Lapa	**R357.00 p.day/ as per agreement concluded with Rejuvenation**	**R357.00 p.day/ as per agreement concluded with Rejuvenation**
Thembalethu Community Job Establishment Office	**R120.00 p.day**	**R120.00 p.day**
HOSTELS *Market Related Rent for a similar Hostel Unit = R500.00 pm*		
Hostel 1 = 317 units **Hostel 2 = 330 units** **Hostel 3 = 389 units** Hostel 4 = 112 units *(In process of re-development to CRU`s - hereinafter)* **Phomolong = 14 units**		
Hostel at Refengkgotso (Erf 842 From date of subdivision)	*As per Hostel Tariff*	*As per Hostel Tariff*
- Fixed Hostel Rent / Tariff - Fixed Hostel Rent / Tariff for purposes of *a maximum of 4 single persons sharing*a rental unit, that each single should contribute individually and that the rental amount of R80.00 pm. plus water consumption calculated @ 30.00 p.m. be divided by the number of persons sharing / occupying the unit *Note: Pre-paid meters to be installed in ALL rental stock units to recover electrical services costs*	**R199.00 pm** **While corrective measures are taken regarding maintenance and upgrading of services** **Then** **R362.00 pm** ***Divided by the number of people sharing)***	**R199.00 pm** **While corrective measures are taken regarding maintenance and upgrading of services** **Then** **R362.00 pm** ***Divided by the number of people sharing)***

CRU,s *(Hostel 4 Zamdela)* *Phase 1 = 128 Units* *Phase 2 = 296 Units* *(Community Residential Units – Replacement of Hostel 4 Zamdela)* *Note: Pre-paid meters to be installed in ALL rental stock units to recover electrical services costs* *Tenants in excess of R50`000 monthly income should NOT be considered for CRU`s and be accommodated conditional*	*Status Quo* **Rent determined by MEC Human Settlement AS REPLACEMENT OF RECOMMENDED TARIFFS**	*Status Quo* **Rent determined by MEC Human Settlement AS REPLACEMENT OF RECOMMENDED TARIFFS**
Bachelor	**R 567.00 p.m**	**R 567.00 p.m**
1 Bedroom self-contained	**R 750.00 p.m**	**R 750.00 p.m**
1,5 bedroom	**R 939.00 p.m**	**R 939.00 p.m**
2 Bedroom interchangeable	**R 1 207 p.m**	**R 1 207 p.m**
2 Bedroom self-contained	**R 1 207.00 p.m**	**R 1 207.00 p.m**
Tenants in excess of R15`000 monthly income to pay a market related rent and tenant in access of a threshold of R30`000 monthly income should NOT be considered for CRU`s and be accommodated conditional to vacate and be accommodated in facilities such as Thembalethu	**R2`761.00 pm**	**R2`761.00 pm**
(And / Or as amended by Provincial Government / MEC Human Settlements		
ASSET MANAGEMENT INCENTIVES *(EXEMPTED ASSETS)*	***(Council 29 August 2013)***	
Allocation of Stands to the Poor *Allocation of municipal owned residential stands included the following:* *(1) First time allocation of vacant stands* *(2) Second allocation of abandoned stands*		

(3) Third confirmation and allocation of stands occupied *(4) Re-allocation of stands in Estate cases & identified vacant municipal erven declared as `abandoned / dead` property*		
On date of application and submission of an approved IGG Registered Certificate - not older than 12 months – and for households within a threshold income not exceeding R3`000.00 p.m., NO payment will be required to a first time allocation of a residential stand	R0.00	R0.00
For income categories not exceeding a monthly income of R1`500.00 including the aged earning less than R3`500 pm an unrepeatable and one-time "allocation- / occupational land site fee"	**R110.00**	**R110.00**
For income categories exceeding R1501.00 not exceeding a monthly income of R3`500.00 an unrepeatable and one-time "allocation- / occupational land site fee"	**R330.00**	**R330.00**
For income categories from R3`501.00 not exceeding a monthly income of R7`000.00 an unrepeatable and one-time "allocation- / occupational land site fee" (FLISP)	**R661.00**	**R661.00**
For income categories from R7`001.00 not exceeding a monthly income of R15`000.00 threshold an unrepeatable and one-time "allocation- / occupational land site fee" (FLISP)	**R 1 218.00**	**R 1 218.00**
Exempted stands earmarked for housing delivery projects (RDP/BNG)for first time home owners and income categories not exceeding a monthly income of R3`500 pm	**R1 050 per stand**	**R1 050 per stand**
AUCTIONS: The Councils attorneys be given full power of attorney to act on behalf of the Council at the sale in execution of land / erven (public auction) of defaulters property and if stands are not bought to buy the properties on behalf of the Council	**R10.50 / erf**	**R10.50 / erf**
INCENTIVE LAND PRICES		
Business Erven Up to R8`000 R8001 to R12`000 R12`001 to R15`000	 **R17.50/m²** **R38.00/m²** **R51.00/m²**	 **R17.50/m²** **R38.00/m²** **R51.00/m²**

Kiosk (CBD)	**R1 102.50 pm /** subject to market valuation	**R1 102.50 pm /** subject to market valuation
Community Facility (Church) Erven	**R8.90/m²**	**R8.90/m²**
Residential Erven Up to R2`500 R2`501 to R5`000 R5`001 to R7`500 R7`501toR10`000 R10`001toR12`500 R12`501toR15`000 Exceeding R15`001	 **R3.20/m²** **R6.50/m²** **R15.00/m²** **R21.00/m²** **R32.00/m²** **R38.00/m²** **R50.00/m²**	 **R3.20/m²** **R6.50/m²** **R15.00/m²** **R21.00/m²** **R32.00/m²** **R38.00/m²** **R50.00/m²**
Servitudes over municipal owned land in terms of Sections 60 and 116 of Act 32 of 2000	**R3 790.50/ Servitude**	**R3 790.50/ Servitude**
Integrated Human Settlement Plan (IHSP)		
Hard Copies *(Per Chapter / Selection or in Whole)*	**R420.00**	**R420.00**
Electronic Format	**R120.00**	**R120.00**
Map Fragments*(Inquiries for available data)*		
Hard Copies *(A4 Format)*	**R241.50**	**R241.50**
Electronic Format	**R120.00**	**R120.00**
Application for identification of Corner Pegs / Erf Boundaries		
Informal Identification by means of General Plan Data	**R609.00**	**R609.00**
Formal Identification per SG Diagram	**As per Quotation of Service Provider** *(Land Surveyor)*	**As per Quotation of Service Provider** *(Land Surveyor)*
DEEDS OFFICE SEARCHES *(Public / Private request on Ownership)*	**R33.60 / search**	**R33.60 / search**
Attorneys, Notaries & Conveyancers *(Inquiries for a certificate on occupational status of land (Sec 52(4) Act 4 of 1984)*	**R33.60/ search**	**R33.60/ search**
LETTERS OF AUTHORITY *(Application i.t.o Sec 18(3) of Estates Act 66 of 1965 of occupational / ownership status)*	**Exempted**	**Exempted**

Confirmation of addresses by Housing	**R25.00 per inquiry**	**R25.00 per inquiry**
High Value Assets	***Status Quo*** **In excess of R50 million**	***Status Quo*** **In excess of R50 million**

THE FOLLOWING RECOMMENDED AS SPLUMA GUIDELINE TARIFFS

Urban Planning		**Amount Excl. VAT R 2019/2020**	**Amount Excl. VAT R 2020/2021**
SPLUMA Act			
Category 1: Application Type			
Township Establishment	0 - 500	R 3 828.72	**R 4 020.15**
	501 - 1000	R 5 264. 49	**R 5 527. 71**
	1000 and more	R 6 221. 67	**R 6 532.75**
Amendment of General Plan		R 1 435. 77	**R 1 507.55**
Permanent closure of public open spaces (Street, Road Reserve, Open Space, Park)		R 5 503. 79	**R 5 778.97**
Sasolburg Town Planning Scheme 1/1993 Amendments		R 5 503. 77	**R 5 778.95**
Vaal River Guide Plan applications		R 2 392. 95	**R 2 512.59**
Application for extension of boundaries of an approved township		R 3 589.43	**R 3 768.90**
Application for phasing of a Township		R 3 622.82	**R 3 803.96**
Preparation of a Town-planning Scheme on a township establishment application if prepared by Council		R 3 350.13	**R 3 517.63**
Category 2: Application Type			
Removal, amendment or suspension of restrictive title conditions		R 957. 18	**R 1 005.03**
Rezoning/De-zoning		R 2 871.54	**R 3 015.11**
Special Consent Use		R 1 435.77	**R 1 507.55**
Subdivision		R 957.18	**R 1 005.03**
Per additional 5th		R 80.14	**R 84.14**

Consolidation	R 957.18	**R 1 005.03**
Per additional 5th	R 80.14	**R 84.14**
Additional Fees / Tariffs		
Zoning Certificates	R 146.16	**R 153.46**
The withdrawal of an approved application for subdivision/consolidation	R 574.31	**R 603.02**
The amendment of the conditions on which the subdivision/consolidation was approved	R 622.17	**R 653.27**
The amendment of an approved consolidation or subdivision plan	R 622.17	**R 653.27**
Application for amendment of the conditions on which consent was given in terms of the Townships Ordinance and / or Act 4 of 1984 (Annexure F & Land Use Regulations)	R 574.31	**R 603.02**
Section 23 certificates (per certificate) for lodging of title deed with the Registrar of Deeds	R 335.13	**R 351.88**
Regulation Certificate: Subdivision / Consolidation (per subdivided portion)	R 335.13	**R 351.88**
Request for extension of time/validity period on approved land use and land development application	R 765.74	**R 804.02**
Appeal on decision	R 2 871.54	**R 3 015.11**
Building Line Relaxation	R 335.13	**R 351.88**
Servitude registration		**R 800.00**
Notarial tie registration		**R 550.00**
Consent application (Tuck shop)	R 287.15	**R 301.50**
Spatial Development Framework (SDF)		
Hard Copies	R 143.58	**R 150.75**
Electronic Format	R 71.79	**R 75.37**
Land Use Management- or Town Planning Scheme		
Hard Copies	R 287.15	**R 301.50**
Electronic Format	R 136.74	**R 143.57**
Fine- Conducting illegal land use without approved land use rights		**R5 000.00 plus R500.00 monthly after a compliance notice had**

		been issued provided that the maximum fine may not exceed R 20000.00 or 24 months imprisonment or both.
Fine- Building without approved land use rights		**R5 000.00 plus R500.00 monthly after a compliance notice had been issued provided that the maximum fine may not exceed R 20000.00 or 24 months imprisonment or both.**
Building Plan Fees / Tariffs		
Building Plan: Approval Fee	*R378.42 / application* *R23.37 / 10m² for the first 1`000m²* *R22.26/ 10m² for the following 1`000m² – namely 1`001 to 2`000m²* *R17.81 / 10m²for the following 1`000m² – namely 2`001m² to 4000m²*	*R406.79 / application* *R24.53 / 10m² for the first 1`000m²* *R23.37/ 10m² for the following 1`000m² – namely 1`001 to 2`000m²* *R18.70 / 10m²for the following 1`000m² – namely 2`001m² to 4000m²*
Site Development Plans (SDP)	R 1 168.71	**R 1 227.14**
Internal alterations on building plans Swimming pools Shade nets Boundary walls Permits Signage Inspection fee (farms / plots) Building clause certificates Billboards (Contracts) Demolition certificate Unauthorized building, worked stopped on instruction (“as built fees”)	R378.42 R 378.42 R 378.42 R 378.42 R 378.42 *R378.42* *R584.33 / plan* *R378.42* *R61.22 / m²* *R992.00* *R596.00*	**R 397.34** **R 397.34** **R 397.34** **R 397.42** **R 397.42** **R 397.42** **R 613.54** **R 397.34** **R 64.28** **R 1 041.6** **R625.8**

If building occupied prior to receiving Occupational Certificate Extension of approved building plan (for example approved building plan validity. Extensions must be applied for prior to lapse. 50% of the current applicable building plan fees (maximum 12 months)	*R1 787.00* 50% of building fees	**R 1 876.35**
Erection of building in contravention of the conditions of Act 103 of 1977 (Building regulation)		**R300.00 daily (Unless evidence is provided that the amended building plan is approved)**
Deviating from approved building plan		**R300.00 daily (Unless evidence is provided that the amended building plan is approved)**
Failure to comply with the notice in terms of Regulation A25		**R300.00 daily (Unless evidence is provided that the amended building plan is approved)**
Economic Development	**R 2019/2020**	**R 2020/2021**
Containers at Zamdela Taxi Rank	**R155.00 p.m.**	**R155.00 p.m.**
LED Strategy		
Hard Copies *(Per Chapter / Selection or in Whole)*	**R420.00 p.m.**	**R420.00 p.m.**
Electronic Format	**R115.00 p.m.**	**R115.00 p.m.**
Application for SMME / Corporate Promotions	**R115.00 p.m.**	**R115.00 p.m.**

1.5 Operating Expenditure Framework

The Municipality's expenditure framework for the 2019/20 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- Zero based budgets and incremental method based on historical information, plus inflation in line with Treasury guidelines
- All increases more than the inflation to be properly motivated.
- The filling of vacancies should support challenges identified and key priorities as adopted at the strategic workshop. The organisational structure is in the process of being revised. The evaluation of jobs must also be addressed to minimize disparities and grievance raised by employees.
- mSCOA implemented from 1 July 2017

The following table is a high level summary of the 2020/21 budget and MTREF (classified per main type of operating expenditure):

Table 13 Summary of operating expenditure by standard classification item

Operating expenditure by main type	2019/20	2020/21	2021/22	2022/23
	MTREF	MTREF	MTREF	MTREF
	R'000	R'000	R'000	R'000
Employee related costs	333,828	379,706	417,877	455,755
Remuneration of councillors	19,855	21,047	21,891	22,985
Impairment of debtors book	162,991	168,964	168,521	166,009
Other Materials	34,364	34,007	32,311	32,259
Bulk purchases-electricity	287,045	311,157	327,337	344,358
Bulk purchases-water	191,962	215,669	215,669	226,453
Contracted services	109,312	115,320	113,326	113,538
Finance charges	1,825	5,176	18,559	26,975
Grants and subsidies	156	352	350	322
General expenses	63,617	65,243	68,457	69,276
Depreciation	82,625	87,906	106,443	119,880
	1,287,580	1,404,547	1,490,741	1,577,810

Employee Related Cost:
The budgeted allocation for employee related costs for the 2020/21 financial year totals R379.7 million, which equates to 27 per cent of the total operating expenditure.
The three year collective SALGBC agreement has implemented for the period 1 July 2018 to 30 June 2021.
Salary increases as per collective agreement have been factored into this budget at a percentage increase of 6.25 per cent for the 2020/21 financial year.
An annual increase of 5.8 and 5.8 per cent has been included in the two outer years of the MTREF.

The base line for the 2020/21 salary budget is figures of the pay roll at 29 February 2020. Provision for a salary increase of 6.25% has been catered for.

Provision for salaries is made for in-sourcing of the cleansing services, R5.9 million. The in-sourcing of other services has to be phased in due to the high employee cost involved.

Based on the proposed amended structure critical vacancies need to be determined.
As a baseline, provision is made for vacancies to the effect of R**29 million** in 2020/2021 that still to be filled in 2019/2020 (after February 2020) and **for additional vacancies in 2020/2021**. The vacancies must be phased in over 2019/2020 financial year. The organisational structure is currently in the process of being reviewed.

The R29 million is made up as follows: (included all new appointments from 1 March 2020)

Directors	R7.8 million
Managers	R7.4 million
Office of Municipal Manager	R6k
Directorate Organizational Structure and Corporate	R1 million
Social services	R3 million
Fire services	R2.4 million
Technical services	R4.3 million
Financial services	R1 million
Local economic development directorate	R1.5million

Additional provision is made for contribution to a group scheme for all employees. It is based on 4.13% of salaries and Council contribution towards a group scheme will be 50%. The group scheme contribution by Council amounts to R4.1million.

Remuneration of councillors:
The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998).
The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

Debt impairment (Impairment of the Debtors Book)
The provision of debt impairment was determined based on an annual collection rate of 83 per cent and the Debt collection and Credit Control Policy of the Municipality.
For the 2020/21 financial year this amount equates to R168.5 million and decreases to R165.6 million by 2022/23.

Depreciation:
Provision for depreciation and asset impairment has been informed by the Accounting Standards. Depreciation is widely considered a proxy for the measurement of the rate of asset consumption.

Budget appropriations in this regard are R82.6 million in 2019/2020. The budget appropriation totals R87.9 million for the 2020/21 financial and equates to 6.3 per cent of the total operating expenditure.

Finance charges:
Finance charges consist primarily of the repayment of interest on long-term finance leases (cost of capital) and use of the overdraft facility. Finance charges make up 0.4 per cent (R5.1 million) of operating expenditure (excluding annual redemption for 2020/21) and increases to R26.9million (excluding annual redemption) by 2022/23

Bulk purchases Electricity and Water:
Bulk purchases are directly informed by the purchase of electricity from Eskom and water from Rand Water. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions.
The expenditures include technical losses and distribution losses for water and electricity.

Other Materials:
Other materials comprise of amongst others, materials for maintenance, cleaning materials and chemicals, stationery as well as fuel and oil for the fleet and equipment. For 2020/21 the appropriation against this group of expenditure has increased by 8.2 per cent (R2.8 million) further increase by 0.8 and 1.5 per cent for the two outer years of which budget allocation is in excess of R35 million by 2022/23.

Contracted services:
In the 2020/21 financial year, contracted services are budgeted at R115.3 million and have increased by 5.5 per cent. For the two outer years' growth has been limited to negative growth of 1.7 per cent and positive growth of 0.2 per cent. Further details relating to contracted services can be seen in Table 50 MBRR SA1 (see page 197).

General expenses:
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. Growth has been 2.6 per cent for 2020/21 and curbed at a positive growth of 4.9 and 1.2 per cent for the two outer years. Further details relating to other expenditure can be seen in Table 50 MBRR SA1 (see page 197).

CORVID 19 Expenditure included in the expenditure budget are as follows:

1.	Sound	R100 000
2.	Food Parcels	R418 000
3.	Inventory (sanitize, fumigation)	R1 671 550
4.	Danger allowance	R681 500
5.	Protective clothing	R919 000
6.	Printing Services	R164 000
	Total	**R3 954 050**

The following table gives a breakdown of the main expenditure categories for the 2020/21 year.

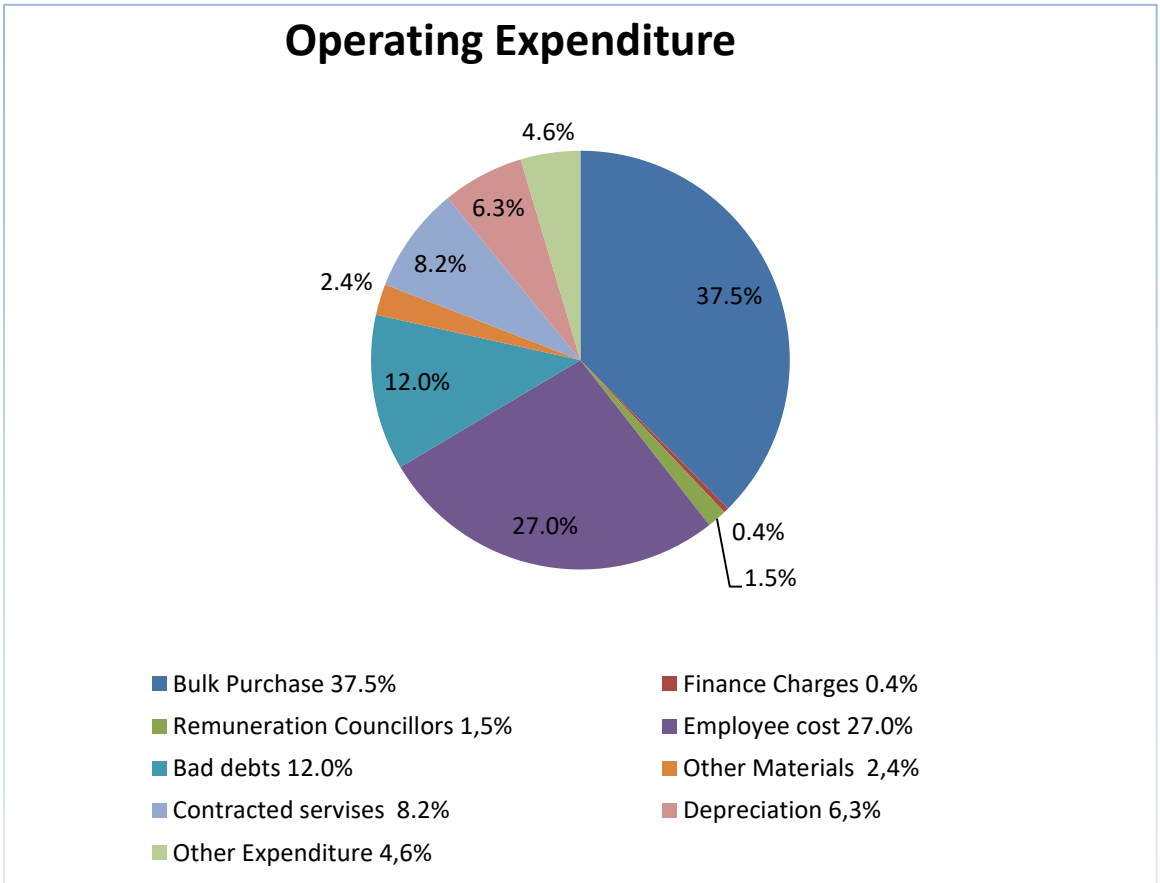

Figure 1 Main operational expenditure categories for the 2020/21 financial year

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 2019/20 budget and MTREF provide for extensive growth in the area of asset maintenance. 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. Remuneration is still included in Employee cost but in the table the employees cost of Technical Services is added to reflect the repair and maintenance cost. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

Table 14 Operational repairs and maintenance

	2016/17	2017/18	2018/19	Current 2019/20			2020/21MTREF		
R thousand	**Audit Outcome**	**Audit Outcome**	**Audit Outcome**	**Original budget**	**Adjust Budget**	**Full year forecast**	**Budget 2020/21**	**Budget 2021/22**	**Budget 2022/23**
Employee related cost	58,978	63,751	68,878	81,759	77,107	77,107	81,854	89,422	98,554
Materials and contracted services	18,942	25,495	21,776	50,841	38,742	38,742	47,627	48,181	48,906
Total repairs and maintenance expenditure	**77,920**	**89,246**	**90,654**	**132,600**	**115,849**	**115,849**	**129,481**	**137,603**	**147,460**

During the compilation of the 2020/21MTREF operational budget repairs and maintenance was identified as a strategic imperative owing to the ageing infrastructure and historic deferred maintenance.

To this end, repairs and maintenance increases by 22.9 per cent in the 2020/21 financial year, from R38.7million to R47.6 million.

As part of the 2020/21 MTREF this strategic imperative remains a priority as can be seen by the budget appropriations over the MTREF. The total allocation for 2020/21 equates to R129.5 million, an increase of 11.8 per cent in relation to the Budget and then continues to grow at 6.3 and 7.2 per cent over the MTREF.

Using 2017 as a baseline, the **repairs and maintenance budget** has grown by 66.2% in 2021 and by 2023 it will more than **double the amount that it was in 2017.**

The table below further indicates that close onto 74.3% of the repairs and maintenance goes towards roads, electricity, water and sanitation infrastructure.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:
Table 15 Repairs and maintenance per asset class

	2016/17	2017/18	2018/19	Current 2019/20			2020/21MTREF		
R thousand	**Audit Outcome**	**Audit Outcome**	**Audit Outcome**	**Original budget**	**Adjust Budget**	**Full year forecast**	**Budget 2020/21**	**Budget 2021/22**	**Budget 2022/23**
Repair and maintenance per asset class									
Infrastructure Roads	18,608	14,983	16,350	25,138	22,098	22,098	27,261	28,689	31,038
Infrastructure Electricity	17,708	23,448	21,691	29,113	29,216	29,216	29,366	31,350	34,110
Infrastructure Water	15,804	16,049	17,732	21,780	19,687	19,687	20,779	22,364	23,973
Infrastructure Sanitation	12,507	13,665	13,259	18,419	16,393	16,393	18,825	19,976	21,596
Infrastructure Other	6,603	10,065	10,454	15,242	12,802	12,802	15,472	16,698	17,882
Community	610	0	11	719	132	132	1,570	1,639	1,708
Other assets	6,080	11,036	11,157	22,189	15,521	15,521	16,208	16,887	17,153
Total Operating expenditure	**77,920**	**89,246**	**90,654**	**132,600**	**115,849**	**115,849**	**129,481**	**137,603**	**147,460**

For the 2020/21 financial year, 86.3% or R111.7 million of total repairs and maintenance will be spent on infrastructure assets. Electricity infrastructure has received 22.7% (R29.4million), road infrastructure 21.1% (R27.3 million), water 16% (R20.8 million) and sanitation 14.5% (R18.8million). These repair and maintenance **excluded** maintenance that is classified under capital projects and renewal of assets.

1.5.2 Free Basic Services: Basic Social Services Package

The social package assists 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. It is anticipated that there would 13 000 indigent households during the 2020/21 financial year. Details relating to free services, cost of free basic services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement) on page 112.

The threshold to qualify as indigent is that the household income does not exceed two times the state old age pension plus R1 500

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.

1.6 Capital expenditure

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

Table 16 2020/2021 Medium-term capital budget per vote

Capital expenditure by vote	2019/20		2020/21		2021/22		2022/23	
	Adjusted Budget	%	MTREF	%	MTREF	%		%
	R'000		R'000		R'000		R'000	
Exec. & Council (MM, Executive Mayor, Council)	**3,970**	**1.58**	**1,981**	**0.79**	**2,015**	**0.76**	**2,352**	**1.02**
Corporate Services	**2,780**	**1.10**	**4,252**	**1.69**	**3,252**	**1.23**	**3,003**	**1.31**
Social Services	**11,063**	**4.40**	**41,696**	**16.53**	**14,738**	**5.58**	**11,094**	**4.82**
Waste Management	100	0.04	11,982	4.75	6,194	2.35	4,100	1.78
Public Safety	593	0.24	8,418	3.34	2,479	0.94	1,745	0.76
Sport and Recreation	9,043	3.59	8,645	3.43	4,058	1.54	4,780	2.08
Community Services	1,327	0.53	12,651	5.01	2,007	0.76	469	0.20
Technical Services	**233,047**	**92.63**	**197,981**	**78.47**	**242,903**	**92.04**	**211,994**	**92.15**
Streets and Storm water	41,808	16.62	89,895	35.63	153,200	58.05	96,723	42.04
Sewerage	132,623	52.71	53,734	21.30	40,100	15.19	31,016	13.48
Water supply	23,104	9.18	7,183	2.85	10,801	4.09	33,997	14.78
Electricity supply	35,209	13.99	45,669	18.10	37,982	14.39	50,258	21.85

Mechanical Workshop/Buildings	303	0.12	1,500	0.59	820	0.31	0	0.00
Administration	0	0.00	0	0.00	0	0.00	0	0.00
Financial Services	**133**	**0.05**	**1,715**	**0.68**	**1,000**	**0.38**	**115**	**0.05**
Economic Dev. and Planning	**600**	**0.24**	**4,662**	**1.85**	**2**	**0.00**	**1,502**	**0.65**
Housing & Urban Planning	0		4		2		2	0.00
Economic Development	600	**0.24**	4,658	**1.85**	0	**0.00**	1,500	0.65
	251,593	**100**	**252,287**	**100**	**263,910**	**100**	**230,060**	**100**

The biggest single portion of capital expenditure is allocated to Technical Services which amounts to **R197.9 million** in 2020/2021 increase to **R212 million** in 2022/2023.

It is projected that capital expenditure will increase over the next three years. This mainly due to delays in confirmation of funding from external sources (province and district) inadequate planning by departments of their capital projects over the medium term. This issue is continuously being addressed as part of the municipality's budget reform programme. However, the two outer years will be populated with projects during the 2020/2021 budget and IDP process.

Majority of the capital expenditure, excluding housing projects, is allocated to the following:
Sewer receives 21.3 per cent, R53.7million
Roads receive 35.6 per cent, R89.9 million
Electricity 18.1%, R45.7 million, and
Water 2.9%, R7.2 million
Sport and recreation receives 3.4%, R8.6million and
Community services 5.0 %, R12.7 million

Further detail relating to asset classes and proposed capital expenditure is contained in Table 26 MBRR A9 (Asset Management) on page 107. In addition to the MBRR Table A9, MBRR Tables 47; 48 and 49 -SA34a, b, e, c provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class (refer to pages 178 to 191). Some of the salient projects to be undertaken over the medium-term includes, amongst others:

Conditional Grants

	2020/21	2021/22	2022/23
Refenkgotso new sport facility	**R2.3m**	**R2.3m**	**R1m**
Oranjeville new sport facility			**R1.7m**
Zamdela new cemetery	**R9m**	**R773k**	
Zamdela upgrade of cemetery	**R5.4m**	**R300k**	
Themba Khubeka bulk electricity supply	**R24m**	**R20.6m**	**R16.3m**
High mast lights Amelia	**R236k**		
Metsimaholo Paved Roads Ward 5, 2.012km	**R12.4m**	**R5.1m**	
Refengkgotso Paved Roads Ward 3, 2.012km	**R10.8m**	**R400k**	
Zamdela pave roads and storm water phase 2 ward 10 , 2.3km		**R17m**	**R73k**
Zamdela pave roads and storm water phase 2 ward 12, 1.1km		**R7.8m**	**R200k**
Zamdela storm water channels ward 8 , 9 and10		**R9.4m**	**R18.7m**
Installation 2537 water meters at Themba Khubeka		**R1.5m**	**R9.4m**
Rehabilitation of Oranjeville water treatment works	**R25m**	**R17m**	**R17.8m**
Gortin Sewer 4 000 yard connections Phase 4	**R286k**		
Refenkgotso rehabilitation of waste water treatment works	**R25m**	**R9.5m**	
Gortin 3 000 Sewer yard connections	**R208k**		
Replacement of old galvanised water meter pipes Zamdela			**R15.4m**
Landfill sites	**R1.427m**	**R894k**	**R 2m**

Own funding

- Upgrading of electricity substation R7m
- Electricity Networks Gortin R2m
- Office furniture R600k
- Water pumps: R500k
- ICT equipment R1.8 m
- Re-sealing of roads R10m
- Gravel roads R10m
- Replacement of AC pipes water R1.5m

Furthermore, Annexure A on pages __ to _contains a detailed breakdown of the capital budget per project over the medium-term.

The following graph provides a breakdown of the capital budget to be spent on infrastructure related projects over the MTREF.

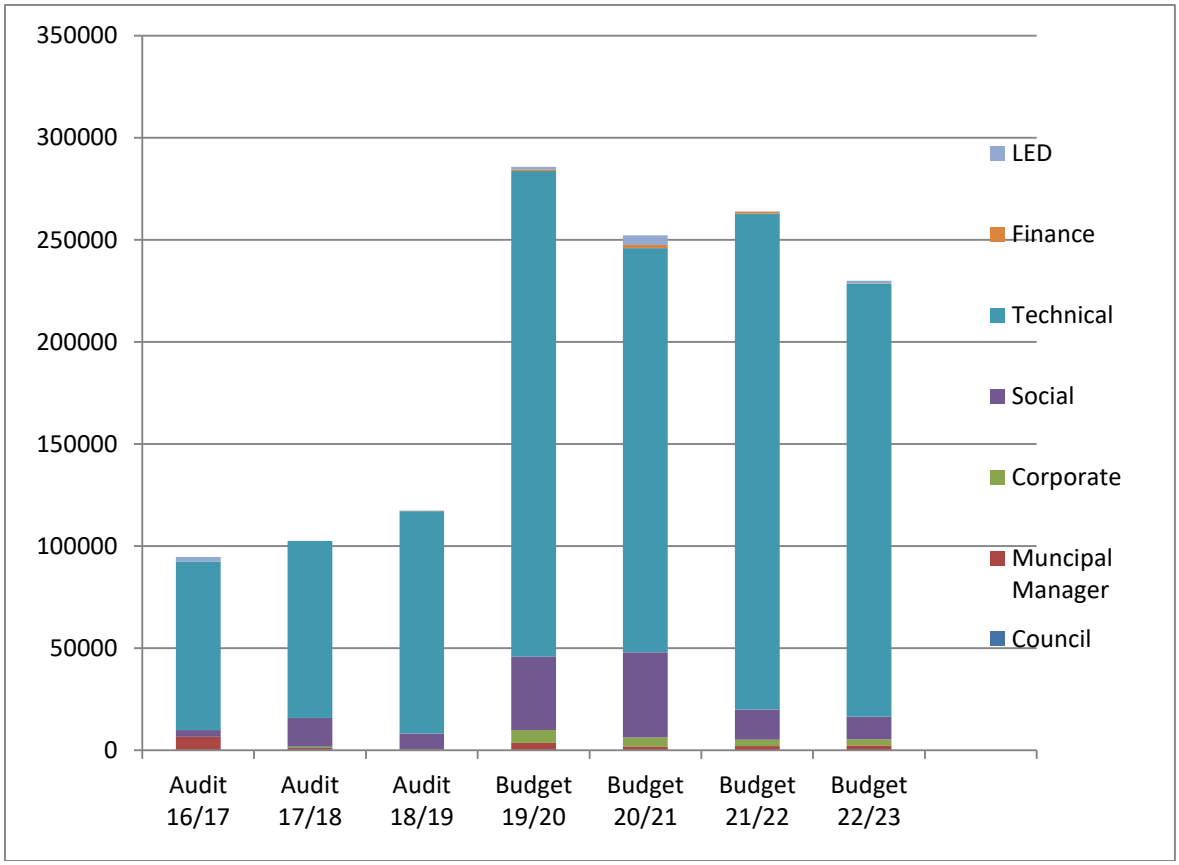

Figure 2 Capital Infrastructure Programme

The municipality is highly dependent on conditional grant funding for its capital expenditure. The cash flow of the municipality is under strain and there is a limited surplus on the operating budget which could be used for capital expenditure.

