

CAPE AGULHAS MUNICIPALITY

MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2021/2022 TO 2023/2024



KAAP AGULHAS MUNISIPALITEIT
CAPE AGULHAS MUNICIPALITY
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ANNUAL BUDGET OF
CAPE AGULHAS
MUNICIPALITY

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

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Part 1 – Annual Budget

1.1 Vision & Mission

Our Vision

Together for excellence

Saam vir uitnemendheid

Sisonke siyagqwesa

Our Mission

To render excellent services through good governance, public ownership and partnership in order to create a safer environment that will promote socio-economic growth and ensure future financial sustainability in a prosperous southernmost community

This will be achieved through:

- Fairness
- Integrity
- Accountability and responsibility
- Transparency
- Innovativeness
- Responsiveness
- Empathy

1.2 Mayor's Report

In terms Section 152 of the Constitution of the Republic of South Africa, the objectives of local government are as follows:

- a) To provide democratic and accountable government for local communities;
- b) To ensure the provision of services to communities in a sustainable manner;
- c) To promote social and economic development;
- d) To promote a safe and healthy environment; and
- e) To encourage the involvement of communities and community organisations in the matters of Local Government.

A municipality must strive, within its financial and administrative capacity, to achieve these objective set out in Section 152.

As Mayor and Council we are committed to the following major focus areas:

- Youth Development;
- Development and upgrading of Recreational Facilities;
- Social Development and related projects;
- Local Economic Development (LED);
- Beautification of Communities;
- Sport Development;
- Uplift and support elderly;
- Safety and Security of the Community;
- Mitigating the negative impact of COVID 19 through increased social welfare support; and
- Job creation initiatives/programs;

In order to achieve our goals in the focus areas identified, it is imperative that we:

- Assess the impact of the National Lockdown on the local community and business activities in the municipal areas.
- Protect the revenue sources of municipality by managing the debtor's book optimally to ensure that outstanding debt do not escalate to levels beyond the collectable potential of the municipality.
- Improve the communication mechanism to ensure that all is informed, that is pro-active internal and external communications.
- Tighten our oversight responsibility in each and every department (Financial monitoring and reporting);
- Employ capable officials who can contribute to service delivery.
- Ensure sustained financial viability for maximum development support;
- Sound financial administration.
- Ensure internal control over municipality's financial activities;
- Effective and efficient management of the municipality's assets and motor vehicle fleet to optimise the economic benefit over the useful life of the asset;
- Develop and implement ICT Governance to realise the following benefits:
 - o Integrates and institutionalise good practices to ensure that the ICT component supports the business objectives
 - o The organisation will use ICT Governance Framework to drive the Stakeholders' values.
 - o The organisation will also understand and manage the associated IT risks.

The above-mentioned focus areas and goals should always take into account the economic challenges that South Africa is faced with. In this regard the municipality is not immune against the realities faced by the country. South Africa have experienced very slow economic growth in recent years. National Treasury projects real economic growth of 3.3 per cent in 2021, following an expected contraction of 7.8 per cent in 2020. Real GDP growth is expected to moderate to 1.7 per cent in 2022 and 1.5 per cent in 2023, averaging 2.1 per cent over the medium term.

South Africa experienced its largest recorded decline in economic output in the second quarter of 2020 due to the strict COVID-19 lockdown. Real GDP fell by 17.1 per cent relative to the previous quarter, with all major sectors except agriculture declining. The second-quarter results were weaker than expected in the June 2020 special adjustments budget, which projected a contraction of 7.2 per cent in 2020. High-frequency data for the third quarter – such as the volume of electricity

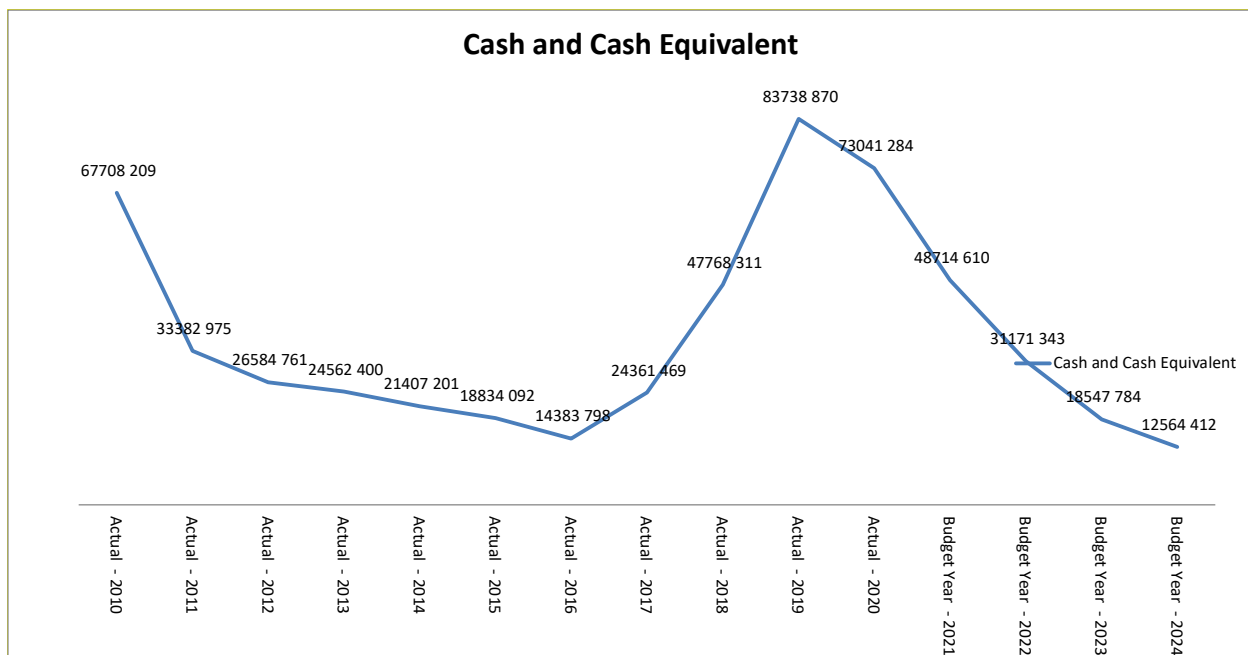
distributed, mining and manufacturing output, business confidence and the Absa Purchasing Managers' Index (PMI) – shows evidence of a limited economic rebound.

Although growth rates are likely to improve quickly as restrictions are removed, based on current projections, output is only expected to return to pre-pandemic levels in 2024. The main risks to the economic outlook are weaker-than-expected growth, continued deterioration in the public finances and a failure to implement structural reforms.

Headline inflation is at the lower end of the 3 to 6 per cent target range. Goods and services inflation has broadly declined due to weak demand and falling oil prices. Inflation is forecast to fluctuate around the 4.5 per cent midpoint over the medium term in line with moderating inflation expectations. In summary, the country's tax collection targets have not been met and this means that the fiscus has less funds available to allocate across the various spheres of government. There are measures in place to reduce expenditure to narrow the deficits.

A third wave of COVID-19 infections, accompanied by new restrictions on economic activity, would have significant implications for the outlook. The outlook remains highly uncertain, and the economic effects of the pandemic are far-reaching.

Currently, the proposed program will have a negative impact on the projected cash position of the municipality as indicated below:



The budget is still considered to be funded.

(It should be emphasised that the projections above is based on the fact that we recover revenue in line with historical actual trends and that we **fully utilise** all allocations made towards capital and operating programs.

It is expected that the cash resources of the municipality will decrease by R 17,543 million during 2021/2022 and by R 12,624 million and R 5,983 million during 2022/2023 and 2023/2024 respectively. This significant downward trend can mainly be attributed to the inability of the municipal budget produce significant revenues to cover main cost drivers such as bulk purchases and employee related costs. Total operating revenue is expected to grow by R 1,030 million (or

0.27%) during 2021/2022, while operating expenditure is expected to grow by R 8.411 million (or 2.38%) in the same year. This inability of revenue growth to keep track with operating expenditure will also negatively impact on the contribution that the operating budget will have towards to capital program over the MTREF as highlighted below:

Description	2017/18	2018/19	2019/20	2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
NET CASH FROM/(USED) OPERATING ACTIVITIES	25 700	55 515	31 056	27 348	21 548	28 337	21 584
LOANS RAISED	17 400	17 000	-	23 295	14 460	17 109	16 472
FUNDING AVAILABLE	43 100	72 515	31 056	50 642	36 008	45 446	38 057
CAPITAL PROGRAM	(24 000)	(37 246)	(40 556)	(69 117)	(50 290)	(55 107)	(41 632)
SURPLUS/(SHORTFALL)	19 100	35 270	(9 501)	(18 474)	(14 282)	(9 660)	(3 575)

This will result in accumulated cash reserves being utilized to fund the capital program, resulting in the illustrated downward trend in cash resources over the MTREF.

To address these concerns, the following strategic goals and objectives (aligned to both the National KPA's and the departments within the municipality) are contained in the IDP of Cape Agulhas Municipality:

National KPA	Municipal KPA	Strategic goal	Strategic objective	Department		
KPA1: Good Governance and Public Participation	MKPA1: Good Governance and Public Participation	SG1: To ensure good governance and institutional sustainability	SO1: To create a culture of good governance	1.1 - Council Administration		
				1.2 - Internal Audit		
				1.3 - Municipal Manager		
				1.4 - Council Support		
				1.5 - Shared Services		
				1.6 - Strategic Services		
				1.9 - Administration		
					SO2: To create a culture of public participation and empower communities to participate in the affairs of the Municipality	1.1 - Council Administration
						1.10 - Human Resources & Organisational Development
KPA2: Municipal Institutional Development and Transformation	MKPA2: Municipal Institutional Development and Transformation	SG2: To ensure institutional sustainability	SO3: To create an administration capable of delivering on service excellence.	1.10 - Human Resources & Organisational Development		
				1.9 - Administration		
				2.7 - Information Systems		
				4.2 - Beaches & Holiday Resorts		
				4.3 - Buildings and Commonage		
				4.8 - Parks and Sports Facilities		
KPA3: Local Economic Development	MKPA3: Local Economic Development and Tourism	SG3: To promote local economic development in the Cape Agulhas Municipal Area	SO4: To create an enabling environment for economic growth and development	1.10 - Human Resources & Organisational Development		
				1.6 - Strategic Services		
				4.11 - Social Development		
				4.8 - Parks and Sports Facilities		
				5.1 - Director: Engineering Services		
				SO5: To promote tourism in the Municipal Area	1.1 - Council Administration	
				1.11 - Tourism		
KPA4: Municipal Financial Viability and Management	MKPA4: Municipal Financial Viability and Management	SG4: To improve the financial viability of the Municipality and ensure its long term financial sustainability	SO6: To provide effective financial, asset and procurement management	2.1 - Budget & Treasury		
				2.2 - Expenditure Management		
				2.3 - Director: Financial Services & ICT		
				2.4 - Revenue Management		
				2.5 - Supply Chain Management		
KPA5: Basic Service Delivery	MKPA5: Basic Service Delivery	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	SO10: Development of sustainable vibrant human settlements	1.7 - Town Planning		
				4.6 - Human Settlements		
				5.7 - Building Control		
				SO7: Provision of equitable quality basic services to all households	1.1 - Council Administration	
				SO8: To maintain infrastructure and undertake development of bulk infrastructure to ensure sustainable service delivery.	2.6 - Workshop	
				5.1 - Director: Engineering Services		
				5.10 - Air Quality		
				5.2 - Sewerage Services		
				5.3 - Refuse Removal Services		
				5.4 - Streets & Stormwater		
				5.5 - Water		
				5.6 - Workshop		
				5.8 - Electricity Services		
				5.9 - PMU Unit		
				SO9: To provide community facilities and services	4.10 - Public Services	
				4.4 - Cemetery		
4.7 - Library Services						
	SG6: To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality	SO10: Development of sustainable vibrant human settlements	4.6 - Human Settlements			
	SG6: To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality	SO11: To promote social and youth development	1.1 - Council Administration			
			1.8 - Socio & Economic Development			
			4.1 - Director: Management Services			
		SO12: To create and maintain a safe and healthy environment	4.12 - Traffic & Law Enforcement			
			4.13 - Traffic Licencing & Vehicle Testing Station			
			4.5 - Environmental Services			
			4.9 - Protective Services			
			5.3 - Refuse Removal Services			

The Integrated Development Plan (IDP) is a 5-year strategic developmental plan, setting strategic and budget priorities as required in terms of the Municipal Systems Act of 2000. It is a plan to help us set our budget priorities, so in essence it indicates how Cape Agulhas Municipality will spend its money for the next five years. The IDP should be aligned with the development plans of provincial and national government, and is agreed upon between Cape Agulhas Municipality and the residents during the public participation process. Therefore the IDP enables Cape Agulhas Municipality to make the best use of scarce resources and it also enables the councillors to make decisions based on the needs and priorities of their communities.

With the IDP, Cape Agulhas Municipality can:

- Develop a clear vision
- Identify its key development priorities
- Formulate appropriate strategies
- Develop the appropriate organisational structure and systems
- Align resources with development priorities

In view of the aforementioned, the following allocations are allocated to the strategic objectives and goals in the MTREF under review:

Operating Expenditure per Strategic Objective

Strategic Objective	Goal	Goal Code	2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
			Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand						
SO1: To create a culture of good governance	SG1: To ensure good governance and institutional sustainability	KPA1/SG1/SO1	18 473	18 360	19 095	20 136
SO2: To create a culture of public participation and empower communities to participate in the affairs of the Municipality	SG1: To ensure good governance and institutional sustainability	KPA1/SG1/SO2	426	443	430	436
SO3: To create an administration capable of delivering on service excellence.	SG2: To ensure institutional sustainability	KPA2/SG2/SO3	42 626	44 970	44 432	46 160
SO4: To create an enabling environment for economic growth and development	SG3: To promote local economic development in the Cape Agulhas Municipal Area	KPA3/SG3/SO4	-	300	-	-
SO5: To promote tourism in the Municipal Area	SG3: To promote local economic development in the Cape Agulhas Municipal Area	KPA3/SG3/SO5	3 458	3 864	4 108	4 376
SO6: To provide effective financial, asset and procurement management	SG4: To improve the financial viability of the Municipality and ensure its long term financial sustainability	KPA4/SG4/SO6	50 936	54 989	56 390	59 738
SO7: Provision of equitable quality basic services to all households	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	KPA5/SG5/SO7	478	549	571	594
SO8: To maintain infrastructure and undertake development of bulk infrastructure to ensure sustainable service delivery.	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	KPA5/SG5/SO8	177 143	202 730	217 389	230 721
SO9: To provide community facilities and services	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	KPA5/SG5/SO9	9 435	10 632	11 493	12 433
SO10: Development of sustainable vibrant human settlements	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	KPA5/SG5/SO10	41 721	15 601	27 049	37 006
SO10: Development of sustainable vibrant human settlements	SG6: To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality	KPA5/SG6/SO10	-	-	-	-
SO11: To promote social and youth development	SG6: To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality	KPA6/SG6/SO11	7 199	6 441	6 760	7 155
SO12: To create and maintain a safe and healthy environment	SG6: To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality	KPA6/SG6/SO12	32 440	35 125	35 445	36 815
Total Expenditure			384 335	394 004	423 163	455 571

Capital Expenditure per Strategic Objective

Strategic Objective	Goal	Goal Code	2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
			Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand						
SO1: To create a culture of good governance	SG1: To ensure good governance and institutional sustainability	KPA1/SG1/SO1	2 007	900	43	-
SO2: To create a culture of public participation and empower communities to participate in the affairs of the Municipality	SG1: To ensure good governance and institutional sustainability	KPA1/SG1/SO2	37	-	-	-
SO3: To create an administration capable of delivering on service excellence.	SG2: To ensure institutional sustainability	KPA2/SG2/SO3	5 579	4 627	3 605	3 109
SO4: To create an enabling environment for economic growth and development	SG3: To promote local economic development in the Cape Agulhas Municipal Area	KPA3/SG3/SO4	-	-	-	-
SO5: To promote tourism in the Municipal Area	SG3: To promote local economic development in the Cape Agulhas Municipal Area	KPA3/SG3/SO5	171	174	70	-
SO6: To provide effective financial, asset and procurement management	SG4: To improve the financial viability of the Municipality and ensure its long term financial sustainability	KPA4/SG4/SO6	30	8	-	-
SO7: Provision of equitable quality basic services to all households	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	KPA5/SG5/SO7	-	-	-	-
SO8: To maintain infrastructure and undertake development of bulk infrastructure to ensure sustainable service delivery.	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	KPA5/SG5/SO8	58 583	40 601	47 899	37 361
SO9: To provide community facilities and services	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	KPA5/SG5/SO9	84	15	250	180
SO10: Development of sustainable vibrant human settlements	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	KPA5/SG5/SO10	9	4	15	-
SO10: Development of sustainable vibrant human settlements	SG6: To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality	KPA5/SG6/SO10	-	-	-	-
SO11: To promote social and youth development	SG6: To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality	KPA6/SG6/SO11	181	-	-	-
SO12: To create and maintain a safe and healthy environment	SG6: To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality	KPA6/SG6/SO12	2 436	3 961	3 225	982
Total Capital Expenditure			69 117	50 290	55 107	41 632

Budget process followed:

A rigorous budget process was followed with the compilation of the Draft Annual Budget for the 2021/22 MTREF and an all-inclusive consultation process between management and administration was introduced to ensure that the budget will address the developmental needs of the community. Financial sustainability is promoted and enhanced, and the municipality managed to maintain the level of required services to the community. The compilation of the budget was challenging given the uncertain impact that the Covid 19 pandemic had on the South African economy and the LOCKDOWN introduced that hampered economic growth.

The municipality is also experiencing the effects of the lockdown and this can be seen in the collection of outstanding debt, the decrease in income from the resorts, which is highly dependent on the Tourism sector.

Notwithstanding the above a process was followed where Council and Administration ensure that the optimal package of service can still be delivered to the community and the sustainability of the municipality is maintained. This was achieved in the context of the Long-term Financial plan key recommendations as well as the Ratings Africa financial analysis strategic documents.

1.3 Draft Council Resolutions

It is recommended that the Council approves and adopts the following resolutions for the annual budget:

The Council of Cape Agulhas Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:

- 1.1. The annual budget of the municipality for the financial year 2021/22 and the multi-year and single-year capital appropriations as set out in the following tables in part 1.8 of this report
 - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table A2;
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table A3;
 - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table A4; and
 - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table A5.
- 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables in part 1.8 of this report:
 - 1.2.1. Budgeted Financial Position as contained in Table A6;
 - 1.2.2. Budgeted Cash Flows as contained in Table A7;
 - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table A8;
 - 1.2.4. Asset management as contained in Table A9; and
 - 1.2.5. Basic service delivery measurement as contained in Table A10.
2. The Council of Cape Agulhas Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2021:
 - 2.1. the tariffs for property rates – as set out in Annexure A,
 - 2.2. the tariffs for electricity – as set out in Annexure A
 - 2.3. the tariffs for the supply of water – as set out in Annexure A
 - 2.4. the tariffs for sanitation services – as set out in Annexure A
 - 2.5. the tariffs for solid waste services – as set out in Annexure A
3. The Council of Cape Agulhas Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2021 the tariffs for other services, as set out in Annexure A.

1.4 Executive Summary

Local government continue to receive the least share of the division of nationally raised revenue because it has extensive powers to raise its own revenue. The allocations is set to decline even further due to the country's tax collection targets not being met.

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

Consolidated Overview of the 2021/22 MTREF (R'000)

R thousand	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
	Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Total Operating Revenue	383 922	384 952	423 643	460 725
Total Operating Ex penditure	(384 335)	(394 004)	(423 163)	(455 571)
<i>Surplus/(Deficit) before capital transfers</i>	(413)	(9 052)	480	5 154
Transferred Recognised Capital	18 947	21 925	24 082	15 326
<i>Surplus/(Deficit) for the year</i>	18 534	12 873	24 562	20 480

As can be seen from the above, the municipality will operate at an operating deficit in 2021/2022 before producing a surplus in the 2 outer years. An operating deficit is an indication that the municipality is not generating sufficient revenue to sustain its operating expenditure, let alone the fact that the operating budget is not contributing any revenue at all towards the capital program. It should also be noted that the operating budget also includes items such as depreciation and debt impairment which are not considered to be a "cash" expense. These item will not result in an immediate cash outflow. It should however be noted that non-cash items will eventually translate into cash outflow when for example the fully depreciated asset needs to be replaced or the debtor previously raised is written off.

The budget presented is aligned to the following vote structure:

Vote	Executive and Council	Financial Services & ICT	Management Services	Engineering Services
Department	Council Administration	Budget & Treasury	Beaches & Holiday Resorts	Director: Engineering Services
	Strategic Services	Ex penditure Management	Buildings and Commonage	Sewerage Services
	Town Planning	Director: Financial Services & ICT	Cemetery	Refuse Removal Services
	Socio & Economic Development	Revenue Management	Human Settlements	Water
	Administration	Supply Chain Management	Library Services	Building Control
	Human Resources & Organisational Development	Workshop	Parks and Sports Facilities	Electricity Services
	Tourism	Information Systems	Traffic & Law Enforcement	Streets & Stormwater
	Internal Audit		Traffic Licencing & Vehicle Testing Station	PMU Unit
	Municipal Manager		Director: Management Services	Air Quality
	Council Support		Environmental Services	
	Shared Services		Protective Services	
			Public Services	

In line with the municipal structure, the following revenue and expenditure is appropriated to each vote:

Vote Description R thousand	2021/22 Medium Term Revenue & Expenditure Framework			
	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue by Vote				
Vote 1 - Executive and Council	40 971	38 094	36 909	37 135
Vote 2 - Financial Services & ICT	88 356	87 218	92 057	97 995
Vote 4 - Management Services	57 310	33 456	45 020	55 699
Vote 5 - Engineering Services	216 231	248 108	273 739	285 223
Total Revenue by Vote	402 869	406 877	447 724	476 051
Expenditure by Vote to be appropriated				
Vote 1 - Executive and Council	47 253	48 737	48 889	51 683
Vote 2 - Financial Services & ICT	62 991	67 354	69 336	72 101
Vote 4 - Management Services	86 216	61 944	73 739	87 464
Vote 5 - Engineering Services	187 876	215 968	231 199	244 323
Total Expenditure by Vote	384 335	394 004	423 163	455 571
Surplus/(Deficit) for the year	18 534	12 873	24 562	20 480

Financial Viability

Financial viability is imperative to ensure that high quality services are delivered to the community on a sustainable manner. In order to achieve financial viability, the municipal budget is guided by the approved long-term financial plan of the municipality.

The municipality further assesses their viability on the model jointly developed by Swartland Municipality and the Western Cape Provincial Treasury. This model assesses 10 key ratios that is considered the most important indicators when assessing the long term viability of the municipality. A weighting is attached to each indicator that will eventually provide the municipality with a viability score out of 100. The municipality should always strive for the maximum score of 100. Any score below 100 will be indicative of “sustainability cracks” that could eventually negatively impact on service delivery in the municipal area.