1.7 Annual Budget Tables

The following twenty-five pages present the ten main budget tables as required in terms of Section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2020/21 budget and MTREF as approved by the Council.

Each table is accompanied by explanatory notes on the facing page.

Table 17 MBRR Table A1 - Budget Summary

FS204 Metsimaholo - Table A1 Budget Summary

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Financial Performance										
Property rates	**128,980**	134,499	143,648	215,204	201,773	201,773	184,447	210,599	221,207	232,330
Service charges	533,334	639,186	698,482	831,098	846,173	846,173	758,521	906,475	962,582	1,014,429
Investment revenue	2,335	3,778	3,784	1,500	2,000	2,000	2,478	2,500	2,500	2,500
Transfers recognised - operational	131,170	150,551	168,246	189,039	189,337	189,337	187,042	208,982	229,751	252,192
Other own revenue	77,866	65,724	54,659	75,211	65,535	65,535	58,688	77,975	84,837	89,454
Total Revenue (excluding capital transfers and contributions)	873,686	993,738	1,068,819	1,312,052	1,304,817	1,304,817	1,191,176	1,406,532	1,500,877	1,590,905
Employee costs	244,888	262,460	288,618	359,390	333,828	333,828	275,356	379,706	417,877	455,755
Remuneration of councillors	15,772	9,997	17,554	19,855	19,855	19,855	17,147	21,047	21,891	22,985
Depreciation & asset impairment	42,532	55,129	72,118	83,085	82,625	82,625	77,177	87,906	106,443	119,880
Finance charges	3,175	4,024	8,063	6,448	1,825	1,825	1,103	5,176	18,559	26,975
Materials and bulk purchases	342,880	352,377	414,318	511,948	513,370	513,370	421,384	560,832	575,317	603,069
Transfers and grants	–	9	297	42	156	156	46	352	350	322
Other expenditure	255,966	288,286	365,272	329,619	335,920	335,920	245,592	349,527	350,306	348,823
Total Expenditure	905,214	972,282	1,166,241	1,310,388	1,287,581	1,287,581	1,037,806	1,404,547	1,490,741	1,577,810
Surplus/(Deficit)	(31,528)	21,455	(97,422)	1,665	17,236	17,236	153,370	1,985	10,136	13,095
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	78,472	94,002	60,980	81,069	74,069	74,069	–	90,970	83,162	82,292
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	(10,415)	(15,883)	65,141	96,200	96,200	96,200	–	25,000	9,500	–
Surplus/(Deficit) after capital transfers & contributions	36,529	99,574	28,698	178,934	187,506	187,506	153,370	117,955	102,798	95,387
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	36,529	99,574	28,698	178,934	187,506	187,506	153,370	117,955	102,798	95,387
Capital expenditure & funds sources										
Capital expenditure	**94,638**	102,540	117,339	294,517	251,593	251,593	42,125	252,287	263,910	230,060
Transfers recognised - capital	**71,516**	97,830	113,156	177,269	170,269	170,269	35,202	118,970	92,662	82,292
Borrowing	**1,571**	900	–	55,972	37,709	37,709	–	70,972	98,600	84,700

Internally generated funds	**21,551**	3,809	4,183	61,275	43,615	43,615	6,923	62,345	72,648	63,068
Total sources of capital funds	**94,638**	102,540	117,339	294,517	251,593	251,593	42,125	252,287	263,910	230,060
Financial position										
Total current assets	**243,327**	326,674	838,444	344,423	829,793	829,793	1,110,950	819,767	829,465	836,733
Total non-current assets	**1,286,354**	1,328,434	1,688,390	1,625,784	1,857,358	1,857,358	1,653,338	2,021,739	2,179,206	2,289,386
Total current liabilities	**266,180**	258,940	984,576	285,112	1,008,585	1,008,585	1,120,339	1,028,739	988,703	959,819
Total non-current liabilities	**81,642**	82,968	3,828	59,570	35,732	35,732	3,828	56,424	143,684	228,384
Community wealth/Equity	**1,181,859**	1,313,200	1,538,431	1,625,525	1,642,834	1,642,834	1,640,122	1,756,344	1,876,284	1,937,916
Cash flows										
Net cash from (used) operating	**78,499**	97,582	75,778	234,869	196,708	196,708	196,708	184,531	170,036	147,293
Net cash from (used) investing	**(82,918)**	(85,855)	(78,184)	(286,467)	(225,393)	(225,393)	(225,393)	(249,287)	(263,910)	(230,060)
Net cash from (used) financing	**1,868**	(3,312)	(4,760)	50,359	690	690	32,606	64,330	92,870	77,197
Cash/cash equivalents at the year end	**12,628**	21,043	13,877	34,180	(10,482)	(10,482)	17,798	17,371	16,368	10,797
Cash backing/surplus reconciliation										
Cash and investments available	**12,628**	21,043	17,518	34,180	17,797	17,797	19,227	17,371	16,368	10,797
Application of cash and investments	**75,284**	23,527	(356,874)	(78,909)	(349,073)	(349,073)	(756,005)	(355,003)	(395,799)	(441,767)
Balance - surplus (shortfall)	**(62,656)**	(2,484)	374,392	113,089	366,871	366,871	775,232	372,375	412,167	452,564
Asset management										
Asset register summary (WDV)	**1,285,347**	1,328,070	1,328,329	1,625,784	1,497,297	1,497,297	1,497,297	1,661,678	1,819,145	1,929,325
Depreciation	**42,532**	55,129	72,118	83,085	82,625	82,625	82,625	87,906	106,443	119,880
Renewal and Upgrading of Existing Assets	**–**	40,743	7,546	67,589	65,544	65,544	65,544	93,928	66,668	91,166
Repairs and Maintenance	**77,920**	89,246	21,776	50,841	38,742	38,742	38,742	47,627	48,181	48,906
Free services										
Cost of Free Basic Services provided	**49,346**	28,958	36,722	53,624	60,746	60,746	64,995	64,995	66,161	69,468
Revenue cost of free services provided	**16,847**	18,534	20,216	30,731	38,072	38,072	42,128	42,128	43,791	45,535
Households below minimum service level										
Water:	8	8	8	–	–	–	–	–	–	–
Sanitation/sewerage:	14	14	2	2	2	2	2	2	2	2
Energy:	38	38	39	40	40	40	41	41	41	41
Refuse:	20	20	11	30	30	30	30	30	30	30

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating revenue and expenditure, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
    a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
    b. Capital expenditure is balanced by capital funding sources, of which

i. Transfers recognised is reflected on the Financial Performance Budget;
ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. If the municipality's cash flow is positive, and is improving it indicates that the necessary cash resources are available to fund the Capital Budget. Capital from own funding (accumulated surplus) will only be used based on the availability of cash.

4. Even though the Council is placing great emphasis on 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 cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

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

FS204 Metsimaholo - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue - Functional										
Governance and administration		**236,615**	**279,746**	**141,102**	**141,917**	**137,318**	**137,318**	**158,533**	**180,207**	**202,927**
Executive and council		6,430	–	–	–	–	–	–	–	–
Finance and administration		217,060	140,738	141,102	141,917	137,318	137,318	158,533	180,207	202,927
Internal audit		13,125	139,007	–	–	–	–	–	–	–
Community and public safety		**30,359**	**18,056**	**166,928**	**269,616**	**235,931**	**235,931**	**260,875**	**258,669**	**270,137**
Community and social services		6,290	452	470	1,950	1,980	1,980	15,134	1,810	748
Sport and recreation		1,611	13,628	2,170	17,795	9,795	9,795	2,717	2,705	3,112
Public safety		16,954	(1,610)	4,761	17,010	3,407	3,407	10,784	11,010	12,010
Housing		5,504	5,586	159,526	232,861	220,749	220,749	232,239	243,143	254,267
Economic and environmental services		**38,227**	**35,068**	**26,891**	**8,716**	**8,775**	**8,775**	**26,943**	**43,684**	**22,877**
Planning and development		762	3,192	3,022	3,902	3,961	3,961	3,782	3,908	3,928
Road transport		37,465	31,876	23,868	4,814	4,814	4,814	23,161	39,776	18,949
Trading services		**636,541**	**738,986**	**860,019**	**1,068,967**	**1,092,957**	**1,092,957**	**1,076,151**	**1,110,978**	**1,177,257**
Energy sources		273,603	267,532	311,687	322,493	325,316	325,316	354,748	371,897	384,829
Water management		279,500	349,158	405,468	528,893	544,682	544,682	547,017	582,868	636,626
Waste water management		42,013	80,289	97,014	166,325	166,370	166,370	109,904	89,462	84,225
Waste management		41,425	42,008	45,851	51,255	56,589	56,589	64,483	66,751	71,577
Other	4	**–**	**–**	**–**	**105**	**105**	**105**	**–**	**–**	**–**
Total Revenue - Functional	2	**941,742**	**1,071,856**	**1,194,939**	**1,489,321**	**1,475,086**	**1,475,086**	**1,522,502**	**1,593,538**	**1,673,197**
Expenditure - Functional	-									
Governance and administration		**210,289**	**227,590**	**257,135**	**314,752**	**264,438**	**264,438**	**281,809**	**294,607**	**307,673**
Executive and council		90,071	30,709	50,825	56,234	61,733	61,733	58,898	60,778	63,369
Finance and administration		74,790	11,218	203,799	255,693	199,797	199,797	219,827	230,579	240,873
Internal audit		45,428	185,663	2,511	2,826	2,908	2,908	3,084	3,249	3,431
Community and public safety		**83,541**	**56,083**	**84,934**	**103,749**	**138,278**	**138,278**	**145,297**	**159,362**	**174,041**
Community and social services		8,823	2,769	4,743	6,950	6,783	6,783	7,819	10,251	12,043
Sport and recreation		27,900	31,314	32,826	38,615	37,679	37,679	43,399	51,034	59,391
Public safety		43,589	17,260	41,992	52,510	50,050	50,050	49,979	53,854	58,581
Housing		3,229	4,740	5,373	5,674	43,766	43,766	44,100	44,223	44,027
Economic and environmental services		**40,997**	**84,862**	**58,502**	**95,508**	**77,589**	**77,589**	**93,548**	**117,264**	**131,568**
Planning and development		6,483	13,007	14,723	22,623	19,480	19,480	25,075	26,803	28,102
Road transport		34,514	71,855	43,779	72,885	58,110	58,110	68,473	90,461	103,466
Trading services		**570,387**	**601,892**	**763,660**	**792,604**	**804,105**	**804,105**	**880,476**	**915,800**	**960,619**
Energy sources		251,765	249,538	294,022	358,161	361,118	361,118	392,011	414,092	438,399
Water management		215,757	258,383	363,085	312,802	334,614	334,614	363,968	366,253	379,226
Waste water management		61,892	42,751	46,269	60,065	50,671	50,671	62,944	68,545	74,057
Waste management		40,972	51,220	60,284	61,577	57,702	57,702	61,553	66,911	68,938
Other	4	**–**	**1,856**	**2,009**	**3,775**	**3,170**	**3,170**	**3,416**	**3,708**	**3,907**
Total Expenditure - Functional	3	**905,214**	**972,282**	**1,166,241**	**1,310,388**	**1,287,581**	**1,287,581**	**1,404,547**	**1,490,741**	**1,577,810**
Surplus/(Deficit) for the year		**36,529**	**99,574**	**28,698**	**178,934**	**187,506**	**187,506**	**117,955**	**102,798**	**95,387**

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

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms if each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4 before capital grants.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for Water, Waste management and Waste Water Management
4. This function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure.
5. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under the Financial Services.

Table 19MBRRTableA3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

FS204 Metsimaholo - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue by Vote	1									
Vote 01 - Executive & Council		–	–	–	–	–	–	–	–	–
Vote 02 - Municipal Manager		11,512	2,553	2,300	3,183	3,183	3,183	2,952	3,124	3,138
Vote 03 - Corporate Services		792	606	888	1,300	1,306	1,306	1,307	1,300	1,300
Vote 04 - Social Services		64,054	69,928	53,253	88,010	71,771	71,771	93,119	82,277	87,448
Vote 05 - Technical Services		671,784	745,172	838,036	1,022,526	1,041,182	1,041,182	1,034,829	1,084,003	1,124,628
Vote 06 - Financial Services		190,357	246,571	293,862	362,711	345,950	345,950	369,413	401,703	432,147
Vote 07 - Local Economic Development And Planning		3,242	7,026	6,601	11,593	11,695	11,695	20,882	21,131	24,537
Total Revenue by Vote	2	**941,742**	**1,071,856**	**1,194,939**	**1,489,321**	**1,475,086**	**1,475,086**	**1,522,502**	**1,593,538**	**1,673,197**
Expenditure by Vote *to be appropriated*	1									
Vote 01 - Executive & Council		28,949	18,459	37,009	45,943	46,821	46,821	48,981	50,494	52,688
Vote 02 - Municipal Manager		26,248	49,961	62,613	74,009	74,667	74,667	74,220	76,843	78,555
Vote 03 - Corporate Services		20,503	38,180	35,468	50,877	44,374	44,374	51,800	53,598	56,457
Vote 04 - Social Services		126,158	130,116	140,289	160,871	152,548	152,548	167,440	186,899	204,074
Vote 05 - Technical Services		644,562	610,740	760,280	821,994	820,476	820,476	909,478	964,649	1,021,400
Vote 06 - Financial Services		39,751	103,778	107,122	120,909	117,996	117,996	116,420	120,335	124,934
Vote 07 - Local Economic Development And Planning		19,043	21,048	23,460	35,784	30,699	30,699	36,208	37,923	39,702
Total Expenditure by Vote	2	**905,214**	**972,282**	**1,166,241**	**1,310,388**	**1,287,581**	**1,287,581**	**1,404,547**	**1,490,741**	**1,577,810**
Surplus/(Deficit) for the year	2	**36,529**	**99,574**	**28,698**	**178,934**	**187,506**	**187,506**	**117,955**	**102,798**	**95,387**

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 organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote

The following table is an analysis of the surplus or deficit for the electricity and water trading services as well as sanitation and waste removal as economic services.

Table 20 Surplus/ (Deficit) calculations for the trading services

Description	2016/17	2017/18	2018/19	2019/20	2019/20	2019/20	2019/20	2020/21	2022/23
R Thousand	Audit outcome	Audit outcome	Audit outcome	*Orginal* Budget	*Adjusted* Budget	Full Year Forecast	MTREF	MTREF	MTREF
Electricity									
Total Revenue	301,554	314,792	316,523	**345,340**	**325,316**	**325,316**	**354,747**	371,897	384,829
Total Expenditure	299,815	258,856	298,859	**396,394**	**361,118**	**361,118**	**392,011**	414,092	438,399
Surplus/(Deficit) for the year	1,739	55,936	17,664	**-51,054**	**-35,802**	**-35,802**	**-37,264**	-42,195	-53,570
Percentage Surplus	0.58	17.77	5.58	**-14.78**	**-11.01**	**-11.01**	**-10.50**	-11.35	-13.92
Water									
Total Revenue	287,935	350,397	405,468	**531,756**	**544,682**	**544,682**	**547,017**	582,868	636,626
Total Expenditure	263,393	272,354	363,085	**369,891**	**334,615**	**334,615**	**363,968**	366,253	379,226
Surplus/(Deficit) for the year	24,542	78,043	42,383	**161,865**	**210,067**	**210,067**	**183,049**	216,615	257,400
Percentage Surplus	8.52	22.27	10.45	**30.44**	**38.57**	**38.57**	**33.46**	37.16	40.43
Sanitation									
Total Revenue	40,746	80,846	97,014	**166,475**	**166,370**	**166,370**	**109,904**	89,462	84,225
Total Expenditure	47,813	42,774	45,751	**61,123**	**49,930**	**49,930**	**62,229**	67,907	73,400
Surplus/(Deficit) for the year	-7,067	38,072	51,263	**105,352**	**116,440**	**116,440**	**47,675**	21,555	10,825
Percentage Surplus	-17.34	47.09	52.84	**63.28**	69.99	69.99	**43.38**	24.09	12.85
Waste Removal									
Total Revenue	42,151	42,621	45,851	**52,073**	56,589	56,589	**64,483**	66,751	71,577
Total Expenditure	47,877	51,087	60,284	**64,437**	57,702	57,702	**61,552**	66,911	68,937
Surplus/(Deficit) for the year	-5,726	-8,466	-14,433	**-12,364**	-1,113	-1,113	**2,931**	-160	2,640
Percentage Surplus	-13.58	-19.86	-31.48	**-23.74**	-1.97	-1.97	**4.55**	-0.24	3.69

1. **Electricity** trading **deficit** increases over the 2020/21 MTREF from a deficit of 10.5 per cent or R37.3 million in 2020/21 to a deficit of 13.9 per cent by 2022/23. The capital grants that are

reflected as revenue are not stable over the medium term, R24.1 million in 2020/2021 R20.6 million 2021/2022 and R16.2m in 2022/2023.

2. **Water** trading surplus remains relatively constant over the MTREF translating into a surplus of 33.5 per cent, 37.2 per cent and 40.4 per cent for each of the respective financial years and is as a result of the implementation of the inclining block tariff. Capital grant of R1.5 million is reflected as revenue in 2021/2022financial year and R24.6 million in 2022/2023.

3. **Sanitation** is reflecting a surplus over the 2020/21 MTREF from a surplus of 43.4 per cent or R47.7 million in 2020/21 to a surplus of 12.9 per cent by 2022/23. The capital grants that are reflected as revenue decreased in the last two periods. Capital grant reflects as revenue in 2020/2021 is R50.5 million, R26.5 million in 2021/2022 and R17.8 million in 2022/2023

4. **Waste Removal surplus** decreases over the 2020/21 MTREF from a surplus of 4.55 per cent or R2.9 million in 2020/21 to 3.69 per cent by 2022/23. Capital grant reflects as revenue in R1.4 million in 2020/2021, R894k in 2021/2022 and R2 million in 2022/2023.

5. Indirect cost is not included in the figures above.

6. The vacancies are not included in the above services but at the vote of the relevant director.

Table 21MBRRTable A4 - Budgeted Financial Performance (revenue and expenditure)

FS204 Metsimaholo - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source											
Property rates	2	128,980	134,499	143,648	215,204	201,773	201,773	184,447	210,599	221,207	232,330
Service charges - electricity revenue	2	251,742	261,352	272,953	293,928	296,860	296,860	282,062	314,935	334,176	350,792
Service charges - water revenue	2	230,672	321,161	365,987	478,442	485,493	485,493	400,389	511,534	543,240	573,215
Service charges - sanitation revenue	2	22,087	26,522	27,518	29,892	29,900	29,900	33,541	42,370	44,899	47,534
Service charges - refuse revenue	2	28,834	30,150	32,024	28,836	33,920	33,920	42,529	37,636	40,268	42,889
Rental of facilities and equipment		6,069	6,156	5,852	6,567	6,083	6,083	5,301	6,288	6,595	6,607
Interest earned - external investments		2,335	3,778	3,784	1,500	2,000	2,000	2,478	2,500	2,500	2,500
Interest earned - outstanding debtors		25,072	32,955	37,327	36,270	41,470	41,470	45,126	38,725	44,888	44,888
Dividends received		99	107	115	–	100	100	123	100	100	100
Fines, penalties and forfeits		16,285	9,851	4,055	16,920	2,920	2,920	713	10,420	10,920	11,920
Licences and permits		117	115	106	211	211	211	26	211	211	211
Agency services											
Transfers and subsidies		131,170	150,551	168,246	189,039	189,337	189,337	187,042	208,982	229,751	252,192
Other revenue	2	30,225	16,539	7,121	15,243	14,751	14,751	7,399	22,231	22,122	25,728
Gains		–		83	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		**873,686**	**993,738**	**1,068,819**	**1,312,052**	**1,304,817**	**1,304,817**	**1,191,176**	**1,406,532**	**1,500,877**	**1,590,905**
Expenditure By Type											
Employee related costs	2	244,888	262,460	288,618	359,390	333,828	333,828	275,356	379,706	417,877	455,755
Remuneration of councillors		15,772	9,997	17,554	19,855	19,855	19,855	17,147	21,047	21,891	22,985
Debt impairment	3	139,339	160,445	234,586	152,751	162,991	162,991	148,673	168,964	168,521	166,009
Depreciation & asset impairment	2	42,532	55,129	72,118	83,085	82,625	82,625	77,177	87,906	106,443	119,880
Finance charges		3,175	4,024	8,063	6,448	1,825	1,825	1,103	5,176	18,559	26,975
Bulk purchases	2	324,847	338,344	397,280	479,007	479,007	479,007	404,705	526,826	543,006	570,811
Other materials	8	18,034	14,034	17,039	32,941	34,364	34,364	16,680	34,007	32,311	32,259
Contracted services		68,620	77,879	82,250	110,421	109,312	109,312	61,961	115,320	113,326	113,538
Transfers and subsidies		–	9	297	42	156	156	46	352	350	322
Other expenditure	4, 5	46,131	49,195	49,673	66,448	63,617	63,617	34,958	65,243	68,458	69,277
Losses		1,877	766	(1,237)	–	–	–	–	–	–	–
Total Expenditure		**905,214**	**972,282**	**1,166,241**	**1,310,388**	**1,287,581**	**1,287,581**	**1,037,806**	**1,404,547**	**1,490,741**	**1,577,810**
Surplus/(Deficit)		**(31,528)**	**21,455**	**(97,422)**	**1,665**	**17,236**	**17,236**	**153,370**	**1,985**	**10,136**	**13,095**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		78,472	94,002	60,980	81,069	74,069	74,069	–	90,970	83,162	82,292

Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	6	–	–	1,611	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)		(10,415)	(15,883)	63,529	**96,200**	**96,200**	**96,200**	–	**25,000**	**9,500**	**–**
Surplus/(Deficit) after capital transfers & contributions		**36,529**	**99,574**	**28,698**	**178,934**	**187,506**	**187,506**	**153,370**	**117,955**	**102,798**	**95,387**
Taxation											
Surplus/(Deficit) after taxation		**36,529**	**99,574**	**28,698**	**178,934**	**187,506**	**187,506**	**153,370**	**117,955**	**102,798**	**95,387**
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		**36,529**	**99,574**	**28,698**	**178,934**	**187,506**	**187,506**	**153,370**	**117,955**	**102,798**	**95,387**
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		**36,529**	**99,574**	**28,698**	**178,934**	**187,506**	**187,506**	**153,370**	**117,955**	**102,798**	**95,387**

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

1. **Total revenue (including capital transfers)**
   Total revenue is R1.523 billion in 2020/21 and increase to R1.673 billion by 2022/23. This represents a year-on-year increase of 4.67% for the 2021/22 financial year and 5.0% for the 2022/23 financial year.

2. **Property Rates**
   Revenue to be generated from property rates is R210.6 million in the 2020/21 financial year and increases to R232.3 million by 2022/23 which represents 13.9% of the operating revenue base of the Municipality and therefore remains a significant funding source for the municipality. It remains relatively constant over the medium-term and tariff increases have been factored in at between 2 and 6%% per cent, 4.9% and 4.9% for each of the respective financial years of the MTREF. The new valuation roll and classification of property was implemented from 1 July 2019

3. **Service charges – electricity, water, sanitation, refuse**
   Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the municipality totalling R906.5 million for the 2020/21 financial year and increasing to R1 014.4 million, that is 59.5% of the total revenue base and increases over the medium-term to 60.4% and 60.6 %.

4. **Transfers – operational revenue**
   Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are growing over the MTREF by 10.4% and 9.9% and 9.8% for the two outer years. The percentage share of this revenue source inclines due to the relative slow growth in service charge revenues.

5. **Budget surplus and Capital transfers**
   The budget reflects a surplus before transfer of capital grants of R1.9million, R10.1 million and R13.1 million for the years related to MTREF. Capital transfers are done in terms of GRAP and Circular 42. After accounting for capital transfers the budget reflects a surplus of R117.95million, R102.79million and R95.39million respectively.

6. **COVID 19:** Less income on water due to 10kl water (additional 4kl) free for 13 000 approved indigents, R2.2 million and no interest charges on services (except rates), R6.2 for July 2020 and August 2020.

7. The following graph illustrates the major expenditure items per type.

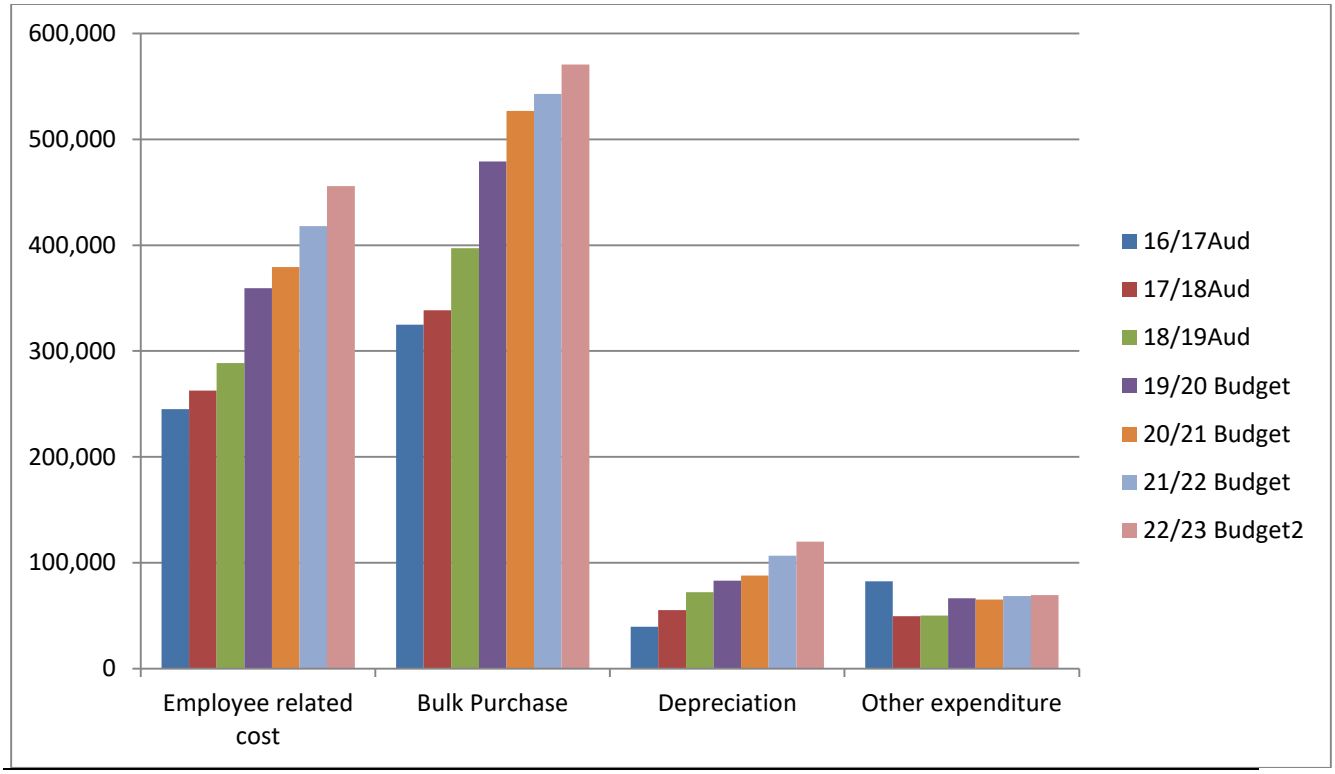

Figure 3 Expenditure by major type

8. **Bulk purchases** have significantly increased over the 2016/17 to 2022/23 period escalating from **R324.9million to R570.8 million**. This represents an increase of close to 75.7% from 2017 to 2023, an average of 10.8%per annum, which is in excess of the inflation rate in each of the years.
   These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom and water from Rand Water.

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.

Table 22 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 01 - Executive & Council		–	–	–	–	–	–	–	–	–	–
Vote 02 - Municipal Manager		5,258	–	526	2,980	3,530	3,530	1,504	1,821	1,815	2,162
Vote 03 - Corporate Services		–	–	–	5,600	2,400	2,400	32	3,800	2,500	2,800
Vote 04 - Social Services		7,958	–	168	1,504	344	344	–	3,655	3,653	3,096
Vote 05 - Technical Services		78,302	21,287	79,753	167,510	161,602	161,602	28,449	154,610	144,832	137,029
Vote 06 - Financial Services		–	–	–	–	–	–	–	–	–	–
Vote 07 - Local Economic Development And Planning		2,188	–	–	1,000	500	500	–	1,004	2	1,502
Capital multi-year expenditure sub-total	7	**93,706**	**21,287**	**80,447**	**178,594**	**168,376**	**168,376**	**29,984**	**164,890**	**152,803**	**146,589**
Single-year expenditure *to be appropriated*	2										
Vote 01 - Executive & Council		195	596	–	80	40	40	–	–	–	–
Vote 02 - Municipal Manager		–	600	28	1,735	400	400	–	160	200	190
Vote 03 - Corporate Services		–	576	104	653	380	380	8	452	752	203
Vote 04 - Social Services		16	14,154	7,324	34,632	10,720	10,720	3,144	38,041	11,085	7,998
Vote 05 - Technical Services		–	65,327	29,219	77,777	71,445	71,445	8,976	43,371	98,070	74,965
Vote 06 - Financial Services		720	–	156	747	133	133	13	1,715	1,000	115
Vote 07 - Local Economic Development And Planning		–	–	60	300	100	100	–	3,658	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		**931**	**81,252**	**36,892**	**115,923**	**83,217**	**83,217**	**12,141**	**87,397**	**111,107**	**83,471**
Total Capital Expenditure - Vote		**94,637**	**102,540**	**117,339**	**294,517**	**251,593**	**251,593**	**42,125**	**252,287**	**263,910**	**230,060**

Capital Expenditure - Functional											
Governance and administration		**5,978**	**1,772**	**908**	**14,141**	**7,186**	**7,186**	**1,754**	**9,448**	**7,087**	**5,470**
Executive and council		195	596	–	80	40	40	–	–	–	–
Finance and administration		720	–	908	14,061	7,146	7,146	1,754	9,448	7,087	5,470
Internal audit		5,063	1,176								
Community and public safety		**10,173**	**14,154**	**2,451**	**30,186**	**10,964**	**10,964**	**3,144**	**29,714**	**8,544**	**6,994**
Community and social services		4,799	63	6	2,281	1,385	1,385	–	15,852	2,057	519
Sport and recreation		4,963	11,946	832	20,953	9,043	9,043	3,144	5,545	4,058	4,780
Public safety		411	2,145	1,613	6,951	535	535	–	8,318	2,429	1,695
Housing											
Health											
Economic and environmental services		**22,602**	**22,571**	**23,450**	**49,468**	**42,408**	**42,408**	**1,503**	**91,558**	**153,202**	**98,225**
Planning and development		–	–	60	1,200	600	600	–	1,662	2	1,502
Road transport		22,602	22,571	23,390	48,268	41,808	41,808	1,503	89,895	153,200	96,723
Environmental protection											
Trading services		**55,886**	**64,043**	**90,530**	**200,723**	**191,036**	**191,036**	**35,724**	**118,567**	**95,076**	**119,371**
Energy sources		27,256	21,871	21,218	37,269	35,209	35,209	10,728	45,668	37,981	50,258
Water management		4,483	37	8,696	23,784	23,104	23,104	5,142	7,183	10,801	33,997
Waste water management		24,083	42,135	55,575	133,720	132,623	132,623	19,854	53,733	40,100	31,016
Waste management		64	–	5,041	5,950	100	100	–	11,982	6,194	4,100
Other				**–**	**–**	**–**	**–**	**–**	**3,000**	**–**	**–**
Total Capital Expenditure - Functional	3	**94,638**	**102,540**	**117,339**	**294,517**	**251,593**	**251,593**	**42,125**	**252,287**	**263,910**	**230,060**
Funded by:											
National Government		62,851	42,916	87,466	151,069	144,069	144,069	35,202	115,970	92,662	82,292
Provincial Government		–	39,030	–	–	–	–	–	–	–	–
District Municipality											

Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		8,664	15,883	25,690	26,200	26,200	26,200	–	3,000	–	–
Transfers recognised - capital	4	**71,516**	**97,830**	**113,156**	**177,269**	**170,269**	**170,269**	**35,202**	**118,970**	**92,662**	**82,292**
Borrowing	6	1,571	900	–	55,972	37,709	37,709	–	70,972	98,600	84,700
Internally generated funds		21,551	3,809	4,183	61,275	43,615	43,615	6,923	62,345	72,648	63,068
Total Capital Funding	7	**94,638**	**102,540**	**117,339**	**294,517**	**251,593**	**251,593**	**42,125**	**252,287**	**263,910**	**230,060**

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

1. Table A5 is a breakdown of the capital program in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.
3. Single-year capital expenditure has been appropriated at R87.39 million for the 2020/21 financial year and decrease over the MTREF at levels of R111.1 million and R83.47million respectively for the two outer years.
4. Multi-year capital expenditure has been appropriated at R164.89 million for the 2020/21 financial year and decrease over the MTREF at levels of R152.8 million and R146.6 million respectively for the two outer years.
5. 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.
6. The capital programs are funded from capital and provincial grants and transfers, borrowing and internally generated funds from current year surpluses. For 2020/21, capital transfers (grants) totals R116million (46 per cent) and decreases to R82.3 million by 2022/23 (35.8 per cent). Internally generated funding totalling R62.3 million, R72.6 million and R63.1 million for each of the respective financial years of the MTREF. These funding sources are further discussed in detail in paragraph 2.6 (Overview of Budget Funding).