The 10 indicators, along with the proposed benchmark and weight are included in the following table:

ITEM	Benchmark	Viability Weight	Standard 1	Score 1	Standard 2	Score 2	Standard 3	Score 3	Standard 4	Score 4	Standard 5	Score 5
Asset Test Ratio	200%	10	200%	10	150%	8	100%	5	50%	2	0%	0
Payment Level (Excluding write-off of bad debts)	> 95%	15	95%	15	90%	11	85%	6	80%	3	75%	0
Cash Generated from Operations as % of Revenue	> 20%	8	20%	8	15%	6	10%	4	5%	2	0%	0
Purchase of PPE as % of Cash Generated	< 100%	8	100%	8	110%	6	120%	4	135%	2	150%	0
Cost Coverage (Excluding Unspent Grants)	4	15	4	15	4	10	3	5	2	2	1	0
Debtors Turnover (days) (Before impairment)	< 45 days	2	75	2	90	1	110	0	130	0	150	0
Longterm debt as % of Revenue	< 40%	5	40%	5	50%	4	75%	3	95%	2	100%	0
Debt servicing cost to Revenue	< 5%	8	5%	8	7.50%	6	10%	4	12.50%	2	15%	0
Short-term debt as % of Cash	< 100%	4	50%	4	70%	3	80%	2	100%	1	125%	0
Cash Funded Budget over MTREF	> R0	25	Yes	25	No	0	0	0	0	0	0	0

The 10 indicators provide the municipality with an assessment of the following major areas:

- Revenue Management
- Expenditure Management
- Debtor and Creditor Management
- Cash Management
- Asset Management
- Funding and Reserve Strategy

Analysis the summary of the financial indicators above it is evident that the municipality is regressing from the historical high achieved in the 2018/19 financial year. This is prevalent in the current economic climate with the World facing the damning challenges of overcoming the Covid 19 pandemic that the municipality will have to embark on a “NEW STRATEGY” to address this regressing.

The proposal should be that this should be done as part of a KAM municipal Financial Lekgotla where a comprehensive approach needs to be discussed and implement to address this downward spiral. The current political cycle is however coming to an end with the Local government elections scheduled in September 2021, and the proposal is that this needs to be done as soon as that processed is finalized and the new Council take office.

1.5 Operating Revenue Framework

Section 18 of the Municipal Finance Management Act, 2003, which deals with the funding of expenditure, states as follows:

- (1) “An annual budget may only be funded from –
 - (a) Realistically anticipated revenue to be collected from the approved sources of revenue;
 - (b) Cash-backed accumulated funds from previous financial years’ surpluses not committed for other purposes; and
 - (c) Borrowed funds, but only for the capital budget referred to in section 17(2).
- (2) Revenue projections in the budget must be realistic, taking into account –
 - (a) projected revenue for the current year based on collection levels to date; and

(b) actual revenue collected in previous years.”

The following table is a summary of the 2021/22 MTREF (classified by main revenue source):

Summary of revenue classified by main revenue source

Description	2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand				
Revenue By Source				
Property rates	74 704	77 675	81 037	84 696
Service charges - electricity revenue	135 310	155 851	174 300	189 645
Service charges - water revenue	30 178	32 960	34 978	37 120
Service charges - sanitation revenue	12 669	14 286	15 145	16 057
Service charges - refuse revenue	19 169	21 314	22 593	23 948
Rental of facilities and equipment	1 305	1 359	1 419	1 482
Interest earned - external investments	2 410	2 405	2 511	2 624
Interest earned - outstanding debtors	1 839	1 911	1 991	2 079
Fines, penalties and forfeits	7 379	10 382	10 838	11 326
Licences and permits	25	26	28	29
Agency services	3 121	3 249	3 392	3 545
Transfers and subsidies	78 381	49 722	59 592	69 784
Other revenue	15 232	11 312	11 820	12 391
Gains	2 200	2 500	4 000	6 000
Total Revenue (excluding capital transfers and contributions)	383 922	384 952	423 643	460 725

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

Summary of revenue classified by municipal vote

Vote Description		2021/22 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand				
Revenue by Vote				
Vote 1 - Executive and Council	40 971	38 094	36 909	37 135
Vote 2 - Financial Services & ICT	88 356	87 218	92 057	97 995
Vote 4 - Management Services	57 310	33 456	45 020	55 699
Vote 5 - Engineering Services	216 231	248 108	273 739	285 223
Total Revenue by Vote	402 869	406 877	447 724	476 051

Percentage growth in revenue base by main revenue source

Description R thousand	2020/21		2021/21 Medium Term Revenue & Expenditure Framework					
	Full Year Forecast	%	Budget Year 2021/22	%	Budget Year +1 2022/23	%	Budget Year +2 2023/24	%
Revenue By Source								
Property rates	74 704	19%	77 675	20%	81 037	19%	84 696	18%
Service charges - electricity revenue	135 310	35%	155 851	40%	174 300	41%	189 645	41%
Service charges - water revenue	30 178	8%	32 960	9%	34 978	8%	37 120	8%
Service charges - sanitation revenue	12 669	3%	14 286	4%	15 145	4%	16 057	3%
Service charges - refuse revenue	19 169	5%	21 314	6%	22 593	5%	23 948	5%
Rental of facilities and equipment	1 305	0%	1 359	0%	1 419	0%	1 482	0%
Interest earned - external investments	2 410	1%	2 405	1%	2 511	1%	2 624	1%
Interest earned - outstanding debtors	1 839	0%	1 911	0%	1 991	0%	2 079	0%
Fines, penalties and forfeits	7 379	2%	10 382	3%	10 838	3%	11 326	2%
Licences and permits	25	0%	26	0%	28	0%	29	0%
Agency services	3 121	1%	3 249	1%	3 392	1%	3 545	1%
Transfers and subsidies	78 381	20%	49 722	13%	59 592	14%	69 784	15%
Other revenue	15 232	4%	11 312	3%	11 820	3%	12 391	3%
Gains on disposal of PPE	2 200	1%	2 500	1%	4 000	1%	6 000	1%
Total Revenue (excluding capital transfers and contributions)	383 922	100%	384 952	100%	423 643	100%	460 725	100%
Rates and Services Contribution	272 030	71%	302 086	78%	328 053	77%	351 466	76%

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise between 71 and 78 percent of the total revenue mix.

The municipality remains highly dependent on internal revenue sources to fund the budget, with transfers and grants only contributing between 15% and 20% to the operating revenue basket. On average, 8.5% of the revenue basket can be attributed to equitable share.

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

Operating Transfers and Grant Receipts

Description	2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand				
EXPENDITURE:				
Operating expenditure of Transfers and Grants				
National Government:	40 650	37 725	37 634	38 110
Local Government Equitable Share	36 460	33 290	35 287	35 444
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	2 026	2 297	–	–
Local Government Financial Management Grant [Schedule 5B]	1 266	1 188	1 353	1 320
Municipal Infrastructure Grant [Schedule 5B]	548	569	596	929
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	350	382	398	416
Provincial Government:	37 731	11 997	21 958	31 674
Human Settlement Development	30 889	4 752	15 234	24 764
Library Service Conditional Grant	6 284	6 698	6 577	6 763
Community Development Workers (CDW)	168	207	57	57
Financial Management Support (WC_FMGSG)	300	250	–	–
Roads Subsidy	90	90	90	90
Total operating expenditure of Transfers and Grants:	78 381	49 722	59 592	69 784

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 3.9 per cent, which is the current projected inflation rate for 2021/22.

The municipality budgets for the non-payment of accounts based on past experience of recovery rates, also taking into account recovery rates achieved in the 2020/21 year to date. The municipality applies its Credit Control Policy stringently but there are always situations where there are defaults on payment.

1.5.1 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.

An increase of **4 per cent** in the Property Rates tariff is proposed for 2021/22 financial year. This is reasonable considering the current economic environment, but it is the gap between revenue and operating expenditure (all services except trading services) is widening over the MTREF and measures should be explored to close the gap. The shortfall can be illustrated as follows:

Other Services (Excluding Trading Services)	2017/18	2018/19	2019/20	2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand							
Operating Revenue	139 605	167 943	164 431	186 117	160 013	176 066	193 362
Operating Expenditure	(158 844)	(175 758)	(183 565)	(219 799)	(202 373)	(218 297)	(238 914)
Surplus/(Deficit)	(19 239)	(7 815)	(19 134)	(33 682)	(42 360)	(42 231)	(45 553)
Profit %	-13.78%	-4.65%	-11.64%	-18.10%	-26.47%	-23.99%	-23.56%

The municipality will need to embark on a costing strategy where the cost associated and in support of delivering the trading services can be allocated to the services. This will ensure proper costing of the services and reduce the cross-funding of expenditures items.

1.5.2 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 cost reflective tariffs are achieved.

An increase of **4.5 – 5 per cent** in the Water tariff is proposed for 2021/22 financial year.

The following projections are applicable to the water service:

Water Services	2017/18	2018/19	2019/20	2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand							
Operating Revenue	23 354	26 842	28 201	30 182	32 963	34 981	37 124
Operating Expenditure	(16 873)	(20 371)	(22 389)	(22 233)	(23 901)	(24 310)	(25 941)
Surplus/(Deficit)	6 481	6 471	5 812	7 949	9 063	10 671	11 183
Profit %	27.75%	24.11%	20.61%	26.34%	27.49%	30.50%	30.12%

The municipality will need to implement an strategy where the conservation of water resources is prioritized given the current situation in the CAM municipal areas.

The service should be reviewed in conjunction with the provision of Sewerage and Sanitation Services. It is estimated that 70% of all water consumption eventually filters through into the sewerage systems of the municipality. In order to ensure that the level of services in the municipal area are maintained from a sewerage point of view, it is only considered fair that the large water consumers contribute to the needs of the Sewerage Infrastructure requirements of the municipality. The sewerage service is currently at “break-even” from an operating perspective. Thus, the service is not contribution any funds towards the infrastructure requirements, which will have to be upgraded in the near future to provide sufficiently for the growing demand in the municipal area.

Full details regarding the tariffs are included as Appendix A to this document.

1.5.3 Sale of Electricity and Impact of Tariff Increases

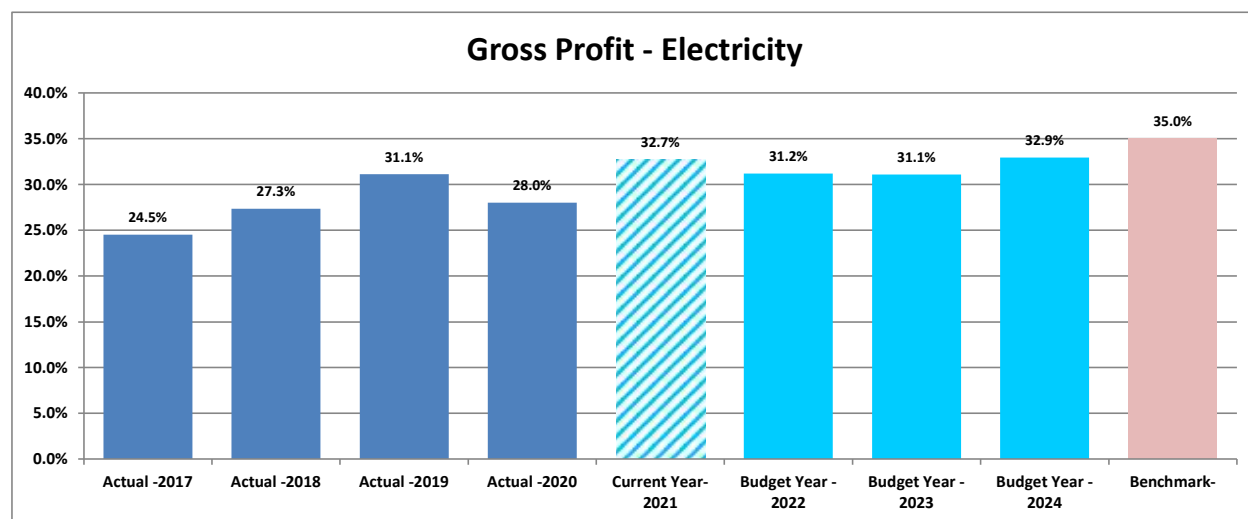
An **14.59% increase** in Electricity tariffs are currently factored into the projections below. This increase is subject to approval from NERSA during April/May 2021 and could potentially still be adjusted based on final determinations by NERSA.