Table 23 MBRR Table A6 -Budgeted Financial Position

FS204 Metsimaholo - Table A6 Budgeted Financial Position

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
ASSETS											
Current assets											
Cash		5,251	21,043	8,851	26,465	14,041	14,041	(14,143)	13,615	12,611	7,040
Call investment deposits	1	7,376	–	8,667	7,715	3,757	3,757	33,369	3,757	3,757	3,757
Consumer debtors	1	121,133	196,429	192,945	274,599	189,309	189,309	392,510	189,309	219,611	282,049
Other debtors		91,322	87,539	626,514	16,968	621,064	621,064	697,917	611,064	591,064	541,064
Current portion of long-term receivables		3,019	3,261	–	–	–	–	–	–	–	–
Inventory	2	15,225	18,401	1,467	18,676	1,622	1,622	1,296	2,022	2,422	2,822
Total current assets		**243,327**	**326,674**	**838,444**	**344,423**	**829,793**	**829,793**	**1,110,950**	**819,767**	**829,465**	**836,733**
Non-current assets											
Long-term receivables		1,006	364	–	–	–	–	–	–	–	–
Investments		–	–	–	–	–	–	–	–	–	–
Investment property		87,467	85,605	295,201	86,659	294,099	294,099	444,864	292,894	291,687	290,478
Investment in Associate											
Property, plant and equipment	3	1,192,898	1,238,420	1,390,096	1,533,977	1,561,793	1,561,793	1,201,655	1,730,097	1,891,012	2,005,524
Biological											
Intangible		4,421	3,485	2,532	4,588	904	904	2,526	(1,813)	(4,053)	(7,177)
Other non-current assets		561	561	561	561	561	561	4,294	561	561	561
Total non-current assets		**1,286,354**	**1,328,434**	**1,688,390**	**1,625,784**	**1,857,358**	**1,857,358**	**1,653,338**	**2,021,739**	**2,179,206**	**2,289,386**
TOTAL ASSETS		**1,529,681**	**1,655,108**	**2,526,834**	**1,970,207**	**2,687,151**	**2,687,151**	**2,764,288**	**2,841,506**	**3,008,671**	**3,126,119**
LIABILITIES											
Current liabilities	-										
Bank overdraft	1										
Borrowing	4	6,469	7,513	4,983	4,364	5,284	5,284	836	11,838	14,627	3,288
Consumer deposits		19,459	20,994	24,101	26,294	30,888	30,888	25,490	31,488	32,088	32,688
Trade and other payables	4	236,676	227,026	825,591	170,246	832,012	832,012	964,111	834,312	786,687	754,142
Provisions		3,576	3,407	129,901	84,208	140,401	140,401	129,901	151,101	155,301	169,701
Total current liabilities		**266,180**	**258,940**	**984,576**	**285,112**	**1,008,585**	**1,008,585**	**1,120,339**	**1,028,739**	**988,703**	**959,819**
Non-current liabilities											
Borrowing		12,774	8,811	3,828	59,570	35,732	35,732	3,828	56,424	143,684	228,384
Provisions		68,868	74,157	–	–	–	–	–	–	–	–
Total non-current liabilities		**81,642**	**82,968**	**3,828**	**59,570**	**35,732**	**35,732**	**3,828**	**56,424**	**143,684**	**228,384**
TOTAL LIABILITIES		**347,822**	**341,908**	**988,404**	**344,682**	**1,044,317**	**1,044,317**	**1,124,167**	**1,085,162**	**1,132,387**	**1,188,203**
NET ASSETS	5	**1,181,859**	**1,313,200**	**1,538,431**	**1,625,525**	**1,642,834**	**1,642,834**	**1,640,122**	**1,756,344**	**1,876,284**	**1,937,916**
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		1,181,859	1,313,200	1,538,431	1,625,525	1,642,834	1,642,834	1,640,122	1,756,344	1,876,284	1,937,916
Reserves	4	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	**1,181,859**	**1,313,200**	**1,538,431**	**1,625,525**	**1,642,834**	**1,642,834**	**1,640,122**	**1,756,344**	**1,876,284**	**1,937,916**

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understand ability for councillors and management of the impact of the budget on the statement of financial position (balance sheet).

2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.

3. Table 52 is supported by an extensive table of notes (SA3 which can be found on page 199) providing a detailed analysis of the major components of a number of items, including:
   - Call investments deposits;
   - Consumer debtors;
   - Property, plant and equipment;
   - Trade and other payables;
   - Provisions non- current;
   - Changes in net assets; and
   - Reserves

4. The municipal equivalent of equity is Community Wealth/Equity.
   The justification is that ownership and the net assets of the municipality belong to the community.

5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end.
   Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition, the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 24MBRRTable A7 - Budgeted Cash Flow Statement

FS204 Metsimaholo - Table A7 Budgeted Cash Flows

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		100,605	100,875	102,261	174,290	177,606	177,606	177,606	175,168	185,996	197,545
Service charges		444,319	484,006	534,418	723,261	729,932	729,932	729,932	780,376	837,854	891,289
Other revenue		14,630	15,817	16,637	22,261	23,365	23,365	23,365	38,470	38,569	43,186
Transfers and Subsidies - Operational	1	209,642	244,552	168,743	189,039	189,337	189,337	189,337	208,982	229,751	252,192
Transfers and Subsidies - Capital	1	–	–	107,902	177,269	170,269	170,269	170,269	115,970	92,662	82,292
Interest		27,201	36,490	3,409	31,604	38,427	38,427	38,427	34,642	40,206	40,655
Dividends		99	107	115	–	100	100	100	100	100	100
Payments											
Suppliers and employees		(714,821)	(780,240)	(856,243)	(1,076,365)	(1,130,427)	(1,130,427)	(1,130,427)	(1,163,648)	(1,236,193)	(1,332,669)
Finance charges		(3,175)	(4,024)	(1,464)	(6,448)	(1,825)	(1,825)	(1,825)	(5,176)	(18,559)	(26,975)
Transfers and Grants	1	–	–	–	(42)	(75)	(75)	(75)	(352)	(350)	(322)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**78,499**	**97,582**	**75,778**	**234,869**	**196,708**	**196,708**	**196,708**	**184,531**	**170,036**	**147,293**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		1,752	801	13,211	–				–	–	–
		–	–		8,050						
Decrease (increase) in non-current receivables		1,304	–		8,050				–	–	–
Decrease (increase) in non-current investments				–		–	–	–	–	–	–
Payments											
Capital assets		(85,974)	(86,656)	(91,395)	(294,517)	(225,393)	(225,393)	(225,393)	(249,287)	(263,910)	(230,060)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(82,918)**	**(85,855)**	**(78,184)**	**(286,467)**	**(225,393)**	**(225,393)**	**(225,393)**	**(249,287)**	**(263,910)**	**(230,060)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		0	–		21,692			–	–	–	–
Borrowing long term/refinancing		5,113	943	(4,760)	37,709			37,709	70,972	98,600	84,700
Increase (decrease) in consumer deposits		–	–	–	(400)	(4,594)	(4,594)	400	500	500	500
Payments											
Repayment of borrowing		(3,245)	(4,255)	–	(8,642)	5,284	5,284	(5,503)	(7,142)	(6,230)	(8,003)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**1,868**	**(3,312)**	**(4,760)**	**50,359**	**690**	**690**	**32,606**	**64,330**	**92,870**	**77,197**
NET INCREASE/ (DECREASE) IN CASH HELD		**(2,551)**	**8,415**	**(7,166)**	**(1,239)**	**(27,995)**	**(27,995)**	**3,921**	**(426)**	**(1,004)**	**(5,571)**
Cash/cash equivalents at the year begin:	2	**15,179**	**12,628**	**21,043**	**35,419**	**17,512**	**17,512**	**13,877**	**17,797**	**17,371**	**16,368**
Cash/cash equivalents at the year end:	2	**12,628**	**21,043**	**13,877**	**34,180**	**(10,482)**	**(10,482)**	**17,798**	**17,371**	**16,368**	**10,797**

Table 25 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

FS204 Metsimaholo - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Cash and investments available											
Cash/cash equivalents at the year end	1	12,628	21,043	13,877	34,180	(10,482)	(10,482)	17,798	17,371	16,368	10,797
Other current investments > 90 days		(1)	(0)	3,640	(0)	28,280	28,280	1,429	(0)	0	0
Non-current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		**12,628**	**21,043**	**17,518**	**34,180**	**17,797**	**17,797**	**19,227**	**17,371**	**16,368**	**10,797**
Application of cash and investments											
Unspent conditional transfers		7,584	1,672	9,145	–	784	784	81,281	784	784	784
Unspent borrowing		–	–	–	–	–	–		–	–	–
Statutory requirements	2										
Other working capital requirements	3	67,700	21,854	(366,019)	(78,909)	(349,857)	(349,857)	(837,286)	(355,787)	(396,583)	(442,551)
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		**75,284**	**23,527**	**(356,874)**	**(78,909)**	**(349,073)**	**(349,073)**	**(756,005)**	**(355,003)**	**(395,799)**	**(441,767)**
Surplus(shortfall)		**(62,656)**	**(2,484)**	**374,392**	**113,089**	**366,871**	**366,871**	**775,232**	**372,375**	**412,167**	**452,564**

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

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

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

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. As part of the 2019/20 mid-year review and the Budget the cash position had to be addressed as a matter of urgency and various interventions were implemented such as the reduction of expenditure allocations and rationalization of spending priorities.
4. In addition, the Municipality will undertake an extensive debt collection drive.
5. A Revenue Enhancement Strategy will be developed and implemented.
6. The 2020/21 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
7. Cash and cash equivalents totals a projected favourable R17.4 million as at the end of the 2021/22 financial year and decrease to a favourable cash and cash equivalents of R10.8 million by 2022/23.
8. The economic impact of COVID 19 can put the cash flow of the municipality under constrain.

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 table it can be seen that for the period 2016/17 to 2018/2019- the surplus (cash and cash equivalent) decreased from R12.6 million to R13.9 million.
6. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2020/21 MTREF was funded owing to the significant surplus.
7. As part of the budgeting and planning guidelines that informed the compilation of the 2020/21 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA. The budget is funded in all three financial years.
8. As can be seen the budget has been modelled to progressively decrease from a surplus of R117.9 million in 2020/21 to a surplus of R102.8 million by 2021/22 and R95.4 million in 2022/23.
9. Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. In the past these have been allowed to 'roll-over' and be spent in the ordinary course of business, but this practice has been discontinued.

Table 26 MBRR Table A9 - Asset Management

FS204 Metsimaholo - Table A9
Asset Management

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
CAPITAL EXPENDITURE										
Total New Assets	1	**94,637**	**61,797**	**109,792**	**226,928**	**186,049**	**186,049**	**158,359**	**197,242**	**138,894**
Roads Infrastructure		22,518	22,571	20,101	9,501	9,401	9,401	59,892	123,870	80,443
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		25,316	21,409	13,692	18,216	17,366	17,366	26,356	25,131	20,758
Water Supply Infrastructure		3,070	–	8,696	9,593	9,343	9,343	4,293	1,671	9,355
Sanitation Infrastructure		23,835	2,701	55,149	144,126	133,226	133,226	25,493	21,750	12,000
Solid Waste Infrastructure		64	–	–	–	–	–	1,427	894	2,000
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	250	1,000	1,000	200	200	200
Infrastructure		***74,803***	***46,681***	***97,638***	***181,686***	***170,336***	***170,336***	***117,661***	***173,517***	***124,756***
Community Facilities		–	11,139	621	17,005	9,098	9,098	12,099	4,599	3,445
Sport and Recreation Facilities		9,637	5	4	44	24	24	–	–	300
Community Assets		***9,637***	***11,144***	***625***	***17,049***	***9,122***	***9,122***	***12,099***	***4,599***	***3,745***
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		–	–	–	3,800	2,000	2,000	2,350	1,417	1,317
Housing		9,870	–	–	–	–	–	–	–	–
Other Assets		***9,870***	**–**	**–**	***3,800***	***2,000***	***2,000***	***2,350***	***1,417***	***1,317***
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		328	–	–	1,400	1,200	1,200	200	–	–
Intangible Assets		***328***	**–**	**–**	***1,400***	***1,200***	***1,200***	***200***	**–**	**–**
Computer Equipment		**–**	**304**	**310**	**1,330**	**1,330**	**1,330**	**1,570**	**1,615**	**1,940**
Furniture and Office Equipment		**–**	**460**	**164**	**2,636**	**1,070**	**1,070**	**2,157**	**5,032**	**1,987**
Machinery and Equipment		**–**	**1,382**	**2,449**	**1,479**	**992**	**992**	**3,296**	**9,282**	**3,249**
Transport Assets		**–**	**1,826**	**8,606**	**17,548**	**–**	**–**	**18,977**	**1,180**	**1,900**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**50**	**600**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Renewal of Existing Assets	2	**–**	**40,743**	**7,546**	**65,389**	**65,544**	**65,544**	**88,428**	**66,468**	**89,166**
Roads Infrastructure		–	–	–	42,000	37,000	37,000	30,000	25,000	17,000
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	7,461	13,600	12,950	12,950	15,016	12,600	26,500
Water Supply Infrastructure		–	23	–	3,000	2,950	2,950	4,000	6,450	22,642
Sanitation Infrastructure		–	39,193	–	4	10,057	10,057	25,050	17,300	17,816
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		**–**	***39,215***	***7,461***	***58,604***	***62,957***	***62,957***	***74,066***	***61,350***	***83,958***
Community Facilities		–	–	–	2,983	1,733	1,733	6,367	300	1,500

Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		**–**	**–**	**–**	***2,983***	***1,733***	***1,733***	***6,367***	***300***	***1,500***
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		–	–	–	200	–	–	4,200	–	600
Housing		–	–	–	–	–	–	–	–	–
Other Assets		**–**	**–**	**–**	***200***	**–**	**–**	***4,200***	**–**	***600***
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	1,200	–	–	–	750	–
Intangible Assets		**–**	**–**	**–**	***1,200***	**–**	**–**	**–**	***750***	**–**
Computer Equipment		**–**	**296**	**85**	**200**	**–**	**–**	**1**	**–**	**–**
Furniture and Office Equipment		**–**	**174**	**–**	**966**	**404**	**404**	**1,342**	**6**	**80**
Machinery and Equipment		**–**	**461**	**–**	**521**	**450**	**450**	**1,579**	**600**	**869**
Transport Assets		**–**	**596**	**–**	**715**	**–**	**–**	**873**	**3,462**	**2,158**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Upgrading of Existing Assets	6	**–**	**–**	**–**	**2,200**	**–**	**–**	**5,500**	**200**	**2,000**
Roads Infrastructure		–	–	–	–	–	–	–	–	2,000
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	2,000	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	3,000	–	–
Infrastructure		**–**	**–**	**–**	**–**	**–**	**–**	***5,000***	**–**	***2,000***
Community Facilities		–	–	–	2,200	–	–	500	200	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		**–**	**–**	**–**	***2,200***	**–**	**–**	***500***	***200***	**–**
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Furniture and Office Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Machinery and Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Transport Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Capital Expenditure	4	**94,637**	**102,540**	**117,339**	**294,517**	**251,593**	**251,593**	**252,287**	**263,910**	**230,060**
Roads Infrastructure		22,518	22,571	20,101	51,501	46,401	46,401	89,892	148,870	99,443

Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		25,316	21,409	21,153	31,816	30,316	30,316	43,372	37,731	47,258
Water Supply Infrastructure		3,070	23	8,696	12,593	12,293	12,293	8,293	8,121	31,997
Sanitation Infrastructure		23,835	41,894	55,149	144,130	143,283	143,283	50,543	39,050	29,816
Solid Waste Infrastructure		64	–	–	–	–	–	1,427	894	2,000
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	250	1,000	1,000	3,200	200	200
Infrastructure		***74,803***	***85,897***	***105,099***	***240,290***	***233,293***	***233,293***	***196,727***	***234,867***	***210,714***
Community Facilities		–	11,139	621	22,189	10,832	10,832	18,966	5,099	4,945
Sport and Recreation Facilities		9,637	5	4	44	24	24	–	–	300
Community Assets		***9,637***	***11,144***	***625***	***22,232***	***10,855***	***10,855***	***18,966***	***5,099***	***5,245***
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	4,000	2,000	2,000	6,550	1,417	1,917
Housing		9,870	–	–	–	–	–	–	–	–
Other Assets		***9,870***	–	–	***4,000***	***2,000***	***2,000***	***6,550***	***1,417***	***1,917***
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		328	–	–	2,600	1,200	1,200	200	750	–
Intangible Assets		***328***	–	–	***2,600***	***1,200***	***1,200***	***200***	***750***	–
Computer Equipment		–	**600**	**396**	**1,530**	**1,330**	**1,330**	**1,571**	**1,615**	**1,940**
Furniture and Office Equipment		–	**633**	**164**	**3,602**	**1,474**	**1,474**	**3,499**	**5,038**	**2,067**
Machinery and Equipment		–	**1,844**	**2,449**	**2,000**	**1,442**	**1,442**	**4,875**	**9,882**	**4,118**
Transport Assets		–	**2,422**	**8,606**	**18,263**	–	–	**19,850**	**4,642**	**4,058**
Land		–	–	–	–	–	–	**50**	**600**	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class		**94,637**	**102,540**	**117,339**	**294,517**	**251,593**	**251,593**	**252,287**	**263,910**	**230,060**
ASSET REGISTER SUMMARY - PPE (WDV)	5	1,285,347	1,328,070	1,328,329	1,625,784	1,497,297	1,497,297	1,661,678	1,819,145	1,929,325
Roads Infrastructure		213,251	252,672	201,408	276,588	223,786	223,786	289,044	405,756	469,012
Storm water Infrastructure		–	–	29,433	–	29,433	29,433	29,433	29,433	29,433
Electrical Infrastructure		187,571	199,811	201,457	226,241	220,746	220,746	251,450	272,971	300,969
Water Supply Infrastructure		165,540	152,326	150,989	163,722	140,835	140,835	126,254	110,629	117,134
Sanitation Infrastructure		246,750	266,413	58,077	457,356	196,350	196,350	242,236	273,594	293,277
Solid Waste Infrastructure		11,048	(259)	2,742	(0)	2,738	2,738	4,113	4,926	6,778
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure		–	–	–	469	1,000	1,000	4,200	4,400	4,600
Infrastructure		***824,161***	***870,963***	***644,105***	***1,124,376***	***814,887***	***814,887***	***946,731***	***1,101,711***	***1,221,204***
Community Assets		9,637	11,315	334,506	343,509	343,059	343,059	359,363	361,703	364,027
Heritage Assets		**561**	**561**	**561**	**561**	**561**	**561**	**561**	**561**	**561**
Investment properties		**87,467**	**85,605**	**295,201**	**86,659**	**294,099**	**294,099**	**292,894**	**291,687**	**290,478**
Other Assets		362,998	356,141	–	12,483	460	460	5,424	4,953	4,873
Biological or Cultivated Assets										

Intangible Assets		524	3,485	2,532	4,588	904	904	(1,813)	(4,053)	(7,177)
Computer Equipment		**–**	**–**	**5,128**	**(458)**	**4,115**	**4,115**	**3,058**	**1,754**	**481**
Furniture and Office Equipment		**–**	**–**	**1,504**	**4,095**	**1,862**	**1,862**	**3,743**	**7,249**	**7,636**
Machinery and Equipment		**–**	**–**	**20,789**	**14,581**	**16,735**	**16,735**	**15,372**	**17,039**	**11,945**
Transport Assets		**–**	**–**	**24,003**	**34,891**	**20,615**	**20,615**	**36,296**	**35,942**	**34,697**
Land		**–**	**–**	**–**	**500**	**–**	**–**	**50**	**600**	**600**
Zoo's, Marine and Non-biological Animals										
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	**1,285,347**	**1,328,070**	**1,328,329**	**1,625,784**	**1,497,297**	**1,497,297**	**1,661,678**	**1,819,145**	**1,929,325**
EXPENDITURE OTHER ITEMS		**120,452**	**144,375**	**93,894**	**133,926**	**121,367**	**121,367**	**135,533**	**154,624**	**168,786**
Depreciation	7	42,532	55,129	72,118	83,085	82,625	82,625	87,906	106,443	119,880
Repairs and Maintenance by Asset Class	3	**77,920**	**89,246**	**21,776**	**50,841**	**38,742**	**38,742**	**47,627**	**48,181**	**48,906**
Roads Infrastructure		6,396	1,231	1,881	4,921	5,173	5,173	8,411	8,411	8,820
Storm water Infrastructure		–	–	–	1,830	325	325	1,530	1,535	1,490
Electrical Infrastructure		2,960	7,902	4,715	9,475	10,919	10,919	8,312	8,513	8,614
Water Supply Infrastructure		2,643	1,438	1,711	3,170	1,462	1,462	2,170	2,170	2,170
Sanitation Infrastructure		2,921	3,620	2,704	5,387	4,565	4,565	6,301	6,301	6,470
Solid Waste Infrastructure		–	1	–	717	–	–	517	518	518
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***14,919***	***14,191***	***11,011***	***25,499***	***22,445***	***22,445***	***27,240***	***27,447***	***28,083***
Community Facilities		607	–	11	257	74	74	963	1,005	1,045
Sport and Recreation Facilities		3	–	–	462	58	58	606	634	662
Community Assets		***610***	**–**	***11***	***719***	***132***	***132***	***1,570***	***1,639***	***1,708***
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		802	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		***802***	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		–	4,204	661	7,272	1,014	1,014	2,319	2,362	2,297
Housing		–	–	–	–	–	–	–	–	–
Other Assets		**–**	***4,204***	***661***	***7,272***	***1,014***	***1,014***	***2,319***	***2,362***	***2,297***
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment		**58,978**	**63,751**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Furniture and Office Equipment		**699**	**3,080**	**3,507**	**6,382**	**5,089**	**5,089**	**5,948**	**6,053**	**6,223**
Machinery and Equipment		**95**	**775**	**873**	**2,554**	**788**	**788**	**1,470**	**1,526**	**1,391**
Transport Assets		**1,817**	**3,245**	**5,713**	**8,416**	**9,275**	**9,275**	**9,080**	**9,154**	**9,204**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL EXPENDITURE OTHER ITEMS		**120,452**	**144,375**	**93,894**	**133,926**	**121,367**	**121,367**	**135,533**	**154,624**	**168,786**
Renewal and upgrading of Existing Assets as % of total capex		*0.0%*	*39.7%*	*6.4%*	*22.9%*	*26.1%*	*26.1%*	*37.2%*	*25.3%*	*39.6%*
Renewal and upgrading of Existing Assets as % of deprecn		*0.0%*	*73.9%*	*10.5%*	*81.3%*	*79.3%*	*79.3%*	*106.8%*	*62.6%*	*76.0%*
R&M as a % of PPE		*6.5%*	*7.2%*	*1.6%*	*3.3%*	*2.5%*	*2.5%*	*2.8%*	*2.5%*	*2.4%*
Renewal and upgrading and R&M as a % of PPE		*6.0%*	*10.0%*	*2.0%*	*7.0%*	*7.0%*	*7.0%*	*9.0%*	*6.0%*	*7.0%*

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

2. **National Treasury has recommended that municipalities should allocate At least 40 per cent of their capital budget to the renewal of existing assets. Allocations to repairs and maintenance should be 8 per cent of PPE.**

   The requirements on repairs and maintenance are just under 8%when the employee related cost is added to materials, 2020/21 7.48 per cent, 2021/22 7.28 per cent and 2022/23 7.35 per cent.

3. **The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF. It highlights the Municipality's strategy to address the maintenance backlog.**

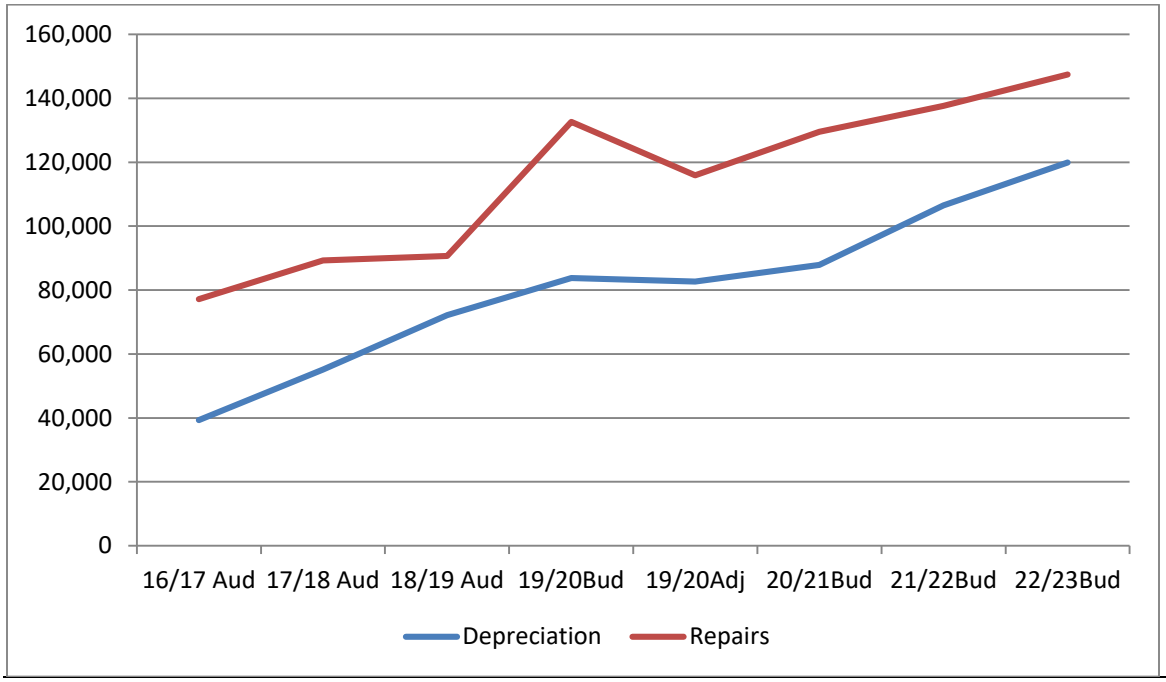

Figure 4 Depreciation in relation to repairs and maintenance over the MTREF

Table 27 MBRR Table A10 - Basic Service Delivery Measurement

FS204 Metsimaholo - Table A10
Basic service delivery measurement

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Household service targets	1									
Water:										
Piped water inside dwelling		–	–	13,945	13,945	13,945	13,945	15,945	15,945	15,945
Piped water inside yard (but not in dwelling)		27,000	27,000	30,955	30,955	30,955	30,955	34,433	34,433	34,433
Using public tap (at least min.service level)	2	–	–	2,500	2,500	2,500	2,500	2,000	2,000	2,000
Other water supply (at least min.service level)	4	–	–	10	10	10	10	10	10	10
Minimum Service Level and Above sub-total		27,000	27,000	47,410	47,410	47,410	47,410	52,388	52,388	52,388
Using public tap (< min.service level)	3	7,670	7,670	7,670	–	–	–	–	–	–
Other water supply (< min.service level)	4	–	–	–	–	–	–	–	–	–
No water supply		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		7,670	7,670	7,670	–	–	–	–	–	–
Total number of households	5	**34,670**	**34,670**	**55,080**	**47,410**	**47,410**	**47,410**	**52,388**	**52,388**	**52,388**
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		19,368	19,368	33,591	33,591	33,591	33,591	37,591	37,591	37,591
Flush toilet (with septic tank)		1,000	1,000	1,200	1,200	1,200	1,200	1,500	1,500	1,500
Chemical toilet		–	–	–	–	–	–	–	–	–
Pit toilet (ventilated)		–	–	1,200	1,200	1,200	1,200	1,500	1,500	1,500
Other toilet provisions (> min.service level)		–	–	9,387	9,387	9,387	9,387	10,287	10,287	10,287
Minimum Service Level and Above sub-total		20,368	20,368	45,378	45,378	45,378	45,378	50,878	50,878	50,878
Bucket toilet		1,657	1,657	2,000	2,000	2,000	2,000	1,500	1,500	1,500
Other toilet provisions (< min.service level)		12,645	12,645	–	–	–	–	–	–	–
No toilet provisions		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		14,302	14,302	2,000	2,000	2,000	2,000	1,500	1,500	1,500
Total number of households	5	**34,670**	**34,670**	**47,378**	**47,378**	**47,378**	**47,378**	**52,378**	**52,378**	**52,378**
Energy:										
Electricity (at least min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (min.service level)		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Electricity (< min.service level)		680	680	702	720	720	720	730	730	730
Electricity - prepaid (< min. service level)		37,660	37,660	38,259	39,239	39,239	39,239	40,280	40,280	40,280
Other energy sources		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		38,340	38,340	38,961	39,959	39,959	39,959	41,010	41,010	41,010
Total number of households	5	**38,340**	**38,340**	**38,961**	**39,959**	**39,959**	**39,959**	**41,010**	**41,010**	**41,010**
Refuse:										
Removed at least once a week		52,000	52,000	54,000	55,000	55,000	55,000	56,000	56,000	56,000
Minimum Service Level and Above sub-total		52,000	52,000	54,000	55,000	55,000	55,000	56,000	56,000	56,000
Removed less frequently than once a week		10,000	10,000	1,000	10,000	10,000	10,000	10,000	10,000	10,000
Using communal refuse dump		–	–	–	–	–	–	–	–	–
Using own refuse dump		–	–	–	–	–	–	–	–	–
Other rubbish disposal		–	–	–	10,000	10,000	10,000	10,000	10,000	10,000
No rubbish disposal		10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Below Minimum Service Level sub-total		20,000	20,000	11,000	30,000	30,000	30,000	30,000	30,000	30,000
Total number of households	5	**72,000**	**72,000**	**65,000**	**85,000**	**85,000**	**85,000**	**86,000**	**86,000**	**86,000**
Households receiving Free Basic Service	7									

Water (6 kilolitres per household per month)		7,333	6,095	6,386	12,000	12,000	10,900	13,000	13,000	13,000
Sanitation (free minimum level service)		5,472	5,462	9,176	12,000	12,000	10,900	13,000	13,000	13,000
Electricity/other energy (50kwh per household per month)		5,940	6,385	6,087	12,000	12,000	10,900	13,000	13,000	13,000
Refuse (removed at least once a week)		7,235	7,777	7,766	12,000	12,000	10,900	13,000	13,000	13,000
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per **indigent** household per month)		25,350	9,728	10,789	11,351	18,473	18,473	14,649	13,106	13,814
Sanitation (free sanitation service to **indigent households**)		7,984	5,350	6,294	12,471	12,471	12,471	15,790	16,564	17,375
Electricity/other energy (50kwh per **indigent** household per month)		6,374	4,919	8,030	10,772	10,772	10,772	12,703	13,590	14,278
Refuse (removed once a week **for indigent households**)		9,638	8,962	11,608	19,030	19,030	19,030	21,853	22,902	24,001
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	–	–	–	–	–	–	–	–
Total cost of FBS provided		**49,346**	**28,958**	**36,722**	**53,624**	**60,746**	**60,746**	**64,995**	**66,161**	**69,468**
Highest level of free service provided per household										
Property rates (R value threshold)		35,000	35,000	35,000	50,000	50,000	50,000	50,000	50,000	50,000
Water (kilolitres per household per month)		6	6	6	6	10	10	10	6	6
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)		92	92	92	124	124	124	154	161	169
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		111	111	111	132	132	132	140	147	154
Revenue cost of subsidised services provided (R'000)	9									
Property rates **(tariff adjustment)** (**impermissable values per section 17 of MPRA**)										
Property rates exemptions, reductions and rebates **and impermissable values in excess of section 17 of MPRA)**		16,847	18,534	20,216	30,731	38,072	38,072	42,128	43,791	45,535
Water **(in excess of 6 kilolitres per indigent household per month)**		–	–	0	–	–	–	–	–	–
Sanitation **(in excess of free sanitation service to indigent households)**		–	–	–	–	–	–	–	–	–
Electricity/other energy **(in excess of 50 kwh per indigent household per month)**		–	–	–	–	–	–	–	–	–
Refuse **(in excess of one removal a week for indigent households)**		–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates										
Housing - top structure subsidies	6									
Other										
Total revenue cost of subsidised services provided		**16,847**	**18,534**	**20,216**	**30,731**	**38,072**	**38,072**	**42,128**	**43,791**	**45,535**

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The Municipality continues to make good progress with the eradication of backlogs:
    a. Water services – in process to contrasted a water reservoir.
    b. Sanitation services – backlog will be partially reduced in 2021/22
    c. Electricity services – the municipality is in process to build a new substation and the backlog will be reduced after the completion of the substation.
3. Refuse services – additional refuse removal trucks will assist in delivering

4. more efficient and extended services
5. The budget provides for a total 13 000 households to be registered as indigent in 2020/2021 and therefore entitled to receive Free Basic Services. The number is set to increase given the rapid rate of in-migration to the Municipality, especially by poor people seeking economic opportunities. The economic impact of COVID 19 can increase number of poor households.
6. It is anticipated that Free Basic Services to indigent will cost the municipality R73.1 million in 2020/21 and it increases to R77.6 million in 2022/23. The rates rebates are excluded. This is covered by the municipality's equitable share allocation from national government.

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.

2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2019) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Council approved the IDP and budget time schedule on 21 October 2019.Key dates to the time table for IDP and Budget process applicable to the process were:

- **October and November 2019** –
  Municipal Strategic Session. Detail departmental budget proposals (tariffs, capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines;
- **November and December**
  Submission of capital an operating budget information to Financial Services;
- **January and February 2020** –
  Review of the financial strategy and key economic and financial planning assumptions. This included financial forecasting and scenario considerations;
- **January 2020** –
  Council considers the 2019/20 Mid-year Budget and Performance Review
- **February 2020** –
  Council considers the 2019/20 Adjustment Budget;
- **February 2020**–
  Multi-year budget proposals are submitted to the Portfolio Committee;
- **March 2019 –**
  Recommendations are communicated to the respective departments.
- **13 March 2020(meeting 23 March 2020)**-
  Recommendations are communicated to Informal Council Meeting, and on to the respective departments. Only informal Mayoral Committee Meeting took place. The draft 2020/21 MTREF is revised accordingly;
- **31 March 2020 –**
  Tabling in Council of the draft 2020/21 IDP and 2020/21 MTREF for public consultation. Meeting did not take place due to CORVID19 lock down.
- **MTREF 2020/2021 was tabled at Council meeting OF 26 May 2020** –
- Public consultation
  27 May 2020 till 12 June 2020
- Closing date for written comments;

- **1 to 12 May 2020**– finalisation of the 2020/21 IDP and 2020/21 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; - Dates change from **15 June to 19 June 2020**
- **29 May 2020** changes to 26 June 2020 due to lock down as a result of COVID 19. Tabling of the 2020/21 MTREF to Council for consideration and approval.

2.1.2 IDP and Service Delivery and Budget Implementation Plan

The Free State Executive Council adopted a five-year Integrated Development Plan (IDP) covering the period 2017/18 to 2020/21 in July 2017. The current (2020/21) Draft IDP will mark the fourth Review of the Five Year IDP. This Draft 2020/21 IDP will be tabled at Council at 31 March 2020. (tabled 26 May 2020) Furthermore, this Draft IDP will be tabled together with the 2020/2021 MTREF.

The principal legislation in so far as the development of IDP is concerned is the Municipal Systems Act 32 of 2000. Section 25 of the Act mandates each municipal council to adopt a single, inclusive and strategic plan for the development of the municipality. As a strategic plan of the municipality, the IDP should therefore provide a clear road map for the municipality that would take it from the current situation to its desired state in five years. To this effect, the IDP must:

- Link, integrate and coordinate plans and take into account proposals for the development of the municipality.
- Align the resources and capacity of the municipality with the implementation for the plan.
- Form the policy framework and general basis on which annual budgets must be based.
- Be compatible with national and provincial development plans and planning requirements that are binding on the municipality in terms of legislation.

Integrated development planning and the product of this process, the IDP is a constitutional and legal process required of municipalities. Planning in general and the IDP in particular, is a critically important management tool to help transformation, growth and development at local government level. It is an approach to planning that involves the entire municipality and its citizens in finding the best solutions to achieve good long-term development,

The contents of the second review have been aligned to the Revised IDP Framework for Municipalities outside Metros and Secondary Cities, issued by the Department of Cooperative Governance and Traditional Affairs (CoGTA) in June 2012. It further includes the data from Census 2011 and revised service delivery targets for 2015/16, where appropriate.

2.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2020/21 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 2020/21 MTREF:

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2019/20 budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery
- Water and electricity losses be minimised
- Ownership versus of vehicles
- New valuation roll
- COVID 19

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 51, 51, 58, 64, 66, 67, 70, 72,74 ,75, 78,79,85,86,89, 91, 93, 94, 98 and 99 has been taken into consideration in the planning and prioritisation process.

DRAFT BUDGET and IDP: PUBLIC PARTICIPATION

Notice is hereby given in terms of Section 16 read with Section 17 of the Local Government Municipal Systems Act, 2000 (Act 32 of 2000) and Section 22 and 23 of the Local Government: Municipal Finance Management Act, (Act No. 56 of 2003) that the Metsimaholo Local Municipality invites members of the public and stakeholders to participate as indicated below for the 2020/21 Draft Budget and IDP.

The documents will be available for perusal and public comment from 28 May 2020 to 12 June 2020

And

Notice is hereby given in terms of Section 21 of the Municipal Systems Act, 32 of 2000 and Section 22(2) of the Municipal Finance Management Act, 56 of 2003 that the IDP for 2020/2021 has been tabled 26 May 2020 and be available from 28 May to 12 June 2020.

Copies of the IDP documents and draft Budget are available for inspection on the municipality's website (www.metsimaholo.gov.za) from 28 May to 12 June 2020. All comments and inputs on Draft IDP as well as Draft Budget should be submitted in writing in the relevant comment boxes and or via email.

Any person, who cannot write, may come during office hours to a place where a staff member of the municipality will assist or may be sent by e-mail to the following e-mail address

sello.mokoena@metsimaholo.gov.za (IDP) or amanda.vorster@metsimaholo .gov.za the invitation, will assist that person to transcribe that person's comments or representations.

Enquiries:

IDP Comments must be submitted to Sello Mokoena (IDP Manager) not later than 12 June 2020

Budget Comments must be submitted to Amanda Vorster (Budget Manager) not later than 12 June 2020

Due to the state of emergency, public participation meetings will not be held.
Public will be informed via:

1. Press release
2. Social Media such as municipal official face book
3. Pamphlets
4. Notice in newspapers
5. Website

F M Mathe
Acting Municipal Manager
PO Box 60
Sasolburg
1947
27 May 2020
(Notice No: 15/2019/2020)

2.1.4 Community Consultation

Due to the state of emergency public participation meetings were not be held.
Public were informed via:

- Press release by communication officer
- Social Media such as municipal official face book
- Pamphlets
- Notice in newspapers
- Website
- Email to residents that received accounts vis email

Comments received from the public:

- Contacted services versus staff compliment. The staff compliment is too big for municipality.
- Unnecessary use of contractors
- Lack of maintenance of infrastructure
- Influence of COVID 19 on businesses
- Increase of sewer tariffs

- Increase of electricity tariffs
- Increase in Property rates but services such as cut of tress not done
- Lack of maintenance of green belts, cutting of grass
- No capital projects for ward 16, Sasolburg
- Municipality must undergo an impartial forensic audit
- Taxi rank in Vaalpark not on capital budget
- How will municipality collect outstanding debt?
- No projects for Oranjeville/ Metsimaholo
- Oranjeville neglected
- Deneysville is neglected as no maintenance done or any capital projects
- A petition submitted from Oranjeville residents, It's email to Speaker, Executive Mayor, Administrator and acting Municipal Manager
- Lack of maintenance of roads in Vaalpark
- Condition of landfill sites in all the towns
- Problems experience with refuse removal
- No streetlights in Deneysville are working
- Deterioration of Deneysville that must a tourist attraction
- No IDP meetings held
- State of Day visitors' area in Deneysville
- Blocked storm water drains in Deneysville
- Sites in Oranjeville requested
- Relief for residents due to COVID 19 impact

2.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realised through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five-year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

The aim of this IDP compilation process 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:

Sustainable Development Goals (SDGs)

Green Paper on National Strategic Planning of 2009;

National Development Plan (Vision 2030);

The New Growth Path (2010);

Development Facilitation Act of 1995;

Provincial Growth and Development Strategy (PGDS);

National and Provincial spatial development perspectives;

Relevant sector plans, legislation and policy;

National Key Performance Indicators (NKPIs);

National Spatial Development Perspective (NSDP) and

The National Priority Outcomes.

Batho Pele Principles

Back to Basics Intervention Strategy

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2020/21 MTREF and further planning refinements that have directly informed the compilation of the budget.

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.

The municipality has through its public participation processes ensured that the Municipal Strategic Priorities were unpacked by developing key performance areas (KPAs), programmes, objectives, key performance indicators (KPIs) and targets for each of the KPAs and programmes.

The said objectives, indicators and targets have been aligned to the Provincial Priority Outputs, where possible and will form the basis for the development of the municipality's Service Delivery and Budget Implementation Plan (SDBIP) and Annual Performance Plans of Senior Management for the 2020/21Financial year.

The table below provides a summary of the strategic priorities, KPA and programmes, as draft 2020/2021 IDP

Table 28: Municipal Strategic Priorities

Strategic Objective	Key Performance Area	Programmes
1.1: Ensure Municipality broadly delivers services according to the strategic orientation based on Key Sector Plans	**KPA1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT**	**PROGRAMME:** INTEGRATED DEVELOPMENT PLANNING
4.5: To ensure development of legally compliant and credible IDP		
1.2: Ensure universal access to reliable and quality basic municipal services by all communities.		**PROGRAMME:** ROADS **PROGRAMME:** ELECTRICITY **PROGRAMME:** PORTABLE WATER **PROGRAMME:** SANITATION **PROGRAMME:** WASTE MANAGEMENT **PROGRAMME:** PARKS AND RECREATIONAL FACILITIES **PROGRAMME:** DISASTER MANAGEMENT
2.1 Create conducive environment for improving local economic development.	**KPA2: LOCAL ECONOMIC DEVELOPMENT**	**PROGRAMME**: ECONOMIC DEVELOPMENT

Strategic Objective	Key Performance Area	Programmes
2.2 Use the municipality's buying power to advance economic empowerment of SMMEs and Cooperatives.		
2.1 Create conducive environment for improving local economic development.		**PROGRAMME:**SPATIAL PLANNING
2.3 Maximise on the tourism potential of the municipality		**PROGRAMME**:TOURISM
3.1 Ensure financial management practices that enhance financial viability & compliance with the requirements of MFMA & other relevant legislation and the applicable accounting standards.	**KPA 3 : FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT**	**PROGRAMME:** REVENUE MANAGEMENT **PROGRAMME**: INDIGENT MANAGEMENT **PROGRAMME:** FINANCIAL MANAGEMENT & CONTROLS **PROGRAMME:**ANTI-FRAUD & CORRUPTION
a. To capacitate and empower workforce.	**KPA 4: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT**	**PROGRAMME:** INSTITUTIONAL DEVELOPMENT **PROGRAMME:**HUMAN RESOURCE DEVELOPMENT
b. To ensure sound labour relations so as to minimise labour disputes and disruptions c. To improve the administrative capability of the municipality.		**PROGRAMME**:LABOUR RELATIONS **PROGRAMME:** HEALTH & SAFETY **PROGRAMME:** INFORMATION COMMUNICATION AND TECHNOLOGY **PROGRAMME:** PERFORMANCE MANAGEMENT

Strategic Objective	Key Performance Area	Programmes
4.4 To build a risk conscious culture within the organisation.		**PROGRAMME**: RISK MANAGEMENT
5.1 Ensure transparency, accountability and regular engagements with communities and stakeholders 5.2 Ensure that ward committees are functional and interact with communities continuously. 5.3 Ensure that ordinary council meetings are held regularly to consider and endorse reports. 5.4 Ensure that all council committees (s 79 committees) sit regularly and process items for council decisions. 5.5 Ensure a functional governance structures. 5.7 Ensure that Councillors fulfill their duties and obligations towards	**KPA 5: GOOD GOVERNANCE AND COMMUNITY PARTICIPATION**	**PROGRAMME**: PUBLIC PARTICIPATION/STAKEHOLDER ENGAGEMENT **PROGRAMME**:GOOD GOVERNANCE
5.6 To promote Intergovernmental Relations amongst stakeholders.		**PROGRAMME:** INTERGOVERNMENTAL RELATIONS(IGR)
5.8 To ensure that there is a coherent approach in the municipality in dealing with HIV/AIDS and TB 5.9 To implement special programmes aimed at the		**PROGRAMME**: SPECIAL PROGRAMMES

Strategic Objective	Key Performance Area	Programmes
needs of vulnerable groups and youth within the community.		

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

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the new five year IDP, including:

- Strengthening the analysis and strategic planning processes of the Municipality;
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

The 2020/21 MTREF has therefore been directly informed by the IDP compilation process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 29MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

FS204 Metsimaholo - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
GOOD GOVERNANCE AND COMMUNITY PARTICIPATION	To encourage the involvement of communities and community organisations in the matters of local government.	5		11,512	–	–	–	–	–	–	–	–
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	To provide democratic and accountable government for local communities	1		792	634	843	1,330	1,341	1,341	1,337	1,330	1,330
FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT	To ensure financial management practices that enhance financial viability & compliance with the requirements of MFMA, relevant regulations and prescribed Treasury norms and standards	1		230,240	347,102	419,819	539,950	516,184	516,184	485,353	494,335	514,409
LOCAL ECONOMIC DEVELOPMENT	To promote social and economic development	3		8,747	7,026	6,540	11,593	11,695	11,695	20,882	21,131	24,537
BASIC SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT	To ensure the provision of services to communities in a sustainable manner.	2,4		690,451	717,314	767,737	936,449	945,866	945,866	1,014,930	1,076,742	1,132,921
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	**941,742**	**1,072,075**	**1,194,939**	**1,489,321**	**1,475,086**	**1,475,086**	**1,522,502**	**1,593,539**	**1,673,197**

Table 30MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

FS204 Metsimaholo - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
GOOD GOVERNANCE AND COMMUNITY PARTICIPATION	To encourage the involvement of communities and community organisations in the matters of local government.	5		55,197	28,476	47,082	58,796	58,418	58,418	60,941	63,071	65,926
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	To provide democratic and accountable government for local communities	1		20,503	79,555	90,584	117,220	110,492	110,492	117,148	121,101	125,161
FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT	To ensure financial management practices that enhance financial viability & compliance with the requirements of MFMA, relevant regulations and prescribed Treasury norms and standards	1		60,696	101,530	100,890	111,302	110,762	110,762	108,500	111,995	116,152
LOCAL ECONOMIC DEVELOPMENT	To promote social and economic development	3		19,043	21,048	23,460	35,784	30,699	30,699	36,208	37,923	39,702
BASIC SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT	To ensure the provision of services to communities in a sustainable manner.	2,4		749,775	741,675	904,224	987,285	977,210	977,210	1,081,750	1,156,650	1,230,869
Allocations to other priorities												
Total Expenditure			1	**905,214**	**972,283**	**1,166,241**	**1,310,388**	**1,287,581**	**1,287,581**	**1,404,547**	**1,490,741**	**1,577,810**

Table 31MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

FS204 Metsimaholo - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
GOOD GOVERNANCE AND COMMUNITY PARTICIPATION	To encourage the involvement of communities and community organisations in the matters of local government.	**5**		195	998	–	144	90	90	2	2	3
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	To provide democratic and accountable government for local communities	**1**		5,063	774	658	10,904	6,660	6,660	6,231	5,265	5,352
FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT	To ensure financial management practices that enhance financial viability & compliance with the requirements of MFMA, relevant regulations and prescribed Treasury norms and standards	**1**		718	–	156	747	133	133	1,715	1,000	115
LOCAL ECONOMIC DEVELOPMENT	To promote social and economic development	**3**		–	–	60	1,300	600	600	4,662	2	1,502
BASIC SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT	To ensure the provision of services to communities in a sustainable manner.	**2,4**		88,661	100,768	116,464	281,423	244,111	244,111	239,677	257,641	223,088
Allocations to other priorities			3									
Total Capital Expenditure			1	**94,637**	**102,540**	**117,339**	**294,517**	**251,593**	**251,593**	**252,287**	**263,910**	**230,060**

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, assess and reviews organisational performance which in turn is directly linked to individual employee's performance *(at this stage only for the municipal manager and managers reporting directly to the municipal manager).*

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:

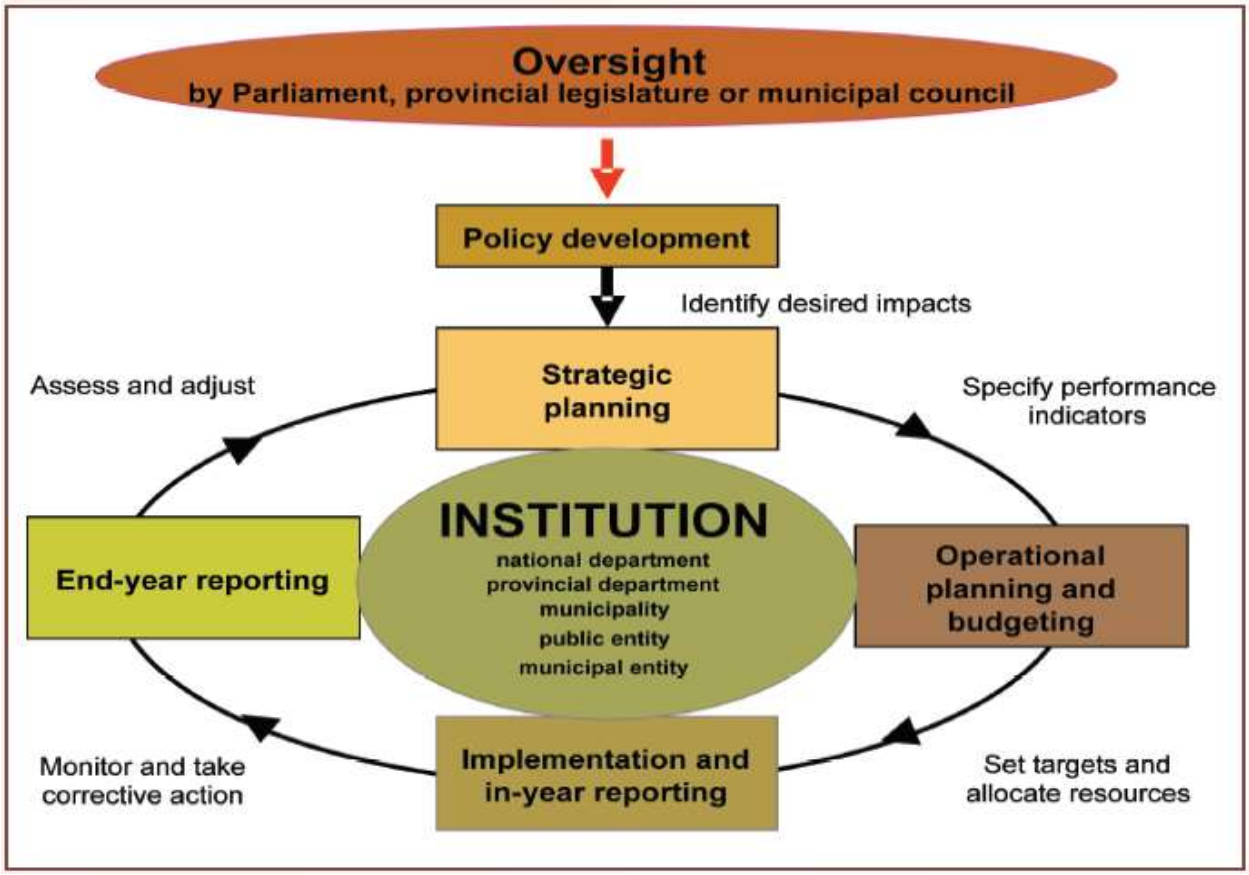

Figure 5 Planning, budgeting and reporting cycle

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

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

- Improvement (making changes where necessary).

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

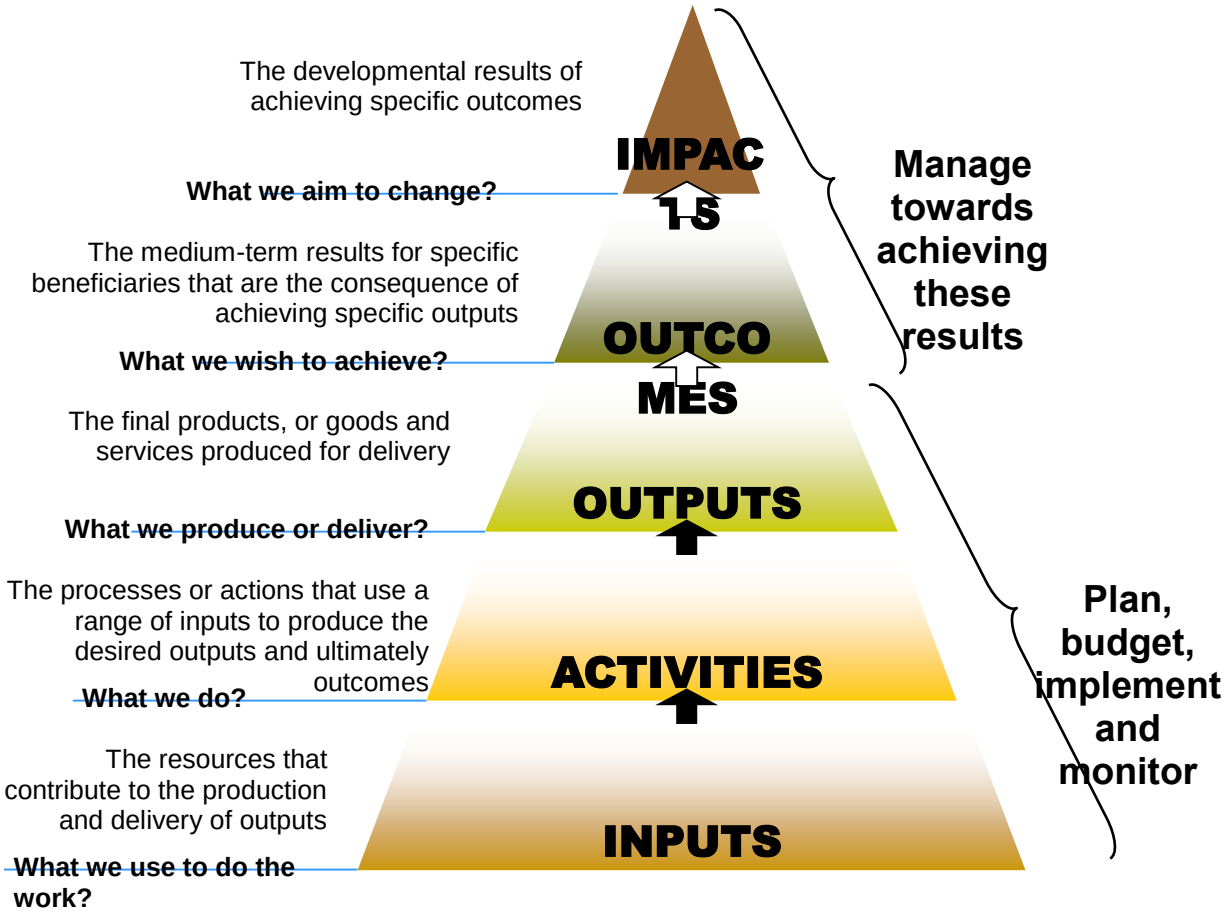

Figure 6 Definition of performance information concepts

The following table provides the main measurable performance objectives the municipality undertakes to achieve over the next five financial years

Table 32 MBRR Table SA7 - Measurable performance objectives

FS204 Metsimaholo - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
04 - Social Services										
Waste Management										
Solid Waste Removal										
No Rubbish Disposal	Households	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Removed At Least Once A Week	Households	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Removed Less Frequently Than Once A Week	Households	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
05 - Technical Services										
Energy Sources										
Electricity										
Electricity - Prepaid (< Min. Service Level)	Households	68.0%	69.0%	70.0%	72.0%	72.0%	72.0%	72.0%	72.0%	72.0%
Electricity (< Min.Service Level)	Households	68.0%	69.0%	70.0%	72.0%	72.0%	72.0%	72.0%	72.0%	72.0%
Waste Water Management										
Sewerage										
Bucket Toilet	Households	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Flush Toilet (Connected To Sewerage)	Households	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Flush Toilet (With Septic Tank)	Households	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Other Toilet Provisions (> Min.Service Level)	Households	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Pit Toilet (Ventilated)	Households	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Water Management										
Water Distribution										
Other Water Supply (At Least Min.Service Level)	Households	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Piped Water Inside Dwelling	Households	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Piped Water Inside Yard (But Not In Dwelling)	Households	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Using Public Tap (At Least Min.Service Level)	Households	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%

The following table sets out the municipalities main performance objectives and benchmarks for the 2020/21 MTREF.

Table 33 MBRR Table SA8 - Performance indicators and benchmarks

FS204 Metsimaholo - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.7%	0.9%	0.7%	1.2%	-0.3%	-0.3%	0.6%	0.9%	1.7%	2.2%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.9%	1.0%	0.9%	1.3%	-0.3%	-0.3%	0.7%	1.0%	2.0%	2.6%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	22.1%	20.0%	-113.8%	50.7%	0.0%	0.0%	544.7%	53.2%	57.6%	57.3%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	0.9	1.3	0.9	1.2	0.8	0.8	1.0	0.8	0.8	0.9
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.9	1.3	0.9	1.2	0.8	0.8	1.0	0.8	0.8	0.9
Liquidity Ratio	Monetary Assets/Current Liabilities	0.0	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		82.5%	75.6%	75.6%	87.3%	86.6%	86.6%	96.2%	85.5%	86.5%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		82.3%	75.6%	75.6%	85.8%	86.6%	86.6%	96.2%	85.5%	86.5%	87.3%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	24.8%	28.9%	76.7%	22.2%	62.1%	62.1%	91.5%	56.9%	54.0%	51.7%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	74.7%	76.5%	68.8%	83.0%	83.0%	83.0%		83.0%	84.0%	85.0%
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within`MFMA' s 65(e))	90.0%	93.0%	93.0%	94.0%	94.0%	94.0%		94.0%	94.0%	94.0%
Creditors to Cash and Investments		1814.1%	1070.9%	1665.3%	468.8%	-3126.2%	-3126.2%	990.2%	1784.5%	1725.2%	2360.2%
Other Indicators											

Electricity Distribution Losses (2)	Total Volume Losses (kW)	2082135820	19598127	13166646	1574315	1574315	1574315		15745315	15745315	15745315
	Total Cost of Losses (Rand '000)	4,060	15,686	10,353	8,852	8,852	8,852		9,646	11,094	12,757
	% Volume (units purchased and generated less units sold)/units purchased and generated	2	9.1%	6.0%	7.0%	7.0%	7.0%		7.0%	7.0%	7.0%
Water Distribution Losses (2)	Total Volume Losses (kℓ)	4,078	1,957	3,240	4,438	4,438	4,438		4,438	4,438	4,438
	Total Cost of Losses (Rand '000)	30844472	16307841	30300137	41499645	41499645	41499645		44340265	47891037	52196348
	% Volume (units purchased and generated less units sold)/units purchased and generated	22	11.4%	16.3%	17.0%	17.0%	17.0%		17.0%	17.0%	17.0%
Employee costs	Employee costs/(Total Revenue - capital revenue)	28.0%	26.4%	27.0%	27.4%	25.6%	25.6%	23.1%	27.0%	27.8%	28.6%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	29.8%	27.4%	28.6%	28.9%	27.1%	27.1%		28.5%	29.3%	30.1%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	8.9%	9.0%	2.0%	3.9%	3.0%	3.0%		3.4%	3.2%	3.1%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	5.2%	6.0%	7.5%	6.8%	6.5%	6.5%	6.6%	6.6%	8.3%	9.2%
IDP regulation financial viability indicators	_										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	18.2	247.4	22.4	33.9	33.9	33.9	24.0	25.8	26.1	27.5
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	32.2%	36.8%	96.6%	27.7%	76.9%	76.9%	115.0%	71.2%	68.1%	65.7%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.2	0.3	0.2	0.4	(0.1)	(0.1)	0.2	0.2	0.1	0.1

2.3.1.1 Borrowing Management

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

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the Municipality to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs. As part of the compilation of the 2020/21 MTREF the potential of smoothing out the debt profile over the longer term will be investigated.

2.3.1.2 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2019/20 MTREF the current ratio is 0.8 and 1.8 in the 2020/21 financial year and 1.8 and 1.9 for the two outer years of the MTREF. Going forward it will be necessary to improve these levels.

- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2019/20 financial year the ratio was 0 and changed to 1.1 in the 2020/21 financial year. This needs to be considered a pertinent risk for the municipality as any under collection of revenue will translate into serious financial challenges for the Municipality. As part of the longer term financial planning objectives this ratio will have to be set at a minimum of 1.

2.3.1.3 Revenue Management

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

2.3.1.4 Creditors Management

- The Municipality has managed to ensure that 90 per cent of creditors are settled within the legislated 30 days of invoice. By applying daily cash flow management, the municipality has managed to ensure creditors can be paid.
- Payments to creditors as per invoice date: 94% paid within 30 days
- Payments to creditors as per date when the invoice is received by Finance department: 99% paid within 30 days.

2.3.1.5 Other Indicators

- The electricity distribution losses have kept unchanged at 7 per cent in the 2020/21 financial year the MTREF. The initiatives to ensure these targets are achieved include managing illegal connections and theft of electricity by rolling out smart metering systems, including prepaid meters.

- The water distribution losses changed to 17 per cent in 2020/21

- Employee costs as a percentage of operating revenue stabilised over the MTREF.

- Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also stabilising.

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

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. With the exception of water, electricity and basic sewer, only registered indigents qualify for the free basic services.

For the 2020/21 financial year 13 000 registered indigents have been provided for in the budget. In terms of the Municipality's indigent policy registered households are entitled to 6kℓ fee water, basic water and electricity charges (availability charges),50 kWh of electricity, sanitation and free waste removal once a week, as well as a discount and additional up to maximum of R50.00 per month. However, for the month of July 2020 and August 2020 approved indigent will received10kl water free, that is additional 4kl water free per month

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement) on page112.

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

2.3.3 Providing clean water and managing waste water

The Municipality is the Water Services Authority for the entire municipality in terms of the Water Services Act, 1997 and acts as water services provider. Approximately 71 per cent of the Municipality's bulk water needs are provided directly by Rand Water in the form of purified water. The remaining 29 per cent is generated from the Municipality's water treatment works in Deneysville and Oranjeville.

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

The Municipality were awarded 84.6% on the Blue Drop status, with the Municipality's drinking water quality being within the desired standards. The Metsimaholo Water Treatment Plant was awarded the best medium sized drinking water treatment works by the Department of Water Affairs. The municipality is awaiting the score of the latest assessment.

The 2 waste water treatment works will require renewals/upgrading to meet the minimum Green Drop certification standards. The Municipality received a 68.6% score on the 2013 audit and was amended for the vast improvement shown across all the systems. The municipality is awaiting the score of the latest assessment.

The following is briefly the main challenges facing the Municipality in this regard:

- The infrastructure at most of the waste water treatment works is old and insufficient to treat the increased volumes of waste water to the necessary compliance standard;

- Shortage of skilled personnel makes proper operations and maintenance difficult;
- Electrical power supply to some of the plants is often interrupted which hampers the purification processes; and
- There is a lack of proper regional catchment management, resulting in storm water entering the sewerage system.

The following are some of the steps that have been taken to address these challenges:

- Infrastructure shortcomings are being addressed through the capital budget in terms of a 5-year upgrade plan;
- The filling of vacancies has commenced and the Waste Water Division will embark on an in-house training programme and SETA programme, especially for operational personnel;
- The filling of the post on Manager Electrical engineer is already embark in
- The Electricity Division is to install dedicated power supply lines to the plants; and
- The Division is working in consultation with the Department of Water Affairs to address catchment management.

2.4 Overview of budget related-policies

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

The following policies were sent via email on 12 June 2020 to the Councillors. The policies are submitted for approval. Certain policies must be taken to public for information.

2.4.1 Budget Policy

The policy was review.

2.4.2 Property Rates Policy

The policy was review.

2.4.3 Credit control, debt collection and customer care Policy

The policy was review.

2.4.4 Indigent Policy

The policy was review.

2.4.5 Virement Policy

The policy was review.

2.4.6 Asset Policy

The policy was review.

2.4.7 Cash Management Policy

The policy was review.

2.4.8 Supply Chain Management Policy

The policy was review.

2.4.9 Tariff Policy

The policy was review.

2.4.10 Bad debt written off Policy

The policy was review.

2.4.11 Unauthorised expenditure, Irregular expenditure and Fruitless and waste full expenditure Policy

The policy was review.

2.4.12 Borrowing Policy

The policy was review.

2.4.13 Investment Policy

The policy was review.

2.5 Overview of budget assumptions

2.5.1 External factors

The global economic outlook has weakened and South Africa's economic performance has deteriorated over the past several years. It is expected that recovery from this deterioration will be slow and uneven, and that growth form 3.6 per cent in 2011 will be down to 0.7% projected in 2018, 0.3% projected in 2019 ,0.9% projected in 2020 and 1.3% projected in 2021.
Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. The negative impact of the state of disaster that was declared to due to COVID 19 and the lock down, will be felt in the 2020/2021 financial year. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the Municipality's finances.

The macro environment that influences the budget:

- Depreciation of the Rand
- High unemployment rate
- Loss of jobs in manufacturing and construction industry
- Interest rate movement
- Increase in fuel cost leads to increases in all other input costs
- Growth forecast are below actual achieved
- Growth forecasts have been reviewed downwards
- Economic impact of COVID 19

2.5.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2020/2021 MTREF:

(a) National Government macro-economic targets;
(b) The general inflationary outlook and the impact on Municipality's residents and businesses;
(c) The impact of municipal cost drivers;
(d) The increase in prices for bulk electricity and water; and
(e) The increase in the cost of remuneration. Employee related costs comprise 27 per cent of total operating expenditure in the 2020/21 MTREF and therefore this increase above inflation places a disproportionate upward pressure on the expenditure budget. A new wage agreement must conclude between SALGBC and the municipal workers' unions.

2.5.3 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions**. A facility of R18.2 million plus VAT to be taken up in 2020/2021 MTREF for financing of service delivery vehicles**.
The option be investigated to take up external borrowing of R56.2million to finance the installation of services (infrastructure) at un-service stands (122 stands) in Vaalpark, R12 million for stands in Oranjeville and R12 million for stands in Welgelegen West. A further investigation must be done by the municipal manager for resurfacing and/or re-sealing of streets to the amount of R155 million over a period of 3 years to be implemented. The municipal manager must consult with banks such as the Development Bank of South Africa (DBSA)

2.5.4 Collection Rate for Revenue Services

The base assumption is that tariff and rating increases will increase at a rate slightly higher that 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 currently expressed as a percentage (68 per cent) of annual billings. Cash flow is assumed to be 83 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

The Revenue Enhancement Strategy and Operation Patala was implemented from 1 July 2019. However, it is not successful.

2.5.5 Growth or decline in tax base of the municipality

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

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

2.5.6 Salary increases

The collective agreement regarding salaries/wages came into operation on 1 July 2018 and shall remain in force until 30 June 2021. The provision for salary increases is 6.25% to be in line with the collective agreement reached.

2.5.7 Impact of national, provincial and local policies

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

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

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

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

It is estimated that a spending rate of between 90 and 100 per cent is achieved on operating expenditure and 100 per cent on the capital programme for the 2020/21 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:

Table 34 Breakdown of the operating revenue over the medium-term

	Medium Term Revenue and Expenditure Framework					
	2020/2021		2021/2022		2022/2023	
	R'000	%	R'000	%	R'000	%
Property rates	210,599	13.83	221,207	13.88	231,730	13.85
Electricity	314,935	20.69	334,176	20.97	350,792	20.97
Water	511,534	33.60	543,240	34.09	573,215	34.26
Sanitation	42,370	2.78	44,899	2.82	47,534	2.84
Refuse removal	37,636	2.47	40,268	2.53	42,889	2.56
Interest	41,325	2.71	47,488	2.98	47,488	2.84
Transfers and Grants	324,952	21.34	322,413	20.23	334,484	19.99
Other own revenue	39,151	2.57	39,848	2.50	45,065	2.69
Total Operating revenue	**1,522,502**	**100**	**1,593,539**	**100**	**1,673,197**	**100**
Total Operating Expenditure	**1,404,547**		**1,490,741**		**1,577,810**	
Surplus/(Deficit)	**117,955**		**102,798**		**95,387**	

The surplus / (deficit) **included in transfers and grants the capital grants** of R116 million in 2020/2021, R92.7 million in 2021/2022 and R82.3 million in 2022/2023 financial years.