The above increase should be evaluated in the light of the benchmark electricity increase proposed for **BULK ELECTRICITY** purchases by NERSA of **17.8%**. This in effect will mean that the municipality will have to bear to cost of the difference between allowed tariff increase for sales and bulk increases as currently proposed.

The following projections are applicable to the electricity service:

Electricity Services	2017/18	2018/19	2019/20	2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Operating Revenue	103 563	111 662	124 586	135 774	156 363	174 846	190 221
Operating Expenditure	(86 790)	(89 606)	(103 946)	(107 040)	(126 436)	(138 637)	(146 752)
Surplus/(Deficit)	16 772	22 056	20 640	28 735	29 927	36 209	43 470
Profit %	16.20%	19.75%	16.57%	21.16%	19.14%	20.71%	22.85%

This above inflation increase is required to ensure that the “profitability” of the service remains intact in order to meet the capital demands associated with delivering the service.



Full details regarding the tariffs are included as Appendix A to this document.

1.5.4 Sanitation and Impact of Tariff Increases

An average increase of **3.5 to 6 per cent** in the Sanitation tariff is proposed for 2021/22 financial year. This is required to ensure that the service provides a surplus in order to provide support to the capital funding requirements associated with the service.

The following projections are applicable to the sewerage service:

Sanitation Services	2017/18	2018/19	2019/20	2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Operating Revenue	10 628	11 979	13 136	12 679	14 297	15 157	16 069
Operating Expenditure	(10 120)	(12 107)	(12 453)	(11 836)	(13 039)	(13 838)	(14 885)
Surplus/(Deficit)	508	(128)	683	843	1 258	1 319	1 184
Profit %	4.78%	-1.07%	5.20%	6.65%	8.80%	8.70%	7.37%

Full details regarding the tariffs are included as Appendix A to this document.

1.5.5 Waste Removal and Impact of Tariff Increases

An average **increase of 5 per cent** in the Refuse Removal tariff is proposed for 2021/22 financial year. The service is currently being operated at a deficit (also taking into account the municipality's obligation to rehabilitate landfill sites).

The following projections are applicable to the refuse service:

Refuse Services	2017/18	2018/19	2019/20	2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Operating Revenue	15 674	19 555	19 864	19 169	21 314	22 593	23 948
Operating Expenditure	(14 932)	(18 831)	(20 669)	(23 427)	(28 255)	(28 080)	(29 078)
Surplus/(Deficit)	741	724	(805)	(4 258)	(6 941)	(5 487)	(5 130)
Profit %	4.73%	3.70%	-4.05%	-22.21%	-32.56%	-24.29%	-21.42%

1.5.6 Overall impact of tariff increases on households

Information on the impact on households can be illustrated below.

Average Household Consumption:							
{Household.: 1 000 kWh / 30 kl.}		01-Jul-21		01-Jul-22		R	%
Service Description	Units	Tariff	Amount	Tariff	Amount	Difference	Increase
Elec.: Single Phase (40Amp)	40	7,69	317,60	8,38	345,28	27,68	8,72%
Consumption	50	1,098210	54,91	1,258439	62,92	8,01	14,59%
Consumption	350	1,411770	494,12	1,617747	566,21	72,09	14,59%
Consumption	250	1,987270	496,82	2,277213	569,30	72,49	14,59%
Consumption	350	2,350860	822,80	2,693850	942,85	120,05	14,59%
Water : Basic Fee	1	157,50	157,50	165,00	165,00	7,50	4,76%
Consumption	6	0,00	0,00	0,00	0,00	0,00	0,00%
Consumption	14	8,60	120,40	9,00	125,94	5,54	4,60%
Consumption	10	9,10	91,00	9,60	95,96	4,96	5,45%
Sewerage	1	165,00	165,00	172,70	172,70	7,70	4,67%
Refuse Removal	1	187,00	187,00	195,50	195,50	8,50	4,55%
			2 907,15		3 241,67	334,52	11,51%
VAT i.r.o.services (15%)		0,15	436,07	0,15	486,25	50,18	
Sub-Total:			3 343,22		3 727,92	384,70	11,51%
Property Rates	1 500 000	0,008290	1 025,89	0,008622	1 066,92	41,04	4,00%
Total:			4 369,11		4 794,84	425,73	9,74%

Average Household Consumption:							
{Household.: 500 kWh / 25 kl.}		01-Jul-21		01-Jul-22		R	%
Service Description	Units	Tariff	Amount	Tariff	Amount	Difference	styging
Elec.: Single Phase (40Amp)	40	7,69	317,60	8,38	345,28	27,68	8,72%
Consumption	50	1,098210	54,91	1,258439	62,92	8,01	14,59%
Consumption	350	1,411770	494,12	1,617747	566,21	72,09	14,59%
Consumption	100	1,987270	198,73	2,277213	227,72	28,99	14,59%
Water : Basic Fee	1	157,50	157,50	165,00	165,00	7,50	4,76%
Consumption	6	0,00	0,00	0,00	0,00	0,00	0,00%
Consumption	14	8,60	120,40	9,00	125,94	5,54	4,60%
Consumption	5	9,10	45,50	9,60	47,98	2,48	5,45%
Sewerage	1	165,00	165,00	172,70	172,70	7,70	4,67%
Refuse Removal	1	187,00	187,00	195,50	195,50	8,50	4,55%
			1 740,76		1 909,26	168,50	9,68%
VAT i.r.o.services (15%)		0,15	261,11	0,15	286,39	25,27	
Sub-Total:			2 001,87		2 195,65	193,77	9,68%
Property Rates	750 000	0,008290	507,76	0,008622	528,07	20,31	4,00%
Total:			2 509,63		2 723,72	214,09	8,53%

Average Household Consumption:

{Household.: 350 kWh / 20 kl.}

Service Description	Units	01-Jul-21		01-Jul-22		R	%
		Tariff	Amount	Tariff	Amount	Difference	styging
Elektr.: Enkelfase (20Amp)	20	7,69	163,80	8,38	177,64	13,84	8,45%
Verbruik	50	1,098210	54,91	1,258439	62,92	8,01	14,59%
Verbruik	300	1,411770	423,53	1,617747	485,32	61,79	14,59%
Water: Basiese fooi	1	157,50	157,50	165,00	165,00	7,50	4,76%
Verbruik	6	0,00	0,00	0,00	0,00	0,00	0,00%
Verbruik	14	8,60	120,40	9,00	125,94	5,54	4,60%
Riolering	1	165,00	165,00	172,70	172,70	7,70	4,67%
Afvalverwydering	1	187,00	187,00	195,50	195,50	8,50	4,55%
			1 272,14		1 385,03	112,89	8,87%
BTW op dienste (15%)		0,15	190,82	0,15	207,75	16,93	
Sub-Total:			1 462,96		1 592,78	129,82	8,87%
Eiendomsbelasting	500 000	0,008290	335,05	0,008622	348,46	13,40	4,00%
Total:			1 798,02		1 941,24	143,22	7,97%

3. L'Agulhas - Huish.: 800 kWh / 35 kl.

Diens	Eenh.	01-Jul-21		01-Jul-22		R	%
		Tarief	Bedrag	Tarief	Bedrag	verskil	styging
Elektr.: Enkelfase (30Amp)	30	7,69	240,70	8,38	261,46	20,76	8,63%
Verbruik	50	1,098210	54,91	1,258439	62,92	8,01	14,59%
Verbruik	350	1,411770	494,12	1,617747	566,21	72,09	14,59%
Verbruik	250	1,987270	496,82	2,277213	569,30	72,49	14,59%
Verbruik	150	2,350860	352,63	2,693850	404,08	51,45	14,59%
Water: Basiese fooi	1	157,50	157,50	165,00	165,00	7,50	4,76%
Verbruik	6	0,00	0,00	0,00	0,00	0,00	0,00%
Verbruik	14	8,60	120,40	9,00	125,94	5,54	4,60%
Verbruik	15	9,10	136,50	9,60	143,94	7,44	5,45%
Riolering (Sanitasie beskikb.)	1	42,50	42,50	44,00	44,00	1,50	3,53%
Afvalverwydering	1	187,00	187,00	195,50	195,50	8,50	4,55%
			2 283,08		2 538,35	255,28	11,18%
BTW op dienste (15%)		0,15	342,46	0,15	380,75	0,00	
			2 625,54		2 919,11	255,28	9,72%
Eiendomsbelasting	1 500 000	0,008290	1 025,89	0,008622	1 066,92	41,04	
			3 651,43		3 986,03	296,31	8,12%

4. HOP-huis: 50 kWh / 6 kl

		01-Jul-21		01-Jul-22		R	%
Diens	Eenh.	Tarief	Bedrag	Tarief	Bedrag	verskil	styging
Elektr.: P/pay - Verbruik	50	1,054580	52,73	1,208443	60,42	7,69	14,59%
Water : Basiese fooi	1	157,50	157,50	165,00	165,00	7,50	4,76%
Verbruik	6	0,00	0,00	0,00	0,00	0,00	0,00%
Riolering	1	165,00	165,00	172,70	172,70	7,70	4,67%
Afvalverwydering	1	187,00	187,00	195,50	195,50	8,50	4,55%
			562,23		593,62	31,39	5,58%
BTW op dienste (15%)		0,15	84,33	0,15	89,04	4,71	
			646,56		682,67	36,10	5,58%
Eiendomsbelasting (Vrystelling - Eerste R160 000 van eiendom waardasie)		0,008290	0,00	0,008622	0,00	0,00	
	160000		646,56		682,67	36,10	5,58%
MIN: Deernistoekenning - 100% Korting op basiese heffings (inkomste <R3 800 p.m.)			646,56		682,67	36,10	
			0,00		0,00	0,00	0,00%

5. "Skema-huis": 250 kWh / 15 kl

		01-Jul-21		01-Jul-22		R	%
Diens	Eenh.	Tarief	Bedrag	Tarief	Bedrag	verskil	styging
Elektr.: P/pay - Verbruik	50	1,054580	52,73	1,208443	60,42	7,69	14,59%
Verbruik	200	1,401250	280,25	1,605692	321,14	40,89	14,59%
Water : Basiese fooi	1	157,50	157,50	165,00	165,00	7,50	4,76%
Verbruik	6	0,00	0,00	0,00	0,00	0,00	0,00%
Verbruik	9	8,60	77,40	9,00	80,96	3,56	4,60%
Riolering	1	165,00	165,00	172,70	172,70	7,70	4,67%
Afvalverwydering	1	187,00	187,00	195,50	195,50	8,50	4,55%
			919,88		995,72	75,84	8,24%
BTW op dienste (15%)		0,15	137,98	0,15	149,36	11,38	
			1 057,86		1 145,08	87,22	8,24%
Eiendomsbelasting (Vrystelling - Eerste R160 000 van eiendom waardasie)		0,008290	9,67	0,008622	10,06	0,39	
	174 000		1 067,53		1 155,14	87,61	8,21%
MIN: Deernistoekenning - 50 % Korting op basises heffings (inkomste R3 801 - R5 500 p.m.)			293,45		307,08	13,63	
			774,08		848,06	73,98	9,56%