The following graph is a breakdown of the operational revenue per main category for the 2020/2021 financial year.

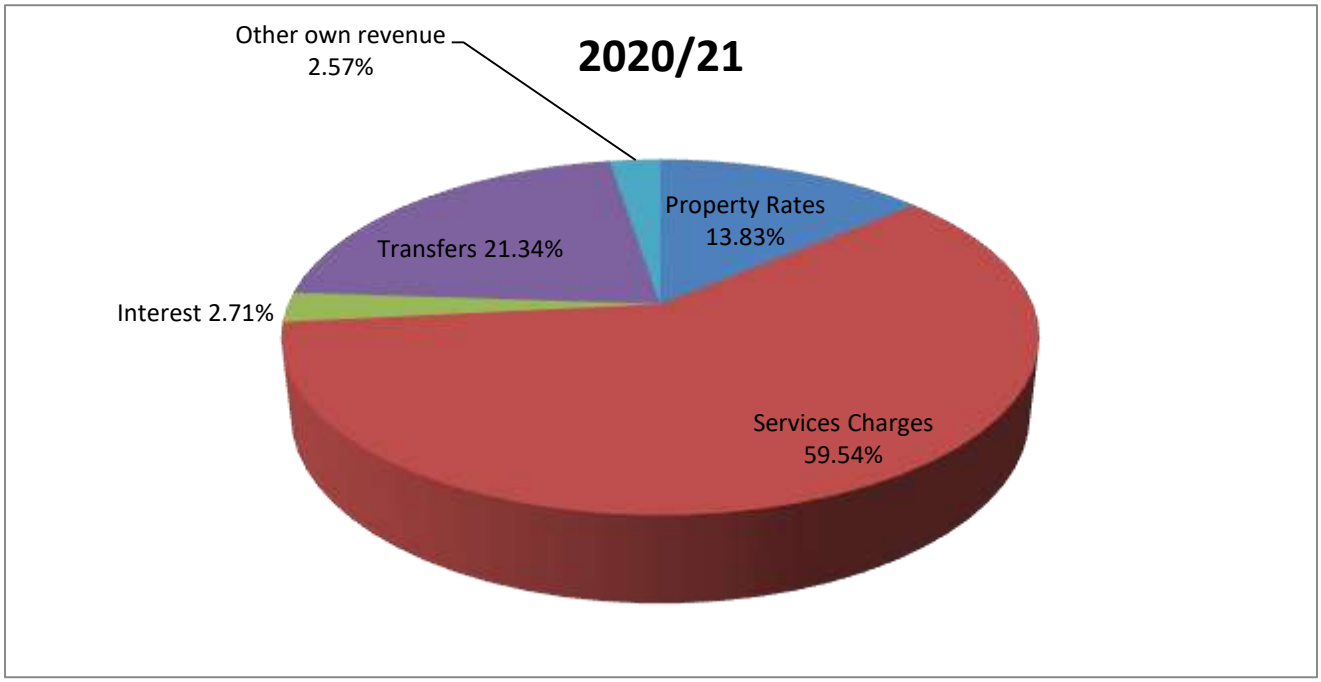

Figure 7 Breakdown of operating revenue over the 2020/21MTREF

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation 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.) from the remainder of the operating revenue.

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

- Growth in the Municipality and economic development;
- Revenue management and enhancement;
- Achievement of an 83 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;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA),
- Implementation of new valuation roll

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

Proposed tariff increases over the medium-term

Revenue category	2020/21 proposed tariff increase	2021/22proposed tariff increase	2022/23 proposed tariff increase
	%	%	%
Property rates	2 - 6	4.8	4.8
Sanitation	25	4.8	4.8
Solid Waste	6	4.8	4.8
Water	0 - 8	5.4	5.4
Electricity	6.22	5.2	4.8

The Municipality is still in a process of further data verification and validation relating to the valuation roll. The new valuation roll was implemented on 1 July 2019, as the levying of property rates is considered a strategic revenue source the five-year valuation of property started in the 1st quarter of the 2019/20 financial year. **The current valuation roll was implemented on 1 July 2019**.

Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R906 million for the 2020/21 financial year and increasing to R1.014 billion by 2022/23. For the 2020/2021 financial year services charges amount to 59.5 per cent of the total revenue base and increase by 1 per cent per annum over the medium-term.

Operational grants and subsidies amount to R208.9 million, R229.8 million and R252.2 million for each of the respective financial years of the MTREF.

Interest revenue contributes marginally to the revenue base of the Municipality with a budget allocation of R41.3 million, R47.5 million and R47.5 million for the respective three financial years of the 2020/21 MTREF. Interest is mainly made up from outstanding debtors and external investments.

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

Table 35MBRR SA15 – Detail Investment Information

FS204 Metsimaholo - Supporting Table SA15 Investment particulars by type

Investment type R thousand	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits		7,376	–	8,667	7,715	3,757	3,757	3,757	3,757	3,757
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Consolidated total:		**7,376**	**–**	**8,667**	**7,715**	**3,757**	**3,757**	**3,757**	**3,757**	**3,757**

Table 36 MBRR SA16 – Investment particulars by maturity

FS204 Metsimaholo - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity Name of institution & investment ID	Ref 1	Period of Investment Yrs/Months	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate ³			Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Parent municipality														
_			call	Y	V	5.8				8,667	990	(123,900)	118,000	3,757
Municipality sub-total										**8,667**	**990**	**(123,900)**	**118,000**	**3,757**
TOTAL INVESTMENTS AND INTEREST	1									**8,667**	**990**	**(123,900)**	**118,000**	**3,757**

2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2020/2021 medium-term capital programme:

Table 37 Sources of capital revenue over the MTREF

Funding source	Audit 2018/19	Audit 2018/19	Adjustment Budget 2019/20	Adjustment Budget 2019/20	Budget 2020/21	Budget 2020/21	Budget 2021/22	Budget 2021/22	Budget 2022/23	Budget 2022/23
	R'000	%	R'000	%	R'000	%	R'000	%	R'000	%
Grants	87,466	**74.5**	144,069	**57.3**	115,970	**46.0**	92,662	**35.1**	82,292	**35.8**
Public donations	25,690	**21.9**	0	**0.0**	0	**0.0**				
Finance lease	0	**0.0**	0	**0.0**	18,263	**7.2**	0	**0.0**	700	**0.3**
External borrowing			37,709	**15.0**	52,709	**20.9**	98,600	**37.4**	84,000	**36.5**
Human Settlement			26,200	**10.4**	0	**0.0**	0	**0.0**	0	**0.0**
Dept of Tourism					3,000	**1.2**				
Own Funding	4,183	**3.6**	43,615	**17.3**	62,345	**24.7**	72,648	**27.5**	63,068	**27.4**
Total	**117,339**	**100.0**	**251,593**	**100.0**	**252,287**	**100**	**263,910**	**100**	**230,060**	**100**

The above table is graphically represented as follows for the 2020/21 financial year.

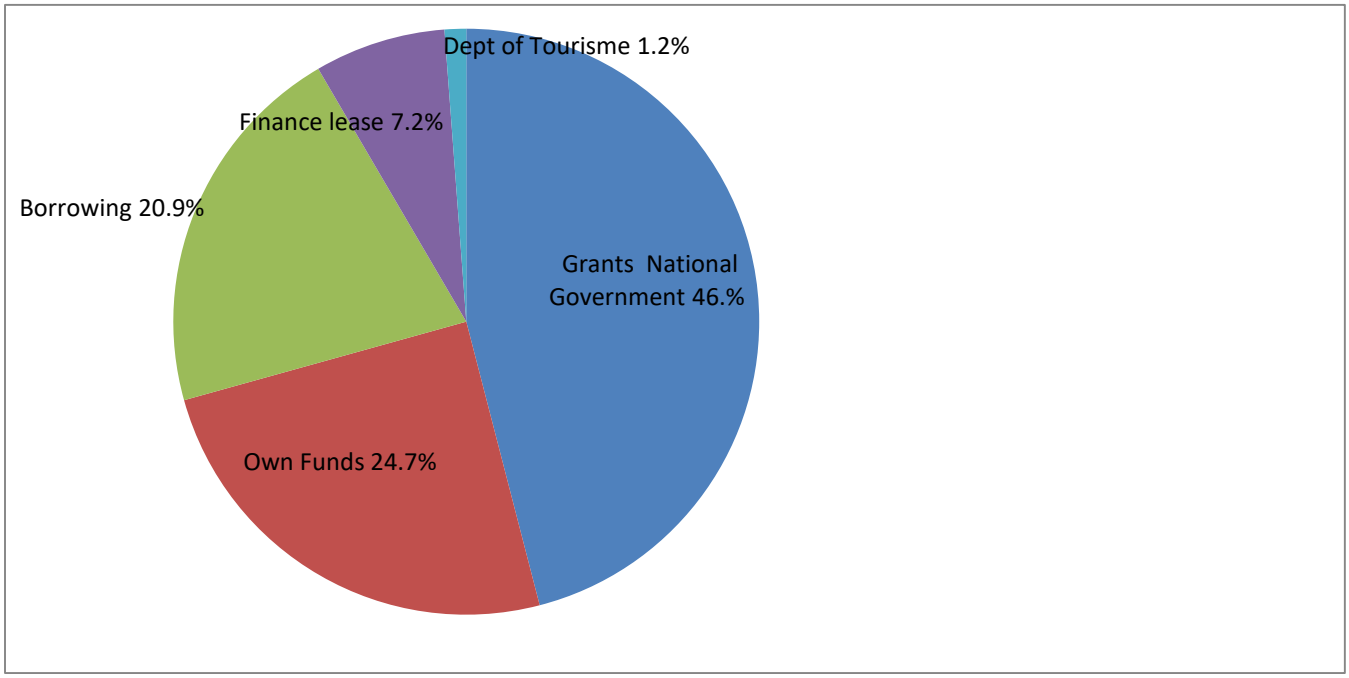

Figure 8 Sources of capital revenue for the 2020/21 financial year

Capital grants and receipts equates to 46 per cent of the total funding source which represents R116 million for the 2020/21 financial year and steadily changes to R83 million or 35.8 per cent by 2022/23, Grants received from MIG, DoE, WSIG, RBI and Department of Tourism.

Internally generated funds consist of R62.5 million in 2020/21, R72.6 million in 2021/22 and R63.1 million in 2022/23.

Finance lease consist of R18.3 million plus VAT in 2020/21(roll over 2019/20).

External borrowing consists of R52.7 million in 2020/21, R98.6 million in 2021/22 and R84 million in 2022/23.

2.6.3 Funding compliance measurement

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

Table 38 MBRR SA10 – Funding compliance measurement

FS204 Metsimaholo Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Funding measures	–	–										
Cash/cash equivalents at the year end - R'000	18(1)b	1	12,628	21,043	13,877	34,180	(10,482)	(10,482)	17,798	17,371	16,368	10,797
Cash + investments at the yr end less applications - R'000	18(1)b	2	(62,656)	(2,484)	374,392	113,089	366,871	366,871	775,232	372,375	412,167	452,564
Cash year end/monthly employee/supplier payments	18(1)b	3	0.2	0.3	0.2	0.4	(0.1)	(0.1)	0.2	0.2	0.1	0.1
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	36,529	99,574	28,698	178,934	187,506	187,506	153,370	117,955	102,798	95,387
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	10.8%	2.8%	18.2%	(5.8%)	(6.0%)	(16.0%)	0.6%	(0.0%)	(0.7%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	75.6%	71.6%	72.9%	82.0%	83.6%	83.6%	92.9%	83.2%	83.8%	84.7%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	21.0%	20.7%	27.9%	14.6%	15.6%	15.6%	15.8%	15.1%	14.2%	13.3%
Capital payments % of capital expenditure	18(1)c;19	8	90.8%	84.5%	77.9%	100.0%	89.6%	89.6%	535.1%	98.8%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	22.1%	20.0%	(113.8%)	32.2%	0.0%	0.0%	544.7%	53.2%	57.6%	57.3%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								99.1%	99.2%	99.2%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	33.3%	185.3%	(64.4%)	177.9%	0.0%	34.6%	(1.2%)	1.3%	1.5%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	(63.9%)	(100.0%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	6.5%	7.2%	1.6%	3.3%	2.5%	2.5%	4.0%	2.8%	2.5%	2.4%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	39.7%	6.4%	22.2%	26.1%	26.1%	0.0%	35.1%	25.2%	38.8%

References

1. Positive cash balances indicative of minimum compliance - subject to 2

2. Deduct cash and investment applications (defined) from cash balances

3. Indicative of sufficient liquidity to meet average monthly operating payments

4. Indicative of funded operational requirements

5. Indicative of adherence to macro-economic targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)

6. Realistic average cash collection forecasts as % of annual billed revenue

7. Realistic average increase in debt impairment (doubtful debt) provision

8. Indicative of planned capital expenditure level & cash payment timing

9. Indicative of compliance with borrowing 'only' for the capital budget - should not exceed 100% unless refinancing

10. Substantiation of National/Province allocations included in budget

11. Indicative of realistic current arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)

12. Indicative of realistic long term arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)

13. Indicative of a credible allowance for repairs & maintenance of assets - functioning assets revenue protection

14. Indicative of a credible allowance for asset renewal (requires analysis of asset renewal projects as % of total capital projects - detailed capital plan) - functioning assets revenue protection

Supporting indicators	–	–	–	–								
% incr *total service charges (incl prop rates)*	18(1)a			16.8%	8.8%	24.2%	0.2%	0.0%	(10.0%)	6.6%	6.0%	5.3%
% incr Property Tax	18(1)a			4.3%	6.8%	49.8%	(6.2%)	0.0%	(8.6%)	4.4%	5.0%	5.0%
% incr Service charges - electricity revenue	18(1)a			3.8%	4.4%	7.7%	1.0%	0.0%	(5.0%)	6.1%	6.1%	5.0%
% incr Service charges - water revenue	18(1)a			39.2%	14.0%	30.7%	1.5%	0.0%	(17.5%)	5.4%	6.2%	5.5%
% incr Service charges - sanitation revenue	18(1)a			20.1%	3.8%	8.6%	0.0%	0.0%	12.2%	41.7%	6.0%	5.9%
% incr Service charges - refuse revenue	18(1)a			4.6%	6.2%	(10.0%)	17.6%	0.0%	25.4%	11.0%	7.0%	6.5%
% incr in	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total billable revenue	18(1)a		662,315	773,685	842,130	1,046,302	1,047,946	1,047,946	942,968	1,117,074	1,183,789	1,246,759
Service charges			662,315	773,685	842,130	1,046,302	1,047,946	1,047,946	942,968	1,117,074	1,183,789	1,246,759
Property rates			128,980	134,499	143,648	215,204	201,773	201,773	184,447	210,599	221,207	232,330
Service charges - electricity revenue			251,742	261,352	272,953	293,928	296,860	296,860	282,062	314,935	334,176	350,792
Service charges - water revenue			230,672	321,161	365,987	478,442	485,493	485,493	400,389	511,534	543,240	573,215
Service charges - sanitation revenue			22,087	26,522	27,518	29,892	29,900	29,900	33,541	42,370	44,899	47,534
Service charges - refuse removal			28,834	30,150	32,024	28,836	33,920	33,920	42,529	37,636	40,268	42,889
Service charges - other			–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment			6,069	6,156	5,852	6,567	6,083	6,083	5,301	6,288	6,595	6,607
Capital expenditure excluding capital grant funding			23,122	4,710	4,183	117,248	81,324	81,324	6,923	133,317	171,248	147,768
Cash receipts from ratepayers	18(1)a		559,554	600,698	653,316	919,812	930,903	930,903	930,903	994,014	1,062,418	1,132,019
Ratepayer & Other revenue	18(1)a		740,082	839,302	896,591	1,121,513	1,113,380	1,113,380	1,001,532	1,194,950	1,268,525	1,336,113
Change in consumer debtors (current and non-current)			191,388	71,113	531,866	(527,892)	(9,086)	(9,086)	270,968	508,806	10,302	12,438
Operating and Capital Grant Revenue	18(1)a		209,642	244,552	229,226	270,108	263,406	263,406	187,042	299,952	312,913	334,484
Capital expenditure - total	20(1)(vi)		94,637	102,540	117,339	294,517	251,593	251,593	42,125	252,287	263,910	230,060
Capital expenditure - renewal	20(1)(vi)		–	40,743	7,546	65,389	65,544	65,544		88,428	66,468	89,166

Supporting benchmarks												
Growth guideline maximum			6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
CPI guideline			4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.0%	5.4%	5.6%	5.4%
DoRA operating grants total MFY										2,650	2,524	2,538
DoRA capital grants total MFY										90,970	83,162	82,292
Provincial operating grants										208,982	229,751	252,192
Provincial capital grants												
District Municipality grants												
Total gazetted/advised national, provincial and district grants										302,602	315,437	337,022
Average annual collection rate (arrears inclusive)												
DoRA operating												
Equitable share										202,505	224,427	246,754
										202,505	**224,427**	**246,754**
Financial Management Grant										2,500	2,800	2,900
Expanded public works programme										1,327		
										3,827	**2,800**	**2,900**
Trend												
Change in consumer debtors (current and non-current)			191,388	71,113	531,866	270,968	508,806	10,302	12,438	–	–	–
Total Operating Revenue			873,686	993,738	1,068,819	1,312,052	1,304,817	1,304,817	1,191,176	1,406,532	1,500,877	1,590,905
Total Operating Expenditure			905,214	972,282	1,166,241	1,310,388	1,287,581	1,287,581	1,037,806	1,404,547	1,490,741	1,577,810
Operating Performance Surplus/(Deficit)			(31,528)	21,455	(97,422)	1,665	17,236	17,236	153,370	1,985	10,136	13,095
Cash and Cash Equivalents (30 June 2012)										17,371		
Revenue												
% Increase in Total Operating Revenue				13.7%	7.6%	22.8%	(0.6%)	0.0%	(8.7%)	7.8%	6.7%	6.0%
% Increase in Property Rates Revenue				4.3%	6.8%	49.8%	(6.2%)	0.0%	(8.6%)	4.4%	5.0%	5.0%
% Increase in Electricity Revenue				3.8%	4.4%	7.7%	1.0%	0.0%	(5.0%)	6.1%	6.1%	5.0%
% Increase in Property Rates & Services Charges				16.8%	8.8%	24.2%	0.2%	0.0%	(10.0%)	6.6%	6.0%	5.3%
Expenditure												
% Increase in Total Operating Expenditure				7.4%	19.9%	12.4%	(1.7%)	0.0%	(19.4%)	9.1%	6.1%	5.8%

% Increase in Employee Costs				7.2%	10.0%	24.5%	(7.1%)	0.0%	(17.5%)	13.7%	10.1%	9.1%
% Increase in Electricity Bulk Purchases				2.2%	9.2%	27.2%	0.0%	0.0%	(17.7%)	8.4%	5.2%	5.2%
Average Cost Per Budgeted Employee Position (Remuneration)					238724.3588	285003.7034				301115.0357		
Average Cost Per Councillor (Remuneration)					417954.9929	472748.5714				501115.7143		
R&M % of PPE			6.5%	7.2%	1.6%	3.3%	2.5%	2.5%		2.8%	2.5%	2.4%
Asset Renewal and R&M as a % of PPE			6.0%	10.0%	2.0%	7.0%	7.0%	7.0%		9.0%	6.0%	7.0%
Debt Impairment % of Total Billable Revenue			21.0%	20.7%	27.9%	14.6%	15.6%	15.6%	15.8%	15.1%	14.2%	13.3%
Capital Revenue												
Internally Funded & Other (R'000)			21,551	3,809	4,183	61,275	43,615	43,615	6,923	62,345	72,648	63,068
Borrowing (R'000)			1,571	900	–	55,972	37,709	37,709	–	70,972	98,600	84,700
Grant Funding and Other (R'000)			71,516	97,830	113,156	177,269	170,269	170,269	35,202	118,970	92,662	82,292
Internally Generated funds % of Non Grant Funding			93.2%	80.9%	100.0%	52.3%	53.6%	53.6%	100.0%	46.8%	42.4%	42.7%
Borrowing % of Non Grant Funding			6.8%	19.1%	0.0%	47.7%	46.4%	46.4%	0.0%	53.2%	57.6%	57.3%
Grant Funding % of Total Funding			75.6%	95.4%	96.4%	60.2%	67.7%	67.7%	83.6%	47.2%	35.1%	35.8%
Capital Expenditure												
Total Capital Programme (R'000)			94,638	102,540	117,339	294,517	251,593	251,593	42,125	252,287	263,910	230,060
Asset Renewal			–	40,743	7,546	67,589	65,544	65,544	65,544	93,928	66,668	91,166
Asset Renewal % of Total Capital Expenditure			0.0%	39.7%	6.4%	22.9%	26.1%	26.1%	155.6%	37.2%	25.3%	39.6%
Cash												
Cash Receipts % of Rate Payer & Other			75.6%	71.6%	72.9%	82.0%	83.6%	83.6%	92.9%	83.2%	83.8%	84.7%
Cash Coverage Ratio			0	0	0	0	(0)	(0)	0	0	0	0
Borrowing												
Credit Rating (2009/10)										0		
Capital Charges to Operating			0.7%	0.9%	0.7%	1.2%	(0.3%)	(0.3%)	0.6%	0.9%	1.7%	2.2%
Borrowing Receipts % of Capital Expenditure			22.1%	20.0%	(113.8%)	32.2%	0.0%	0.0%	544.7%	53.2%	57.6%	57.3%
Reserves												
Surplus/(Deficit)			(62,656)	(2,484)	374,392	113,089	366,871	366,871	775,232	372,375	412,167	452,564
Free Services												
Free Basic Services as a % of Equitable Share			39.2%	20.3%	22.5%	29.3%	33.2%	33.2%		32.1%	29.5%	28.2%
Free Services as a % of Operating Revenue (excl operational transfers)			2.3%	2.2%	2.2%	2.7%	3.4%	3.4%		3.5%	3.4%	3.4%

High Level Outcome of Funding Compliance												
Total Operating Revenue			873,686	993,738	1,068,819	1,312,052	1,304,817	1,304,817	1,191,176	1,406,532	1,500,877	1,590,905
Total Operating Expenditure			905,214	972,282	1,166,241	1,310,388	1,287,581	1,287,581	1,037,806	1,404,547	1,490,741	1,577,810
Surplus/(Deficit) Budgeted Operating Statement			(31,528)	21,455	(97,422)	1,665	17,236	17,236	153,370	1,985	10,136	13,095
Surplus/(Deficit) Considering Reserves and Cash Backing			(62,656)	(2,484)	374,392	113,089	366,871	366,871	775,232	372,375	412,167	452,564
MTREF Funded (1) / Unfunded (0)		15	0	0	1	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded ✗		15	✗	✗	✓	✓	✓	✓	✓	✓	✓	✓

2.7 Expenditure on grants and reconciliations of unspent funds

Table 39 MBRR SA19 - Expenditure on transfers and grant programmes

FS204 Metsimaholo - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		**128,653**	**146,375**	**163,965**	**189,039**	**189,337**	**189,337**	**208,982**	**229,751**	**252,192**
Local Government Equitable Share										
Equitable Share		125,968	142,709	163,296	183,064	183,064	183,064	202,505	224,427	246,754
Expanded Public Works Programme Integrated Grant		1,060	–	–	1,157	1,157	1,157	1,327	–	–
Local Government Financial Management Grant		1,625	1,700	669	2,235	2,235	2,235	2,500	2,800	2,900
Municipal Disaster Relief Grant		–	–	–	–	298	298	298	–	–
Municipal Infrastructure Grant		–	1,966	–	2,583	2,583	2,583	2,352	2,524	2,538
			1,828							
Provincial Government:		**2,000**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
		2,000								
District Municipality:		**517**	**224**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
		517	224							
Other grant providers:		**–**	**874**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Construction Education and Training SETA		–	–	–	–	–	–	–	–	–
Unspecified		–	874	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:		**131,170**	**147,473**	**163,965**	**189,039**	**189,337**	**189,337**	**208,982**	**229,751**	**252,192**
Capital expenditure of Transfers and Grants										
National Government:		**69,222**	**94,002**	**87,466**	**144,069**	**144,069**	**144,069**	**115,970**	**92,662**	**82,292**
Integrated National Electrification Programme Grant		16,956	9,490	2,907	10,000	10,000	10,000	23,956	20,631	16,258
Municipal Infrastructure Grant		52,266	40,058	41,107	49,069	49,069	49,069	42,014	45,531	48,218
Regional Bulk Infrastructure Grant		–	9,052	34,756	70,000	70,000	70,000	25,000	9,500	–
Water Services Infrastructure Grant		–	35,402	8,696	15,000	15,000	15,000	25,000	17,000	17,816
Provincial Government:		**–**	**39,030**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Housing		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	39,030	–	–	–	–	–	–	–
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Other grant providers:		**9,250**	**15,883**	**25,690**	**33,200**	**26,200**	**26,200**	**3,000**	**–**	**–**
Buildings and Construction		–	–	–	–	–	–	–	–	–
Government Motor Transport		–	–	1,611	–	–	–	–	–	–

Households		–	–	–	–	–	–	–	–	–
Human Settlement Re-development Programme		–	–	–	33,200	26,200	26,200	–	–	–
South Africa Sport Commission		–	–	–	–	–	–	–	–	–
South Africa Tourism		–	–	–	–	–	–	3,000	–	–
Unspecified		9,250	15,883	24,079	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants		**78,472**	**148,916**	**113,156**	**177,269**	**170,269**	**170,269**	**118,970**	**92,662**	**82,292**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		**209,642**	**296,389**	**277,121**	**366,308**	**359,606**	**359,606**	**327,952**	**322,413**	**334,484**

Table 40MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

FS204 Metsimaholo - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		**Audited Outcome**	**Audited Outcome**	**Audited Outcome**	**Original Budget**	**Adjusted Budget**	**Full Year Forecast**	**Budget Year 2020/21**	**Budget Year +1 2021/22**	**Budget Year +2 2022/23**
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		128,653	148,203	166,151	189,039	189,337	189,337	208,982	229,751	252,192
Conditions met - transferred to revenue		**128,653**	**148,203**	**166,151**	**189,039**	**189,337**	**189,337**	**208,982**	**229,751**	**252,192**
Conditions still to be met - transferred to liabilities		–	0	–	–	–	–	–	–	–
Provincial Government:										
Balance unspent at beginning of the year		2,000								
Current year receipts										
Conditions met - transferred to revenue		**2,000**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		517	1,098	–	–	–	–	–	–	–
Conditions met - transferred to revenue		**517**	**1,098**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Total operating transfers and grants revenue		**131,170**	**149,301**	**166,151**	**189,039**	**189,337**	**189,337**	**208,982**	**229,751**	**252,192**
Total operating transfers and grants - CTBM	2	**–**	**0**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Capital transfers and grants:	1,3									

National Government:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		69,222	94,002	60,980	74,069	74,069	74,069	90,970	83,162	82,292
Conditions met - transferred to revenue		**69,222**	**94,002**	**60,980**	**74,069**	**74,069**	**74,069**	**90,970**	**83,162**	**82,292**
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Provincial Government:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	33,200	26,200	26,200	3,000	–	–
Conditions met - transferred to revenue		**–**	**–**	**–**	**33,200**	**26,200**	**26,200**	**3,000**	**–**	**–**
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		9,250	15,883	65,141	70,000	70,000	70,000	25,000	9,500	–
Conditions met - transferred to revenue		**9,250**	**15,883**	**65,141**	**70,000**	**70,000**	**70,000**	**25,000**	**9,500**	**–**
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Total capital transfers and grants revenue		**78,472**	**109,885**	**126,121**	**177,269**	**170,269**	**170,269**	**118,970**	**92,662**	**82,292**
Total capital transfers and grants - CTBM	2	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL TRANSFERS AND GRANTS REVENUE		**209,642**	**259,186**	**292,272**	**366,308**	**359,606**	**359,606**	**327,952**	**322,413**	**334,484**
TOTAL TRANSFERS AND GRANTS - CTBM		**–**	**0**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

2.8 Councillor and employee benefits

Table 41 MBRR SA22 - Summary of councillor and staff benefits

FS204 Metsimaholo - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		11,073	7,311	12,576	14,457	14,457	14,457	15,325	15,939	16,736
Pension and UIF Contributions		1	–	–	–	–	–	–	–	–
Medical Aid Contributions										
Motor Vehicle Allowance		3,686								
Cellphone Allowance		962	989	1,706	2,004	2,004	2,004	2,124	2,209	2,320
Housing Allowances		34	–	–	–	–	–	–	–	–
Other benefits and allowances		–	1,697	3,271	3,394	3,394	3,394	3,598	3,742	3,929
Sub Total - Councillors		**15,757**	**9,997**	**17,554**	**19,855**	**19,855**	**19,855**	**21,047**	**21,891**	**22,985**
% increase	4		**(36.6%)**	**75.6%**	**13.1%**	**–**	**–**	**6.0%**	**4.0%**	**5.0%**
Senior Managers of the Municipality	2									
Basic Salaries and Wages		8,139	6,786	1,830	8,086	2,093	2,093	9,370	9,913	10,488
Pension and UIF Contributions		11	8	2	19	19	19	19	20	20
Medical Aid Contributions		–	–	–	–	–	–	–	–	–
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		–	–	–	815	365	365	2,423	2,563	2,712
Motor Vehicle Allowance	3	1,253	972	244	258	378	378	341	360	381
Cellphone Allowance	3	186	146	41	167	173	173	204	207	210
Housing Allowances	3	340	207	–	–	–	–	–	–	–
Other benefits and allowances	3	90	1,242	3,444	1,829	3,976	3,976	3,643	3,724	3,916
Payments in lieu of leave		–	–	367	108	108	108	115	122	129
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6	–	582	(2,733)	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		**10,019**	**9,943**	**3,195**	**11,280**	**7,112**	**7,112**	**16,114**	**16,910**	**17,856**
% increase	4		**(0.8%)**	**(67.9%)**	**253.0%**	**(37.0%)**	**–**	**126.6%**	**4.9%**	**5.6%**
Other Municipal Staff										
Basic Salaries and Wages		153,366	144,677	157,896	213,171	179,053	179,053	209,056	235,662	263,472
Pension and UIF Contributions		25,859	25,807	27,360	29,921	31,022	31,022	31,291	33,106	35,026
Medical Aid Contributions		16,028	15,988	17,227	19,355	19,652	19,652	19,627	20,766	21,970
Overtime		15,033	17,722	23,196	24,101	26,211	26,211	24,503	25,701	26,965
Performance Bonus		–	11,409	12,932	15,149	15,776	15,776	14,738	15,591	16,493
Motor Vehicle Allowance	3	15,041	16,266	18,534	21,581	22,095	22,095	21,384	22,625	23,937
Cellphone Allowance	3	–	1,085	1,224	1,511	1,584	1,584	1,425	1,510	1,597
Housing Allowances	3	1,095	3,674	2,433	2,180	2,661	2,661	2,681	2,837	3,001
Other benefits and allowances	3	1,237	7,470	10,393	10,880	13,467	13,467	17,367	18,741	19,203
Payments in lieu of leave		4,367	961	838	1,517	2,868	2,868	2,584	2,796	2,876
Long service awards		1,516	–	1,139	744	2,214	2,214	8,015	8,397	8,693
Post-retirement benefit obligations	6	1,343	7,459	12,252	7,998	10,113	10,113	10,921	13,237	14,665
Sub Total - Other Municipal Staff		**234,884**	**252,517**	**285,423**	**348,109**	**326,716**	**326,716**	**363,592**	**400,967**	**437,899**
% increase	4		**7.5%**	**13.0%**	**22.0%**	**(6.1%)**	**–**	**11.3%**	**10.3%**	**9.2%**
Total Parent Municipality		**260,660**	**272,457**	**306,172**	**379,245**	**353,684**	**353,684**	**400,753**	**439,767**	**478,740**

			4.5%	12.4%	23.9%	(6.7%)	–	13.3%	9.7%	8.9%
TOTAL SALARY, ALLOWANCES & BENEFITS		**260,660**	**272,457**	**306,172**	**379,245**	**353,684**	**353,684**	**400,753**	**439,767**	**478,740**
% increase	4		**4.5%**	**12.4%**	**23.9%**	**(6.7%)**	**–**	**13.3%**	**9.7%**	**8.9%**
TOTAL MANAGERS AND STAFF	5,7	**244,903**	**262,460**	**288,618**	**359,390**	**333,828**	**333,828**	**379,706**	**417,877**	**455,755**

Table 42MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

FS204 Metsimaholo - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1. Rand per annum	Ref	No.	Salary	Contributions 1.	Allowances	Performance Bonuses	In-kind benefits	Total Package 2.
Councillors	3							
Speaker	4				825,060			825,060
Chief Whip					776,790			776,790
Executive Mayor			740,990		277,220			1,018,210
Deputy Executive Mayor								–
Executive Committee			5,041,410		1,172,700			6,214,110
Total for all other councillors			7,433,440	–	2,520,470			9,953,910
Total Councillors	8	**–**	**13,215,840**	**–**	**5,572,240**			**18,788,080**
Senior Managers of the Municipality	5							
Municipal Manager (MM)			1,581,780	1,900	1,449,370	180,460		3,213,510
Chief Finance Officer			1,557,610	3,510	534,100	136,940		2,232,160
SM					–			–
SM D05			1,557,610	3,510	680,650	1,694,540		3,936,310
SM DCH			1,557,610	3,510	271,470	136,940		1,969,530
SM DPS			1,557,610	3,510	683,290	136,940		2,381,350
SM DTS			1,557,610	3,510	683,290	136,940		2,381,350
								–
Total Senior Managers of the Municipality	8,10	**–**	**9,369,830**	**19,450**	**4,302,170**	**2,422,760**		**16,114,210**
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	**–**	**22,585,670**	**19,450**	**9,874,410**	**2,422,760**		**34,902,290**

Table 43MBRR SA24–Summary of personnel numbers

FS204 Metsimaholo - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2018/19			Current Year 2019/20			Budget Year 2020/21		
Number	1,2	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)		42	–	42	42	–	42	42	–	42
Board Members of municipal entities	4									
Municipal employees	5									
Municipal Manager and Senior Managers	3	6	–	6	6	–	2	6	–	2
Other Managers	7	49	46	–	49	47	1	49	47	1
Professionals		*38*	*36*	–	*38*	*36*	–	*38*	*36*	–
Finance		19	18	–	19	19	–	19	19	–
Spatial/town planning		8	7	–	8	6	–	8	6	–
Information Technology		3	3	–	3	3	–	3	3	–
Roads										
Electricity		2	2	–	2	2	–	2	2	–
Water		5	5	–	5	5	–	5	5	–
Sanitation		1	1	–	1	1	–	1	1	–
Refuse										
Other										
Technicians		*166*	*162*	*2*	*166*	*161*	–	*166*	*161*	–
Finance		–	–	–	–	–	–	–	–	–
Spatial/town planning		4	4	–	4	4	–	4	4	–
Information Technology		6	4	–	6	2	–	6	2	–
Roads		44	44	–	44	43	–	44	43	–
Electricity		69	69	–	69	69	–	69	69	–
Water		36	36	–	36	36	–	36	36	–
Sanitation										
Refuse		5	5	–	5	5	–	5	5	–
Other		2	–	2	2	2	–	2	2	–
Clerks (Clerical and administrative)		244	235	1	244	239	5	244	239	5
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators		140	115	–	140	114	–	140	114	–
Elementary Occupations		618	606	–	618	606	12	618	606	12
TOTAL PERSONNEL NUMBERS	9	**1,303**	**1,200**	**51**	**1,303**	**1,203**	**62**	**1,303**	**1,203**	**62**
% increase					–	0.2%	21.6%	–	–	–
Total municipal employees headcount	6, 10	**1,303**	**1,200**	**51**	**1,303**	**1,203**	**62**	**1,303**	**1,203**	**62**
Finance personnel headcount	8, 10									
Human Resources personnel headcount	8, 10									

2.9 Monthly targets for revenue, expenditure and cash flow

Table 44MBRR SA25 - Budgeted monthly revenue and expenditure

FS204 Metsimaholo - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source	_															
Property rates		17,550	17,550	17,550	17,550	17,550	17,550	17,550	17,550	17,550	17,550	17,550	17,550	210,599	221,207	232,330
Service charges - electricity revenue		26,245	26,245	26,245	26,245	26,245	26,245	26,245	26,245	26,245	26,245	26,245	26,245	314,935	334,176	350,792
Service charges - water revenue		42,628	42,628	42,628	42,628	42,628	42,628	42,628	42,628	42,628	42,628	42,628	42,628	511,534	543,240	573,215
Service charges - sanitation revenue		3,531	3,531	3,531	3,531	3,531	3,531	3,531	3,531	3,531	3,531	3,531	3,531	42,370	44,899	47,534
Service charges - refuse revenue		3,136	3,136	3,136	3,136	3,136	3,136	3,136	3,136	3,136	3,136	3,136	3,136	37,636	40,268	42,889
Rental of facilities and equipment		524	524	524	524	524	524	524	524	524	524	524	524	6,288	6,595	6,607
Interest earned - external investments		208	208	208	208	208	208	208	208	208	208	208	208	2,500	2,500	2,500
Interest earned - outstanding debtors		3,227	3,227	3,227	3,227	3,227	3,227	3,227	3,227	3,227	3,227	3,227	3,227	38,725	44,888	44,888
Dividends received		8	8	8	8	8	8	8	8	8	8	8	8	100	100	100
Fines, penalties and forfeits		868	868	868	868	868	868	868	868	868	868	868	868	10,420	10,920	11,920
Licences and permits		18	18	18	18	18	18	18	18	18	18	18	18	211	211	211
Agency services													–	–	–	–
Transfers and subsidies		17,415	17,415	17,415	17,415	17,415	17,415	17,415	17,415	17,415	17,415	17,415	17,415	208,982	229,751	252,192
Other revenue		1,853	1,853	1,853	1,853	1,853	1,853	1,853	1,853	1,853	1,853	1,853	1,853	22,231	22,122	25,728
Gains		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		**117,211**	**117,211**	**117,211**	**117,211**	**117,211**	**117,211**	**117,211**	**117,211**	**117,211**	**117,211**	**117,211**	**117,211**	**1,406,532**	**1,500,877**	**1,590,905**
Expenditure By Type	_															
Employee related costs		31,642	31,642	31,642	31,642	31,642	31,642	31,642	31,642	31,642	31,642	31,642	31,639	379,706	417,877	455,755
Remuneration of councillors		1,754	1,754	1,754	1,754	1,754	1,754	1,754	1,754	1,754	1,754	1,754	1,754	21,047	21,891	22,985
Debt impairment		14,080	14,080	14,080	14,080	14,080	14,080	14,080	14,080	14,080	14,080	14,080	14,080	168,964	168,521	166,009
Depreciation & asset impairment		7,326	7,326	7,326	7,326	7,326	7,326	7,326	7,326	7,326	7,326	7,326	7,324	87,906	106,443	119,880
Finance charges		431	431	431	431	431	431	431	431	431	431	431	431	5,176	18,559	26,975
Bulk purchases		43,902	43,902	43,902	43,902	43,902	43,902	43,902	43,902	43,902	43,902	43,902	43,902	526,826	543,006	570,811
Other materials		2,834	2,834	2,834	2,834	2,834	2,834	2,834	2,834	2,834	2,834	2,834	2,833	34,007	32,311	32,259
Contracted services		9,610	9,610	9,610	9,610	9,610	9,610	9,610	9,610	9,610	9,610	9,610	9,609	115,320	113,326	113,538
Transfers and subsidies		29	29	29	29	29	29	29	29	29	29	29	29	352	350	322
Other expenditure		5,437	5,437	5,437	5,437	5,437	5,437	5,437	5,437	5,437	5,437	5,437	5,436	65,243	68,458	69,277

Losses		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		**117,046**	**117,046**	**117,046**	**117,046**	**117,046**	**117,046**	**117,046**	**117,046**	**117,046**	**117,046**	**117,046**	**117,038**	**1,404,547**	**1,490,741**	**1,577,810**
Surplus/(Deficit)		**165**	**165**	**165**	**165**	**165**	**165**	**165**	**165**	**165**	**165**	**165**	**173**	**1,985**	**10,136**	**13,095**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		7,581	7,581	7,581	7,581	7,581	7,581	7,581	7,581	7,581	7,581	7,581	7,581	90,970	83,162	82,292
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)													–	–	–	–
Transfers and subsidies - capital (in-kind - all)		2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	25,000	9,500	–
Surplus/(Deficit) after capital transfers & contributions		**9,829**	**9,829**	**9,829**	**9,829**	**9,829**	**9,829**	**9,829**	**9,829**	**9,829**	**9,829**	**9,829**	**9,838**	**117,955**	**102,798**	**95,387**
Taxation													–	–	–	–
Attributable to minorities													–	–	–	–
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	**1**	**9,829**	**9,829**	**9,829**	**9,829**	**9,829**	**9,829**	**9,829**	**9,829**	**9,829**	**9,829**	**9,829**	**9,838**	**117,955**	**102,798**	**95,387**

Table 45MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

FS204 Metsimaholo - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Multi-year expenditure *to be appropriated*	1															
Vote 01 - Executive & Council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 02 - Municipal Manager		152	152	152	152	152	152	152	152	152	152	152	152	1,821	1,815	2,162
Vote 03 - Corporate Services		317	317	317	317	317	317	317	317	317	317	317	317	3,800	2,500	2,800
Vote 04 - Social Services		305	305	305	305	305	305	305	305	305	305	305	305	3,655	3,653	3,096
Vote 05 - Technical Services		12,884	12,884	12,884	12,884	12,884	12,884	12,884	12,884	12,884	12,884	12,884	12,884	154,610	144,832	137,029
Vote 06 - Financial Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 07 - Local Economic Development And Planning		84	84	84	84	84	84	84	84	84	84	84	84	1,004	2	1,502
Capital multi-year expenditure sub-total	2	**13,741**	**13,741**	**13,741**	**13,741**	**13,741**	**13,741**	**13,741**	**13,741**	**13,741**	**13,741**	**13,741**	**13,741**	**164,890**	**152,803**	**146,589**
Single-year expenditure *to be appropriated*																
Vote 01 - Executive & Council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 02 - Municipal Manager		13	13	13	13	13	13	13	13	13	13	13	13	160	200	190
Vote 03 - Corporate Services		38	38	38	38	38	38	38	38	38	38	38	38	452	752	203
Vote 04 - Social Services		3,170	3,170	3,170	3,170	3,170	3,170	3,170	3,170	3,170	3,170	3,170	3,170	38,041	11,085	7,998
Vote 05 - Technical Services		3,614	3,614	3,614	3,614	3,614	3,614	3,614	3,614	3,614	3,614	3,614	3,614	43,371	98,070	74,965
Vote 06 - Financial Services		143	143	143	143	143	143	143	143	143	143	143	143	1,715	1,000	115
Vote 07 - Local Economic Development And Planning		305	305	305	305	305	305	305	305	305	305	305	305	3,658	–	–
Capital single-year expenditure sub-total	2	**7,283**	**7,283**	**7,283**	**7,283**	**7,283**	**7,283**	**7,283**	**7,283**	**7,283**	**7,283**	**7,283**	**7,283**	**87,397**	**111,107**	**83,471**
Total Capital Expenditure	2	**21,024**	**21,024**	**21,024**	**21,024**	**21,024**	**21,024**	**21,024**	**21,024**	**21,024**	**21,024**	**21,024**	**21,023**	**252,287**	**263,910**	**230,060**

Table 46 MBRR SA30 - Budgeted monthly cash flow

FS204 Metsimaholo - Supporting Table SA30
Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Cash Receipts By Source													1		
Property rates	20,607	14,062	14,062	14,062	14,062	14,062	14,062	14,062	14,062	14,062	14,062	13,941	175,168	185,996	197,545
Service charges - electricity revenue	29,000	30,000	28,500	24,740	22,740	18,000	19,900	24,740	23,740	22,740	24,740	20,286	289,126	308,586	325,553
Service charges - water revenue	30,000	33,000	39,000	36,000	38,000	37,000	37,000	36,000	36,000	34,000	35,000	30,517	421,517	454,234	485,330
Service charges - sanitation revenue	3,193	3,193	3,193	3,193	3,193	3,193	3,193	3,193	3,193	3,193	3,193	3,153	38,276	40,857	43,540
Service charges - refuse revenue	2,628	2,628	2,628	2,628	2,628	2,628	2,628	2,628	2,628	2,628	2,628	2,549	31,457	34,176	36,866
Rental of facilities and equipment	524	524	524	524	524	524	524	524	524	524	524	524	6,288	6,595	6,607
Interest earned - external investments	200	208	250	230	210	180	170	170	166	300	208	208	2,500	2,500	2,500
Interest earned - outstanding debtors	2,900	3,000	3,050	3,050	3,100	3,200	3,000	3,100	3,300	3,100	3,200	(1,858)	32,142	37,706	38,155
Dividends received												100	100	100	100
Fines, penalties and forfeits	400	400	500	560	560	500	500	700	650	500	700	4,050	10,020	9,920	10,920
Licences and permits	18	18	18	18	18	18	18	18	18	18	18	18	211	211	211
Agency services												–			
Transfers and Subsidies - Operational	96,179				70,000							42,803	208,982	229,751	252,192
Other revenue	1,000	1,832	1,832	1,832	1,832	2,500	1,832	1,832	2,000	1,832	1,832	1,795	21,951	21,842	25,448
Cash Receipts by Source	**186,649**	**88,865**	**93,557**	**86,837**	**156,867**	**81,805**	**82,827**	**86,967**	**86,281**	**82,897**	**86,105**	**118,086**	**1,237,738**	**1,332,475**	**1,424,966**
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	38,596				38,597				38,777			0	115,970	92,662	82,292
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)												–			

Proceeds on Disposal of Fixed and Intangible Assets												–			
Short term loans												–			
Borrowing long term/refinancing		2,780		6,000	10,000		10,000			17,709		24,483	70,972	98,600	84,700
Increase (decrease) in consumer deposits	41	20	(7)	100	(874)	(500)	1,000	41	300	41	41	297	500	500	500
Decrease (increase) in non-current receivables												–			
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Receipts by Source	**225,286**	**91,665**	**93,550**	**92,937**	**204,589**	**81,305**	**93,827**	**87,008**	**125,358**	**100,647**	**86,146**	**142,866**	**1,425,180**	**1,524,237**	**1,592,458**
Cash Payments by Type															
Employee related costs	30,889	30,889	30,889	30,889	30,889	30,889	30,889	30,889	30,889	30,889	30,889	31,425	371,206	407,201	443,800
Remuneration of councillors	1,754	1,754	1,754	1,754	1,754	1,754	1,754	1,754	1,754	1,754	1,754	1,754	21,047	21,891	22,985
Finance charges	417	417	417	417	417	417	417	417	417	417	417	589	5,176	18,559	26,975
Bulk purchases - Electricity	40,000	35,000	25,930	22,930	20,000	20,930	16,930	24,930	25,930	25,930	25,930	26,718	311,157	327,337	344,358
Bulk purchases - Water & Sewer	11,000	14,000	18,972	19,972	20,792	20,792	21,792	19,792	17,972	17,972	17,972	14,640	215,669	215,669	226,453
Other materials	2,852	2,852	2,852	2,852	2,852	2,852	2,852	2,852	2,852	2,852	2,852	2,630	34,007	32,311	32,259
Contracted services	9,791	9,791	9,791	9,791	9,791	9,791	9,791	9,791	9,791	9,791	9,791	7,622	115,320	113,326	113,538
Transfers and grants - other municipalities												–			
Transfers and grants - other	3	3	3	3	3	3	3	3	3	3	3	323	352	350	322
Other expenditure	13,493	12,493	5,493	5,493	5,493	5,493	5,493	5,493	5,493	5,493	5,493	9,820	85,243	98,458	99,277
Cash Payments by Type	**110,199**	**107,199**	**96,101**	**94,101**	**91,991**	**92,921**	**89,921**	**95,921**	**95,101**	**95,101**	**95,101**	**95,520**	**1,159,176**	**1,235,101**	**1,309,966**
Other Cash Flows/Payments by Type															
Capital assets	5,000	15,000	20,000	30,000	25,000	15,000	8,000	12,000	20,000	25,000	19,000	55,287	249,287	263,910	230,060
Repayment of borrowing	552	552	552	552	552	812	552	552	552	552	552	812	7,142	6,230	8,003
Other Cash Flows/Payments												10,000	10,000	20,000	50,000
Total Cash Payments by Type	**115,751**	**122,751**	**116,652**	**124,653**	**117,543**	**108,733**	**98,473**	**108,473**	**115,653**	**120,653**	**114,653**	**161,619**	**1,425,606**	**1,525,241**	**1,598,029**
NET INCREASE/(DECREASE) IN CASH HELD	**109,535**	**(31,086)**	**(23,103)**	**(31,716)**	**87,046**	**(27,429)**	**(4,646)**	**(21,465)**	**9,705**	**(20,006)**	**(28,507)**	**(18,753)**	**(426)**	**(1,004)**	**(5,571)**
Cash/cash equivalents at the month/year begin:	17,797	127,332	96,246	73,143	41,427	128,473	101,045	96,399	74,933	84,638	64,632	36,124	17,797	17,371	16,368
Cash/cash equivalents at the month/year end:	127,332	96,246	73,143	41,427	128,473	101,045	96,399	74,933	84,638	64,632	36,124	17,371	17,371	16,368	10,797

2.10 Annual budgets and SDBIPs – internal departments

These below strategic objectives clearly indicate what the municipality intends doing (or producing) to achieve its strategic outcomes oriented goals. Each strategic objective is aligned with goals that are stated as performance statements that are SMART and allows for setting of performance targets the municipality can achieve by the end of the period of the IDP. These strategic objectives span for a period of five years commencing on maximising the tourism potential of the municipality, while the performance targets set in relation to those strategic objectives in the SDBIP must cover the present budget year.

These strategic objectives are related to and discussed within the context of the approved budget and are aligned to the Strategic Oriented Goals above as well as various Outputs of Outcome 9 Delivery Agreement. In order to ensure further alignment with annual implementation plans (SDBIP), the priority needs / programmes and projects are packaged according to the 5 KPA's of Local Government as follows:

KPA1: Basic Service Delivery and Infrastructure Investment;
KPA2: Local Economic Development;
KPA3: Financial Viability and Financial Management;
KPA4: Municipal Transformation and Institutional Development;
KPA5: Good Governance and Community Participation

KPA1: Basic Service Delivery and Infrastructure Investment

PRIORITY AREA / PROGRAMME: INTEGRATED DEVELOPMENT PLANNING				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
1.1	Ensure that the municipality broadly delivers service according to the strategic orientation based on key sector plans	To ensure integration and timely planning and delivery of infrastructure and amenities, maintenance and upkeep, including appropriation of budgets through a structured strategic integrated development plan and framework.	1.1.1Eight (8) Sector Plans developed by in compliance with National guidelines and annually reviewed and approved by council.	Develop the WSDP, IP, ITP, CIP, IWMP, IDMP, Tourism & Marketing Strategy and IEP in compliance with National guidelines and ensure annual review thereof and approval by council.

4.5	To ensure development of legally compliant and credible IDP.	To ensure coordinated approach to planning, implementation, monitoring, review and reporting.	4.5.1 Improved assessment ratings of the municipality's IDP year on year expressed as a % of number of areas rated and compliance achieved over the total number of rated areas.	100% improvement in annual assessment ratings of the IDP by CoGTA.
PRIORITY AREA / PROGRAMME: ROADS				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
1.2	Ensure universal access to reliable and quality basic municipal services by all communities.	To ensure reach of basic service by communities and ensuring rapid response to any service failures.	1.2.1 No of kilometers of identified internal roads repaired, maintained and paved	Reseal and repair potholes on tarred internal roads to the extent of a minimum of 25 km and 6 km paved.
PRIORITY AREA / PROGRAMME: ELECTRICITY				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
1.2	Ensure universal access to reliable and quality basic municipal services by all communities.	To ensure reach of basic service by communities and ensuring rapid response to any service failures.	1.2.2 New electricity connections installed in all the newly established formal settlement areas within Metsimaholo LM	100% completion of new electricity required connections in all the newly established formal settlement areas within Metsimaholo LM expressed as a total number of new connections completed over a total number of new connections approved for each financial year.
PRIORITY AREA / PROGRAMME: PORTABLE WATER				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
1.2	Ensure universal access to reliable and quality basic municipal services by all communities.	To ensure reach of basic service by communities and ensuring rapid response to any service failures.	1.2.3 Conventional water meters replaced with prepaid meters in all the identified areas	100% completion of water meters conversions approved expressed as a total number of conversions completed over a total number of conversion approved for each financial year
			1.2.4 Obsoleted / Old asbestos water pipes replaced.	Replace 25km (5 km each year) of obsolete / old asbestos water pipes.
			1.2.4.1% Minimization of Water distribution losses	50 % Minimization of Water distribution losses

			1.2.4.2 % in Compliance with Blue Drop Accreditation System	99% in Compliance with Blue Drop Accreditation System
PRIORITY AREA / PROGRAMME: SANITATION				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
1.2	Ensure universal access to reliable and quality basic municipal services by all communities.	To ensure reach of basic service by communities and ensuring rapid response to any service failures.	1.2.5 Sanitary services extended to identified areas within Metsimaholo LM.	100% provision of sanitary service to identified areas expressed as a total number of new sanitary connections completed over the total number of new connections approved for each financial year.
			1.2.5.1 Water and Sanitation maintenance Plan developed and submitted to Council	Development and Annually Review of Water and Sanitation maintenance Plan
			1.2.5.2 % in Compliance with Green Drop Accreditation System	99 % Compliance with Green Drop Accreditation System
PRIORITY AREA/PROGRAMME: PROJECT MANAGEMENT (PMU)				
1.2	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
Ensure universal access to reliable and quality basic municipal services by all communities.		To ensure reach of basic service by communities and ensuring rapid response to any service failures.	1.2.5.3 Number of New Projects for which Funding is sourced (MIG,DoE,DWS)	15 New Projects for which Funding is sourced (MIG,DoE,DWS)
			1.2.5.4 % Spending on Grants as per DoRA requirements.	100 % Spending on Grants as per DoRA requirements.
			1.2.5.5 Number of progress reports submitted to Council on monitoring of all Capital Projects.	20 progress reports submitted to Council on monitoring of all Capital Projects.
PRIORITY AREA / PROGRAMME: SOLID WASTE MANAGEMENT,PARKS AND SPORTS & RECREATION				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
1.2	Ensure universal access to reliable and quality basic municipal services by all communities.	To extent reach of refuse removal services to ensure access to new areas in the municipality.	1.2.6 Refuse removal service extended to all new formal settlements as per township register within Metsimaholo LM.	Extend weekly refuse removal service to all additional 7 500 households as per new township register

			1.2.6.1 Integrated Waste Management Plan (IWMP) Reviewed and submitted to Council and implemented	Annually Review of IWMP
			1.2.6.2 Number of illegal dumping sites removed	60 of illegal dumping sites removed
			1.2.6.3 Number of Waste Management Awareness programmes conducted.	20 Waste Management Awareness programmes conducted.
			1.2.6.4 % of Community Facilities (cemeteries,parks,community halls,sports,arts& culture) maintained.	100% of Community Facilities (cemeteries,parks,community halls,sports,arts& culture) maintained.
			1.2.6.5 Number of Cemeteries developed.	1 Cemetery developed by 2022
			1.2.6.6 Number of Recreational Parks developed	5 Recreational Park developed
			1.2.6.7 Number of Arts & Culture activities organized	10 Arts & Culture activities organized
			1.2.7 New landfill site established in Sasolburg	One (1) new landfill site established, licensed and operational in Sasolburg.
PRIORITY AREA / PROGRAMME: PUBLIC SAFETY				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
1.2	Ensure universal access to reliable and quality basic municipal services by all communities.	To ensure that the traffic police are able to cover a wide area during daily rounds in the field.	1.2.8 Number of road traffic block conducted.	12 Road traffic blocks conducted
			1.2.9 Number of Safety and Security Programmes conducted	40 Safety and Security Programmes conducted.
PRIORITY AREA / PROGRAMME: DISASTER MANAGEMENT				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
1.2	Ensure universal access to reliable and quality basic municipal services by all communities.	To improve fire and disaster preparedness for extreme climate events and prioritise prompt response.	1.2.10 % of disaster incidents within the municipality attended as and when they occur,	100% of other disaster incidents within the municipality attended to as and when they occur.
			1.2.10.1 Number of Disaster Management Awareness Programmes conducted.	10 Disaster Management Awareness Programmes conducted

			1.2.10.2 Number of Disaster Management training provided to Volunteers.	10 Disaster Management training provided to Volunteers.
			1.2.10.3 Municipal Disaster Management Advisory Forum established and functional.	Municipal Disaster Management Advisory Forum established and 20 Meetings convened.
			1.2.10.4 Review Disaster Management Plan and submit to Council for approval	Annually Reviewed Disaster Management Plan
			1.2.10.5 % of Fire incidents within the municipality attended as and when they occur,	100% of Fire incidents within the municipality attended to as and when they occur.
			1.2.10.6 Municipal Fire Advisory Forum Established and Functional	Municipal Fire Advisory Forum established and 20 Meetings convened
			1.2.10.7 Number of Fire Awareness Programmes conducted	10 Number of Fire Awareness Programmes conducted

KPA2: Local Economic Development

PRIORITY AREA / PROGRAMME: LOCAL ECONOMIC DEVELOPMENT				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
2.1	Create conducive environment for improving local economic development.	To enable the municipality to put measures in place to create an enabling environment for local economic development to stimulate competitive, inclusive and sustainable economies and integrating and densifying communities so as to improve sustainability and thereby positioning the municipality as	2.1.1 Annually reviewed LED strategy and submitted for council approval	Review the LED strategy annually and submit for council approval
			2.1.2 Established and annually reviewed / assessed LED stakeholder forums	Establish and annually review / assess LED stakeholder forums
			2.1.3 Number of jobs opportunities created through EPWP initiatives	500 of jobs opportunities created through EPWP initiatives

		the economic hub of the province.	2.1.4 No of job opportunities created through CWP initiatives	5 000 job opportunities created through CWP initiatives
2.2	Use the municipality's buying power to advance economic empowerment of SMMEs and Cooperatives.	To ensure support to SMMEs and Cooperatives sectors so as to continue to preserve and create more jobs and job opportunities.	2.2.1 Ongoing support provided to willing local SMMEs through training initiatives	Provide 2 dedicated SMME training sessions per financial year as part of ongoing support to willing local SMMEs.
			2.2.2 Minimum 80% of the municipality's procurement of goods and services sourced from local SMMEs.	Source 80% of the municipality's procurement of goods and services from local SMMEs, expressed as a % of number of local SMMEs procured from over total number of local SMMEs on the internal database of suppliers for each financial year.
			2.2.3 Identified and implemented LED Capital projects.	Identify and implement 2 LED Capital projects per financial year
PRIORITY AREA / PROGRAMME: SPATIAL PLANNING				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
2.3	Create conducive environment for improving local economic development.	To enable the municipality to put measures in place to create an enabling environment for local economic development to stimulate competitive, inclusive and sustainable economies and integrating and densifying communities so as to improve sustainability and thereby positioning the municipality as the economic hub of the province.	2.3.1 Annually reviewed Spatial Development Framework (SDF) submitted to council for approval	Annually review the SDF and submit it for council approval
			2.3.2 Developed and annually SPLUMA implementation plan submitted to council for approval together with a report on monitoring of tribunals	Develop SPLUMA implementation plan, annually review the plan and submitted for council approval together with a report on monitoring of tribunals.
			2.3.3 Annually reviewed Human Settlement Plan and submitted to council for approval	Annually review the Human Settlement Plan and submit it for council approval
PRIORITY AREA / PROGRAMME: TOURISM				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
2.3	Maximise on the tourism potential of the municipality.	To maximise on the tourism potential of the municipality as	2.3.4 Directional signs installed for local tourism	100% Installation of new directional signs for local tourism facilities throughout

		another means to boost the local economy.	facilities throughout Metsimaholo LM.	Metsimaholo LM expressed as a % of the number of directional signs installed over the total number of signs identified and approved for installation each financial year.
2.3	Maximise on the tourism potential of the municipality.	To maximise on the tourism potential of the municipality as another means to boost the local economy.	2.3.5 Identified and established new tourism enhancement events in the municipality.	Identify and establish 2 new tourism events per financial year in the municipality.

KPA3: Financial Viability & Financial Management

PRIORITY AREA / PROGRAMME: REVENUE MANAGEMENT				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
3.1	Ensure financial management practices that enhance financial viability & compliance with the requirements of MFMA & other relevant legislation and the applicable accounting standards.	To ensure implementation of sound financial management practices and functional financial management systems which include rigorous internal controls.	3.1.1 Revenue enhancement strategy developed, annually reviewed and submitted for council approval	Develop Revenue Enhancement Strategy, annually review the strategy and submit it for council approval.
			3.1.3 Improved annual consumer debtors' revenue collection rate.	Improve consumer debtors' collection rate to 83% in 2019/20 and 95% in 2022 expressed as a steady annual cumulative increase.
PRIORITY AREA / PROGRAMME: INDIGENT MANAGEMENT				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
3.1	Ensure financial management practices that enhance financial viability & compliance with the requirements of MFMA & other relevant legislation and the applicable accounting standards.	To ensure implementation of sound financial management practices and functional financial management systems which include rigorous internal controls.	3.1.2 Review and Updating of Indigent Register.	Annually review and Update of Indigent register.
PRIORITY AREA / PROGRAMME: FINANCIAL MANAGEMENT & CONTROLS				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
3.1	Ensure financial management practices that enhance financial viability & compliance with the	To ensure accurate recording and reporting of revenue.	3.1.4 Actual Revenue generated as a percentage	Actual revenue generated from billing equals to 100% of the annual /adjusted budgeted

	requirements of MFMA & other relevant legislation and the applicable accounting standards.		of the annual / adjusted budget	revenue from billing approved for each financial year.
3.1	Ensure financial management practices that enhance financial viability & compliance with the requirements of MFMA & other relevant legislation and the applicable accounting standards.	To ensure accurate recording and reporting of revenue, and explorations of new ways to accumulate revenue by the municipality.	3.1.5 Generation of surplus in municipal financials over 5 years through the active mitigation to declining payment levels, management of water loss, ensuring accurate water, installation of SMART metering meter reading solutions and the automation municipal accounts	Year on year audited financial results that indicated operating surplus over 5 years.
3.1	Ensure financial management practices that enhance financial viability & compliance with the requirements of MFMA & other relevant legislation and the applicable accounting standards.	To ensure accurate reports of debtors and proper mechanisms and policies relating to collection of debts.	3.1.6 Established dedicated Debt Management unit, cleaned-up historical debt and annually reviewed performance of the unit.	Establish dedicated Debt Management unit and, cleaned-up 100% of historical debt up to 30 June 2020 and annually review performance of the unit.
		To ensure that required reporting is completed within the required timelines.	3.1.7 Improved compliance on the overall operations of financial management in line with section 71, 72 and 121 of MFMA.	60 Section 71(MFMA) reports, 5 (five) section 72 (MFMA) report and 5 sets of Audited Annual Report compliant with section 121(MFMA)
		To ensure that both internal and external audit recommendations are implemented by management.	3.1.10 Post Audit Action Plan matters relating to financial matters fully addressed.	100% of Post Audit Action Plan matters relating to financial matters addressed.
		To ensure compliance with prescribed supply chain management processes	3.1.11 Reduction in irregular expenditure incurred due to non-compliance with prescribed supply chain management processes	Zero irregular expenditure incurred.
			3.1.12 Tenders / bids evaluated and Adjudicated within the set time frames from the date of advertisement / re-advertisement.	Evaluate and Adjudicate all tenders / bids as follows from the date of advertisement / re-advertisement: • 15 days for tenders / bids up to R 30 000 (VAT incl.)

				• 25 days for tenders / bids from R 30 001 up to R 200 000 (VAT incl). • 60 days for tenders / bids from R 200 001 and above (VAT incl).
			3.1.13 Appointment letters for adjudicated bids / tenders issued within the set time frames from the date of date of adjudication report.	Issue appointment letters to successful bidders for all categories of tenders / bids within 10 days after receiving the report of the Adjudication Committee / Report of the SCM Manager.
PRIORITY AREA / PROGRAMME: ANTI-FRAUD AND CORRUPTION				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
3.1	Ensure financial management practices that enhance financial viability & compliance with the requirements of MFMA & other relevant legislation and the applicable accounting standards.	To ensure an active fraud and corruption reporting.	3.1.8 All instances of fraud and corruption formally reported to the SAPS for investigation and Council, Executive Mayor & Speaker for noting as and when they occur.	Report 100% of instances of fraud and corruption to the SAPS, Council, and Executive Mayor & Speaker as and when they occur, expressed as number of cases reported over the total number of instances identified / reported by whistle blowers.