6. Besigheid.: 800 kwh / 40 kl							
		<u>01-Jul-21</u>		<u>01-Jul-22</u>		<u>R</u>	<u>%</u>
<u>Diens</u>	<u>Eenh.</u>	<u>Tarief</u>	<u>Bedrag</u>	<u>Tarief</u>	<u>Bedrag</u>	<u>verskil</u>	<u>styging</u>
Elektr.: Enkelfase (40Amp)	40	11,49	459,60	12,52	500,96	41,36	9,00%
Verbruik	800	1,830220	1 464,18	2,097249	1 677,80	213,62	14,59%
Water : Basiese fooi	1	185,00	185,00	195,50	195,50	10,50	5,68%
Verbruik	40	9,20	368,00	9,75	390,08	22,08	6,00%
Riolering	1	198,00	198,00	210,30	210,30	12,30	6,21%
Afvalverwydering	1	210,00	210,00	223,00	223,00	13,00	6,19%
			2 884,78		3 197,64	312,87	10,85%
BTW op dienste (15%)		0,15	432,72	0,15	479,65	46,93	
			3 317,49		3 677,29	359,80	10,85%
Eiendomsbelasting		0,009035	752,92	0,009487	790,56	37,65	5,00%
	1 000 000		4 070,41		4 467,85	397,44	9,76%

7. Besigheid: 4 000 kwh / 1 100 kl							
		<u>01-Jul-21</u>		<u>01-Jul-22</u>		<u>R</u>	<u>%</u>
<u>Diens</u>	<u>Eenh.</u>	<u>Tarief</u>	<u>Bedrag</u>	<u>Tarief</u>	<u>Bedrag</u>	<u>verskil</u>	<u>styging</u>
Elektr.: Drie-fase (100Amp)	100	31,76	3 176,00	34,62	3 461,84	285,84	9,00%
Verbruik	4 000	1,861500	7 446,00	2,133093	8 532,37	1 086,37	14,59%
Water : Basiese fooi	1	185,00	185,00	195,50	195,50	10,50	5,68%
Verbruik	50	9,20	460,00	9,75	487,60	27,60	6,00%
Verbruik	50	9,90	495,00	10,55	527,42	32,42	6,55%
Verbruik	50	10,90	545,00	11,70	584,79	39,79	7,30%
Verbruik	50	11,70	585,00	12,60	630,05	45,05	7,70%
Verbruik	100	15,50	1 550,00	16,70	1 670,13	120,13	7,75%
Verbruik	100	16,00	1 600,00	17,40	1 740,00	140,00	8,75%
Verbruik	100	20,30	2 030,00	22,25	2 224,88	194,88	9,60%
Verbruik	600	29,70	17 820,00	32,80	19 682,19	1 862,19	10,45%
Riolering	4	198,00	792,00	210,30	841,20	49,20	6,21%
Afvalverwydering	2	210,00	420,00	223,00	446,00	26,00	6,19%
			37 104,00		41 023,96	3 919,96	10,56%
BTW op dienste (15%)		0,15	5 565,60	0,15	6 153,59	587,99	
			42 669,60		47 177,55	4 507,95	10,56%
Eiendomsbelasting		0,009035	4 141,04	0,009487	4 348,09	207,05	5,00%
	5 500 000		46 810,64		51 525,65	4 715,00	10,07%

8. Vissersunie - per woning

		01-Jul-21		01-Jul-22		R	%
<u>Diens</u>	<u>Eenh.</u>	<u>Tarief</u>	<u>Bedrag</u>	<u>Tarief</u>	<u>Bedrag</u>	<u>verskil</u>	<u>styging</u>
Water : Basiese fooi	1	157,50	157,50	165,00	165,00	7,50	4,76%
Verbruik	6	0,00	0,00	0,00	0,00	0,00	0,00%
Verbruik	4	8,60	34,40	9,00	35,98	1,58	4,60%
Riolering	1	165,00	165,00	172,70	172,70	7,70	4,67%
Afvalverwydering	1	187,00	187,00	195,50	195,50	8,50	4,55%
			543,90		569,18	25,28	4,65%
BTW op dienste (15%)		0,15	81,59	0,15	85,38	3,79	
			625,49		654,56	29,07	4,65%
Eiendomsbelasting	90 000	0,008290	0,00	0,008622	0,00	0,00	
	160 000		625,49		654,56	29,07	4,65%
MIN: Deernistoekenning - 100% Korting op basiese heffings (inkomste <R3 800 p.m.)			625,49		654,56	29,07	
			0,00		0,00	0,00	0,00%

9. Besikbaarheidsgelede - Onbeboude Erf

		01-Jul-21		01-Jul-22		R	%
<u>Diens</u>	<u>Eenh.</u>	<u>Tarief</u>	<u>Bedrag</u>	<u>Tarief</u>	<u>Bedrag</u>	<u>verskil</u>	<u>styging</u>
Elektrisiteit	1	165,80	165,80	180,54	180,54	14,74	8,89%
Water	1	157,50	157,50	165,00	165,00	7,50	4,76%
Vullis	1	187,00	187,00	195,50	195,50	8,50	4,55%
Riool, of	1	165,00	165,00	172,70	172,70	7,70	4,67%
Suigtenk	1	42,50	42,50	44,00	44,00	1,50	3,53%
			717,80		757,74	39,94	5,56%
BTW op dienste (15%)		0,15	107,67	0,15	113,66	5,99	
			825,47		871,40	45,93	5,56%
Eiendomsbelasting	600 000	0,008290	414,50	0,008622	431,08	16,58	
			1 239,97		1 302,48	62,51	5,04%

1.6 Operating Expenditure Framework

Municipalities are still urged to implement the cost containment measures on six focus areas namely, consultancy fees, no credit cards, travel and related costs, advertising, catering, events costs and accommodation. With the implementation of cost containment measures, municipalities must control unnecessary spending on nice-to-have items and non-essential and non-priority activities.

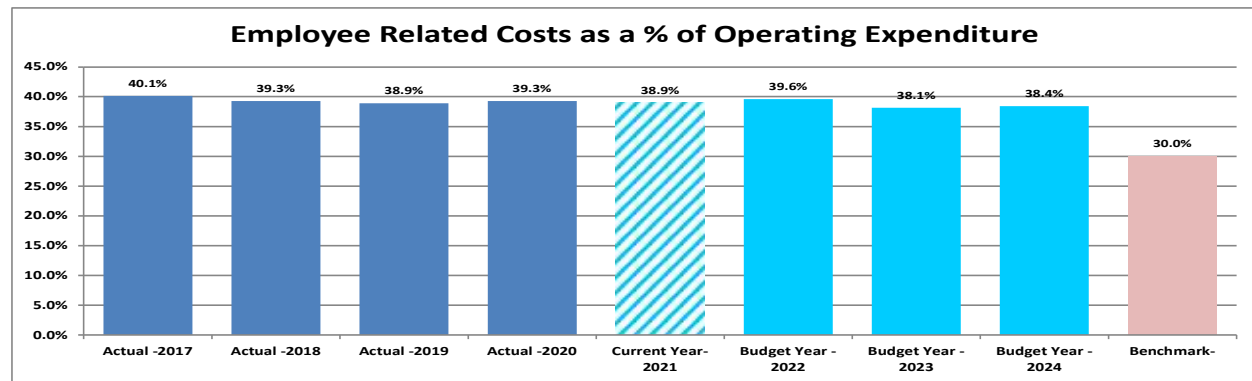
The following table is a high-level summary of the 2021/22 budget and MTREF (classified per main type of operating expenditure):

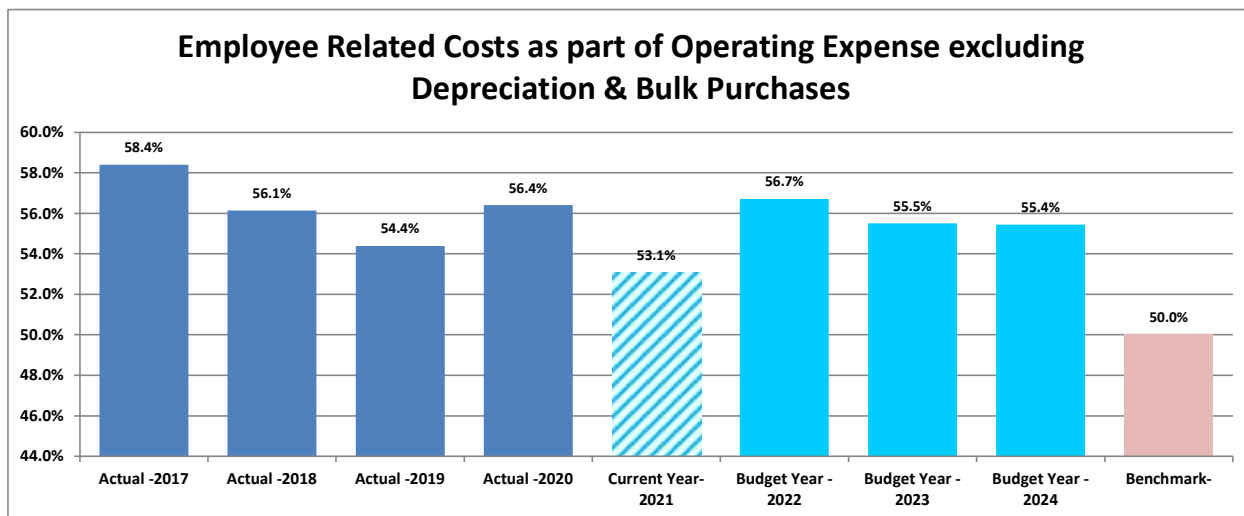
Table 1 Summary of operating expenditure by standard classification item

Description	2020/21		2021/22 Medium Term Revenue & Expenditure Framework					
	Full Year Forecast	%	Budget Year 2021/22	%	Budget Year +1 2022/23	%	Budget Year +2 2023/24	%
Expenditure By Type								
Employee related costs	149 641	38.9%	155 926	39.57%	161 370	38.13%	174 943	38.40%
Remuneration of councillors	6 034	1.57%	6 212	1.58%	6 397	1.51%	6 590	1.45%
Debt impairment	9 769	2.54%	10 159	2.58%	10 566	2.50%	10 988	2.41%
Depreciation & asset impairment	11 369	2.96%	11 823	3.00%	12 296	2.91%	12 787	2.81%
Finance charges	13 983	3.64%	17 237	4.37%	18 739	4.43%	18 910	4.15%
Bulk purchases	91 046	23.69%	107 253	27.22%	120 123	28.39%	127 210	27.92%
Other materials	49 309	12.83%	27 630	7.01%	38 466	9.09%	49 112	10.78%
Contracted services	23 427	6.10%	26 069	6.62%	22 812	5.39%	22 494	4.94%
Transfers and subsidies	3 911	1.02%	2 646	0.67%	2 679	0.63%	2 750	0.60%
Other expenditure	25 845	6.72%	29 050	7.37%	29 715	7.02%	29 786	6.54%
Total Expenditure	384 335	100.00%	394 004	100.00%	423 163	100.00%	455 571	100.00%

The budgeted allocation for employee related costs for the 2021/22 financial year totals R155.926 million, which equals 39.57 per cent of the total operating expenditure. This percentage is set to remain very constant over the two outer years of the MTREF at 38.13 per cent and 38.40 per cent respectively. However, before the municipality reaches any conclusions with regards to levels of employee related costs of the municipality, the municipality should assess the impact of any items that could distort these figures. The municipality should for example exclude any material conditional grant expenditure that can fluctuate significantly year-on-year.