KPA 4: Municipal Transformation and Institutional Development

PRIORITY AREA / PROGRAMME: INSTITUTIONAL DEVELOPMENT				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
4.1	To capacitate and empower workforce.	To ensure capacitation of officials and Councillors so that they are able to deal with the challenges	4.1.1 Finalised organisational structure review in line with the White	Finalise organisational structure review and correctly place misplaced officials by

		of local governance as well as ensuring that scarce skills are addressed.	Paper on Transforming Public Service and correctly placed officials by area of expertise and qualification	area of expertise and qualification.
			4.1.4 Enhance Change Management efforts in the municipality	Develop, Implement and report on the organisational Change management plan / strategy.
4.3	To improve the administrative capability of the municipality.	To ensure that the municipality is governed well and conduct its business responsibly and within the framework of prescribed laws and regulations.	4.3.3 Ensure compliance to Code of Conduct by employees and Councillors	20 Quarterly reports on compliance with the Code of Conduct by Councillors and employees.
			4.3.8 Fifteen (15) prescribed minimum business processes implemented within the systems and integrated transaction processing environment of the municipality.	Fully implement fifteen (15) prescribed minimum business processes within the systems and integrated transaction processing environment of the municipality.
4.3	To improve the administrative capability of the municipality.	To ensure that the municipality is governed well and conduct its business responsibly and within the framework of prescribed laws and regulations	4.3.9 % of attendance to litigations in favour or against the Municipality as an when they occur	100% of of attendance to litigations in favour or against the Municipality as an when they occur
			4.3.10 % of Contract and Service Level Agreements developed in line with Tenders/Contracts Issued	100% development of Contract and Service Level Agreements developed in line with Tenders/Contracts Issued
			4.3.11 Number of Integrated Management System(IDMS) Developed and approved	Develop and annually Review Integrated Management System (IDMS)
			4.3.12 % of Disposal of records in accordance with the National Atchives Act	100 %
PRIORITY AREA / PROGRAMME: HUMAN RESOURCE DEVELOPMENT				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
4.1	To capacitate and empower workforce.	To ensure capacitation of officials and Councillors so that they are able to deal with the challenges of local governance as well as ensuring that scarce skills are addressed.	4.1.2 Alignment of the developmental programmes to the current needs and gaps in the municipality and annual review of WPSP.	Annually conduct skills development / training needs assessment, link and align the outcomes to appropriate development programmes and accordingly review the WPSP

			4.1.3 Increased internal funding towards Human Resource development.	Ensure that all identified skills development / training needs in the WPSP are sufficiently budgeted for and fully funded.
PRIORITY AREA / PROGRAMME: LABOUR RELATIONS				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
4.2	To ensure sound labour relations so as to minimise labour disputes and disruptions	To ensure that there are sustained platforms to engage organised labour to minimise disputes and disruptions.	4.2.1 Reduction in number of labour disputes and disruptions.	Review the Organisational Structure to align with the White Paper in Transforming Public Service and implement all review recommendations.
PRIORITY AREA / PROGRAMME: HEALTH & SAFETY				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
4.3	To improve the administrative capability of the municipality.	To ensure that the municipality is governed well and conduct its business responsibly and within the framework of prescribed laws and regulations.	4.3.1 Decentralized and capacitated Occupational Health and Safety function in the municipality	Improve Occupational Health and Safety in the municipality by developing OHS systems and regular training of OHS reps and committee.
PRIORITY AREA / PROGRAMME: INFORMATION COMMUNICATION TECHNOLOGY				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
4.3	To improve the administrative capability of the municipality.	To ensure that the municipality is governed well and conduct its business responsibly and within the framework of prescribed laws and regulations.	4.3.2 Fully functional Business Continuity and Disaster Recovery facility	Develop and maintain a fully functional off-site Business Continuity and Disaster Recovery Facility.
PRIORITY AREA / PROGRAMME: PERFORMANCE MANAGEMENT				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
4.3	To improve the administrative capability of the municipality.	To ensure that the municipality is governed well and conduct its business responsibly and within the framework of prescribed laws and regulations.	4.3.4 Performance of the Municipal Manager and all Senior managers reviewed on a quarterly basis.	20 Quarterly performance assessment reviews of the Municipal Manager and 5 senior managers.
			4.3.5 Number of Internally Audited performance of all Senior Manager's and the Municipal Manager's as part of monitoring of their performance agreements.	20 quarterly Internal Audit Reports and related Management Action Plans with specific focus on Performance Management

			4.3.6 Number of Internally Audited quarterly performance reports and draft annual reports submitted to the Audit Committee.	20 Internally Audited quarterly performance reports and 5 draft annual reports submitted to the Audit Committee.
4.3	To improve the administrative capability of the municipality.	To ensure that the municipality is governed well and conduct its business responsibly and within the framework of prescribed laws and regulations.	4.3.7 Number of Senior Management meetings convened for inclusive and continuous strategic alignment of organisational goals and performance.	Convene 60 Senior Management meetings held for inclusive and continuous strategic alignment of organisational goals and performance.
			4.3.7.1 Development of Compliance Policy and submitted to Council for approval.	Development and Annually review of Compliance Policy
			4.3.7.2 Development of regulatory universe and submission to Council for approval	Development and Annually Review of regulatory universe
			4.3.7.3 Monitoring of Compliance on applicable laws quarterly	Monitoring of Compliance on applicable laws on quarterly basis.
			4.3.7.4 Number of quarterly reports on service delivery units (DV & OV) submitted to Municipal Manager.	20 quarterly reports on service delivery units (DV & OV) submitted to Municipal Manager.
			4.3.7.5 Security Plan developed and submitted to Council for approval.	Development and Annually Review of Security Plan.
			4.3.8 Tenders / bids evaluated and Adjudicated within the set time frames from the date of advertisement / re-advertisement.	Evaluate and Adjudicate all tenders / bids as follows from the date of advertisement / re-advertisement: • 15 days for tenders / bids up to R 30 000 (VAT incl.) • 25 days for tenders / bids from R 30 001 up to R 200 000 (VAT incl). • 60 days for tenders / bids from R 200 001 and above (VAT incl).

			4.3.9 Appointment letters for adjudicated bids / tenders issued within the set time frames from the date of date of adjudication report.	Issue appointment letters to successful bidders for all categories of tenders / bids within 10 days after receiving the report of the Adjudication Committee / Report of the SCM Manager.
PRIORITY AREA / PROGRAMME: RISK MANAGEMENT				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
4.4	To build a risk conscious culture within the organisation.	To ensure that the municipality is proactively aware and recognizes the risks that it is faced with so as to proactively plan for mitigation of such risks.	4.4.1 Review of Risk Management Policy and submission to Council for Approval.	Annually Review of Risk Management Policy and submission to Council for Approval.
			4.4.2 Review of Risk Management Strategy and submission to Council for Approval	Annually Review of Risk Management Strategy and submission to Council for Approval.
			4.4.3 Compilation and updating of Risk Register and Risk Assessment conducted	Quarterly Compilation and updating of Risk Register and Risk Assessment conducted
			4.4.4 Number of Risk Management Committee Meetings convened	20 Risk Management Committee Meetings convened
PRIORITY AREA / PROGRAMME: PUBLIC PARTICIPATION / STAKEHOLDER ENGAGEMENT				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
5.1	Ensure transparency, accountability and regular engagements with communities and stakeholders	To ensure that social distance between public representatives and communities and stakeholders is eliminated.	5.1.1 Number of report back meetings to communities and stakeholders held by the Executive Mayor and/or Mayoral/Committee to communicate policies, plans and progress of council	20 Quarterly report back meetings to communities and stakeholders by the Executive Mayor and/or Mayoral/Committee held to communicate policies, plans and progress of council.
			5.1.2 Number of awareness campaigns and special programmes dedicated	20 awareness campaigns and special programmes dedicated

			towards community upliftment held	towards community upliftment held
			5.1.3 Number of visits to hotspots / areas where there are breakdowns in community services and what was subsequently done	Visits all hotspots / areas where there are breakdowns in community services and subsequently submit a report to Council on what done in each such instances.
5.2	Ensure that ward committees are functional and interact with communities continuously.	To ensure implementation of community engagement plans through ward committees targeting hotspots and potential hotspots areas.	5.2.1 Ward development plans developed and approved by council.	Develop and approve ward-based plans for 21 wards within the municipality and ensure that Ward Committees are assessed quarterly against their approved plans.
PRIORITY AREA / PROGRAMME: GOOD GOVERNANCE				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
5.1	Ensure transparency, accountability and regular engagements with communities and stakeholders	To ensure that social distance between public representatives and communities and stakeholders is eliminated.	5.1.4 Number of reports on monitoring and oversight over Councillors' fulfilment of their duties and obligations towards communities on a continuous basis.	20 Quarterly of reports consolidating reports of Councillors on fulfilment of their duties and obligations towards communities on a continuous basis.
5.3	Ensure that ordinary council meetings are held regularly to consider and endorse reports.	To ensure that the council remains fully functional and focused on performing oversight over administration for the benefit of the community.	5.3.1 Convene ordinary council meetings at least each quarter to consider and endorse reports.	20 Ordinary Council meetings held over the period
			5.3.2 % of monitoring of implantation of Council resolutions.	100% of monitoring of implantation of Council resolutions.
5.4	Ensure that all council committees (s 79 committees) sit regularly and process items for council decisions.		5.4.1 Convene section 79 committees meetings at least each month to consider and endorse reports for further processing by council.	60 Section 79 committees meetings held by each committee of the committees over the period
			5.4.2 No of Whippery meetings convened to deal with Municipal matters.	60 Whippery meetings convened to deal with Council matters.
5.5	Ensure a functional governance structures and systems.	To ensure that the regulatory governance structures of the council are functional and	5.5.1 Number of internally audited Financial	4 Annually Internally Audited Financial Management Controls conducted

		focused on performing oversight to support and inform council decisions on various governance matters at the administrative level.	Management Controls conducted	
			5.5.2 % of Audit Charter reviewed and completed annually	100 % of Audit Charter reviewed and completed annually.
			5.5.2.1 Number of Audit Committee Meetings convened annually	20 Audit Committee Meetings convened
5.7	Ensure that Councillors fulfill their duties and obligations towards communities on a continuous basis.	To ensure that Councillors are report on their activities to the Speaker on a monthly basis.	5.7.1 Monthly reports received from Councillors detailing number of meetings and number of people at community level they have served.	60 Consolidated monthly reports detailing number of meetings and number of people at community level Ward Councillors have served.
PRIORITY AREA / PROGRAMME: INTERGOVERNMENTAL RELATIONS (IGR)				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
5.6	To promote Intergovernmental Relations amongst stakeholders.	To ensure that the municipality actively plays a role in advancing and participating intergovernmental relations endeavors at various levels.	5.6.1 % in attendance of IGR meetings and implement agreements and decisions	100% % in attendance of IGR meetings and implement agreements and decisions
			5.6.2 % of publications publicized to Community(Public Notices/Adverts) as an when received.	100 % % of publications publicized to Community(Public Notices/Adverts) as an when received.
			5.6.3 Number of newsletters regarding Municipal service delivery produced.	20 newsletters regarding Municipal service delivery produced.
PRIORITY AREA / PROGRAMME: SPECIAL PROGRAMMES				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
5.8	To ensure that there is a coherent approach in the municipality in dealing with HIV/AIDS and TB	To ensure cohesive processes and structures to help co-ordinate programmes to tackle HIV/AIDS and TB and the provision of support to those most affected.	5.8.1 HIV/AIDS day commemorated and dedicated public awareness programs on HIV/AIDS, TB, Cancer, etc. held together with the community.	5 (five) HIV/AIDS day commemorations held in December and 10 dedicated public awareness programs on HIV/AIDS, TB, Cancer, etc. held together with the community.
5.9	To implement special programmes aimed at the needs of vulnerable groups and youth within the community.	To ensure support for vulnerable groups, youth and children to restore and rebuild their lives through improved access to information, services, etc.	5.9.1 Monthly public and special outreach programmes aimed empowering vulnerable	60 Monthly public and special outreach programmes aimed empowering vulnerable groups within the community conducted.

			groups within the community conducted.	
			5.9.2 Number of Youth Summit held/convened.	5 Youth Summit held/convened
			5.9.3 Number of Youth Awareness programmes(Alcohol, Drug Abuse, Teenage pregnancy & Youth Day commemoration)	20 Youth Awareness programmes(Alcohol, Drug Abuse, Teenage pregnancy & Youth Day commemoration)

2.11 Contracts having future budgetary implications

In terms of the Municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years), with exception of the contract for the valuation roll. However, extension was granted by COGTA. The new contract for the new valuation roll was awarded in 2018/2019 financial year. In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

The Municipality enter into agreements for the rendering of printing services, office cleansing services and security services. Some of the contracts for capital works are also multi-year contracts.

2.12 Capital expenditure details

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

Annexure A on page___ to _____ reflect the detail Capital Budget

Table 47MBRR SA 34a - Capital expenditure on new assets by asset class

FS204 Metsimaholo - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		**74,803**	**46,681**	**97,638**	**181,686**	**170,336**	**170,336**	**117,661**	**173,517**	**124,756**
Roads Infrastructure		22,518	22,571	20,101	9,501	9,401	9,401	59,892	123,870	80,443
Roads		22,518	20,582	20,101	4,808	4,808	4,808	58,155	123,870	79,443
Road Structures		–	1,989	–	–	–	–	–	–	–
Road Furniture		–	–	–	4,693	4,593	4,593	1,736	–	1,000
Capital Spares										
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		25,316	21,409	13,692	18,216	17,366	17,366	26,356	25,131	20,758
Power Plants										
HV Substations		25,316	1,988	–	–	–	–	100	–	–
HV Switching Station										
HV Transmission Conductors										
MV Substations		–	–	–	150	150	150	300	–	–
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		–	10,721	10,759	1,650	800	800	2,000	4,000	3,500
LV Networks		–	8,700	2,907	15,916	15,916	15,916	23,956	20,631	16,258
Capital Spares		–	–	26	500	500	500	–	500	1,000
Water Supply Infrastructure		3,070	–	8,696	9,593	9,343	9,343	4,293	1,671	9,355
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works		3,070	–	8,696	9,593	9,343	9,343	4,293	150	–
Bulk Mains										
Distribution		–	–	–	–	–	–	–	–	–
Distribution Points										
PRV Stations										
Capital Spares		–	–	–	–	–	–	–	1,521	9,355

Sanitation Infrastructure		23,835	2,701	55,149	144,126	133,226	133,226	25,493	21,750	12,000
Pump Station										
Reticulation		–	2,701	11,057	31,876	30,976	30,976	286	12,250	12,000
Waste Water Treatment Works		23,835	–	34,756	80,000	70,000	70,000	25,000	9,500	–
Outfall Sewers										
Toilet Facilities		–	–	9,336	32,250	32,250	32,250	208	–	–
Capital Spares										
Solid Waste Infrastructure		64	–	–	–	–	–	1,427	894	2,000
Landfill Sites		–	–	–	–	–	–	1,427	894	2,000
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points		64								
Waste Separation Facilities		–	–	–	–	–	–	–	–	–
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure		–	–	–	250	1,000	1,000	200	200	200
Data Centres										
Core Layers										
Distribution Layers		–	–	–	250	1,000	1,000	200	200	200
Capital Spares										
Community Assets		**9,637**	**11,144**	**625**	**17,049**	**9,122**	**9,122**	**12,099**	**4,599**	**3,745**
Community Facilities		–	11,139	621	17,005	9,098	9,098	12,099	4,599	3,445
Halls		–	–	–	–	–	–	–	–	–
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations		–	45	–	–	–	–	–	–	–
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										

Cemeteries/Crematoria		–	–	–	470	65	65	9,655	1,327	67
Police										
Parks		–	–	–	–	–	–	–	500	500
Public Open Space		–	11,094	621	16,535	9,033	9,033	2,444	2,772	2,878
Nature Reserves										
Public Ablution Facilities										
Markets										
Stalls		–	–	–	–	–	–	–	–	–
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares										
Sport and Recreation Facilities		9,637	5	4	44	24	24	–	–	300
Indoor Facilities										
Outdoor Facilities		9,637	5	4	44	24	24	–	–	300
Capital Spares										
Heritage assets		–	–	–	–	–	–	–	–	–
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property										
Unimproved Property										
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property										
Unimproved Property										
Other assets		**9,870**	**–**	**–**	**3,800**	**2,000**	**2,000**	**2,350**	**1,417**	**1,317**
Operational Buildings		–	–	–	3,800	2,000	2,000	2,350	1,417	1,317
Municipal Offices		–	–	–	300	–	–	350	417	317
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards		–	–	–	–	–	–	–	–	–
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares		–	–	–	3,500	2,000	2,000	2,000	1,000	1,000
Housing		9,870	–	–	–	–	–	–	–	–
Staff Housing		9,870								
Social Housing										
Capital Spares										

Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets										
Intangible Assets		328	–	–	1,400	1,200	1,200	200	–	–
Servitudes										
Licences and Rights		328	–	–	1,400	1,200	1,200	200	–	–
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications		–	–	–	1,400	1,200	1,200	200	–	–
Load Settlement Software Applications										
Unspecified		328								
Computer Equipment		–	304	310	1,330	1,330	1,330	1,570	1,615	1,940
Computer Equipment		–	304	310	1,330	1,330	1,330	1,570	1,615	1,940
Furniture and Office Equipment		–	460	164	2,636	1,070	1,070	2,157	5,032	1,987
Furniture and Office Equipment		–	460	164	2,636	1,070	1,070	2,157	5,032	1,987
Machinery and Equipment		–	1,382	2,449	1,479	992	992	3,296	9,282	3,249
Machinery and Equipment		–	1,382	2,449	1,479	992	992	3,296	9,282	3,249
Transport Assets		–	1,826	8,606	17,548	–	–	18,977	1,180	1,900
Transport Assets		–	1,826	8,606	17,548	–	–	18,977	1,180	1,900
Land		–	–	–	–	–	–	50	600	–
Land		–	–	–	–	–	–	50	600	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals										
Total Capital Expenditure on new assets	1	**94,637**	**61,797**	**109,792**	**226,928**	**186,049**	**186,049**	**158,359**	**197,242**	**138,894**

Table 48 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

FS204 Metsimaholo - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		–	39,215	7,461	58,604	62,957	62,957	74,066	61,350	83,958
Roads Infrastructure		–	–	–	42,000	37,000	37,000	30,000	25,000	17,000
Roads		–	–	–	42,000	37,000	37,000	30,000	25,000	17,000
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		–	–	–	–	–	–	–	–	–

Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		–	–	7,461	13,600	12,950	12,950	15,016	12,600	26,500
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks		–	–	7,461	–	–	–	3,916	1,300	15,000
LV Networks										
Capital Spares		–	–	–	13,600	12,950	12,950	11,100	11,300	11,500
Water Supply Infrastructure		–	23	–	3,000	2,950	2,950	4,000	6,450	22,642
Dams and Weirs										
Boreholes										
Reservoirs		–	–	–	–	–	–	–	–	–
Pump Stations										
Water Treatment Works		–	–	–	1,300	1,250	1,250	2,000	4,200	5,200
Bulk Mains										
Distribution		–	–	–	–	–	–	–	–	15,242
Distribution Points										
PRV Stations										
Capital Spares		–	23	–	1,700	1,700	1,700	2,000	2,250	2,200
Sanitation Infrastructure		–	39,193	–	4	10,057	10,057	25,050	17,300	17,816
Pump Station		–	–	–	4	4	4	–	–	–
Reticulation										
Waste Water Treatment Works		–	39,030	–	–	10,000	10,000	25,000	17,000	17,816
Outfall Sewers										
Toilet Facilities										
Capital Spares		–	162	–	–	53	53	50	300	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										

Capital Spares										
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										
Community Assets		**–**	**–**	**–**	**2,983**	**1,733**	**1,733**	**6,367**	**300**	**1,500**
Community Facilities		–	–	–	2,983	1,733	1,733	6,367	300	1,500
Halls										
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations		–	–	–	–	–	–	–	–	–
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria		–	–	–	1,233	1,233	1,233	5,367	300	–
Police										
Parks										
Public Open Space		–	–	–	1,750	500	500	1,000	–	1,500
Nature Reserves										
Public Ablution Facilities		–	–	–	–	–	–	–	–	–
Markets										
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares										
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Indoor Facilities										
Outdoor Facilities										
Capital Spares										
Heritage assets		–	–	–	–	–	–	–	–	–
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property										

Unimproved Property										
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property										
Unimproved Property										
Other assets		**–**	**–**	**–**	**200**	**–**	**–**	**4,200**	**–**	**600**
Operational Buildings		–	–	–	200	–	–	4,200	–	600
Municipal Offices		–	–	–	200	–	–	4,200	–	600
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares										
Housing		–	–	–	–	–	–	–	–	–
Staff Housing										
Social Housing										
Capital Spares										
Intangible Assets		–	–	–	1,200	–	–	–	750	–
Servitudes										
Licences and Rights		–	–	–	1,200	–	–	–	750	–
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications		–	–	–	1,200	–	–	–	750	–
Load Settlement Software Applications										
Unspecified										
Computer Equipment		–	296	85	200	–	–	1	–	–
Computer Equipment		–	296	85	200	–	–	1	–	–
Furniture and Office Equipment		–	174	–	966	404	404	1,342	6	80
Furniture and Office Equipment		–	174	–	966	404	404	1,342	6	80
Machinery and Equipment		–	461	–	521	450	450	1,579	600	869
Machinery and Equipment		–	461	–	521	450	450	1,579	600	869
Transport Assets		–	596	–	715	–	–	873	3,462	2,158
Transport Assets		–	596	–	715	–	–	873	3,462	2,158
Land		–	–	–	–	–	–	–	–	–
Land										
Total Capital Expenditure on renewal of existing assets	1	**–**	**40,743**	**7,546**	**65,389**	**65,544**	**65,544**	**88,428**	**66,468**	**89,166**

Renewal of Existing Assets as % of total capex		*0.0%*	*39.7%*	*6.4%*	*22.2%*	*26.1%*	*26.1%*	*35.1%*	*25.2%*	*38.8%*
Renewal of Existing Assets as % of deprecn"		*0.0%*	*73.9%*	*10.5%*	*78.7%*	*79.3%*	*79.3%*	*100.6%*	*62.4%*	*74.4%*

FS204 Metsimaholo - Supporting Table SA34e Capital expenditure on the upgrading of existing assets by asset class

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		–	–	–	–	–	–	**5,000**	–	**2,000**
Roads Infrastructure		–	–	–	–	–	–	–	–	2,000
Roads										
Road Structures										
Road Furniture		–	–	–	–	–	–	–	–	2,000
Capital Spares										
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		–	–	–	–	–	–	2,000	–	–
Power Plants										
HV Substations		–	–	–	–	–	–	2,000	–	–
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution										
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Pump Station										
Reticulation										
Waste Water Treatment Works										

Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure		–	–	–	–	–	–	3,000	–	–
Data Centres		–	–	–	–	–	–	3,000	–	–
Core Layers										
Distribution Layers										
Capital Spares										
Community Assets		**–**	**–**	**–**	**2,200**	**–**	**–**	**500**	**200**	**–**
Community Facilities		–	–	–	2,200	–	–	500	200	–
Halls		–	–	–	200	–	–	–	200	–
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria										
Police										
Parks										
Public Open Space		–	–	–	–	–	–	500	–	–
Nature Reserves		–	–	–	2,000	–	–	–	–	–

Public Ablution Facilities										
Markets										
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares										
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Indoor Facilities										
Outdoor Facilities										
Capital Spares										
Heritage assets		–	–	–	–	–	–	–	–	–
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
Investment properties		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property										
Unimproved Property										
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property										
Unimproved Property										
Other assets		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	–	–	–
Municipal Offices										
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares										
Housing		–	–	–	–	–	–	–	–	–
Staff Housing										
Social Housing										
Capital Spares										
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets										
Intangible Assets		–	–	–	–	–	–	–	–	–
Servitudes										
Licences and Rights		–	–	–	–	–	–	–	–	–

Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications		–	–	–	–	–	–	–	–	–
Load Settlement Software Applications										
Unspecified										
Computer Equipment		–	–	–	–	–	–	–	–	–
Computer Equipment										
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment										
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment										
Transport Assets		–	–	–	–	–	–	–	–	–
Transport Assets										
Land		–	–	–	–	–	–	–	–	–
Land										
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals										
Total Capital Expenditure on upgrading of existing assets	1	**–**	**–**	**–**	**2,200**	**–**	**–**	**5,500**	**200**	**2,000**
Upgrading of Existing Assets as % of total capex		*0.0%*	*0.0%*	*0.0%*	*0.7%*	*0.0%*	*0.0%*	*2.2%*	*0.1%*	*0.9%*
Upgrading of Existing Assets as % of deprecn"		*0.0%*	*0.0%*	*0.0%*	*2.6%*	*0.0%*	*0.0%*	*6.3%*	*0.2%*	*1.7%*

Table 49MBRR SA34c - Repairs and maintenance expenditure by asset class

FS204 Metsimaholo - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Repairs and maintenance expenditure by Asset Class/Sub-class										
_ Infrastructure		**14,919**	**14,191**	**11,011**	**25,499**	**22,445**	**22,445**	**27,240**	**27,447**	**28,083**
Roads Infrastructure		6,396	1,231	1,881	4,921	5,173	5,173	8,411	8,411	8,820
Roads		6,396	–	–	–	–	–	–	–	–
Road Structures		–	1,211	1,493	4,700	4,755	4,755	8,190	8,190	8,600
Road Furniture		–	19	388	221	419	419	221	221	221
Capital Spares										
Storm water Infrastructure		–	–	–	1,830	325	325	1,530	1,535	1,490
Drainage Collection										
Storm water Conveyance		–	–	–	1,830	325	325	1,530	1,535	1,490
Attenuation										

Electrical Infrastructure		2,960	7,902	4,715	9,475	10,919	10,919	8,312	8,513	8,614
Power Plants		–	6,787	3,339	6,682	4,769	4,769	5,391	5,591	5,691
HV Substations		–	309	726	829	1,760	1,760	831	831	831
HV Switching Station										
HV Transmission Conductors		2,791								
MV Substations										
MV Switching Stations										
MV Networks		169	513	–	114	90	90	90	91	92
LV Networks		–	292	649	1,850	4,300	4,300	2,000	2,000	2,000
Capital Spares										
Water Supply Infrastructure		2,643	1,438	1,711	3,170	1,462	1,462	2,170	2,170	2,170
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works		2,643								
Bulk Mains										
Distribution		–	1,438	1,711	3,170	1,462	1,462	2,170	2,170	2,170
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		2,921	3,620	2,704	5,387	4,565	4,565	6,301	6,301	6,470
Pump Station		–	2,391	1,832	3,765	2,765	2,765	4,034	4,034	4,153
Reticulation		–	1,229	149	1,622	900	900	1,275	1,275	1,275
Waste Water Treatment Works		2,921	–	723	–	900	900	992	992	1,042
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		–	1	–	717	–	–	517	518	518
Landfill Sites		–	1	–	717	–	–	517	518	518
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps										
Piers										

Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										
Community Assets		**610**	**–**	**11**	**719**	**132**	**132**	**1,570**	**1,639**	**1,708**
Community Facilities		607	–	11	257	74	74	963	1,005	1,045
Halls		1	–	–	58	43	43	170	176	182
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries		12								
Cemeteries/Crematoria		–	–	–	8	8	8	8	8	8
Police										
Parks		13	–	–	52	22	22	675	709	742
Public Open Space										
Nature Reserves										
Public Ablution Facilities		579								
Markets										
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals		–	–	11	139	–	–	110	112	113
Capital Spares		2								
Sport and Recreation Facilities		3	–	–	462	58	58	606	634	662
Indoor Facilities		–	–	–	78	6	6	100	105	110
Outdoor Facilities		3	–	–	384	52	52	506	529	552
Capital Spares		1	1	1	1	1	1	1	1	1
Heritage assets		–	–	–	–	–	–	–	–	–
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
Investment properties		**802**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		802	–	–	–	–	–	–	–	–
Improved Property		802								
Unimproved Property										
Non-revenue Generating		–	–	–	–	–	–	–	–	–

Improved Property										
Unimproved Property										
Other assets		**–**	**4,204**	**661**	**7,272**	**1,014**	**1,014**	**2,319**	**2,362**	**2,297**
Operational Buildings		–	4,204	661	7,272	1,014	1,014	2,319	2,362	2,297
Municipal Offices		–	4,202	651	6,948	769	769	1,979	2,022	1,956
Pay/Enquiry Points										
Building Plan Offices										
Workshops		–	–	–	–	–	–	–	–	–
Yards		–	3	10	324	245	245	341	341	341
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares										
Housing		–	–	–	–	–	–	–	–	–
Staff Housing										
Social Housing		–	–	–	–	–	–	–	–	–
Capital Spares										
Intangible Assets		–	–	–	–	–	–	–	–	–
Servitudes										
Licences and Rights		–	–	–	–	–	–	–	–	–
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications										
Load Settlement Software Applications										
Unspecified										
Computer Equipment		58,978	63,751	–	–	–	–	–	–	–
Computer Equipment		58,978	63,751							
Furniture and Office Equipment		699	3,080	3,507	6,382	5,089	5,089	5,948	6,053	6,223
Furniture and Office Equipment		699	3,080	3,507	6,382	5,089	5,089	5,948	6,053	6,223
Machinery and Equipment		95	775	873	2,554	788	788	1,470	1,526	1,391
Machinery and Equipment		95	775	873	2,554	788	788	1,470	1,526	1,391
Transport Assets		1,817	3,245	5,713	8,416	9,275	9,275	9,080	9,154	9,204
Transport Assets		1,817	3,245	5,713	8,416	9,275	9,275	9,080	9,154	9,204
Land		–	–	–	–	–	–	–	–	–
Land										
Total Repairs and Maintenance Expenditure	1	**77,920**	**89,246**	**21,776**	**50,841**	**38,742**	**38,742**	**47,627**	**48,181**	**48,906**
R&M as a % of PPE		*6.5%*	*7.2%*	*1.6%*	*3.3%*	*2.5%*	*2.5%*	*4.0%*	*2.8%*	*2.6%*
R&M as % Operating Expenditure		*8.6%*	*9.2%*	*1.9%*	*3.9%*	*3.0%*	*3.0%*	*4.6%*	*3.4%*	*3.3%*

Salary cost are not included in figures above. Refer to table 14 and 15

2.13 Legislation compliance status

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

1. In year reporting
   Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting (Schedule C) to the Executive Mayor (within 10 working days) has progressively improved.

2. Internship programme
   The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department, Budget and Treasury Office.
   The Budget and Treasury Office has been established in accordance with the MFMA.

3. Audit Committee
   An Audit Committee has been established in terms of Section 166 of Municipal Finance Management Act No. 56 of 2003 and is fully functional

4. Service Delivery and Implementation Plan
   The detailed SDBIP document will be finalised after approval of the 2020/21 MTREF in May 2020 directly aligned and informed by the 2020/21 IDP and 2020/21 MTREF

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

6. Risk management
   The municipality has an approved risk management strategy and policy in place.

7. Implementation of SCM
   The reviewed supply chain management policy of the municipality, in line with the MFMA and national treasury prescripts, was adopted by council in June 2018. All bid committees as required by the SCM regulations are in place and the bid adjudication is chaired by the chief financial officer and operates within delegated powers. The SCM policy is reviewed and updated.

8. Effectiveness of audit steering committees
   The audit steering committees is an ad-hoc committee established during the planning and execution of the annual audit. The committee usually comprise of officials of the municipality and the Auditor-General team performing the audit.

9. Reduction of short-term debt
   This regulation is not applicable to the municipality as overdraft facilities are managed within the context of section 45 of the MFMA relating to short-term debt.

10. Delegations

All delegations are in place and council approved the generic financial delegations in November 2006. The delegations are process to be reviewed.

11. Performance agreements

The new performance agreements for 2020/2021 will be finalised after the SDBIP has been approved.

12. Implementation of GRAP

The key challenges for implementation of GRAP requirements are the following:

- Asset Register. Full compliance GRAP achieved, 30 June 2011.
- Investment property guidelines implemented - 30 June 2011
- Employee benefits fully captured. 30 June 2011
- Unbundling of PPE as per guidelines 30 June 2011.
- Not all stands are transferred in terms of housing scheme - 30 June 2017
- Lease: Government Garage treated as operating lease
- Debtors impaired.
- Billing information to be updated to accurate information for statements.

13. Development of accounting policies

Several accounting policies have been developed to ensure the requirements of Circular 36 are complied with. The further development of accounting policies will be guided with exemptions as agreed with National Treasury on an annual basis.

14. Inventories - unsold water

The inventories of unsold water are available from the Technical Section responsible. The water in “stock” is ± 45 mega litre and recorded daily. The reservoirs and pipes will be subject to stock taking on 30 June 2020. The detail of water losses need to be investigated to see if these stock levels needs to be impaired for the resale value of the water. The information is in the process to be updated.

15. Asset register

The physical asset count will be performed and communicated by the external service provider. The unbundling of PPE as well as impairment and investment property guidelines were addressed in 2010/2011. A service provider was appointed. The project to be GRAP 17 compliant was completed at 30 June 2011.The asset register is GRAP compliant.

However, problems were experienced with the unbundling of the asset register to be mSCOA compliant. The service of a consultant will be required. This result in a qualification by Auditor General.

16. Compliance Policy

A draft Compliance policy has been developed. The draft policy was not approved yet by Council.

Compliance Monitoring

Compliance is monitored and results are reported to Management and the Audit Committee. The municipality does not have a compliance officer.

Compliance alerts

Compliance alerts are communicated to Departments which are informed about upcoming compliance activities as per the legislated due dates**.**

Compliance Risk Management Plans

A Compliance Risk Management Plan based on the MFMA has been developed and was to be implemented in the 2017/18 financial year.
Currently the municipality does not have a Compliance officer.