The impact of the EPWP employment should also be taken into account when analyzing the budget for Employee Related cost. Currently included in the budget is a total of R2,678,500 grant funded EPWP budget as well as own municipal EPWP funding of R3,600,200.





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.

The provision of debt impairment was determined based on an annual collection rate of 95 per cent and the Debt Write-off Policy of the Municipality. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate of asset consumption.

Bulk purchases are largely informed by the purchase of electricity from Eskom, which is projected to increase by 17.8%. Although the municipality is not in control of the increase in the cost of bulk purchases, the municipality could still implement measures to reduce distribution losses as well as internal consumption. The municipality should also explore options to reduce dependency on Eskom (ie solar initiatives)

Other expenditure and Other materials comprise of various line items relating to the daily operations of the municipality (including repairs and maintenance as well as operating grant expenditure). These items should be reviewed by the municipality to ensure that all non-priority expenditure is eliminated.

1.6.1 Priority given to repairs and maintenance

National Treasury observed that budget appropriations for asset renewal as part of the capital programme and operational repairs and maintenance of existing asset infrastructure is still not receiving adequate priority by municipalities, regardless of guidance supplied in previous Budget Circulars. Asset management is a strategic imperative for any municipality and needs to be prioritised as a spending objective in the budget of municipalities.

For the 2021/22 budgets and MTREF's, municipalities must ensure they prioritise asset management and take into consideration the following:

- 1) 40 per cent of its 2021/22 to 2023/24 Capital Budget should be allocated to the renewal/upgrade of existing assets it.
- 2) Operational repairs and maintenance should not be less than 8 per cent of the asset value (write down value) of the municipality's Property Plant and Equipment (PPE).

The municipality have made great strides to achieve both these benchmarks. A large contributing factor to reaching the required levels of repairs and maintenance can be attributed to the costing system of the municipality where employee related and other costs directly related to repairs and maintenance projects now accurately being allocated to this line item as follows:

Description	2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand				
Repairs and Maintenance by Expenditure Item				
Employee related costs	47 235	47 515	49 627	53 900
Inventory Consumed (Project Maintenance)	11 806	14 662	15 409	16 201
Contracted Services	8 931	10 000	8 554	8 122
Other Expenditure	4 121	5 065	5 149	4 262
Total Repairs and Maintenance Expenditure	72 094	77 241	78 739	82 486

Repairs and maintenance per asset class

Description	2020/2021	2021/22 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand				
EXPENDITURE OTHER ITEMS	83 463	89 065	91 035	95 273
<u>Depreciation</u>	11 369	11 823	12 296	12 787
<u>Repairs and Maintenance by Asset Class</u>	72 094	77 241	78 739	82 486
<i>Roads Infrastructure</i>	12 513	12 895	13 876	14 945
<i>Electrical Infrastructure</i>	10 267	11 567	10 145	10 983
<i>Water Supply Infrastructure</i>	13 885	13 977	14 669	15 872
<i>Sanitation Infrastructure</i>	7 505	7 796	8 447	9 001
<i>Solid Waste Infrastructure</i>	2 875	4 373	4 312	3 957
Infrastructure	47 045	50 607	51 448	54 759
Community Facilities	6 031	6 082	6 234	6 761
Sport and Recreation Facilities	3 624	3 440	3 143	3 342
Community Assets	9 655	9 522	9 377	10 103
Operational Buildings	5 207	5 744	6 149	6 635
Other Assets	5 207	5 744	6 149	6 635
Licences and Rights	3 925	4 407	4 468	3 278
Intangible Assets	3 925	4 407	4 468	3 278
Computer Equipment	230	230	240	251
Furniture and Office Equipment	43	61	61	63
Machinery and Equipment	549	742	772	805
Transport Assets	5 440	5 927	6 224	6 592
TOTAL EXPENDITURE OTHER ITEMS	83 463	89 065	91 035	95 273
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	82.9%	51.5%	46.2%	60.2%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>	503.9%	219.0%	207.3%	196.1%
<i>R&M as a % of PPE</i>	14.8%	14.7%	13.8%	13.8%
<i>Renewal and upgrading and R&M as a % of PPE</i>	24.0%	18.0%	17.0%	17.0%

1.6.2 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. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table A10 (Basic Service Delivery Measurement).

The cost of the social package of the registered indigent households is financed by the municipality self and largely by utilising the municipality's unconditional equitable share grant, allocated in terms of the Constitution to local government, and received in terms of the annual Division of Revenue Act. The cost associated with indigent subsidies amounts to R11.492 million in 2021/22 and increases to R 12.145 million and R12.831 million in the 2 outer years respectively. These figures do not include the 50 kWh electricity provided to indigents.

1.7 Capital expenditure

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

2021/22 Medium-term capital budget per vote

Vote Description R thousand	2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Capital expenditure - Vote				
Multi-year expenditure to be appropriated				
Vote 2 - Financial Services & ICT	2 026	1 708	2 358	2 410
Vote 4 - Management Services	40	370	200	200
Vote 5 - Engineering Services	12 711	29 242	42 724	31 560
Capital multi-year expenditure sub-total	14 777	31 320	45 282	34 170
Single-year expenditure to be appropriated				
Vote 1 - Executive and Council	2 400	1 074	128	–
Vote 2 - Financial Services & ICT	1 134	561	947	499
Vote 4 - Management Services	2 837	3 031	1 095	1 162
Vote 5 - Engineering Services	47 969	14 305	7 656	5 801
Capital single-year expenditure sub-total	54 340	18 969	9 825	7 462
Total Capital Expenditure - Vote	69 117	50 290	55 107	41 632

The following table provides more information on the breakdown of the capital budget.

Description	2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand				
CAPITAL EXPENDITURE				
<u>Total New Assets</u>	11 828	24 396	29 623	16 559
<i>Storm water Infrastructure</i>	11	–	500	500
<i>Electrical Infrastructure</i>	2 279	5 414	12 673	11 408
<i>Water Supply Infrastructure</i>	–	8 900	9 100	–
<i>Sanitation Infrastructure</i>	500	500	250	–
Infrastructure	2 791	14 814	22 523	11 908
Community Facilities	–	120	–	–
Sport and Recreation Facilities	3 524	2 350	150	200
Community Assets	3 524	2 470	150	200
Operational Buildings	37	–	–	–
Other Assets	37	–	–	–
Computer Equipment	214	13	284	88
Furniture and Office Equipment	140	195	212	314
Machinery and Equipment	5 123	4 002	3 675	3 120
Transport Assets	–	2 902	2 780	930
<u>Total Renewal of Existing Assets</u>	40 986	6 953	8 125	6 866
<i>Roads Infrastructure</i>	2 000	1 800	1 500	1 500
<i>Water Supply Infrastructure</i>	2 150	1 600	3 800	3 700
<i>Sanitation Infrastructure</i>	35 311	1 250	400	1 000
<i>Solid Waste Infrastructure</i>	–	500	1 500	–
Infrastructure	39 461	5 150	7 200	6 200
Community Facilities	–	150	100	–
Community Assets	–	150	100	–
Computer Equipment	452	398	232	351
Furniture and Office Equipment	229	208	143	15
Machinery and Equipment	625	67	–	–
Transport Assets	220	980	450	300

Description	2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand				
<u>Total Upgrading of Existing Assets</u>	16 302	18 941	17 359	18 207
<i>Roads Infrastructure</i>	8 698	16 013	13 183	14 533
<i>Storm water Infrastructure</i>	200	–	–	–
<i>Electrical Infrastructure</i>	1 510	1 463	1 823	1 739
<i>Water Supply Infrastructure</i>	3 110	250	750	1 300
<i>Solid Waste Infrastructure</i>	–	600	700	–
Infrastructure	13 517	18 326	16 455	17 572
Community Facilities	171	–	250	180
Sport and Recreation Facilities	–	140	100	200
Community Assets	171	140	350	380
Operational Buildings	135	–	50	–
Other Assets	135	–	50	–
Licences and Rights	225	–	–	–
Intangible Assets	225	–	–	–
Computer Equipment	343	195	504	255
Furniture and Office Equipment	40	–	–	–
Machinery and Equipment	130	–	–	–
Transport Assets	1 742	280	–	–
<u>Total Capital Expenditure</u>	69 117	50 290	55 107	41 632
<i>Roads Infrastructure</i>	10 698	17 813	14 683	16 033
<i>Storm water Infrastructure</i>	211	–	500	500
<i>Electrical Infrastructure</i>	3 789	6 877	14 495	13 147
<i>Water Supply Infrastructure</i>	5 260	10 750	13 650	5 000
<i>Sanitation Infrastructure</i>	35 811	1 750	650	1 000
<i>Solid Waste Infrastructure</i>	–	1 100	2 200	–
Infrastructure	55 769	38 290	46 178	35 679
Community Facilities	171	270	350	180
Sport and Recreation Facilities	3 524	2 490	250	400
Community Assets	3 694	2 760	600	580
Operational Buildings	172	–	50	–
Other Assets	172	–	50	–
Licences and Rights	225	–	–	–
Intangible Assets	225	–	–	–
Computer Equipment	1 008	606	1 020	694
Furniture and Office Equipment	410	403	355	329
Machinery and Equipment	5 878	4 069	3 675	3 120
Transport Assets	1 962	4 162	3 230	1 230
TOTAL CAPITAL EXPENDITURE - Asset class	69 117	50 290	55 107	41 632

1.8 Annual Budget Tables

The following 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 2021/2022 budget and MTREF to be approved by the Council.

Table A1 - Budget Summary

Description	2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
	R thousands Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<u>Financial Performance</u>				
Property rates	74 704	77 675	81 037	84 696
Service charges	197 326	224 411	247 016	266 770
Investment revenue	2 410	2 405	2 511	2 624
Transfers recognised - operational	78 381	49 722	59 592	69 784
Other own revenue	31 101	30 739	33 487	36 851
Total Revenue (excluding capital transfers and contributions)	383 922	384 952	423 643	460 725
Employee costs	149 641	155 926	161 370	174 943
Remuneration of councillors	6 034	6 212	6 397	6 590
Depreciation & asset impairment	11 369	11 823	12 296	12 787
Finance charges	13 983	17 237	18 739	18 910
Inventory consumed and bulk purchases	140 356	134 882	158 589	176 322
Transfers and grants	3 911	2 646	2 679	2 750
Other expenditure	59 041	65 278	63 092	63 268
Total Expenditure	384 335	394 004	423 163	455 571
Surplus/(Deficit)	(413)	(9 052)	480	5 154
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	18 947	21 925	24 082	15 326
Surplus/(Deficit) after capital transfers & contributions	18 534	12 873	24 562	20 480
Share of surplus/ (deficit) of associate	-	-	-	-
Surplus/(Deficit) for the year	18 534	12 873	24 562	20 480
<u>Capital expenditure & funds sources</u>				
Capital expenditure	69 117	50 290	55 107	41 632
Transfers recognised - capital	18 947	21 925	24 082	15 326
Borrowing	36 478	14 460	17 109	16 472
Internally generated funds	13 691	13 905	13 916	9 833
Total sources of capital funds	69 117	50 290	55 107	41 632

Description	2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousands				
<u>Financial position</u>				
Total current assets	103 136	98 389	99 800	108 967
Total non current assets	532 914	571 378	614 186	643 029
Total current liabilities	65 404	72 963	77 751	82 382
Total non current liabilities	130 229	143 514	158 383	171 282
Community wealth/Equity	440 417	453 290	477 851	498 331
<u>Cash flows</u>				
Net cash from (used) operating	27 348	21 548	28 337	21 584
Net cash from (used) investing	(66 914)	(47 787)	(51 104)	(35 629)
Net cash from (used) financing	15 240	8 695	10 144	8 062
Cash/cash equivalents at the year end	48 715	31 171	18 548	12 564
<u>Cash backing/surplus reconciliation</u>				
Cash and investments available	48 715	31 171	18 548	12 564
Application of cash and investments	23 377	12 266	(13 717)	(31 250)
Balance - surplus (shortfall)	25 338	18 905	32 265	43 814
<u>Asset management</u>				
Asset register summary (WDV)	532 756	571 223	614 033	642 878
Depreciation	11 369	11 823	12 296	12 787
Renewal and Upgrading of Existing Assets	57 289	25 893	25 484	25 073
Repairs and Maintenance	72 094	77 241	78 739	82 486
<u>Free services</u>				
Cost of Free Basic Services provided	10 404	10 888	11 515	12 173
Revenue cost of free services provided	582	605	630	658
<u>Households below minimum service level</u>				
Water:	-	-	-	-
Sanitation/sew erage:	-	-	-	-
Energy :	-	-	-	-
Refuse:	-	-	-	-

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's 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 accumulated surplus 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.

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

Functional Classification Description	2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand				
Revenue - Functional				
<i>Governance and administration</i>	141 388	135 740	140 898	147 393
Executive and council	36 490	33 320	35 317	35 474
Finance and administration	104 898	102 420	105 581	111 919
<i>Community and public safety</i>	54 124	30 022	41 276	51 784
Community and social services	6 860	7 112	7 085	7 210
Sport and recreation	8 740	7 847	8 193	8 561
Public safety	7 460	10 311	10 764	11 249
Housing	31 064	4 752	15 234	24 764
<i>Economic and environmental services</i>	7 402	6 233	5 672	5 927
Planning and development	4 281	2 984	2 280	2 383
Road transport	3 121	3 249	3 392	3 545
<i>Trading services</i>	199 955	234 882	259 879	270 947
Energy sources	137 924	158 607	178 448	193 805
Water management	30 182	40 663	43 681	37 124
Waste water management	12 679	14 297	15 157	16 069
Waste management	19 169	21 314	22 593	23 948
Total Revenue - Functional	402 869	406 877	447 724	476 051
Expenditure - Functional				
<i>Governance and administration</i>	108 790	113 430	115 720	121 482
Executive and council	16 865	15 032	15 569	16 211
Finance and administration	90 430	96 750	98 381	103 366
Internal audit	1 495	1 648	1 770	1 906
<i>Community and public safety</i>	75 966	51 753	62 730	75 556
Community and social services	10 929	12 373	13 374	14 459
Sport and recreation	13 396	13 842	13 535	14 523
Public safety	17 692	18 011	17 591	18 545
Housing	33 949	7 527	18 229	28 030
<i>Economic and environmental services</i>	32 050	33 861	36 273	38 035
Planning and development	11 050	11 842	12 622	13 045
Road transport	20 954	21 974	23 605	24 942
Environmental protection	46	45	46	48
<i>Trading services</i>	164 536	191 631	204 866	216 657
Energy sources	107 040	126 436	138 637	146 752
Water management	22 233	23 901	24 310	25 941
Waste water management	11 836	13 039	13 838	14 885
Waste management	23 427	28 255	28 080	29 078
<i>Other</i>	2 993	3 329	3 573	3 841
Total Expenditure - Functional	384 335	394 004	423 163	455 571
Surplus/(Deficit) for the year	18 534	12 873	24 562	20 480

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 16 mSCOA functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note that as a general principle the revenues for the Trading Services should exceed their expenditures.
3. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources.
4. The table includes capital grant revenue, but excludes internal charges between various departments such as electricity, water, sanitation and refuse. These items, although correctly included/excluded, should also be taken into account before coming to any conclusion with regards to the cost reflectiveness of tariffs and fees raised by the municipality.

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

Vote Description R thousand	Full Year Forecast	2021/22 Medium Term Revenue & Expenditure Framework		
		Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue by Vote				
Vote 1 - Executive and Council	40 971	38 094	36 909	37 135
Vote 2 - Financial Services & ICT	88 356	87 218	92 057	97 995
Vote 4 - Management Services	57 310	33 456	45 020	55 699
Vote 5 - Engineering Services	216 231	248 108	273 739	285 223
Total Revenue by Vote	402 869	406 877	447 724	476 051
Expenditure by Vote to be appropriated				
Vote 1 - Executive and Council	47 253	48 737	48 889	51 683
Vote 2 - Financial Services & ICT	62 991	67 354	69 336	72 101
Vote 4 - Management Services	86 216	61 944	73 739	87 464
Vote 5 - Engineering Services	187 876	215 968	231 199	244 323
Total Expenditure by Vote	384 335	394 004	423 163	455 571
Surplus/(Deficit) for the year	18 534	12 873	24 562	20 480

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

1. 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.

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

Description	2020/21	2021/22 Medium Term Revenue & Expenditure Framework			
	R thousand	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue By Source					
Property rates	74 704	77 675	81 037	84 696	
Service charges - electricity revenue	135 310	155 851	174 300	189 645	
Service charges - water revenue	30 178	32 960	34 978	37 120	
Service charges - sanitation revenue	12 669	14 286	15 145	16 057	
Service charges - refuse revenue	19 169	21 314	22 593	23 948	
Rental of facilities and equipment	1 305	1 359	1 419	1 482	
Interest earned - external investments	2 410	2 405	2 511	2 624	
Interest earned - outstanding debtors	1 839	1 911	1 991	2 079	
Fines, penalties and forfeits	7 379	10 382	10 838	11 326	
Licences and permits	25	26	28	29	
Agency services	3 121	3 249	3 392	3 545	
Transfers and subsidies	78 381	49 722	59 592	69 784	
Other revenue	15 232	11 312	11 820	12 391	
Gains	2 200	2 500	4 000	6 000	
Total Revenue (excluding capital transfers and contributions)	383 922	384 952	423 643	460 725	
Expenditure By Type					
Employee related costs	149 641	155 926	161 370	174 943	
Remuneration of councillors	6 034	6 212	6 397	6 590	
Debt impairment	9 769	10 159	10 566	10 988	
Depreciation & asset impairment	11 369	11 823	12 296	12 787	
Finance charges	13 983	17 237	18 739	18 910	
Bulk purchases - electricity	91 046	107 253	120 123	127 210	
Inventory consumed	49 309	27 630	38 466	49 112	
Contracted services	23 427	26 069	22 812	22 494	
Transfers and subsidies	3 911	2 646	2 679	2 750	
Other expenditure	25 845	29 050	29 715	29 786	
Total Expenditure	384 335	394 004	423 163	455 571	
Surplus/(Deficit)	(413)	(9 052)	480	5 154	
Transfers and subsidies - capital	18 947	21 925	24 082	15 326	
Surplus/(Deficit) for the year	18 534	12 873	24 562	20 480	

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

1. Table A4 represents the revenue per source as well as the expenditure per type. This classification is aligned to the GRAP disclosures in the annual financial statements of the municipality as well as the mSCOA reporting framework.

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

Vote Description	2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
	R thousand	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Capital expenditure - Vote				
<u>Multi-year expenditure to be appropriated</u>				
Vote 2 - Financial Services & ICT	2 026	1 708	2 358	2 410
Vote 4 - Management Services	40	370	200	200
Vote 5 - Engineering Services	12 711	29 242	42 724	31 560
Capital multi-year expenditure sub-total	14 777	31 320	45 282	34 170
<u>Single-year expenditure to be appropriated</u>				
Vote 1 - Executive and Council	2 400	1 074	128	–
Vote 2 - Financial Services & ICT	1 134	561	947	499
Vote 4 - Management Services	2 837	3 031	1 095	1 162
Vote 5 - Engineering Services	47 969	14 305	7 656	5 801
Capital single-year expenditure sub-total	54 340	18 969	9 825	7 462
Total Capital Expenditure - Vote	69 117	50 290	55 107	41 632

Vote Description R thousand	2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Capital Expenditure - Functional				
<i>Governance and administration</i>	3 613	2 373	3 358	2 909
Executive and council	37	18	3	–
Finance and administration	3 577	2 355	3 355	2 909
<i>Community and public safety</i>	2 205	3 284	1 220	1 362
Community and social services	85	65	250	380
Sport and recreation	2 087	2 280	250	200
Public safety	31	939	720	782
Housing	3	–	–	–
<i>Economic and environmental services</i>	13 521	18 789	16 763	16 783
Planning and development	2 188	886	55	–
Road transport	11 255	17 843	16 708	16 783
Environmental protection	78	60	–	–
<i>Trading services</i>	49 607	25 670	33 697	20 579
Energy sources	6 126	10 079	16 827	14 579
Water management	5 260	10 900	13 740	5 000
Waste water management	36 111	1 750	650	1 000
Waste management	2 110	2 942	2 480	–
<i>Other</i>	171	174	70	–
Total Capital Expenditure - Functional	69 117	50 290	55 107	41 632
Funded by:				
National Government	12 847	21 110	23 832	15 146
Provincial Government	6 100	815	250	180
Transfers recognised - capital	18 947	21 925	24 082	15 326
Borrowing	36 478	14 460	17 109	16 472
Internally generated funds	13 691	13 905	13 916	9 833
Total Capital Funding	69 117	50 290	55 107	41 632

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

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.
3. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. 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.
4. The capital program is funded from National, Provincial and Other grants and transfers, borrowing and internally generated funds from current and prior year surpluses.

MBRR Table A6 - Budgeted Financial Position

Description	2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
		Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23
R thousand				
ASSETS				
Current assets				
Cash	38 715	21 171	8 548	2 564
Call investment deposits	10 000	10 000	10 000	10 000
Consumer debtors	48 631	59 817	72 145	85 482
Other debtors	3 852	5 462	7 168	8 981
Current portion of long-term receivables	3	3	3	3
Inventory	1 936	1 936	1 936	1 936
Total current assets	103 136	98 389	99 800	108 967
Non current assets				
Long-term receivables	158	155	153	150
Investment property	40 320	40 311	40 302	40 293
Property, plant and equipment	487 675	526 488	569 660	598 880
Intangible	4 761	4 423	4 071	3 706
Total non current assets	532 914	571 378	614 186	643 029
TOTAL ASSETS	636 050	669 767	713 986	751 995
LIABILITIES				
Current liabilities				
Borrowing	6 137	7 365	8 838	10 605
Consumer deposits	5 329	5 702	6 101	6 528
Trade and other payables	37 773	42 923	44 990	46 535
Provisions	16 165	16 973	17 822	18 713
Total current liabilities	65 404	72 963	77 751	82 382
Non current liabilities				
Borrowing	35 591	42 686	50 957	56 824
Provisions	94 639	100 829	107 426	114 458
Total non current liabilities	130 229	143 514	158 383	171 282
TOTAL LIABILITIES	195 634	216 478	236 134	253 664
NET ASSETS	440 417	453 290	477 851	498 331
COMMUNITY WEALTH/EQUITY				
Accumulated Surplus/(Deficit)	405 417	423 290	462 851	488 331
Reserves	35 000	30 000	15 000	10 000
TOTAL COMMUNITY WEALTH/EQUITY	440 417	453 290	477 851	498 331

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is 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 A6 is supported by an extensive table of notes (SA3) 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.