2.14 Other supporting documents

Table 50 MBRR Table SA1-Supporting detail to budgeted financial performance

FS204 Metsimaholo - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
REVENUE ITEMS:											
Property rates	6										
Total Property Rates		145,827	153,033	163,865	245,935	239,845	239,845	219,431	252,727	264,998	277,865
less Revenue Foregone ***(exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)***		16,847	18,534	20,216	30,731	38,072	38,072	34,985	42,128	43,791	45,535
Net Property Rates		**128,980**	**134,499**	**143,648**	**215,204**	**201,773**	**201,773**	**184,447**	**210,599**	**221,207**	**232,330**
Service charges - electricity revenue	6										
Total Service charges - electricity revenue		258,116	266,271	280,983	304,700	307,633	307,633	282,062	327,638	347,766	365,071
less Revenue Foregone ***(in excess of 50 kwh per indigent household per month)***											
less Cost of Free Basis Services (50 kwh per indigent household per month)		6,374	4,919	8,030	10,772	10,772	10,772		12,703	13,590	14,278
Net Service charges - electricity revenue		**251,742**	**261,352**	**272,953**	**293,928**	**296,860**	**296,860**	**282,062**	**314,935**	**334,176**	**350,792**
Service charges - water revenue	6										
Total Service charges - water revenue		**256,021**	**330,889**	**376,777**	**489,793**	**503,966**	**503,966**	**400,389**	**526,183**	**556,346**	**587,029**
less Revenue Foregone ***(in excess of 6 kilolitres per indigent household per month)***											
less Cost of Free Basis Services (6 kilolitres per indigent household per month)		25,350	9,728	10,789	11,351	18,473	18,473		14,649	13,106	13,814
Net Service charges - water revenue		**230,672**	**321,161**	**365,987**	**478,442**	**485,493**	**485,493**	**400,389**	**511,534**	**543,240**	**573,215**
Service charges - sanitation revenue											
Total Service charges - sanitation revenue		**30,070**	**31,872**	**33,813**	**42,363**	**42,370**	**42,370**	**33,541**	**58,160**	**61,462**	**64,909**

less Revenue Foregone ***(in excess of free sanitation service to indigent households)***											
less Cost of Free Basis Services (free sanitation service to indigent households)		7,984	5,350	6,294	12,471	12,471	12,471		15,790	16,564	17,375
Net Service charges - sanitation revenue		**22,087**	**26,522**	**27,518**	**29,892**	**29,900**	**29,900**	**33,541**	**42,370**	**44,899**	**47,534**
Service charges - refuse revenue	6										
Total refuse removal revenue		38,472	39,112	43,632	47,866	52,950	52,950	42,529	59,489	63,169	66,889
Total landfill revenue											
less Revenue Foregone ***(in excess of one removal a week to indigent households)***											
less Cost of Free Basis Services (removed once a week to indigent households)		9,638	8,962	11,608	19,030	19,030	19,030		21,853	22,902	24,001
Net Service charges - refuse revenue		**28,834**	**30,150**	**32,024**	**28,836**	**33,920**	**33,920**	**42,529**	**37,636**	**40,268**	**42,889**
Other Revenue by source											
Fuel Levy											
Other Revenue		30,225	16,539	7,121	15,243	14,751	14,751	7,399	22,231	22,122	25,728
Total 'Other' Revenue	1	**30,225**	**16,539**	**7,121**	**15,243**	**14,751**	**14,751**	**7,399**	**22,231**	**22,122**	**25,728**
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	146,654	151,462	159,726	221,257	181,146	181,146	153,897	218,426	245,576	273,960
Pension and UIF Contributions		24,516	25,815	27,362	29,940	31,041	31,041	26,911	31,310	33,125	35,046
Medical Aid Contributions		16,026	15,988	17,227	19,355	19,652	19,652	16,803	19,627	20,766	21,970
Overtime		15,033	17,722	23,196	24,101	26,211	26,211	20,967	24,503	25,701	26,965
Performance Bonus		11,251	11,409	12,932	15,964	16,141	16,141	12,759	17,161	18,154	19,205
Motor Vehicle Allowance		16,257	17,238	18,778	21,839	22,473	22,473	18,347	21,725	22,985	24,318
Cellphone Allowance		1,231	1,231	1,265	1,678	1,757	1,757	1,248	1,630	1,717	1,807
Housing Allowances		1,328	3,881	2,433	2,180	2,661	2,661	2,337	2,681	2,837	3,001
Other benefits and allowances		5,397	8,712	13,837	12,709	17,443	17,443	14,824	21,009	22,465	23,120
Payments in lieu of leave		4,336	961	1,205	1,625	2,976	2,976	2,030	2,699	2,919	3,005
Long service awards		1,516	–	1,139	744	2,214	2,214	3,286	8,015	8,397	8,693
Post-retirement benefit obligations	4	1,343	8,042	9,519	7,998	10,113	10,113	1,947	10,921	13,237	14,665
sub-total	5	**244,888**	**262,460**	**288,618**	**359,390**	**333,828**	**333,828**	**275,356**	**379,706**	**417,877**	**455,755**
Less: Employees costs capitalised to PPE		–	–	–	–	–	–	–	–	–	–
Total Employee related costs	1	**244,888**	**262,460**	**288,618**	**359,390**	**333,828**	**333,828**	**275,356**	**379,706**	**417,877**	**455,755**
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		42,410	54,192	71,182	81,437	79,798	79,798	74,683	84,989	103,453	116,756

Lease amortisation		121	937	937	1,648	2,828	2,828	2,494	2,918	2,990	3,124
Capital asset impairment				–	–	–	–	–	–	–	–
Total Depreciation & asset impairment	1	**42,532**	**55,129**	**72,118**	**83,085**	**82,625**	**82,625**	**77,177**	**87,906**	**106,443**	**119,880**
Bulk purchases											
Electricity Bulk Purchases		202,159	206,554	225,639	287,045	287,045	287,045	236,268	311,157	327,337	344,358
Water Bulk Purchases		122,688	131,789	171,641	191,962	191,962	191,962	168,437	215,669	215,669	226,453
Total bulk purchases	1	**324,847**	**338,344**	**397,280**	**479,007**	**479,007**	**479,007**	**404,705**	**526,826**	**543,006**	**570,811**
Transfers and grants											
Cash transfers and grants		–	9	54	31	75	75	46	40	33	–
Non-cash transfers and grants		–	–	243	11	81	81	–	312	317	322
Total transfers and grants	1	**–**	**9**	**297**	**42**	**156**	**156**	**46**	**352**	**350**	**322**
Contracted services											
Outsourced Services		40,926	49,822	49,785	71,795	63,808	63,808	41,338	80,806	81,336	81,796
Consultants and Professional Services		8,413	8,268	7,809	5,513	8,109	8,109	4,931	8,651	8,075	8,124
Contractors		19,281	19,789	24,657	33,113	37,396	37,396	15,691	25,863	23,915	23,618
Total contracted services		**68,620**	**77,879**	**82,250**	**110,421**	**109,312**	**109,312**	**61,961**	**115,320**	**113,326**	**113,538**
Other Expenditure By Type	-										
Collection costs											
Contributions to 'other' provisions											
Audit fees											
Other Expenditure		46,131	49,195	49,673	66,448	63,617	63,617	34,958	65,243	68,458	69,277
Total 'Other' Expenditure	1	**46,131**	**49,195**	**49,673**	**66,448**	**63,617**	**63,617**	**34,958**	**65,243**	**68,458**	**69,277**

Repairs and Maintenance by Expenditure Item	8										
Employee related costs		58,978	63,751	68,878	81,759	77,107	77,107	77,107	81,854	89,422	98,554
Other materials		18,942	6,813	8,896	17,774	17,745	17,745	8,689	18,991	19,060	19,299
Contracted Services		–	16,520	10,595	28,017	17,217	17,217	5,400	24,186	24,611	24,937
Other Expenditure		–	2,162	2,285	5,050	3,780	3,780	2,879	4,450	4,510	4,670
Total Repairs and Maintenance Expenditure	9	77,920	89,246	90,654	132,600	115,849	115,849	94,075	129,481	137,603	147,460

Table 51MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

FS204 Metsimaholo - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description R thousand	Ref 1	Vote 01 - Executive & Council	Vote 02 - Municipal Manager	Vote 03 - Corporate Services	Vote 04 - Social Services	Vote 05 - Technical Services	Vote 06 - Financial Services	Vote 07 - Local Economic Development And Planning	Total
Revenue By Source									
Property rates		–	–	–	–	–	210,599	–	**210,599**
Service charges - electricity revenue		–	–	–	–	314,935	–	–	**314,935**
Service charges - water revenue		–	–	–	–	511,534	–	–	**511,534**
Service charges - sanitation revenue		–	–	–	–	42,370	–	–	**42,370**
Service charges - refuse revenue		–	–	–	37,636	–	–	–	**37,636**
		–	–	–	–	–	–	–	
Rental of facilities and equipment		–	–	–	345	–	–	5,943	**6,288**
Interest earned - external investments		–	–	–	–	–	2,500	–	**2,500**
Interest earned - outstanding debtors		–	–	–	2,240	25,001	11,484	–	**38,725**
Dividends received		–	–	–	–	–	100	–	**100**
Fines, penalties and forfeits		–	600	–	9,820	–	–	–	**10,420**
Licences and permits		–	–	–	211	–	–	–	**211**
Agency services		–	–	–	–	–	–	–	**–**
Other revenue		–	–	1,307	1,558	6	4,421	14,939	**22,231**
Transfers and subsidies		–	2,352	–	23,180	43,142	140,308	–	**208,982**
Gains		–	–	–	–	–	–	–	**–**
Total Revenue (excluding capital transfers and contributions)		**–**	**2,952**	**1,307**	**74,990**	**936,988**	**369,413**	**20,882**	**1,406,532**
Expenditure By Type	-								
Employee related costs		20,057	28,232	31,509	123,270	93,571	53,949	29,117	**379,706**
Remuneration of councillors		21,047	–	–	–	–	–	–	**21,047**
Debt impairment		–	–	–	7,410	124,170	37,384	–	**168,964**
Depreciation & asset impairment		251	6,116	1,397	7,924	69,171	787	2,261	**87,906**
Finance charges		25	1	20	1,221	3,294	615	–	**5,176**
Bulk purchases		–	–	–	–	526,826	–	–	**526,826**
Other materials		1,100	900	2,754	6,376	22,192	410	275	**34,007**
Contracted services		3,590	31,076	5,050	8,819	49,357	14,233	3,194	**115,320**
Transfers and subsidies		300	–	–	52	–	–	–	**352**
Other expenditure		2,612	7,896	11,070	12,367	20,898	9,041	1,361	**65,243**
Losses		–	–	–	–	–	–	–	**–**
Total Expenditure		**48,981**	**74,220**	**51,800**	**167,440**	**909,478**	**116,420**	**36,208**	**1,404,547**

Surplus/(Deficit)		**(48,981)**	**(71,268)**	**(50,493)**	**(92,450)**	**27,510**	**252,993**	**(15,326)**	**1,985**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)					**18,128**	**72,841**			**90,970**
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)			–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)					**–**	**25,000**			**25,000**
Surplus/(Deficit) after capital transfers & contributions		**(48,981)**	**(71,268)**	**(50,493)**	**(74,321)**	**125,351**	**252,993**	**(15,326)**	**117,955**

Table 52 MBRR Table SA3 – Supporting detail to Statement of Financial Position

FS204 Metsimaholo - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
ASSETS											
Consumer debtors											
Consumer debtors		762,949	1,042,162	1,529,519	1,466,113	1,633,654	1,633,654	1,821,158	1,800,969	1,998,392	2,225,489
Less: Provision for debt impairment		(641,816)	(845,733)	(1,336,574)	(1,191,514)	(1,444,345)	(1,444,345)	(1,428,647)	(1,611,660)	(1,778,781)	(1,943,440)
Total Consumer debtors	2	**121,133**	**196,429**	**192,945**	**274,599**	**189,309**	**189,309**	**392,510**	**189,309**	**219,611**	**282,049**
Debt impairment provision											
Balance at the beginning of the year		(522,427)	(707,897)	(920,032)	(1,042,763)	(1,285,355)	(1,285,355)	(1,285,355)	(1,443,545)	(1,611,660)	(1,778,781)
Contributions to the provision		(119,384)	(137,549)	(365,323)	(148,751)	(158,191)	(158,191)	(142,297)	(168,114)	(167,121)	(164,659)
Bad debts written off		(4)	(287)	(51,219)	–	(800)	(800)	(996)	–	–	–
Balance at end of year		**(641,815)**	**(845,733)**	**(1,336,574)**	**(1,191,514)**	**(1,444,345)**	**(1,444,345)**	**(1,428,647)**	**(1,611,660)**	**(1,778,781)**	**(1,943,440)**

Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		2,358,907	2,456,211	2,807,508	2,884,552	3,057,901	3,057,901	2,692,676	3,307,470	3,570,488	3,798,428
Leases recognised as PPE	3	–	2,282	–	3,458	–	–	–	2,518	2,660	4,780
Less: Accumulated depreciation		1,166,009	1,220,073	1,417,412	1,354,034	1,496,108	1,496,108	1,491,021	1,579,891	1,682,137	1,797,684
Total Property, plant and equipment (PPE)	2	**1,192,898**	**1,238,420**	**1,390,096**	**1,533,977**	**1,561,793**	**1,561,793**	**1,201,655**	**1,730,097**	**1,891,012**	**2,005,524**
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities		6,469	7,513	4,983	4,364	5,284	5,284	836	11,838	14,627	3,288
Total Current liabilities - Borrowing		**6,469**	**7,513**	**4,983**	**4,364**	**5,284**	**5,284**	**836**	**11,838**	**14,627**	**3,288**
Trade and other payables											
Trade Payables	5	229,092	225,353	231,094	160,220	327,700	327,700	176,243	310,000	282,375	254,830
Other creditors											
Unspent conditional transfers		7,584	1,672	9,145	–	784	784	81,281	784	784	784
VAT		–	–	585,352	10,027	503,528	503,528	706,587	523,528	503,528	498,528
Total Trade and other payables	2	**236,676**	**227,026**	**825,591**	**170,246**	**832,012**	**832,012**	**964,111**	**834,312**	**786,687**	**754,142**
Non current liabilities - Borrowing											
Borrowing	4	12,774	8,811	–	37,204	35,192	35,192	–	47,606	138,954	222,954
Finance leases (including PPP asset element)				3,828	22,365	541	541	3,828	8,817	4,730	5,430
Total Non-current liabilities - Borrowing		**12,774**	**8,811**	**3,828**	**59,570**	**35,732**	**35,732**	**3,828**	**56,424**	**143,684**	**228,384**
Provisions - non-current											
Retirement benefits		37,017	40,726								
Refuse landfill site rehabilitation											
Other		31,851	33,431								
Total Provisions - non-current		**68,868**	**74,157**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		1,131,110	1,192,867	1,313,200	1,456,011	1,456,011	1,456,011	1,538,431	1,642,834	1,749,485	1,846,951
GRAP adjustments				–	–	–	–	–	–	–	–
Restated balance		1,131,110	1,192,867	1,313,200	1,456,011	1,456,011	1,456,011	1,538,431	1,642,834	1,749,485	1,846,951
Surplus/(Deficit)		36,529	99,574	28,698	178,934	187,506	187,506	153,370	117,955	102,798	95,387
Transfers to/from Reserves		–	–	–	–	–	–	–	–	–	–
Depreciation offsets		–	–	–	–	–	–	–	–	–	–
Other adjustments		–	(11,007)	196,532	(9,419)	(682)	(682)	(51,679)	(4,445)	24,001	(4,423)
Accumulated Surplus/(Deficit)	1	**1,167,639**	**1,281,433**	**1,538,431**	**1,625,525**	**1,642,834**	**1,642,834**	**1,640,122**	**1,756,344**	**1,876,284**	**1,937,916**
Reserves											

Housing Development Fund		–	–								
Capital replacement		–	–								
Self-insurance		–	–								
Other reserves											
Revaluation											
Total Reserves	2	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**1,167,639**	**1,281,433**	**1,538,431**	**1,625,525**	**1,642,834**	**1,642,834**	**1,640,122**	**1,756,344**	**1,876,284**	**1,937,916**

Table 53 MBRR Table SA9 – Social, economic and demographic statistics and assumptions

FS204 Metsimaholo - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2016/17	2017/18	2018/19	Current Year 2019/20	2020/21 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population		Stats SA, Erf and occupational data plus growth 3% pa	116	131	149	159	164	174	174	174	174	174
Females aged 5 - 14		Young (0-14)	32		39	41	43	46	46	46	46	46
Males aged 5 - 14		Working Age (15-64)	80		103	109	113	129	129	129	129	129
Females aged 15 - 34		Elderly (65+)	4		7	7	7	7	7	7	7	7
Males aged 15 - 34												
Unemployment												
Monthly household income (no. of households)	1, 12	_										
No income		_				12,366	12,366	12,366	12,366	12,366	12,366	12,366
R1 - R1 600												
R1 601 - R3 200												
R3 201 - R6 400												
R6 401 - R12 800												
R12 801 - R25 600						14,374	14,374	14,374	14,374	14,374	14,374	14,374
R25 601 - R51 200												
R52 201 - R102 400												
R102 401 - R204 800						14,134	14,134	14,134	14,134	14,134	14,134	14,134
R204 801 - R409 600												
R409 601 - R819 200						16,570	16,570	16,570	16,570	16,570	16,570	16,570
> R819 200												
Poverty profiles (no. of households)												
< R2 060 per household per month	13						27`510	27`510	27`510	27`510	27`510	27`510
Insert description	2						Low Income	Low Income	Low Income	Low Income	Low Income	Low Income
Household/demographics (000)												
Number of people in municipal area		115,955	131,025	149,108	154	159	164	169	174	174	174	174
Number of poor people in municipal area		63,775	72,063	82,009	89	91		96	96	96	96	96

Number of households in municipal area		32,260	39,000	45,757	55	55		58	58	58	58	58
Number of poor households in municipal area		19,929	22,519	25,627	28	29		30	30	30	30	30
Definition of poor household (R per month)												
Housing statistics	3											
Formal						43,358	43,358	46,125	47,551	47,551	47,551	47,551
Informal						5,000	5,000	5,128	5,287	5,287	5,287	5,287
Total number of households			-	-	-	48,358	48,358	51,253	52,838	52,838	52,838	52,838
Dwellings provided by municipality	4					-						
Dwellings provided by province/s						30			500	500	500	500
Dwellings provided by private sector	5					-			9,062	9,062	9,062	9,062
Total new housing dwellings			-	-	-	30	-	-	9,562	9,562	9,562	9,562
Economic	6											
Inflation/inflation outlook (CPIX)							6.4%	6.4%	4.3%	4.9%	4.8%	4.8%
Interest rate - borrowing							10.1%	10.1%	10.1%	10.1%	10.1%	10.1%
Interest rate - investment												
Remuneration increases							6.0%	6.0%	6.7%	6.3%	5.8%	5.8%
Consumption growth (electricity)												
Consumption growth (water)												
Collection rates	7											
Property tax/service charges												
Rental of facilities & equipment												
Interest - external investments												
Interest - debtors												
Revenue from agency services												

Detail on the provision of municipal services for A10

Total municipal services	Ref.		2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
		Household service targets (000)									
		Water:									
		Piped water inside dwelling	–	–	13,945	13,945	13,945	13,945	15,945	15,945	15,945

		Piped water inside yard (but not in dwelling)	27,000	27,000	30,955	30,955	30,955	30,955	34,433	34,433	34,433
	8	Using public tap (at least min.service level)	–	–	2,500	2,500	2,500	2,500	2,000	2,000	2,000
	10	Other water supply (at least min.service level)	–	–	10	10	10	10	10	10	10
		Minimum Service Level and Above sub-total	27,000	27,000	47,410	47,410	47,410	47,410	52,388	52,388	52,388
	9	Using public tap (< min.service level)	7,670	7,670	7,670	–	–	–	–	–	–
	10	Other water supply (< min.service level)	–	–	–	–	–	–	–	–	–
		No water supply	–	–	–	–	–	–	–	–	–
		Below Minimum Service Level sub-total	7,670	7,670	7,670	–	–	–	–	–	–
		Total number of households	**34,670**	**34,670**	**55,080**	**47,410**	**47,410**	**47,410**	**52,388**	**52,388**	**52,388**
		Sanitation/sewerage:									
		Flush toilet (connected to sewerage)	19,368	19,368	33,591	33,591	33,591	33,591	37,591	37,591	37,591
		Flush toilet (with septic tank)	1,000	1,000	1,200	1,200	1,200	1,200	1,500	1,500	1,500
		Chemical toilet	–	–	–	–	–	–	–	–	–
		Pit toilet (ventilated)	–	–	1,200	1,200	1,200	1,200	1,500	1,500	1,500
		Other toilet provisions (> min.service level)	–	–	9,387	9,387	9,387	9,387	10,287	10,287	10,287
		Minimum Service Level and Above sub-total	20,368	20,368	45,378	45,378	45,378	45,378	50,878	50,878	50,878
		Bucket toilet	1,657	1,657	2,000	2,000	2,000	2,000	1,500	1,500	1,500
		Other toilet provisions (< min.service level)	12,645	12,645	–	–	–	–	–	–	–
		No toilet provisions	–	–	–	–	–	–	–	–	–
		Below Minimum Service Level sub-total	14,302	14,302	2,000	2,000	2,000	2,000	1,500	1,500	1,500
		Total number of households	**34,670**	**34,670**	**47,378**	**47,378**	**47,378**	**47,378**	**52,378**	**52,378**	**52,378**
		Energy:									
		Electricity (at least min.service level)	–	–	–	–	–	–	–	–	–
		Electricity - prepaid (min.service level)	–	–	–	–	–	–	–	–	–
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
		Electricity (< min.service level)	680	680	702	720	720	720	730	730	730
		Electricity - prepaid (< min. service level)	37,660	37,660	38,259	39,239	39,239	39,239	40,280	40,280	40,280
		Other energy sources	–	–	–	–	–	–	–	–	–
		Below Minimum Service Level sub-total	38,340	38,340	38,961	39,959	39,959	39,959	41,010	41,010	41,010

		Total number of households	**38,340**	**38,340**	**38,961**	**39,959**	**39,959**	**39,959**	**41,010**	**41,010**	**41,010**
		Refuse:									
		Removed at least once a week	52,000	52,000	54,000	55,000	55,000	55,000	56,000	56,000	56,000
		Minimum Service Level and Above sub-total	52,000	52,000	54,000	55,000	55,000	55,000	56,000	56,000	56,000
		Removed less frequently than once a week	10,000	10,000	1,000	10,000	10,000	10,000	10,000	10,000	10,000
		Using communal refuse dump	–	–	–	–	–	–	–	–	–
		Using own refuse dump	–	–	–	–	–	–	–	–	–
		Other rubbish disposal	–	–	–	10,000	10,000	10,000	10,000	10,000	10,000
		No rubbish disposal	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
		Below Minimum Service Level sub-total	20,000	20,000	11,000	30,000	30,000	30,000	30,000	30,000	30,000
		Total number of households	**72,000**	**72,000**	**65,000**	**85,000**	**85,000**	**85,000**	**86,000**	**86,000**	**86,000**
Municipal in-house services			**2016/17**	**2017/18**	**2018/19**	**Current Year 2019/20**			**2020/21 Medium Term Revenue & Expenditure Framework**		
	Ref.		**Outcome**	**Outcome**	**Outcome**	**Original Budget**	**Adjusted Budget**	**Full Year Forecast**	**Budget Year 2020/21**	**Budget Year +1 2021/22**	**Budget Year +2 2022/23**
		Household service targets (000)									
		Water:									
		Piped water inside dwelling	–	–	13,945	13,945	13,945	13,945	15,945	15,945	15,945
		Piped water inside yard (but not in dwelling)	27,000	27,000	30,955	30,955	30,955	30,955	34,433	34,433	34,433
	8	Using public tap (at least min.service level)	–	–	2,500	2,500	2,500	2,500	2,000	2,000	2,000
	10	Other water supply (at least min.service level)	–	–	10	10	10	10	10	10	10
		Minimum Service Level and Above sub-total	27,000	27,000	47,410	47,410	47,410	47,410	52,388	52,388	52,388
	9	Using public tap (< min.service level)	7,670	7,670	7,670						
	10	Other water supply (< min.service level)									
		No water supply									
		Below Minimum Service Level sub-total	7,670	7,670	7,670	–	–	–	–	–	–
		Total number of households	**34,670**	**34,670**	**55,080**	**47,410**	**47,410**	**47,410**	**52,388**	**52,388**	**52,388**
		Sanitation/sewerage:									
		Flush toilet (connected to sewerage)	19,368	19,368	33,591	33,591	33,591	33,591	37,591	37,591	37,591
		Flush toilet (with septic tank)	1,000	1,000	1,200	1,200	1,200	1,200	1,500	1,500	1,500

		Chemical toilet									
		Pit toilet (ventilated)	–	–	1,200	1,200	1,200	1,200	1,500	1,500	1,500
		Other toilet provisions (> min.service level)	–	–	9,387	9,387	9,387	9,387	10,287	10,287	10,287
		Minimum Service Level and Above sub-total	20,368	20,368	45,378	45,378	45,378	45,378	50,878	50,878	50,878
		Bucket toilet	1,657	1,657	2,000	2,000	2,000	2,000	1,500	1,500	1,500
		Other toilet provisions (< min.service level)	12,645	12,645							
		No toilet provisions									
		Below Minimum Service Level sub-total	14,302	14,302	2,000	2,000	2,000	2,000	1,500	1,500	1,500
		Total number of households	**34,670**	**34,670**	**47,378**	**47,378**	**47,378**	**47,378**	**52,378**	**52,378**	**52,378**
		Energy:									
		Electricity (at least min.service level)									
		Electricity - prepaid (min.service level)									
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
		Electricity (< min.service level)	680	680	702	720	720	720	730	730	730
		Electricity - prepaid (< min. service level)	37,660	37,660	38,259	39,239	39,239	39,239	40,280	40,280	40,280
		Other energy sources									
		Below Minimum Service Level sub-total	38,340	38,340	38,961	39,959	39,959	39,959	41,010	41,010	41,010
		Total number of households	**38,340**	**38,340**	**38,961**	**39,959**	**39,959**	**39,959**	**41,010**	**41,010**	**41,010**
		Refuse:									
		Removed at least once a week	52,000	52,000	54,000	55,000	55,000	55,000	56,000	56,000	56,000
		Minimum Service Level and Above sub-total	52,000	52,000	54,000	55,000	55,000	55,000	56,000	56,000	56,000
		Removed less frequently than once a week	10,000	10,000	1,000	10,000	10,000	10,000	10,000	10,000	10,000
		Using communal refuse dump									
		Using own refuse dump									
		Other rubbish disposal	–	–	–	10,000	10,000	10,000	10,000	10,000	10,000
		No rubbish disposal	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
		Below Minimum Service Level sub-total	20,000	20,000	11,000	30,000	30,000	30,000	30,000	30,000	30,000
		Total number of households	**72,000**	**72,000**	**65,000**	**85,000**	**85,000**	**85,000**	**86,000**	**86,000**	**86,000**
		Total number of households	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

Detail of Free Basic Services (FBS) provided			2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Electricity	Ref.	***Location of households for each type of FBS***									
List type of FBS service		**Formal settlements - (50 kwh per indigent household per month Rands)**	66	66	71	77	77	77	83	88	92
		Number of HH receiving this type of FBS	5,940	6,385	6,087	12,000	12,000	10,900	13,000	13,000	13,000
		Informal settlements (Rands) *Number of HH receiving this type of FBS*									
		Informal settlements targeted for upgrading (Rands) *Number of HH receiving this type of FBS*									
		Living in informal backyard rental agreement (Rands) *Number of HH receiving this type of FBS*									
		Other (Rands) *Number of HH receiving this type of FBS*									
		Total cost of FBS - Electricity for informal settlements	–	–	–	–	–	–	–	–	–
Water	Ref.	***Location of households for each type of FBS***									
List type of FBS service		**Formal settlements - (6 kilolitre per indigent household per month Rands)**	131	67	68	69	69	69	71	74	78
		Number of HH receiving this type of FBS	7,333	6,095	6,386	12,000	12,000	10,900	13,000	13,000	13,000
		Informal settlements (Rands) *Number of HH receiving this type of FBS*									
		Informal settlements targeted for upgrading (Rands) *Number of HH receiving this type of FBS*									
		Living in informal backyard rental agreement (Rands) *Number of HH receiving this type of FBS*									

		Other (Rands) *Number of HH receiving this type of FBS*									
		Total cost of FBS - Water for informal settlements	–	–	–	–	–	–	–	–	–
Sanitation	Ref.	***Location of households for each type of FBS***									
List type of FBS service		**Formal settlements - (free sanitation service to indigent households)** *Number of HH receiving this type of FBS*	103 5,472	165 5,462	172 9,176	182 12,000	182 12,000	182 10,900	227 13,000	238 13,000	250 13,000
		Informal settlements (Rands) *Number of HH receiving this type of FBS*									
		Informal settlements targeted for upgrading (Rands) *Number of HH receiving this type of FBS*									
		Living in informal backyard rental agreement (Rands) *Number of HH receiving this type of FBS*									
		Other (Rands) *Number of HH receiving this type of FBS*									
		Total cost of FBS - Sanitation for informal settlements	–	–	–	–	–	–	–	–	–
Refuse Removal	Ref.	***Location of households for each type of FBS***									
List type of FBS service		**Formal settlements - (removed once a week to indigent households)** *Number of HH receiving this type of FBS*	111 7,235	118 7,777	125 7,766	125 12,000	125 12,000	125 10,900	132 13,000	138 13,000	145 13,000
		Informal settlements (Rands) *Number of HH receiving this type of FBS*									
		Informal settlements targeted for upgrading (Rands) *Number of HH receiving this type of FBS*									
		Living in informal backyard rental agreement (Rands) *Number of HH receiving this type of FBS*									
		Other (Rands)									

	Number of HH receiving this type of FBS									
	Total cost of FBS - Refuse Removal for informal settlements	–	–	–	–	–	–	–	–	–

Table 54: Service Delivery Standard

Province: Municipality(FS204) - Schedule of Service Delivery Standards Table 54

Description **Standard**	**Service Level**
Solid Waste Removal	
Premise based removal (Residential Frequency)	1 X 1 per week
Premise based removal (Business Frequency)	1 X 6 days
Bulk Removal (Frequency)	1 X 1 monthly
Removal Bags provided(Yes/No)	No
Garden refuse removal Included (Yes/No)	Yes
Street Cleaning Frequency in CBD	1 X 6 days
Street Cleaning Frequency in areas excluding CBD	1 X 6 days
How soon are public areas cleaned after events (24hours/48hours/longer)	Longer
Clearing of illegal dumping (24hours/48hours/longer)	Monthly
Recycling or environmentally friendly practices(Yes/No)	Yes
Licenced landfill site(Yes/No)	No
Water Service	
Water Quality rating (Blue/Green/Brown/N0 drop)	Blue Drop
Is free water available to all? (All/only to the indigent consumers)	Only to the indigents
Frequency of meter reading? (per month, per year)	Per month
Are estimated consumption calculated on actual consumption over (two month's/three month's/longer period)	Three months

On average for how long does the municipality use estimates before reverting back to actual readings? (months)	Three months
Duration (hours) before availability of water is restored in cases of service interruption (complete the sub questions)	
One service connection affected (number of hours)	4 hours
Up to 5 service connection affected (number of hours)	4 hours
Up to 20 service connection affected (number of hours)	N/A
Feeder pipe larger than 800mm (number of hours)	24 hours
What is the average minimum water flow in your municipality?	80 m3/hour
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	No
How long does it take to replace faulty water meters? (days)	4 days
Do you have a cathodic protection system in place that is operational at this stage? (Yes/No)	No
Electricity Service	
What is your electricity availability percentage on average per month?	
Do your municipality have a ripple control in place that is operational? (Yes/No)	Yes
How much do you estimate is the cost saving in utilizing the ripple control system?	Seventeen percent
What is the frequency of meters being read? (per month, per year)	Per month
Are estimated consumption calculated at consumption over (two month's/three month's/longer period)	3 months
On average for how long does the municipality use estimates before reverting back to actual readings? (months)	3 months
Duration before availability of electricity is restored in cases of breakages (immediately/one day/two days/longer)	Two day
Are accounts normally calculated on actual readings? (Yes/no)	Yes
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	Yes
How long does it take to replace faulty meters? (days)	2 days
Do you have a plan to prevent illegal connections and prevention of electricity theft? (Yes/No)	Yes
How effective is the action plan in curbing line losses? (Good/Bad)	Bad

How soon does the municipality provide a quotation to a customer upon a written request? (days)	7 days
How long does the municipality take to provide electricity service where existing infrastructure can be used? (working days)	2 days
How long does the municipality take to provide electricity service for low voltage users where network extension is not required? (working days)	2 days
How long does the municipality take to provide electricity service for high voltage users where network extension is not required? (working days)	7 days
Sewerage Service	
Are your purification system effective enough to put water back in to the system after purification?	Plants are being upgraded
To what extend do you subsidize your indigent consumers?	100% subsidized
How long does it take to restore sewerage breakages on average	
Severe overflow? (hours)	24 hours
Sewer blocked pipes: Large pipes? (Hours)	24 hours
Sewer blocked pipes: Small pipes? (Hours)	24 hours
Spillage clean-up? (hours)	48 hours
Replacement of manhole covers? (Hours)	24 hours - availability
Road Infrastructure Services	
Time taken to repair a single pothole on a major road? (Hours)	48 hours
Time taken to repair a single pothole on a minor road? (Hours)	96 hours
Time taken to repair a road following an open trench service crossing? (Hours)	96 hours
Time taken to repair walkways? (Hours)	More than 120 hours
Property valuations	
How long does it take on average from completion to the first account being issued? (one month/three months or longer)	One month
Do you have any special rating properties? (Yes/No)	No

Financial Management	
Is there any change in the situation of unauthorised and wasteful expenditure over time? (Decrease/Increase)	Stable, depend on impairment for unauthorised and cash flow for fruitless expenditure(interest paid on arrear accounts
Is the financial statement outsourced? (Yes/No)	No
Are there Council adopted business process structuring the flow and management of documentation feeding to Trial Balance?	No
How long does it take for an Tax/Invoice to be paid from the date it has been received?	Within 30 days
Is there advance planning from SCM unit linking all departmental plans quarterly and annually including for the next two to three years procurement plans?	Yes
Administration	
Reaction time on enquiries and requests?	7 Days
Time to respond to a verbal customer enquiry or request? (working days)	1 Day
Time to respond to a written customer enquiry or request? (working days)	Within 5 days
Time to resolve a customer enquiry or request? (working days)	Within 5 days
What percentage of calls are not answered? (5%,10% or more)	10%
How long does it take to respond to voice mails? (hours)	No voice mails
Does the municipality have control over locked enquiries? (Yes/No)	No
Is there a reduction in the number of complaints or not? (Yes/No)	Yes
How long does in take to open an account to a new customer? (1 day/ 2 days/ a week or longer)	1 Day
Community safety and licensing services	Not our competency
How long does it take to register a vehicle? (minutes)	Not our competency
How long does it take to renew a vehicle license? (minutes)	Not our competency
How long does it take to issue a duplicate registration certificate vehicle? (minutes)	Not our competency
How long does it take to de-register a vehicle? (minutes)	Not our competency
How long does it take to renew a driver's license? (minutes)	Not our competency
What is the average reaction time of the fire service to an incident? (minutes)	7 Minutes

What is the average reaction time of the ambulance service to an incident in the urban area? (minutes) What is the average reaction time of the ambulance service to an incident in the rural area? (minutes)	Not our competency Not our competency
Economic development How many economic development projects does the municipality drive? How many economic development programme are deemed to be catalytic in creating an enabling environment to unlock key economic growth projects? What percentage of the projects have created sustainable job security? Does the municipality have any incentive plans in place to create an conducive environment for economic development? (Yes/No)	For now is only one infrastructural project aimed at housing informal Traders Nothing much is forthcoming except relying on SLP initiatives from Mining Houses that are operating within our area. Projects envisage are on conceptual stage and might be implemented on 2020/2021 based on their cooperation's with us. We have identified one area for development of Energy plant which might yield a reasonable amount of job creation and its spearheaded by Provincial Department also is in the initial stage. Yes, we have incentive policy that is aimed at giving Tax Holidays for a period of Three years in line with regulations in order to attract and retain direct investment within our locality.

Other Service delivery and communication	
Is an information package handed to the new customer? (Yes/No)	No
Does the municipality have training or information sessions to inform the community? (Yes/No)	No
Are customers treated in a professional and humanly manner? (Yes/No)	Yes

2.15 Municipal manager's quality certificate

I, F M Mathe, acting Municipal Manager of Metsimaholo Local Municipality, hereby certify that the 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 the Integrated Development Plan of the municipality.

M Mathe

Acting Municipal Manager of Metsimaholo Local Municipality (FS 204)

Signature _____

Date 21/06/2020