MBRR Table A7 - Budgeted Cash Flow Statement

Description	2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand				
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Property rates	69 810	73 791	76 985	80 461
Service charges	184 399	213 190	234 665	253 432
Other revenue	27 434	18 572	19 399	20 311
Transfers and Subsidies - Operational	78 269	49 722	59 592	69 784
Transfers and Subsidies - Capital	18 926	21 925	24 082	15 326
Interest	4 128	4 220	4 402	4 598
Payments				
Suppliers and employees	(348 041)	(350 718)	(380 527)	(412 271)
Finance charges	(3 668)	(6 509)	(7 582)	(7 307)
Transfers and Grants	(3 911)	(2 646)	(2 679)	(2 750)
NET CASH FROM/(USED) OPERATING ACTIVITIES	27 348	21 548	28 337	21 584
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	2 200	2 500	4 000	6 000
Decrease (increase) in non-current receivables	3	3	3	3
Payments				
Capital assets	(69 117)	(50 290)	(55 107)	(41 632)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(66 914)	(47 787)	(51 104)	(35 629)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Borrowing long term/refinancing	23 295	14 460	17 109	16 472
Increase (decrease) in consumer deposits	302	373	399	427
Payments				
Repayment of borrowing	(8 357)	(6 137)	(7 365)	(8 838)
NET CASH FROM/(USED) FINANCING ACTIVITIES	15 240	8 695	10 144	8 062
NET INCREASE/ (DECREASE) IN CASH HELD	(24 327)	(17 543)	(12 624)	(5 983)
Cash/cash equivalents at the year begin:	73 041	48 715	31 171	18 548
Cash/cash equivalents at the year end:	48 715	31 171	18 548	12 564

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Description	2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand				
<u>Cash and investments available</u>				
Cash/cash equivalents at the year end	48 715	31 171	18 548	12 564
Cash and investments available:	48 715	31 171	18 548	12 564
<u>Application of cash and investments</u>				
Unspent conditional transfers	159	159	159	159
Other working capital requirements	(11 782)	(17 893)	(28 876)	(41 409)
Reserves to be backed by cash/investments	35 000	30 000	15 000	10 000
Total Application of cash and investments:	23 377	12 266	(13 717)	(31 250)
Surplus(shortfall)	25 338	18 905	32 265	43 814

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

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. As part of the budgeting and planning guidelines that informed the compilation of the 2021/22 MTREF the end objective of the medium-term framework is to ensure the budget is funded and aligned to section 18 of the MFMA.

MBRR Table A9 - Asset Management

Description	2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand				
CAPITAL EXPENDITURE				
<u>Total New Assets</u>	11 828	24 396	29 623	16 559
<i>Storm water Infrastructure</i>	11	–	500	500
<i>Electrical Infrastructure</i>	2 279	5 414	12 673	11 408
<i>Water Supply Infrastructure</i>	–	8 900	9 100	–
<i>Sanitation Infrastructure</i>	500	500	250	–
Infrastructure	2 791	14 814	22 523	11 908
Community Facilities	–	120	–	–
Sport and Recreation Facilities	3 524	2 350	150	200
Community Assets	3 524	2 470	150	200
Operational Buildings	37	–	–	–
Other Assets	37	–	–	–
Computer Equipment	214	13	284	88
Furniture and Office Equipment	140	195	212	314
Machinery and Equipment	5 123	4 002	3 675	3 120
Transport Assets	–	2 902	2 780	930
<u>Total Renewal of Existing Assets</u>	40 986	6 953	8 125	6 866
<i>Roads Infrastructure</i>	2 000	1 800	1 500	1 500
<i>Water Supply Infrastructure</i>	2 150	1 600	3 800	3 700
<i>Sanitation Infrastructure</i>	35 311	1 250	400	1 000
<i>Solid Waste Infrastructure</i>	–	500	1 500	–
Infrastructure	39 461	5 150	7 200	6 200
Community Facilities	–	150	100	–
Community Assets	–	150	100	–
Computer Equipment	452	398	232	351
Furniture and Office Equipment	229	208	143	15
Machinery and Equipment	625	67	–	–
Transport Assets	220	980	450	300

Description	2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand				
<u>Total Upgrading of Existing Assets</u>	16 302	18 941	17 359	18 207
<i>Roads Infrastructure</i>	8 698	16 013	13 183	14 533
<i>Storm water Infrastructure</i>	200	–	–	–
<i>Electrical Infrastructure</i>	1 510	1 463	1 823	1 739
<i>Water Supply Infrastructure</i>	3 110	250	750	1 300
<i>Solid Waste Infrastructure</i>	–	600	700	–
Infrastructure	13 517	18 326	16 455	17 572
Community Facilities	171	–	250	180
Sport and Recreation Facilities	–	140	100	200
Community Assets	171	140	350	380
Operational Buildings	135	–	50	–
Other Assets	135	–	50	–
Licences and Rights	225	–	–	–
Intangible Assets	225	–	–	–
Computer Equipment	343	195	504	255
Furniture and Office Equipment	40	–	–	–
Machinery and Equipment	130	–	–	–
Transport Assets	1 742	280	–	–
<u>Total Capital Expenditure</u>	69 117	50 290	55 107	41 632
<i>Roads Infrastructure</i>	10 698	17 813	14 683	16 033
<i>Storm water Infrastructure</i>	211	–	500	500
<i>Electrical Infrastructure</i>	3 789	6 877	14 495	13 147
<i>Water Supply Infrastructure</i>	5 260	10 750	13 650	5 000
<i>Sanitation Infrastructure</i>	35 811	1 750	650	1 000
<i>Solid Waste Infrastructure</i>	–	1 100	2 200	–
Infrastructure	55 769	38 290	46 178	35 679
Community Facilities	171	270	350	180
Sport and Recreation Facilities	3 524	2 490	250	400
Community Assets	3 694	2 760	600	580
Operational Buildings	172	–	50	–
Other Assets	172	–	50	–
Licences and Rights	225	–	–	–
Intangible Assets	225	–	–	–
Computer Equipment	1 008	606	1 020	694
Furniture and Office Equipment	410	403	355	329
Machinery and Equipment	5 878	4 069	3 675	3 120
Transport Assets	1 962	4 162	3 230	1 230

Description	2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
	R thousand Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
ASSET REGISTER SUMMARY - PPE (WDV)	532 756	571 223	614 033	642 878
<i>Roads Infrastructure</i>	93 317	109 678	122 850	137 312
<i>Storm water Infrastructure</i>	44 111	43 452	43 266	43 053
<i>Electrical Infrastructure</i>	64 509	69 650	82 339	93 608
<i>Water Supply Infrastructure</i>	46 026	55 605	68 038	71 771
<i>Sanitation Infrastructure</i>	85 482	85 458	84 262	83 343
<i>Solid Waste Infrastructure</i>	1 975	1 525	2 112	436
Infrastructure	335 420	365 367	402 867	429 522
Community Assets	35 633	38 112	38 420	38 696
Investment properties	40 320	40 311	40 302	40 293
Other Assets	80 783	80 274	79 795	79 245
Intangible Assets	4 761	4 423	4 071	3 706
Computer Equipment	5 488	5 726	6 363	6 660
Furniture and Office Equipment	4 954	4 590	4 148	3 647
Machinery and Equipment	12 704	16 449	19 788	22 558
Transport Assets	12 693	15 970	18 279	18 552
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	532 756	571 223	614 033	642 878
EXPENDITURE OTHER ITEMS	83 463	89 065	91 035	95 273
<u>Depreciation</u>	11 369	11 823	12 296	12 787
<u>Repairs and Maintenance by Asset Class</u>	72 094	77 241	78 739	82 486
<i>Roads Infrastructure</i>	12 513	12 895	13 876	14 945
<i>Electrical Infrastructure</i>	10 267	11 567	10 145	10 983
<i>Water Supply Infrastructure</i>	13 885	13 977	14 669	15 872
<i>Sanitation Infrastructure</i>	7 505	7 796	8 447	9 001
<i>Solid Waste Infrastructure</i>	2 875	4 373	4 312	3 957
Infrastructure	47 045	50 607	51 448	54 759
Community Facilities	6 031	6 082	6 234	6 761
Sport and Recreation Facilities	3 624	3 440	3 143	3 342
Community Assets	9 655	9 522	9 377	10 103
Operational Buildings	5 207	5 744	6 149	6 635
Other Assets	5 207	5 744	6 149	6 635
Licences and Rights	3 925	4 407	4 468	3 278
Intangible Assets	3 925	4 407	4 468	3 278
Computer Equipment	230	230	240	251
Furniture and Office Equipment	43	61	61	63
Machinery and Equipment	549	742	772	805
Transport Assets	5 440	5 927	6 224	6 592
TOTAL EXPENDITURE OTHER ITEMS	83 463	89 065	91 035	95 273

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, and allocations to repairs and maintenance should be 8 per cent of PPE. The Municipality does not meet both these recommendations.

MBRR Table A10 - Basic Service Delivery Measurement

WC033 Cape Agulhas - Table A10 Basic service delivery measurement

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Household service targets	1									
Water:										
Piped water inside dwelling		9 725	9 725	9 725	9 149	9 149	9 149	9 149	9 149	9 149
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		9 725	9 725	9 725	9 149	9 149	9 149	9 149	9 149	9 149
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	836	836	836	836	836	836	836	836	836
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		836	836	836	836	836	836	836	836	836
Total number of households	5	10 561	10 561	10 561	9 985	9 985	9 985	9 985	9 985	9 985
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		9 419	9 419	9 419	9 416	9 416	9 416	9 416	9 416	9 416
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		9 419	9 419	9 419	9 416	9 416	9 416	9 416	9 416	9 416
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	9 419	9 419	9 419	9 416	9 416	9 416	9 416	9 416	9 416
Energy:										
Electricity (at least min.service level)		9 481	9 481	9 481	9 149	9 149	9 149	9 149	9 149	9 149
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		9 481	9 481	9 481	9 149	9 149	9 149	9 149	9 149	9 149
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min.service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	9 481	9 481	9 481	9 149	9 149	9 149	9 149	9 149	9 149
Refuse:										
Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week		9 481	9 481	9 481	9 481	9 481	9 481	9 481	9 955	10 453
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		9 481	9 481	9 481	9 481	9 481	9 481	9 955	10 453	10 453
Total number of households	5	9 481	9 481	9 481	9 481	9 481	9 481	9 955	10 453	10 453
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		3 001	2 952	4 356	2 625	2 625	2 625	2 733	2 853	2 981
Sanitation (free sanitation service to indigent households)		2 403	2 741	4 370	3 460	3 460	3 460	3 595	3 811	4 039
Electricity/other energy (50kwh per indigent household per month)		152	103	120	108	265	265	304	340	370
Refuse (removed once a week for indigent households)		3 979	4 641	6 289	4 182	4 053	4 053	4 256	4 512	4 782
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		-	-	-	-	-	-	-	-	-
Total cost of FBS provided		9 535	10 438	15 135	10 375	10 404	10 404	10 888	11 515	12 173

Part 2 – Supporting Documentation

1.1 Other Supporting Documentation

1.2 Manager's quality certificate

I Eben Phillips....., Municipal Manager of Cape Agulhas 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.

Print Name: Eben Phillips

Municipal Manager of Cape Agulhas Municipality

Signature: _____

Date: 31 March 2021

Part 3 – Appendices

2.1 Appendix A – Tariff Listing

Attached.

2.2 Appendix B – SDBIP

Attached.

2.3 Appendix C – Service Level Standards

Attached.

2.4 Appendix D – Procurement Plan

Attached.